

**SINOSTAR PEC HOLDINGS LIMITED**  
(Company Registration Number: 200609833N)  
(Incorporated in the Republic of Singapore)

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1. **INCREASE OF REGISTERED SHARE CAPITAL IN DONGMING HENGCHANG; AND**
  2. **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE – UPDATE IN ALLOCATION AND UTILISATION OF NET PROCEEDS FROM THE RIGHTS ISSUE**
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**1. INTRODUCTION**

The board of directors (the “**Board**” or “**Directors**”) of Sinostar PEC Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s previous announcements dated 28 September 2023, 3 October 2023, 20 May 2024, 29 October 2024, 8 December 2024, 24 December 2024, 31 December 2024, 21 January 2025, 3 February 2025, 6 February 2025, 10 February 2025, 13 February 2025, 14 February 2025, 5 March 2025, 7 March 2025 and 10 April 2025 (the “**Announcements**”) and the offer information statement dated 13 February 2025 (the “**Offer Information Statement**”) in relation to the 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 (the “**Issue Price**”), on the basis of one (1) Rights Share for every two (2) existing issued shares in the capital of the Company (the “**Shares**”).

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as ascribed to them in the Announcements and the Offer Information Statement. Any reference to the time of day herein shall be a reference to Singapore time.

**2. INCREASE OF REGISTERED SHARE CAPITAL IN DONGMING HENGCHANG**

Pursuant to the announcement dated 31 December 2024 and the Offer Information Statement, the Company wishes to update that it has utilised RMB 241 million from the net proceeds raised from the Rights Issue (the “**Net Proceeds**”) to complete a capital injection amounting to S\$44,524,700 (approximately RMB 241 million) into the Company’s wholly-owned subsidiary, Dongming Hengchang, as being payment of the second tranche of the Dongming Qianhai Purchase Consideration.

Following the capital injection, Dongming Hengchang has, on 15 April 2025, increased its registered capital by RMB 241 million, from RMB 865 million to RMB 1.106 billion. Dongming Hengchang remains as a wholly-owned subsidiary of the Company. Any shortfall in the required consideration will be covered by Dongming Hengchang using internally generated funds.

The increase of registered share capital is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2025.

**3. CHANGE IN ALLOCATION OF NET PROCEEDS FROM THE RIGHTS ISSUE**

The Company wishes to also update shareholders on the revised allocation of the Net Proceeds.

Due to regulatory restrictions in the People’s Republic of China, a sum amounting to S\$45,075.76 (approximately RMB 249,037.35) could not be converted from Singapore dollars to Chinese Renminbi and used towards the expansion of business and acquisition of business, being payment of the second tranche of the Dongming Qianhai Purchase Consideration. As a result, the Company has decided to reallocate this amount to be used as working capital (the “**Reallocation**”).

Consequent to the Reallocation, the Net Proceeds has been allocated in the following manner:

Intended use of Net Proceeds	Proposed use of Net Proceeds (S\$)	Amount utilised as at the date of this announcement (S\$)	Amount to be reallocated (S\$)	Balance of Net Proceeds as at the date of this announcement (S\$)
Expansion of business and acquisition of business	44,650,000	44,524,700	(45,075.76)	80,224.24
Expenses in relation to the Rights Issue	150,000	230,224.24	-	(80,224.24)
Working capital <sup>(1)</sup>	-	-	45,075.76	0
<b>Total</b>	<b>44,800,000</b>	<b>44,754,924.24</b>	<b>45,075.76</b>	<b>0</b>

**Note:**

(1) A breakdown of the expenses as working capital for the Group is as follows:

	Working Capital (S\$)
<b>Summary of Expenses:</b>	
Directors' fees	45,075.76
<b>Total</b>	<b>45,075.76</b>

The Reallocation has allowed the Company to better support its ongoing day-to-day operations and business growth. This has led to the strengthening of the Company's ability to respond to emerging opportunities in a dynamic market environment.

The Board is of the view that this Reallocation of Net Proceeds to working capital and its material disbursement has benefited the Company and is aligned with the best interests of both the Company and its shareholders.

For the avoidance of doubt, the Net Proceeds has now been fully utilised.

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

Li Xiangping  
Executive Chairman and Chief Executive Officer  
15 May 2025