

SINOSTAR PEC HOLDINGS LIMITED

(Company Registration No. 200609833N)

INCREASE IN ISSUED AND PAID-UP SHARE CAPITAL OF DONGMING CHANGSHUN TRANSPORT COMPANY LIMITED AND UTILISATION OF IPO PROCEED

The Board of Directors of Sinostar PEC Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) wishes to announce that Dongming Changshun Transport Company Limited (“Dongming Changshun”), an indirect subsidiary of the Company has increased its paid up share capital from RMB600,000 to RMB30,000,000 through capital injection by Dongming Hengchang Petrochemical Co., Ltd. (“Dongming Hengchang”), a wholly owned subsidiary of the Company. The capital injected by Dongming Hengchang will be used as working capital for Dongming Changshun.

The source of the capital injection was through the balance of the Company’s IPO proceeds of RMB27,500,000 which was raised during year 2007 and RMB1,900,000 was through internal resources. Such capital injection is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year.

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the above transaction other than through their shareholdings in the Company.

Pursuant to the abovementioned capital injection, the IPO proceeds had been fully utilised as at the date of this announcement.

By Order of the Board

Zhang Liucheng
Chief Executive Officer and Executive Director
15 February 2016