

SINOSTAR PEC HOLDINGS LIMITED
(Company Registration No.: 200609833N)
(Incorporated in the Republic of Singapore)

MINUTES OF EXTRAORDINARY GENERAL MEETING

PLACE	:	Suntec Singapore Convention & Exhibition Centre, Room MR 331, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593
DATE	:	24 December 2024
TIME	:	10.00 a.m.
IN ATTENDANCE	:	Mr Li Xiangping – Executive Chairman & CEO Mr Yan Tailing – Executive Director and Deputy CEO Mr Li Zhi- Non Executive Director* Dr Chen Seow Phun, John – Lead Independent Non - Executive Director Mr Jiang Xinglu – Independent Non-Executive Director Mr Liu Xiaoyan - Independent Non-Executive Director*
PRESENT	:	Company Secretary from B&BG Advisory Pte Ltd Legal Advisor from Shooklin and Bok LLP Independent Financial Adviser from Capstone Investment Corporate Finance Pte. Ltd. Share Registrar from In.Corp Corporate Services Pte. Ltd. Scrutineer from Agile 8 Advisory Pte. Ltd. *Attended via tele-conference

CHAIRMAN OF THE MEETING : Dr Chen Seow Phun, John (“Dr Chen”)

WELCOME BY CHAIRMAN

The Chairman, Dr Chen welcomed shareholders who attended the Extraordinary General Meeting (“EGM”) of the Company physically.

QUORUM

As a quorum was present, the Chairman declared the meeting open at 10.00 a.m.

INTRODUCTION

The Chairman introduced the Directors who attended the EGM to shareholders.

NOTICE

The Notice of EGM dated 9 December 2024 convening the meeting was, with the permission of the meeting, taken as read.

Dr Chen invited the Group’s Executive Chairman and CEO , Mr Li Xiang Ping (“**Mr Li**”) to give the opening speech.

In his speech, Mr Li highlights Sinostar PEC's significant growth since its 2007 listing, driven by strategic partnerships and innovation. The company has transitioned to high-end chemicals, achieving breakthroughs in polypropylene production and filling market gaps. As a key platform for globalisation, Sinostar PEC leverages favorable policies to streamline operations, reduce

costs, and enhance competitiveness. The Board urges shareholder support for equity restructuring, aiming to seize opportunities, drive sustainable growth, and create greater value for stakeholders.

The Chairman informed the shareholders that he had been appointed as proxies by some shareholders and would vote in accordance with their instructions. The proxy forms lodged had been checked and found to be in order.

VOTING BY WAY OF A POLL

Shareholders were informed that this year's EGM was held physically and motions tabled at the Meeting were voted by way of a manual poll as the Chairman of the Meeting demanded for a poll in accordance with the Constitution.

The Chairman informed that the Company had appointed Agile 8 Advisory Pte. Ltd. as scrutineer and In.Corp Corporate Services Pte. Ltd. as polling agent for the poll at the EGM.

The validity of the proxy forms submitted by the shareholders by the cut-off date on 22 December 2024 at 10.00 a.m. and the votes of such valid proxies had been verified.

The Chairman informed that no questions were received from shareholders prior to the EGM.

The Chairman proceeded with the ordinary business of the Meeting after informing the housekeeping rules.

ORDINARY BUSINESS:

- 1. ORDINARY RESOLUTION 1: The proposed 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 shares for every two (2) existing ordinary shares in the capital of the company held by entitled shareholders (as defined herein) as at a time and date to be determined by the board for the purpose of determining the entitlements of the entitled shareholders, fractional entitlements to be disregarded.**

The first item on the agenda was to seek shareholders' approval on The proposed 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 shares for every two (2) existing ordinary shares in the capital of the company held by entitled shareholders (as defined herein) as at a time and date to be determined by the board for the purpose of determining the entitlements of the entitled shareholders, fractional entitlements to be disregarded.

The Chairman invited shareholders to raise questions, details of the questions and the responses from the Company can be found in the Annexure A of the minutes.

After dealing with questions from shareholders, the motion was duly proposed by Lee Kim Ming and seconded by Foo Kok Wang. The voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For	21,274,200	90.54
Against	2,224,100	9.46
Total number of valid votes cast	23,498,300	100.0

Based on the results of the poll, the Chairman declared Resolution 1 carried.

It was RESOLVED THAT:

"(a) the renounceable non-underwritten rights issue (the "Proposed Rights Issue") of up to 320,000,000 Rights Shares, at the 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 Shares held by shareholders of the Company ("Shareholders") as at a time and date as the Directors

may, in their absolute discretion, determine ("Record Date"), fractional entitlements to be disregarded, be and is hereby approved;

(b) the authority be and is hereby given to the Directors (or any of them) to:

(i) allot and issue up to 320,000,000 Rights Shares at the Issue Price for each Rights Share;

(ii) provisionally allot and issue up to 320,000,000 Rights Shares at the Issue Price for each Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by Shareholders as at the Record Date, fractional entitlements to be disregarded, on such terms and conditions as the Directors may think fit;

(A) the provisional allotments of the Rights Shares pursuant to the Proposed Rights Issue shall be made on a renounceable non-underwritten basis to Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited ("CDP") as at the Record Date with registered addresses in Singapore, or who have, at least three (3) Market Days prior to the Record Date, provided to the CDP or the share registrar of the Company ("Share Registrar"), the case may be, addresses in Singapore for the service of notices and documents;

(B) no provisional allotment of the Rights Shares shall be made in favour of Shareholders with registered addresses outside Singapore as at the Record Date and who have 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");

(C) the provisional allotment of the Rights Shares which would otherwise accrue to Foreign Shareholders may be disposed of or dealt with by the Company in such manner and on such terms and conditions as the Directors may in their absolute discretion deem fit for the purpose of renouncing the provisional allotments relating thereto to purchasers thereof, and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionately to and among such Foreign Shareholders in proportion to their respective shareholdings as at the Record Date, provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with as the Directors may deem fit in the interests of the Company;

(D) the provisional allotment of the Rights Shares not taken up or allotted for any reason or which represent fractional entitlements disregarded in accordance with the term of the Proposed Rights Issue shall be used 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;

(E) the Rights Shares when issued and fully paid-up will rank pari passu in all respects with the then existing Shares, save for any dividends, rights, allotments or other distribution that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares;

(c) the Directors or any of them be and are hereby authorised to fix the Record Date in their absolute discretion; and

(d) the Directors (or any of them) be and are hereby authorised to take such steps, do all such acts, matters and things as they may consider necessary or expedient for the purposes of or in connection with the Proposed Rights Issue (including but not limited to amending, finalising, approving and executing all such documents as may be required in connection with the Proposed Rights Issue), and make such amendments to the terms and conditions of the Proposed Rights Issue and to exercise such discretion as the

Directors (or any of them) may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.”

2. **ORDINARY RESOLUTION 2: the proposed disposal of 18% of the equity interest in the registered capital of Dongming Qianhai Reli Co., Ltd. (东明前海热力有限公司) for a consideration of RMB27,911,000, being an interested person transaction;**

The second item on the agenda was Proposed Restructuring of the Group, details of which are set-out in the Circular.

The motion was duly proposed by Lee Kim Ming and seconded by Foo Kok Wang. The voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For	23,375,000	99.43
Against	133,300	0.57
Total number of valid votes cast	23,508,300	100.0

Based on the results of the poll, the Chairman declared Resolution 2 carried.

It was RESOLVED THAT:

“(a) approval be and is hereby given for the Proposed Disposal of Qianhai Reli on the terms and conditions set out in the Qianhai Reli SPA (as may be supplemented or amended from time to time), as described in the Circular, and the entry into the Qianhai Reli SPA and all documents required to be executed or assigned by the parties in order to give effect to the Proposed Disposal of Qianhai Reli, be and is hereby approved and (as the case may be) ratified;

(b) approval be and is hereby given for the payment of all fees and expenses relating to the Proposed Disposal of Qianhai Reli; and

(c) the Directors or any one of them be authorised and directed to do all things necessary or expedient or in the interests of the Company and the Shareholders (including executing any document) as the Directors or any one of them may deem fit, to give effect to the Proposed Disposal of Qianhai Reli as contemplated in this Resolution.”

3. **ORDINARY RESOLUTION 3: the proposed acquisition of 30% of the equity interest in the registered capital of Dongming Qianhai Petrochemical Co., Ltd. (东明前海化工有限公司) for a Consideration of RMB 573,598,000, being an interested person transaction and a major transaction.**

The Third item on the agenda was Proposed Restructuring of the Group, details of which are set-out in the Circular.

The motion was duly proposed by Lee Kim Ming and seconded by Foo Kok Wang. The voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For	21,745,000	92.50
Against	1,763,300	7.50
Total number of valid votes cast	23,508,300	100.0

Based on the results of the poll, the Chairman declared Resolution 3 carried.

It was RESOLVED THAT:

“(a) approval be and is hereby given for the Proposed Acquisition of Dongming Qianhai on the terms and conditions set out in the Dongming Qianhai SPA (as may be supplemented or amended from

time to time), as described in the Circular, and the entry into the Dongming Qianhai SPA and all documents required to be executed or assigned by the parties in order to give effect to the Proposed Acquisition of Dongming Qianhai, be and is hereby approved and (as the case may be) ratified;

(b) approval be and is hereby given for the payment of all fees and expenses relating to the Proposed Acquisition of Dongming Qianhai; and

(c) the Directors or any one of them be authorised and directed to do all things necessary or expedient or in the interests of the Company and the Shareholders (including executing any document) as the Directors or any one of them may deem fit, to give effect to the Proposed Acquisition of Dongming Qianhai as contemplated in this Resolution.”

CONCLUSION

There being no other business, the Chairman declared the Meeting closed at 10:50 a.m. and thanked all present for their attendance.

Confirmed as True Record

Dr Chen Seow Phun, John
Chairman of the Meeting

ANNEXURE TO THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 24 DECEMBER 2024

Questions and answers

Q1: The purchase price for acquiring an additional 30% shares of Qianhai (where the company already holds 70%) is set at 2 times the company's net assets. How long will it take to recover the investment?

A: Qianhai is a significant contributor to the company's profits. The restructuring plan aims to streamline management, optimize costs, and enhance profitability. The Group's focus areas include the chemical new materials industry, particularly polypropylene, which offers potential benefits in supply chain integration and financial management.

Q2: The rights issue price appears high and unattractive. Can shares be purchased directly from the market?

A: Yes, shareholders can purchase shares from the market. The company's goal is to raise \$45 million for its restructuring plans and to improve market receptiveness.

Q3: What is the proposed rights issue ratio? Were there any abstentions for voting for the 3 resolutions, and if so, who abstained?

A: The proposal includes a rights issue at a 2:1 ratio, priced at \$0.14 per share, with the goal of raising \$45 million for restructuring and acquisition. The controlling shareholder, Intelligent People Holdings Limited, will abstain from voting on all three resolutions.

Q4. Will the Company set a dividend policy?

The Company maintains its commitment to balance stakeholder interests, encompassing majority and minority shareholders as well as creditors, in alignment with its long-term development objectives. Management shall incorporate substantive feedback into its strategic and operational decision-making processes.