

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

**UNAUDITED FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

**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  
1<sup>st</sup> quarter for the period ended 31 March 2019**

	31/3/2019	31/3/2018	Change
	<u>RMB'000</u>	<u>RMB'000</u>	+ / (-) %
Revenue	979,501	528,307	85
Cost of sales	(910,592)	(499,472)	82
Gross profit	<u>68,909</u>	<u>28,835</u>	139
Other income	1,603	715	124
Distribution costs	(125)	(22)	472
Administrative costs	(6,228)	(2,363)	164
Other operating expense	(19)	(51)	(65)
Finance costs	(13,712)	-	100
Profit before taxation	<u>50,428</u>	<u>27,114</u>	86
Taxation	(11,622)	(5,837)	99
Profit for the period	<u>38,806</u>	<u>21,277</u>	82
<b>Total comprehensive income attributable to;</b>			
Owners of the Company	32,428	21,277	
Non-controlling interests	6,378	-	
	<u>38,806</u>	<u>21,277</u>	

---

**Notes to the consolidated statement of comprehensive income**

	<b>31/3/2019</b>	<b>31/3/2018</b>	<b>Change (+/-)</b>
	<b><u>RMB'000</u></b>	<b><u>RMB'000</u></b>	<b><u>%</u></b>
Profit before taxation is arrived at after (crediting)/charging:			
Other operating income included;-			
- Interest income	(1,603)	(715)	124
Depreciation of property, plant and equipment	13,584	4,864	179
Amortisation of land use rights	243	-	100

N.M. – 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	
	31/3/2019	31/12/2018	31/3/2019	31/12/2018
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	1,526,735	1,521,040	-	-
Land use rights	71,279	71,522	-	-
Goodwill on consolidation	10,345	10,345	-	-
Investment securities	30,450	30,450	-	-
Investment in subsidiaries	-	-	250,041	250,041
	<u>1,638,809</u>	<u>1,633,357</u>	<u>250,041</u>	<u>250,041</u>
<b>CURRENT ASSETS</b>				
Inventories	85,751	102,253	-	-
Trade and other receivables	43,723	80,597	-	-
Amount owing by a subsidiary	-	-	35,427	35,711
Amounts owing by affiliated companies	10,953	692	-	-
Amount owing by non-controlling interests	114,691	192,700	-	-
Cash and bank balances	300,583	426,215	673	2,358
	<u>555,701</u>	<u>802,457</u>	<u>36,100</u>	<u>38,069</u>
<b>TOTAL ASSETS</b>	<u><u>2,194,510</u></u>	<u><u>2,435,814</u></u>	<u><u>286,141</u></u>	<u><u>288,110</u></u>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	316,125	316,125	316,125	316,125
Retained profits/(accumulated losses)	141,551	109,123	(30,925)	(29,006)
Capital reserves	250,000	250,000	-	-
Other reserves	60,782	60,782	-	-
	<u>768,458</u>	<u>736,030</u>	<u>285,200</u>	<u>287,119</u>
Non-controlling interests	139,216	132,838	-	-
<b>TOTAL EQUITY</b>	<u><u>907,674</u></u>	<u><u>868,868</u></u>	<u><u>285,200</u></u>	<u><u>287,119</u></u>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Bank borrowings	125,000	156,250	-	-
<b>CURRENT LIABILITIES</b>				
Trade and other payables	88,341	119,614	941	991
Amounts owing to affiliated companies	33,387	160,485	-	-
Loan from non-controlling interests	900,000	1,000,000	-	-
Bank borrowings	125,000	125,000	-	-
Current tax payable	15,108	5,597	-	-
	<u>1,161,836</u>	<u>1,410,696</u>	<u>941</u>	<u>991</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>2,194,510</u></u>	<u><u>2,435,814</u></u>	<u><u>286,142</u></u>	<u><u>288,110</u></u>

---

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

<b>As at 31/3/2019</b>		<b>As at 31/3/2018</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
125,000	900,000	-	-

**Amount repayable after one year**

<b>As at 31/3/2019</b>		<b>As at 31/3/2018</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
125,000	-	-	-

**Details of any collateral**

Bank borrowings were previously secured by a mortgage over the property, plant and equipments of its affiliated company, 东明润泽化工有限公司 before the acquisition completed by the Group. This bank borrowing continue to be mortgaged over the same property, plant and equipment after the acquisition completed.

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 2019**

	<b>31/3/2019</b>	<b>31/3/2018</b>
	<b><u>RMB'000</u></b>	<b><u>RMB'000</u></b>
<b>Cash flows from operating activities</b>		
Profit for the period	50,428	27,114
Adjustments for:-		
Depreciation of property, plant and equipment	13,584	4,684
Amortisation of land use rights	243	-
Interest expense	13,712	-
Interest income	(1,603)	(715)
<b>Operating profit before working capital changes</b>	<b>76,364</b>	<b>31,083</b>
Changes in working capital:		
(Decrease)/increase in inventories	16,502	(3,131)
Decrease/(increase) in operating receivables	104,622	(1,708)
Decrease in operating payables	(258,371)	(10,690)
<b>Cash (used in)/generated from operations</b>	<b>(60,883)</b>	<b>15,554</b>
Interest paid	(13,712)	-
Income tax paid	(2,111)	(7,770)
<b>Net cash (used in)/generated from operating activities</b>	<b>(76,706)</b>	<b>7,784</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(19,279)	(162)
Interest received	1,603	715
<b>Net cash (used in)/generated from investing activities</b>	<b>(17,676)</b>	<b>553</b>
<b>Cash flows from financing activity</b>		
Repayment of bank borrowings	(31,250)	-
<b>Net cash used in financing activities</b>	<b>(31,250)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(125,632)</b>	<b>8,337</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>426,215</b>	<b>438,349</b>
<b>Cash and cash equivalents at end of period</b>	<b>300,583</b>	<b>446,686</b>

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

Cash on hand	83	131
Bank balances	193,500	326,555
Fixed deposit placed with financial institution	107,000	120,000
	<b>300,583</b>	<b>446,686</b>

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 profits	Capital reserve	Other reserves			Controlling interest	Non-controlling interest	Total
				Statutory common reserve	Voluntary common welfare fund	subtotal			
<b>1 January 2018 to 31 March 2018</b>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Balance as at 1 January 2018	316,125	300,571	-	51,188	797	51,985	668,681	-	668,681
Total comprehensive income for the period	-	21,277	-	-	-	-	21,277	-	21,277
Transfer to statutory common reserve	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>316,125</b>	<b>321,848</b>	<b>-</b>	<b>51,188</b>	<b>797</b>	<b>51,985</b>	<b>689,958</b>	<b>-</b>	<b>689,958</b>

	Share capital	Retained profits	Capital reserve	Other reserves			Controlling interest	Non-controlling interest	Total
				Statutory common reserve	Voluntary common welfare fund	subtotal			
<b>1 January 2019 to 31 March 2019</b>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
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 period	-	32,428	-	-	-	-	32,428	6,378	38,806
Transfer to statutory common reserve	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>316,125</b>	<b>141,551</b>	<b>250,000</b>	<b>59,985</b>	<b>797</b>	<b>60,782</b>	<b>768,458</b>	<b>139,216</b>	<b>907,674</b>

## UNAUDITED STATEMENT OF CHANGES IN EQUITY - COMPANY

### 1 January 2018 to 31 March 2018

	Share Capital <u>RMB'000</u>	Accumulated losses <u>RMB'000</u>	Total <u>RMB'000</u>
Balance as at 1 January 2018	316,125	(29,647)	286,478
Total comprehensive expense for the period	-	(1,666)	(1,666)
<b>Balance as at 31 March 2018</b>	<b>316,125</b>	<b>(31,313)</b>	<b>284,812</b>

### 1 January 2019 to 31 March 2019

	Share Capital <u>RMB'000</u>	Accumulated losses <u>RMB'000</u>	Total <u>RMB'000</u>
Balance as at 1 January 2019	316,125	(29,006)	287,119
Total comprehensive expense for the period	-	(1,919)	(1,919)
<b>Balance as at 31 March 2019</b>	<b>316,125</b>	<b>(30,925)</b>	<b>285,200</b>

- 
- 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 2018. There were no changes in the Company's share capital during the current financial year 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.**

<b>Company</b>	<b>31/3/2019</b>	<b>31/3/2018</b>
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 2018.

- 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 2018.



- 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 <sup>st</sup> Quarter ended 31/3/2019 <u>RMB (cents)</u>	1 <sup>st</sup> Quarter ended 31/3/2018 <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	5.07	3.32
No. of shares in issue	640,000,000	640,000,000
(b) On a fully diluted basis	5.07	3.32
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	
	31/3/2019 <u>RMB</u>	31/12/2018 <u>RMB</u>	31/3/2019 <u>RMB</u>	31/12/2018 <u>RMB</u>
Net asset value per ordinary share	1.20	1.15	0.45	0.45
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 2019	%	1st Qtr 2018	%
Processed LPG - Total	302,214	30.9%	312,874	59.2%
- Inter-company *	(163,624)	-16.7%	-	0.0%
Propylene	78,961	8.1%	97,348	18.4%
Polypropylene	80,295	8.2%	80,099	15.2%
MTBE **	391,890	40.0%	-	0.0%
Propylene II **	160,064	16.3%	-	0.0%
Hydrogen **	49,397	5.0%	-	0.0%
Isobutylene **	44,792	4.6%	-	0.0%
Other Gas **	3,076	0.3%	-	0.0%
Logistics & transport related services	32,436	3.3%	37,986	7.2%
TOTAL	979,501	100.0%	528,307	100.0%

\*supplied of LPG to subsidiary Dongming Qianhai

\*\* petrochemical products produced by Subsidiary Dongming Qianhai

---

(a) **Processed LPG**

Sale of processed LPG decreases by 3.4% from RMB 312.9 million in 1Q2018 to RMB 302.2 million in 1Q2019. Total production increases by 6.6% offset by decrease of average selling price ("ASP") by 9.4% as compared to 1Q2018. During the periods, Inter-company supplied a total value of RMB 163.6 million of processed LPG to subsidiary, Dongming Qianhai and amount eliminated in the consolidation of accounts.

(b) **Propylene**

Sale of propylene decreases by 18.9% from RMB 97.3 million in 1Q2018 to RMB 78.9 million in 1Q2019. Mainly due to decrease in the propylene production output and ASP by 13.8% and 5.9% respectively, as compared to 1Q2018

(c) **Polypropylene**

The revenue of polypropylene increases by 0.2% from RMB 80.0 million in 1Q2018 to RMB80.2 million in 1Q2019. Mainly due to increase in the production output by 3.7%, but offset by the decrease of 3.3% on ASP as compare to 1Q2018.

(d) **MTBE, Propylene II, Hydrogen, Isobutylene**

Products derived from newly acquired subsidiary Dongming Qianhai and contribute total at 66.3% of revenue generated during 1Q2019.

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

Revenue from this business decreases by 14.6% from RMB 37.9 million in 1Q2018 to RMB 32.4 million in 1Q2019. Transport income decrease mainly due to (i) certain bad weather during the Chinese New Year periods causes cargo ships unable to harbour for unloading leading to lower delivery demands; and (ii) lower demand from a major customer located in Jiangsu.

**Gross profit**

With the consolidation of Dongming Qianhai results, the group made a total gross profit of RMB 68.9 million in 1Q2019 as compared to RMB 28.8 million in 1Q2018.

**Other income and expenses**

(a) **Other income, distribution and administration costs**

Increase is due to the consolidation of Dongming Qianhai results;

(b) **Finance expense**

Interests accrued from the consolidation of Dongming Qianhai results, on the loan from non-controlling interest and bank borrowing amounted to RMB 10.4 million and RMB 3.3 million respectively;

(c) **Taxation**

Provision increase in tandem to the increase of profits generated during the periods.

As a result, the Group made a profit of RMB 38.8 million as compared to RMB 21.3 million in 1Q2018.

---

## **Balance Sheet**

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

(a) **Property, plant and equipmen**

The increase mainly due to the consolidation of Dongming Qianhai and the capitalisation of initial costs for the commencing of construction-in-progress of polypropylene production plant in subsidiary Dongming Hengchang;

(b) **Inventories**

Inventories comprise of RMB 36.2 million of raw materials and RMB 49.5 million of finished petrochemical products, both at cost;

(c) **Amount owing by affiliated companies**

Amount owing by affiliated companies consist mainly the outstanding amount of RMB 10.0 million sales to Shandong Dongming Lishu Petroleum Co Limited (山东东明梨树化工有限公司). This amount settled in full in the subsequent month of April 2019;

(d) **Bank Borrowing**

Bank borrowing relates to a long-term capital loan obtained from the bank by subsidiary Dongming Qianhai. The loan is secured and carrying an interest rate of 4.75% per annum with a fixed repayment term of RMB 31.25 million in each quarterly till FY 2021;

(e) **Amout owing by non-controlling interests**

Amount of RMB 114.7 million owing by Dongming Petrochem Group. Subsidiary Dongming Qianhai receivables and payables are required to transact through Dongming Petrochem Group due to the reason stated below (g) as a form of security;

(f) **Amount owing to affiliated companies**

Decease in amount owing to affiliated companies mainly the 40% of 3<sup>rd</sup> progress payment to Dongming Zhongyou Fuel and Petrochemical Company Limited (东明中油燃料石化有限公司) amounted to RMB 127.1 million for the 70% controlling stake acquisition of Dongming Qianhai. Balance of final payment of 10% (approximately RMB 31.8 million) will be payable by 26 December 2019;

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

Loans are from non-controlling interest Dongming Petrochem Group to financing the working capital use in Dongming Qianhai prior to acquisition. All loans are unsecured and bearing interest at 4.5675% per annum. Repayments will made when funds are available. Decrease is due to the repayment of loan during the reporting periods.

## **Cash flow**

In 1Q2019, cashflow resulted net cash used in operating activities, in investing activities and in financing activities, cash and cash equivalent decrease to RMB 300.6 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.**

The Group's propylene production plant at Dongming Qianhai has been in stable production since the start of FY2019, and started contributing to our group in the past quarter.

Polypropylene is the most important derivative of propylene and is estimated to form more than 70% of propylene demand. In tandem with our expanded propylene production capacity, the Group is constructing a new polypropylene plant and currently at the piling completion stage. The construction of the polypropylene production plant is estimated to complete by forth quarter of fiscal year 2020.

The Group will continue to manage its cashflow and gearing, focusing on cost efficiency along with increasing frequency in cost budgets review.

**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 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)
<p>For periods from January 2019 to March 2019;-</p> <p>Dongming Zhongyou Fuel and Petrochemical Company Limited (东明中油燃料石化有限公司)</p> <ul style="list-style-type: none"> <li>- Purchase of raw LPG</li> <li>- Purchase of utilities</li> <li>- Logistics &amp; transport related services provided to</li> </ul> <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"> <li>- Purchase of utilities, part &amp; components</li> <li>- Sale of processed LPG</li> <li>- Logistics &amp; transport related services provided to</li> </ul> <p>Dongming Runze Petrochemical Co., Ltd (东明润泽化工有限公司)</p> <ul style="list-style-type: none"> <li>- Purchase of utilities, part &amp; components</li> <li>- Sale of Hydrogen gas *</li> <li>- Sale of utilities *</li> </ul> <p>Dongming Crude Oil Distribution Co., Ltd (东明石油经销有限公司)</p> <ul style="list-style-type: none"> <li>- Logistics &amp; transport related services provided to</li> <li>- Purchase of raw LPG from markets</li> <li>- Consignment fee</li> </ul> <p>Shandong Dongming Lishu Petroluem Co., Ltd (山东东明梨树化学有限公司)</p>		<p>RMB 459,519,479</p> <p>RMB 1,163,271</p> <p>RMB 3,204,180</p> <p>RMB 4,477,487</p> <p>RMB 13,789,185</p> <p>RMB 19,720</p> <p>RMB 16,170,451</p> <p>RMB 49,396,604</p> <p>RMB 2,469,261</p> <p>RMB 4,400</p> <p>RMB 28,221,032</p> <p>RMB 995,387</p>

<ul style="list-style-type: none"> <li>- Sales of processed LPG</li> <li>- Logistics &amp; transport related services provide to</li> <li>- Purchase of LPG *</li> <li>- Purchase if utilities *</li> </ul>		RMB 61,362,320 NIL RMB 44,019,381 RMB 3,046
Dongming Runming Oil Products Distribution Co., Limited (东明润明油品销售有限公司) <ul style="list-style-type: none"> <li>- Logistics &amp; transport related services provide to</li> </ul>		RMB 62,029
Shendong Dongming Petrochem Group Huize Co.,Ltd (山东东明石化集团汇泽有限公司) <ul style="list-style-type: none"> <li>- Sales of processed LPG</li> </ul>		RMB 79,240
Dongming Qianhai Reli Co.,Ltd.(东明前海热力有限公司) <ul style="list-style-type: none"> <li>- Purchase of utilities *</li> </ul>		RMB 115,144,597
Shandong Dongming Petrochem Group Co., Ltd (山东东明石化集团有限公司) <ul style="list-style-type: none"> <li>- Accrued Interest on loan from non-controlling interest *</li> </ul>	RMB 10,454,500	

*\* transactions derived from consolidation of Dongming Qianhai*

#### 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	58	Father of Li Zhi, non-executive Director of the Company	Non Executive Chairman Since 2006, Substantial shareholder of the Company.	None
Li Zhi	33	Son of Mr Li Xiangping, the Non Executive Chairman of the Company	Non Executive Director of the Company Since 2019	Appointed in year 2019.

**BY ORDER OF THE BOARD**

**ZHANG LIU CHENG  
EXECUTIVE DIRECTOR**

---

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

We, Li Xiang Ping and Zhang Liu Cheng, 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 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors  
Sinostar PEC Holdings Limited

---

Li Xiang Ping  
Executive Director

---

Zhang Liu Cheng  
Executive Director

**BY ORDER OF THE BOARD**

**ZHANG LIU CHENG**  
**EXECUTIVE DIRECTOR**