

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE
— RECEIPT OF APPROVAL-IN-PRINCIPLE FROM THE SGX-ST

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of Sinostar PEC Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 28 September 2023 (the "**Rights Issue Announcement**") in relation to, *inter alia*, the proposed renounceable non-underwritten rights issue (the "**Rights Issue**") of up to 320,000,000 new ordinary shares in the capital of the Company (the "**Rights Shares**") 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 ordinary shares in the capital of the Company. Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the Rights Issue Announcement.

2. RECEIPT OF APPROVAL-IN-PRINCIPLE

Further to the Rights Issue Announcement, the Board wishes to announce that the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") has on 20 May 2024 granted its approval-in-principle for the listing of and quotation for up to 320,000,000 Rights Shares on the SGX-ST pursuant to the Rights Issue, subject to the following:

- (i) compliance with the SGX-ST's listing requirement for the Rights Issue;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) independent shareholders' approval on the Rights Issue (where the Undertaking Shareholder, controlling shareholder of the Company and his associates will abstain from the voting);
- (vi) a cash audit and quarterly audit on the utilisation of proceeds from the Rights Issue by the Company's independent auditor; and
- (vii) 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 Rights Issue Announcement, 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 (ii), (iii) and (iv) above to the SGX-ST.

In relation to the use of proceeds from the Rights Issue for the repayment of loans, the SGX-ST has also requested the Company to disclose a breakdown of the proposed loan repayment and repayments to interested persons, where applicable, via SGXNet. The Company will release an announcement in relation to the above in due course.

The approval-in-principle granted by the SGX-ST for the admission of, listing of and quotation for the 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.

**BY ORDER OF THE BOARD
SINOSTAR PEC HOLDINGS LIMITED**

Li Xiangping
Executive Chairman and CEO

IMPORTANT NOTICE

This announcement is for information only and does not constitute or form part of any offer or invitation to sell or issue or subscribe for, or any solicitation of any offer to acquire, any Rights Shares or to take up any entitlements to Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. No person should acquire any Rights Shares except on the basis of the information contained in an offer information statement to be lodged by the Company with the Authority. The information contained in this announcement is not for release, publication or distribution to persons in the United States and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The issue, exercise or sale of Rights Shares and the acquisition or purchase of the Rights Shares are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

The distribution of this announcement into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this announcement and such other documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

This announcement is not an offer for sale of securities in the United States or elsewhere. The provisional allotments of Rights Shares, the Rights Shares, the provisional allotment letters and/or the application forms for the Rights Shares and excess Rights Shares have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"), and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act. There will be no public offering of securities in the United States.