

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

UNAUDITED FINANCIAL STATEMENT FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2020

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 statements of comprehensive income for the
3rd quarter for the period ended 30 September 2020**

	<u>3rd Qtr 2020</u>	<u>3rd Qtr 2019</u>	<u>+ / (-)</u>	<u>9 months 2020</u>	<u>9 months 2019</u>	<u>+ / (-)</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>%</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>%</u>
Revenue	714,621	620,815	15	2,231,466	2,547,010	(12)
Cost of sales	(630,350)	(566,162)	11	(2,067,481)	(2,408,384)	(14)
Gross profit	84,271	54,653	54	163,985	138,626	18
Other income	1,706	2,440	(30)	7,842	4,615	70
Distribution costs	(28)	(169)	(84)	(78)	(480)	(84)
Administrative costs	(8,990)	(9,346)	(4)	(26,323)	(22,995)	14
Other operating expenses	(43)	(8)	NM	(87)	(47)	86
Finance costs	(8,531)	(12,614)	(32)	(29,589)	(39,216)	(25)
Profit before taxation	68,385	34,956	96	115,750	80,503	44
Taxation	(16,395)	(8,929)	84	(31,093)	(20,800)	49
Total comprehensive income for the financial period	51,990	26,027	99	84,657	59,703	42
Attributable to:						
Equity holders of the Company	46,792	22,298		80,406	52,851	
Non-controlling interests	5,198	3,729		4,251	6,852	
	<u>51,990</u>	<u>26,027</u>		<u>84,657</u>	<u>59,703</u>	

Notes to the Consolidated statement of comprehensive income

	3rd Quarter Ended		Change (+/-) %
	30/09/2020	30/09/2019	
	<u>RMB'000</u>	<u>RMB'000</u>	
Profit before tax is arrived at after charging/(crediting) ;			
Other operating income included;-			
- Interest income	-	(2,440)	NM
Depreciation of property, plant and equipment	26,596	27,901	(5)
Amortisation of land use rights	270	244	11

NM – Not meaningful

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	
	30/9/2020	31/12/2019	30/9/2020	31/12/2019
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	1,917,523	1,635,133	-	-
Right-of-use assets	4,852	4,852	-	-
Land use rights	91,558	92,368	-	-
Goodwill on consolidation	10,345	10,345	-	-
Investment securities	30,450	30,450	-	-
Investment in subsidiaries	-	-	250,041	250,041
	<u>2,054,728</u>	<u>1,773,148</u>	<u>250,041</u>	<u>250,041</u>
CURRENT ASSETS				
Land use rights	1,085	1,085	-	-
Inventories	122,318	92,766	-	-
Trade and other receivables	33,776	42,879	-	-
Prepayments	4,617	8,400	-	-
Amount owing by a subsidiary	-	-	7,566	14,376
Amounts owing by affiliated companies	525	2,810	-	-
Amount owing by non-controlling interests	-	137,757	-	-
Cash and bank balances	381,896	66,247	2,799	500
	<u>544,217</u>	<u>351,944</u>	<u>10,365</u>	<u>14,876</u>
TOTAL ASSETS	<u>2,598,945</u>	<u>2,125,092</u>	<u>260,406</u>	<u>264,917</u>
EQUITY				
Equity attributable to equity holders of the parent				
Share capital	316,125	316,125	316,125	316,125
Retained profits/(accumulated losses)	272,760	192,354	(56,673)	(52,907)
Capital reserves	250,000	250,000	-	-
Other reserves	75,123	75,123	-	-
	<u>914,008</u>	<u>833,602</u>	<u>259,452</u>	<u>263,218</u>
Non-controlling interests	161,411	157,161	-	-
TOTAL EQUITY	<u>1,075,419</u>	<u>990,763</u>	<u>259,452</u>	<u>263,218</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	GROUP	COMPANY	COMPANY
	31/9/2020	31/12/2019	31/9/2020	31/12/2019
	RMB'000	RMB'000	RMB'000	RMB'000
LIABILITIES				
NON-CURRENT LIABILITIES				
Lease liabilities	4,781	4,781	-	-
Bank borrowings	531,250	31,250	-	-
	<u>536,031</u>	<u>36,031</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES				
Trade and other payables	118,562	97,429	954	1,699
Amounts owing to affiliated companies	100,932	25	-	-
Loan from non-controlling interests	720,000	850,000	-	-
Lease liabilities	356	356	-	-
Bank borrowings	31,250	125,000	-	-
Current tax payable	16,395	25,488	-	-
	<u>987,495</u>	<u>1,098,298</u>	<u>954</u>	<u>1,699</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,598,945</u></u>	<u><u>2,125,092</u></u>	<u><u>260,406</u></u>	<u><u>264,917</u></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 30/9/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
31,250 ⁽¹⁾	720,000 ⁽³⁾	125,000 ⁽¹⁾	850,000 ⁽³⁾

Amount repayable after one year

As at 30/9/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
531,250 ^{(1),(2)}	-	31,250 ⁽¹⁾	-

Details of any collateral

1. 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);
2. 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);
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). On 2 April 2020, the group has entered into a new loan agreement ("Interim loan") with the NCI for the aggregate amount of the outstanding four tranches of Loan Agreements, amounted to RMB 750 million. The term of the Interim Loan Agreement is six (6) months, commencing on 2 April 2020 and expiring on 1 October 2020. The purpose of the Interim Loan Agreement is to refinance the outstanding amounts owing under the outstanding four tranches Loan Agreements and with a scheduled repayment of RMB 15.0 million each due on 20 June 2020 and 20 September 2020. The remaining amount owed under the Interim Loan Agreement will be at RMB 720.0 million and will be converting to a longer repayment term of 5 years, with a scheduled and fixed agreeable quarterly payment. However, this loan convertible will be subjected to a call for EGM and shareholders' approval. On 7 November 2020, this interim loan has been further extended for another three months till 31 December 2020, with another repayment of RMB 15.0 million scheduled on 20 December 2020. The balance of loan amount to be converted will be at RMB 705 million after December 2020.

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 30 September 2020**

	<u>30/9/2020</u>	<u>30/9/2019</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Cash flows from operating activities		
Profit for the period	68,385	35,957
Adjustments for:-		
Depreciation of property, plant and equipment	26,596	27,901
Amortisation of land use rights	270	244
Interest expense	8,531	12,614
Interest income	-	(2,440)
Operating profit before working capital changes	103,782	73,276
Changes in working capital:		
Change in inventories	(107,888)	(22,330)
Change in operating receivables	(25,706)	(25,936)
Change in operating payables	32,546	24,240
Amount owing to affiliate companies	100,660	4,978
Cash generated from operations	103,394	54,228
Interest paid	(8,531)	(12,614)
Income tax paid	(8,613)	(5,941)
Net cash generated from operating activities	86,250	35,673
Cash flows from investing activities		
Acquisition of property, plant and equipment	(137,019)	(75,545)
Interest received	-	2,440
Net cash used in investing activities	(137,019)	(73,105)
Cash flows from financing activity		
Repayment of loan to non-controlling interests	(15,000)	-
Repayment of bank borrowings	(31,250)	(31,250)
Net cash used in financing activities	(46,250)	(31,250)
Net decrease in cash and cash equivalents	(97,019)	(68,682)
Cash and cash equivalents at beginning of period	478,915	267,800
Cash and cash equivalents at end of period	381,896	199,118

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

Cash on hand	149	133
Bank balances	381,747	191,985
Fixed deposit placed with financial institutions	-	7,000
	381,896	199,118

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 RMB'000	Retained profits RMB'000	Capital reserves RMB'000	Other reserves			Controlling interest RMB'000	Non-controlling interest RMB'000	Total RMB'000
				Statutory common reserve RMB'000	Voluntary common welfare fund RMB'000	subtotal RMB'000			
1 January 2020 to 30 September 2020									
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 periods	-	80,406	-	-	-	-	80,406	4,250	84,656
Dividends paid	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2020	316,125	272,760	250,000	74,326	797	75,123	914,008	161,411	1,075,419

	Share capital RMB'000	Retained profits RMB'000	Capital reserves RMB'000	Other reserves			Controlling interest RMB'000	Non-controlling interest RMB'000	Total RMB'000
				Statutory common reserve RMB'000	Voluntary common welfare fund RMB'000	subtotal RMB'000			
1 January 2019 to 30 September 2019									
Balance as at 1 January 2019	316,125	109,123	250,000	59,985	797	60,782	736,030	132,838	868,868
Total comprehensive income for the periods	-	52,851	-	-	-	-	52,851	6,852	59,703
Dividends paid	-	(15,940)	-	-	-	-	(15,940)	-	(15,940)
Balance as at 30 September 2019	316,125	146,034	250,000	59,985	797	60,782	772,941	139,690	912,631

UNAUDITED STATEMENT OF CHANGES IN EQUITY - COMPANY

1 January 2020 to 30 September 2020

	Share capital <u>RMB'000</u>	Accumulated losses <u>RMB'000</u>	Total equity <u>RMB'000</u>
Balance as at 1 January 2020	316,125	(52,907)	263,218
Total comprehensive income for the period	-	(3,766)	(3,766)
Dividends paid	-	-	-
Balance as at 30 September 2020	316,125	(56,673)	259,452

1 January 2019 to 30 September 2019

	Share capital <u>RMB'000</u>	Accumulated losses <u>RMB'000</u>	Total equity <u>RMB'000</u>
Balance as at 1 January 2019	316,125	(51,006)	265,119
Total comprehensive expense for the period	-	16,738	16,738
Dividends paid	-	(15,940)	(15,940)
Balance as at 30 September 2019	316,125	(50,208)	265,917

- 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 changes in the Company's share capital since the end of the previous period reported on. There were no outstanding convertibles issued or treasury shares held by the Company as at 30 September 2020 and 30 September 2019.

- 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.**

	30/09/2020	31/12/2019
Number of issued shares (excluding treasury shares)	640,000,000	640,000,000
Number of treasury shares held	NIL	NIL

- 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 statements for the financial year ended 31 December 2019.

- 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 are no changes in accounting policies and methods of computation since 31 December 2019.

- 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.

	3 rd Quarter Ended	
	30/09/2020	30/09/2019
	<u>RMB (cents)</u>	<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	7.31	3.48
No. of shares in issue (weighted average)	640,000,000	640,000,000
(b) On a fully diluted basis	7.31	3.48
No. of shares in issue (weighted average)	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	
	30/09/2020	31/12/2019	30/09/2020	31/12/2019
	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>
Net asset value per ordinary share	1.43	1.30	0.40	0.41

- 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)	3rd Qtr 2020	%	3rd Qtr 2019	%
Processed LPG - Total	203,635	28.5%	197,896	31.9%
- Inter-company *	(130,708)	-18.3%	(93,139)	-15.0%
Propylene	94,074	13.2%	53,289	8.6%
Polypropylene	67,529	9.4%	42,410	6.8%
MTBE **	244,047	34.2%	225,365	36.3%
Propylene II **	126,349	17.7%	108,225	17.4%
Hydrogen **	36,033	5.0%	27,140	4.4%
Isobutylene **	22,337	3.1%	22,349	3.6%
Other Gas **	4,437	0.6%	1,734	0.3%
Logistics & transport related services	46,888	6.6%	35,546	5.7%
TOTAL	714,621	100.0%	620,815	100.0%

*supplied of LPG to subsidiary Dongming Qianhai

** petrochemical products produced by Subsidiary Dongming Qianhai

(a) **Processed LPG**

Sale of processed LPG increases by 2.9% from RMB 197.9million in 3Q19 to RMB 203.6 million in 3Q20. Increase is mainly due to a significant increase in sale quantity by 42.7% as compare to 3Q19.

(b) **Propylene**

Sale of propylene increases by 76.5% from RMB 53.3 million in 3Q19 to RMB 94.0 million in 3Q20. Increase is also mainly due to increase in sales quantity by 94.5% as compare to 3Q19.

(c) **Polypropylene**

Polypropylene increases by 59.2% from RMB 42.4 million in 3Q19 to RMB 67.5 million in 3Q20, contributing by sales quantity increase by 77.0% as compare to 3Q19.

(d) **MTBE**

MTBE increases by 8.3% from RMB 225.4 million in 3Q19 to RMB 244.0 million in 3Q20, contributed mainly by an increase of 71.1% in sales quantity as compare to 3Q19.

(e) **Propylene II**

Propylene II increases by 16.7% from RMB 108.2 million in 3Q19 to RMB 126.3 million in 3Q20. Mainly due to increase in sales quantity by 27.9% as compare to 2Q19.

(f) **Hydrogen**

Hydrogen is mainly transacted with an affiliate party for its production consumption. During the reporting periods, sales and quantity increase by 32.8% and 31.4% respectively, resulted revenue increase from RMB 27.1 million in 3Q19 to RMB 36.0 million in 3Q20.

(g) **Isobutylene**

Isobutylene decrease mainly due to decrease in average selling price and average cost of production by 35.5% and 38.0% respectively as compare to 3Q19. Despite the decreases, there is a 55.0% increases in sale quantity during the periods.

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

Revenue from this business increase by 32.1% from RMB 35.5 million in 3Q19 to RMB 46.9 million in 3Q20. Increase is mainly due to increase in demands from existing customers.

Gross profit

Contributed by increase in all sales and services, the gross profit increase from RMB 54.6 million in 3Q19 to RMB 84.3 million in 3Q20.

Other income and expenses

(a) Other income

Comprise mainly bank interest earned during the periods amounted to approximately RMB 0.8 million from the monthly working cashflow maintained with the financial institutions and another RMB 0.7 million from the grant received from the local authorities. Balances are from miscellaneous like penalty collections, disposal of scrap items etc.

(b) Administration costs

Increase is mainly due to the increases of production workers employed for the new polypropylene plant.

(c) Finance expense

Interests incurred mainly RMB 7.5 million on loan from non-controlling interest and balance on the bank borrowing.

The Group made a profit of RMB 46.8 million in 3Q20 attributed to the equity holders of the company, as compared to RMB 22.9 million in 3Q19.

Balance Sheet

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

(a) Property, plant and equipment

The increase mainly due to the capitalisation of initial costs on the construction-in-progress of newly polypropylene production plant in subsidiary Dongming Hengchang. As of reporting date, total of RMB 667.9 million has been capitalised.

(b) Right-of-use assets / lease liabilities

As a result of the adoption of SFRS (I)-16 on 1 January 2019, the Group recognised its existing operating lease arrangements as right-of-use assets with corresponding lease liabilities. Adjustments will be made annually.

(c) Inventories

Inventories increase in tandem with the increase in sales of production quantity during the periods.

(d) 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 till *settle fully by March FY 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*.

(e) Non-controlling interest

Represent 30% controlling in subsidiary Dongming Qianhai by Dongming Petrochem Group.

(f) Amount owing to affiliated companies

Mainly an amount owing to Dongming Runze Petrochemical Co., Ltd (东明润泽化工有限公司) for replacement of catalyzer and consumables.

(g) Loan from non-controlling interests

Pending a long term loan agreement to be approved by shareholders, this Loans which is from non-controlling interest Dongming Petrochem Group to financing the working capital use in Dongming Qianhai prior to acquisition completed, converted to interim short-term loan from 2 April 2020 to 1 October 2020 initially and extended till 31 December 2020. Another scheduled loan repayment of RMB 15 million will be in 20 December 2020. Loan is unsecured and bearing interest at 4.35% per annum. (also refers to above 1(b)(ii) Details of collateral (3))

Cash flow

During the reporting periods, the group generated RMB 86.3 million net cash from operating, offset by RMB 137.0 and RMB 46.2 million net cash used in both investing and financing activities, respectively. As a result, the Group's cash and cash equivalent amounted to RMB 381.9 million.

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 continues to be among the few economies in the world to show positive growth in 2020 as its GDP is predicted to expand 1.9 percent and growth is expected to accelerate to 8.2 percent in 2021. The rebound in economic activity and continual demand for protective surgical masks and related products have helped to drive the demand for individual products such as polypropylene (Pp) fibre which is used in the manufacturing of these protective equipment.

The construction of the new polypropylene production plant, which has an annual production capacity of 200,000 tons/year, is into the final completion phase, and the Group is currently preparing for trial productions. With a combination of good cost control on construction and centralised bulk purchase of equipment for the new plant installations through working with our strategic partner Dongming Petrochem Group, the Group has been able to enjoy cost savings from the construction of the new polypropylene plant as it now expects the cost of construction to be much lower than the original budget of RBM 1.2 billion.

The Group is positive to achieve sustainable results this FY2020 with stringent cash flow management while managing risks and focusing on cost efficiency and stable production.

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.

No dividend has been declared/recommended for the 9-month ended 30 September 2020.

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 year 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 year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
For periods from July 2020 to September 2020 ;- Dongming Zhongyou Fuel and Petrochemical Company Limited (东明中油燃料石化有限公司) - Purchase of raw LPG - Purchase of utilities		RMB 361,483,549 RMB 3,266,528

<ul style="list-style-type: none"> - Logistics & transport related services provided to 		RMB 813,818
<p>Shandong Dongming Petrochem Group Co., Ltd. (山东东明石化集团有限公司)</p>		
<ul style="list-style-type: none"> - Purchase of utilities, part & components 		RMB 2,517,860
<ul style="list-style-type: none"> - Sale of processed LPG 		RMB 14,053,903
<ul style="list-style-type: none"> - Logistics & transport related services provided to 		RMB 1,860
<ul style="list-style-type: none"> - Accrued Interest on loan from non-controlling interest 	RMB 7,502,437	
<p>Dongming Runze Petrochemical Co., Ltd (东明润泽化工有限公司)</p>		
<ul style="list-style-type: none"> - Purchase of utilities, part & components (include annual replacement of catalyzer and consumables) 		RMB 116,522,883
<ul style="list-style-type: none"> - Sale of Hydrogen gas to 		RMB 36,033,096
<ul style="list-style-type: none"> - Sale of utilities to 		RMB 9,660,397
<p>Dongming Crude Oil Distribution Co., Ltd (东明石油经销有限公司)</p>		
<ul style="list-style-type: none"> - Logistics & transport related services provided to 		RMB 14,036,270
<ul style="list-style-type: none"> - Consignment fee 	RMB 854,530	
<p>Shandong Dongming Lishu Petroluem Co., Ltd (山东东明梨树化学有限公司)</p>		
<ul style="list-style-type: none"> - Sales of processed LPG 		RMB 44,782,430
<ul style="list-style-type: none"> - Purchase of LPG 		RMB 20,670,699
<ul style="list-style-type: none"> - Purchase of utilities 		RMB 4,937
<p>Dongming Runming Oil Products Distribution Co., Limited (东明润明油品销售有限公司)</p>		
<ul style="list-style-type: none"> - Logistics & transport related services provide to 		RMB 29,146

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 Xiangping	60	Father of Li Zhi, non-executive Director of the Company	Non-Executive Chairman Since 2006, Substantial shareholder of the Company.	None
Li Zhi	35	Son of Mr Li Xiangping, the Non-Executive Chairman of the Company	Non-Executive Director of the Company Since 2019	Appointed in year 2019.

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

We, Zhang Liucheng and Li Xiang Ping, 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 third quarter ended 30 September 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors
Sinostar PEC Holdings Limited

Zhang Liucheng
Executive Director and
Chief Executive Officer

Li Xiang Ping
Non-executive Chairman

BY ORDER OF THE BOARD

ZHANG LIUCHENG
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER