

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

UNAUDITED FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding year.

**Consolidated statement of comprehensive income for the
1st quarter for the period ended 31 March 2021**

	31/3/2021	31/3/2020	Change
	<u>RMB'000</u>	<u>RMB'000</u>	+ / (-) %
Revenue	960,383	784,235	23
Cost of sales	(850,538)	(770,684)	10
Gross profit	109,845	13,551	(711)
Other income	3,600	5,149	(30)
Distribution costs	(15)	(27)	(44)
Administrative costs	(6,360)	(7,941)	(20)
Other operating expense	(198)	(23)	761
Finance costs	(8,551)	(10,597)	(19)
Profit before taxation	98,321	112	
Taxation	(23,948)	(2,863)	737
Total comprehensive profit / (expense) for the period	<u>74,373</u>	<u>(2,751)</u>	
Attributable to:			
Equity holders of the Company	59,337	801	
Non-controlling interests	15,036	(3,552)	
	<u>74,373</u>	<u>(2,751)</u>	

Notes to the consolidated statement of comprehensive income

	31/3/2021	31/3/2020	Change
	<u>RMB'000</u>	<u>RMB'000</u>	+/(-)
			%
Profit before taxation is arrived at after (crediting)/charging:			
Other operating income included:-			
- Interest income	(1,296)	(323)	301
Depreciation of property, plant and equipment	27,728	41,395	(33)
Loss on disposal of property, plant and equipment	-	67	(100)
Amortisation of land use rights	271	271	-

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/3/2021 <u>RMB'000</u>	31/12/2020 <u>RMB'000</u>	31/3/2021 <u>RMB'000</u>	31/12/2020 <u>RMB'000</u>
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	1,918,348	1,921,658	-	-
Right-of-use assets	4,427	4,427	-	-
Land use rights	91,285	91,285	-	-
Goodwill on consolidation	10,345	10,345	-	-
Financial asset, at fair value through other comprehensive income	-	-	250,041	250,041
Investment securities	79,761	79,761	-	-
	<u>2,104,166</u>	<u>2,107,476</u>	<u>250,041</u>	<u>250,041</u>
CURRENT ASSETS				
Land use rights	814	1,085	-	-
Inventories	172,642	146,717	-	-
Trade and other receivables	34,264	40,907	-	-
Amount owing by a subsidiary corporation	-	-	7,569	7,612
Amounts owing by affiliated companies	247	2,542	-	-
Prepayments	13,271	5,020	-	-
Cash and bank balances	367,561	352,035	191	1,769
	<u>588,799</u>	<u>548,306</u>	<u>7,760</u>	<u>9,381</u>
TOTAL ASSETS	<u>2,692,965</u>	<u>2,655,782</u>	<u>257,801</u>	<u>259,422</u>
EQUITY				
Equity attributable to equity holders of the parent				
Share capital	316,125	316,125	316,125	316,125
Retained profits/(accumulated losses)	393,034	334,224	(59,423)	(58,684)
Fair value reserves	34,517	34,517	-	-
Capital reserves	250,000	250,000	-	-
Other reserves	92,333	91,806	-	-
	<u>1,086,009</u>	<u>1,026,672</u>	<u>256,702</u>	<u>257,441</u>
Non-controlling interests	213,012	197,976	-	-
TOTAL EQUITY	<u>1,299,021</u>	<u>1,224,648</u>	<u>256,702</u>	<u>257,441</u>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/3/2021	31/12/2020	31/3/2021	31/12/2020
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
Loans from non-controlling interest	625,000	625,000	-	-
Bank borrowings	480,000	480,000	-	-
Lease liabilities	4,407	4,407	-	-
	<u>1,109,407</u>	<u>1,109,407</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES				
Loan from non-controlling interests	60,000	80,000	-	-
Bank borrowings	20,000	51,250	-	-
Lease liabilities	373	373	-	-
Trade and other payables	172,865	142,032	1,099	1,981
Amounts owing to affiliated companies	1,819	6,948	-	-
Current tax payable	29,480	41,124	-	-
	<u>284,537</u>	<u>321,727</u>	<u>1,099</u>	<u>1,981</u>
TOTAL EQUITY AND LIABILITIES	<u>2,692,965</u>	<u>2,655,782</u>	<u>257,801</u>	<u>259,422</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31/3/2021		As at 31/12/2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
20,000 ⁽¹⁾	60,000 ⁽³⁾	51,250 ^{(1),(2)}	-

Amount repayable after one year

As at 31/3/2021		As at 31/12/2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
480,000 ⁽¹⁾	625,000 ⁽³⁾	480,000 ⁽¹⁾	-

Details of any collateral

1. Bank borrowings of the subsidiary Dongming Hengchang is secured by a corporate guarantee from an affiliated company, Dongming Zhongyou Fuel and Petrochemical Co., Ltd (东明中油燃料石化有限公司).
2. Bank borrowings of the subsidiary Dongming Qianhai is secured by a mortgage over the property, plant and equipment of an affiliated company, Dongming Runze Petrochemical Co.,Ltd (东明润泽化工有限公司). This loan has been fully discharged during the reporting period;
3. Unsecured loan from non-controlling interest("NCI"), Shandong Dongming Petrochem Group Co., Ltd (山东东明石化集团有限公司).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of cash flows for the period ended 31 March 2021

	31/3/2021	31/3/2020
	<u>RMB'000</u>	<u>RMB'000</u>
Cash flows from operating activities		
Profit for the period	98,321	112
Adjustments for:-		
Depreciation of property, plant and equipment	27,728	41,395
Amortisation of land use rights	271	271
Loss on disposal of property, plant and equipment	-	67
Interest expense	8,551	10,597
Interest income	(1,296)	(323)
Operating profit before working capital changes	133,575	52,119
Changes in working capital:		
Change in inventories	(25,925)	61,920
Change in amount owing by/(to) affiliated companies	(2,834)	-
Change in operating receivables	(1,608)	36,498
Change in operating payables	30,833	(30,281)
Cash generated from operations	134,041	120,256
Interest paid	(8,551)	(10,597)
Income tax paid	(35,592)	(25,488)
Net cash generated from operating activities	89,898	84,171
Cash flows from investing activities		
Acquisition of property, plant and equipment	(24,418)	(105,301)
Acquisition of land use rights	-	(118)
Change in amount owing to non-controlling interest	-	132,961
Interest received	1,296	323
Net cash (used in)/generated from investing activities	(23,122)	27,865
Cash flows from financing activity		
Repayment of loan to non-controlling interests	(20,000)	(100,000)
Repayment of bank borrowings	(31,250)	(31,250)
Bank borrowings	-	500,000
Net cash (used in)/generated from financing activities	(51,250)	368,750
Net increase in cash and cash equivalents	15,526	480,786
Cash and cash equivalents at beginning of period	352,035	66,247
Cash and cash equivalents at end of period	367,561	547,033

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

Cash on hand	114	177
Bank balances	358,447	539,856
Fixed deposit placed with financial institutions	9,000	7,000
	367,561	547,033

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED STATEMENT OF CHANGES IN EQUITY - GROUP

	Share capital	Retained earnings	Fair value reserve	Capital reserve	Other reserves			Equity attributable to owners	Non-controlling interests	Total equity
					Statutory common reserve	Voluntary Common reserve	Sub-total			
1 January 2020 to 31 March 2020	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2020	316,125	192,354	-	250,000	74,326	797	75,123	833,602	157,161	990,763
Total comprehensive income for the period	-	801	-	-	-	-	-	801	(3,552)	(2,751)
Transfer to statutory common reserve	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	316,125	193,155	-	250,000	74,326	797	75,123	834,403	153,609	988,012

	Share capital	Retained earnings	Fair value reserve	Capital reserve	Other reserves			Equity attributable to owners	Non-controlling interests	Total equity
					Statutory common reserve	Voluntary Common reserve	Sub-total			
1 January 2021 to 31 March 2021	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2021	316,125	334,224	34,517	250,000	91,009	797	91,806	1,026,672	197,976	1,224,648
Total comprehensive income for the period	-	59,337	-	-	-	-	-	59,337	15,036	74,373
Transfer to statutory common reserve	-	(527)	-	-	527	-	527	-	-	-
Balance as at 31 March 2021	316,125	393,034	34,517	250,000	91,536	797	92,333	1,086,009	213,012	1,299,021

UNAUDITED STATEMENT OF CHANGES IN EQUITY - COMPANY

	Share capital RMB'000	Accumulated losses RMB'000	Total equity RMB'000
1 January 2020 to 31 March 2020			
Balance as at 1 January 2020	316,125	(52,907)	263,218
Total comprehensive income for the period	-	(1,416)	(1,416)
Balance as at 31 March 2020	<u>316,125</u>	<u>(54,323)</u>	<u>261,802</u>

	Share capital RMB'000	Accumulated losses RMB'000	Total equity RMB'000
1 January 2021 to 31 March 2021			
Balance as at 1 January 2021	316,125	(58,684)	257,441
Total comprehensive income for the period	-	(739)	(739)
Balance as at 31 March 2021	<u>316,125</u>	<u>(59,423)</u>	<u>256,702</u>

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

There were no outstanding convertibles issued or treasury shares held by the Company as at 31 December 2020. There were no changes in the Company's share capital during the current financial period reported on.

1(d) (iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Company	31/3/2021	31/3/2020
Total number of issued shares (excluding treasury shares)	640,000,000	640,000,000

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

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group had applied the same accounting policies and methods of computation in the financial statements for the current financial period as those adopted in the audited financial statement for the financial year ended 31 December 2020.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There is no change in accounting policies and methods of computation since 31 December 2020.

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

	1 st Quarter ended 31/3/2021 <u>RMB (cents)</u>	1 st Quarter ended 31/3/2020 <u>RMB (cents)</u>
Profit per share for the period based on net profit attributable to owners of the parent company		
(a) Based on basic number of ordinary shares on issue	9.27	0.13
No. of shares in issue	640,000,000	640,000,000
(b) On a fully diluted basis	9.27	0.13
No. of shares in issue	640,000,000	640,000,000

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

	Group		Company	
	31/3/2021 <u>RMB</u>	31/12/2020 <u>RMB</u>	31/3/2021 <u>RMB</u>	31/12/2020 <u>RMB</u>
Net asset value per ordinary share	1.70	1.60	0.40	0.40
No. of share in issue	640,000,000	640,000,000	640,000,000	640,000,000

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Analysis of Revenue (in RMB '000)	1st Qtr 2021	%	1st Qtr 2020	%
Processed LPG - Total	275,182	28.7%	255,300	32.6%
- Inter-company *	(156,657)	-16.3%	(156,844)	-20.0%
Propylene	82,883	8.6%	72,334	9.2%
Polypropylene	72,695	7.6%	58,928	7.5%
Premium grade polypropylene #	20,859	2.2%	-	0.0%
MTBE	365,975	38.1%	298,232	38.0%
Propylene II	153,151	15.9%	124,973	15.9%
Hydrogen	49,294	5.1%	46,961	6.0%
Isobutylene	35,246	3.7%	39,898	5.1%
Other Gas	3,886	0.4%	3,797	0.5%
Logistics & transport related services	57,869	6.0%	40,656	5.2%
TOTAL	960,383	100.0%	784,235	100.0%

* supplied of LPG to subsidiary Dongming Qianhai
production from new polypropylene plant

(a) **Processed LPG**

Sale of processed LPG increases by 7.8% from RMB 255.3 million in 1Q20 to RMB 275.2 million in 1Q21, included the inter-company transactions. Production output increase by 4.3% during the periods, average selling price (“ASP”) increase by 3.3% offset with the average cost of production (“ACP”) decreases by 3.2%.

(b) **Propylene**

Sale of propylene increases by 14.6% from RMB 72.3 million in 1Q20 to RMB 82.9 million in 1Q21. Despite the production output decrease by 4.6%, increase mainly due to increase in ASP by 20.1% as compare to 1Q20.

(c) **Polypropylene**

Polypropylene increases by 23.4% from RMB 58.9 million in 1Q20 to RMB 72.7 million in 1Q21. Increase mainly due to increase in production output and ASP by 1.7% and 21.4% respectively as compare to 1Q20.

(d) **Premium grade polypropylene**

This is output from the new polypropylene plant production trial-run during the period of 1Q21.

(e) **MTBE**

MTBE increases by 22.7% from RMB 298.2 million in 1Q20 to RMB 365.9 million in 1Q21. Mainly due to increase in production and ASP by 14.7% and 7.0% respectively, offset by decrease in ACP during the reporting periods by 12.1%.

(f) **Propylene II**

Propylene II increases by 22.5% from RMB 124.9 million in 1Q20 to RMB 153.1 million in 1Q21. Mainly due to increase in production output by 1.8% as compare to 1Q20.

(g) **Hydrogen**

Hydrogen is mainly transacted directly to a related party for its production consumption. During the periods, production output increases by 5.0% resulted the revenue increase accordingly from RMB 46.9 million in 1Q20 to approximately RMB 49.3 million in 1Q21.

(h) **Isobutylene**

Isobutylene decreases by 11.7% from RMB 39.9 million in 1Q20 to RMB 35.2 million in 1Q21. Mainly due to decrease in production output by 11.7% as compare to 1Q20. Both Isobutylene and MTBE are producing from the same etherification installation, during the periods, isobutylene output was intentional adjusted lower due to low market selling price experienced.

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

Total revenue from this business increase by 42.6% from RMB 40.6 million in 1Q20 to RMB 57.9 million in 1Q21 mainly due to increased in demand.

Gross profit

Continual increase in most products' production volume and ASP resulted the gross profit increases from RMB 13.6 million in 1Q20 to RMB 109.8 million in 1Q21.

Other income and expenses

(a) **Other income**

Mainly comprise of compensation amount of RMB 2.2 million collected from contractors and RMB 1.3 million accrued from bank interest.

(b) **Other operating expense**

Comprise mainly medical expenses and payment of an industrial accident compensation amounted to RMB 179.5 thousand.

(c) **Finance expense**

Interests accrued on the loan from non-controlling interest amounted to RMB 8.3 million and balance payment on bank borrowing.

(d) **Taxation**

Increase is in tandem to increase in sale transaction activities.

The Group made a profit of RMB 59.3 million attributed to the equity holders of the company, as compared to profit of RMB 0.8 million in 1Q20.

Balance Sheet

Highlights on changes in balance sheet items of the Group are as follows :-

(a) **Inventories**

Inventories comprise of approximately RMB 117.7 million on raw materials and equivalent value of RMB 54.9 million on finished petrochemical products, recorded at cost.

(b) **Prepayment**

Increase is mainly amount paid to suppliers for raw materials including amount of RMB 8.2 million paid to affiliated companies.

(c) **Bank Borrowing**

Comprise of two bank borrowing as follow;-

- i. Bank borrowing relates to a long-term capital loan obtained from the bank by subsidiary Dongming Qianhai. The loan is carrying an interest rate of 4.75% per annum with a fixed repayment term of RMB 31.25 million in each quarterly. Last and final loan repayment has been settled in February 2021;
- ii. Capital loan from bank to financing the Dongming Hengchang's new polypropylene

construction. The loan is carrying at interest rate of 4.41% per annum and repayment is scheduled to commence from June of FY2021.

(d) **Loan from non-controlling interests**

This is from non-controlling interest Dongming Petrochem Group (represent 30% minority stake in subsidiary Dongming Qianhai) to finance the working capital use in Dongming Qianhai since acquisition. Loan is unsecured, bearing interest at 4.75% per annum and with scheduled quarterly repayments till April 2025. There was a repayment of RMB 20.0 million made in 1Q20.

Cash flow

During the reporting periods, the group generated net cash from operating activities and offset with net cash used in investing and financing activities. As a result, the Group's cash and cash equivalent amounting to RMB 367.6 million as compare to RMB 547.0 million in 1Q20.

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

None.

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

China's economy surge record 18.3 per cent in first quarter 2021 compared to a year ago. The big jump is driven by a surge in retail sales, industrial production and investment in fixed assets. This keeps China on track for growth of between 8% and 9% in 2021 far ahead of the Chinese government's official target of more than 6%.

The resumption in commercial activities and demand for Personal Protective Equipment (PPE) such as surgical masks, shields and gloves have aided to stimulate the sale for products such as polypropylene (PP) fibre which is utilised in the produce of these PPE.

With the completion of our new polypropylene production plant in late 2020, the Group has undertaken trial-run production and expects utilisation to increase within the year which will contribute to the Group's financial performance in the year ahead.

The Group is optimistic with its FY2021 financial performance and will continue to manage its cash flow closely and focus on operational efficiency, optimise production and explore international market for the Group's premium grade PP.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
For periods between January 2021 to March 2021:- Dongming Zhongyou Fuel and Petrochemical Company Limited (东明中油燃料石化有限公司) <ul style="list-style-type: none">- Purchase of raw LPG- Purchase of utilities- Provision of logistics & transport Shandong Dongming Petrochem Group Co., Ltd. (山东东明石化集团有限公司) <ul style="list-style-type: none">- Purchase of utilities- Sale of processed LPG- Provision of logistics & transport- Sale of utilities- Accrued Interest on loan		RMB 479,015,892 RMB 2,358,814 RMB 2,771,603 RMB 5,669,752 RMB 15,797,517 RMB 2,027 RMB 747 RMB 8,283,069

payable		
Dongming Runze Petrochemical Co., Ltd (东明润泽化工有限公司)		
- Purchase of utilities		RMB 11,321,899
- Sale of utilities		RMB 2,903,413
- Sale of Hydrogen gas		RMB 49,190,993
Dongming Crude Oil Distribution Co., Ltd (东明石油经销有限公司)		
- Provision of logistics & transport		RMB 12,343,671
- Consignment fee	RMB 976,870	
Shandong Dongming Lishu Petroluem Co., Ltd (山东东明梨树化学有限公司)		
- Sales of processed LPG		RMB 82,462,800
- Purchase of LPG		RMB 58,341,111
- Purchase of utilities		RMB 2,886
- Provision of logistics & transport		RMB 1,141,935
Dongming Runming Oil Products Distribution Co., Limited (东明润明油品销售有限公司)		
- Provision of logistics & transport		RMB 13,939
Shandong LianHua Energy Group Co., Limited (山东炼化能源集团有限公司) *		
- Purchase of Methanol	RMB 15,663,813	

** an entity located in Shandong Jinan with a 72.49% shareholding controlled by Shandong Dongming Petrochem Group Company Limited*

14. **NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)**

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these financial results to be false or misleading in any material aspect.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

Not applicable.

- 16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 17 A breakdown of sales.**

Not applicable.

- 18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Li Zhi	35	Son of Mr Li Xiangping, the Executive Chairman and CEO of the Company.	Non-executive Director of the Company Since 2019.	None
Li Xiangping	60	Father of Mr Li Zhi, the Non-Executive Director of the Company	Redesignated as Executive Chairman and CEO since 30 April 2021. Appointed as Director of the Company Since year 2006.	Redesignated as Executive Chairman and CEO since 30 April 2021. Appointed as Director of the Company Since year 2006.

BY ORDER OF THE BOARD

Li Xiang Ping
EXECUTIVE CHAIRMAN

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)
OF THE SGX-ST LISTING MANUAL

We, Li Xiang Ping and Teo Moh Gin, being Directors of the Company, do hereby confirm for and on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the first quarter ended 31 March 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors
Sinostar PEC Holdings Limited

Li Xiang Ping
Executive Chairman

Teo Moh Gin
Lead Independent Non-executive Director