

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

This QR announcement is mandatory made pursuant to the Singapore Exchange's requirements as required under Listing Rule 705(2).

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	The Group			Note	The Group		
	3 months ended 30 June		+/-		6 months ended 30 June		+/-
	2021	2020		2021	2020		
	RMB'000	RMB'000	%	RMB'000	RMB'000	%	
Revenue	1,138,017	732,610	55.3	4.2	2,098,400	1,516,845	38.3
Cost of sales	(948,110)	(666,448)	42.3		(1,798,648)	(1,437,132)	25.2
Gross profit	189,907	66,162	187.0		299,752	79,713	276.0
Other income	2,569	988	160.0		6,169	6,137	0.5
Distribution costs	(15)	(23)	(34.9)		(30)	(50)	(40.0)
Administrative costs	(5,534)	(9,392)	(41.1)		(11,894)	(17,333)	(31.4)
Other operating expense	(167)	(22)	659.1		(365)	(45)	711.1
Finance costs	(13,814)	(10,461)	32.1		(22,365)	(21,058)	6.2
Profit before taxation	172,946	47,252	266.0	5	271,267	47,364	472.7
Income tax expense	(44,563)	(11,835)	276.5	6	(68,511)	(14,698)	366.1
Total comprehensive profit for the period	128,383	35,417	262.5		202,756	32,666	520.7
Attributable to:							
Equity holders of the Company	97,513	32,813			156,850	33,614	
Non-controlling interests	30,870	2,604			45,906	(948)	
	128,383	35,417			202,756	32,666	
Earnings per share attributable to equity holders of the Company (RMB cents per share)							
Basic	15.24	5.13			24.51	5.25	
Diluted	15.24	5.13			24.51	5.25	

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30 June 2021 RMB'000	31 December 2020 RMB'000	30 June 2021 RMB'000	31 December 2020 RMB'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment		1,880,829	1,921,658	-	-
Right-of-use assets		4,427	4,427	-	-
Land use rights		91,427	91,285	-	-
Goodwill on consolidation	8	10,345	10,345	-	-
Investment in subsidiary corporations		-	-	250,041	250,041
Financial asset, at fair value through other comprehensive income	9	79,761	79,761	-	-
		<u>2,066,789</u>	<u>2,107,476</u>	<u>250,041</u>	<u>250,041</u>
CURRENT ASSETS					
Land use rights		543	1,085	-	-
Inventories	10	214,331	146,717	-	-
Trade and other receivables	11	52,693	40,907	-	-
Amount owing by a subsidiary corporation	11	-	-	7,514	7,612
Amounts owing by affiliated companies	11	686	2,542	-	-
Prepayments	12	10,253	5,020	-	-
Cash and bank balances		475,178	352,035	3,395	1,769
		<u>753,684</u>	<u>548,306</u>	<u>10,909</u>	<u>9,381</u>
TOTAL ASSETS		<u>2,820,473</u>	<u>2,655,782</u>	<u>260,950</u>	<u>259,422</u>
EQUITY					
Equity attributable to equity holders of the parents					
ASSETS					
Share capital	13	316,125	316,125	316,125	316,125
Retained profits/(accumulated losses)		475,038	334,224	(55,633)	(58,684)
Fair value reserves		34,517	34,517	-	-
Capital reserves		250,000	250,000	-	-
Other reserves		92,333	91,806	-	-
		<u>1,168,013</u>	<u>1,026,672</u>	<u>260,492</u>	<u>257,441</u>
Non-controlling interests		243,882	197,976	-	-
TOTAL EQUITY		<u>1,411,895</u>	<u>1,224,648</u>	<u>260,492</u>	<u>257,441</u>
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans from non-controlling interest	14	625,000	625,000	-	-
Bank borrowings	14	480,000	480,000	-	-
Lease liabilities		4,407	4,407	-	-
		<u>1,109,407</u>	<u>1,109,407</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES					
Loan from non-controlling interests	14	40,000	80,000	-	-
Bank borrowings	14	10,000	51,250	-	-
Lease liabilities		373	373	-	-
Trade and other payables	15	203,475	142,032	458	1,981
Amounts owing to affiliated companies	15	1,819	6,948	-	-
Current tax payable		43,504	41,124	-	-
		<u>299,171</u>	<u>321,727</u>	<u>458</u>	<u>1,981</u>
TOTAL EQUITY AND LIABILITIES		<u>2,820,473</u>	<u>2,655,782</u>	<u>260,950</u>	<u>259,422</u>

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY - GROUP

	Share capital RMB'000	Retained earnings RMB'000	Fair value reserve RMB'000	Capital reserve RMB'000	Other reserves			Equity attributable to owners RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
					Statutory common reserve RMB'000	Voluntary Common reserve RMB'000	Sub-total RMB'000			
1 January 2021 to 30 June 2021										
Balance as at 1 January 2021	316,125	334,224	34,517	250,000	91,009	797	91,806	1,026,672	197,976	1,224,648
Total comprehensive income for the period	-	156,850	-	-	-	-	-	156,850	45,906	202,756
Dividend paid for the period	-	(15,509)	-	-	-	-	-	(15,509)	-	(15,509)
Transfer to statutory common reserve	-	(527)	-	-	527	-	527	-	-	-
Balance as at 30 June 2021	316,125	475,038	34,517	250,000	91,536	797	92,333	1,168,013	243,882	1,411,895

	Share capital RMB'000	Retained earnings RMB'000	Fair value reserve RMB'000	Capital reserve RMB'000	Other reserves			Equity attributable to owners RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
					Statutory common reserve RMB'000	Voluntary Common reserve RMB'000	Sub-total RMB'000			
1 January 2020 to 30 June 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 period	-	33,614	-	-	-	-	-	33,614	(948)	32,666
Balance as at 30 June 2020	316,125	225,968	-	250,000	74,326	797	75,123	867,216	156,213	1,023,429

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)**STATEMENT OF CHANGES IN EQUITY - COMPANY**

1 January 2021 to 30 June 2021	Share capital RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance as at 1 January 2021	316,125	(58,684)	257,441
Total comprehensive income for the period	-	18,560	18,560
Dividend paid	-	(15,509)	(15,509)
Balance as at 30 June 2021	<u>316,125</u>	<u>(55,633)</u>	<u>260,492</u>

1 January 2020 to 30 June 2020	Share capital RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance as at 1 January 2020	316,125	(52,907)	263,218
Total comprehensive loss for the period		(2,474)	(2,474)
Balance as at 30 June 2020	<u>316,125</u>	<u>(55,381)</u>	<u>260,744</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	6 months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Cash flows from operating activities		
Profit for the period	271,267	47,364
Adjustments for:-		
Depreciation of property, plant and equipment	68,136	100,127
Amortisation of land use rights	544	658
Loss on disposal of property, plant and equipment	20	67
Interest expense	22,365	21,058
Interest income	(2,884)	(1,067)
Operating profit before working capital changes	359,448	168,207
Changes in working capital:		
Change in inventories	(67,614)	78,336
Change in amount owing by/(to) affiliated companies	(3,273)	2,532
Change in operating receivables	(17,019)	38,592
Change in operating payables	61,443	(11,413)
Cash generated from operations	332,985	276,254
Interest paid	(22,365)	(21,058)
Income tax paid	(66,131)	(31,573)
Net cash generated from operating activities	244,489	223,623
Cash flows from investing activities		
Acquisition of property, plant and equipment	(27,400)	(272,161)
Proceeds from sales of property, plant and equipment	73	-
Acquisition of land use rights	(144)	(118)
Change in amount owing to non-controlling interest	-	137,757
Interest received	2,884	1,067
Net cash used in investing activities	(24,587)	(133,455)
Cash flows from financing activity		
Dividend paid	(15,509)	-
Repayment of loan to non-controlling interests	(40,000)	(115,000)
Proceeds from bank borrowings	-	468,750
Repayment of bank borrowings	(41,250)	(31,250)
Net cash (used in)/from financing activities	(96,759)	322,500
Net increase in cash and cash equivalents	123,143	412,668
Cash and cash equivalents at beginning of period	352,035	66,247
Cash and cash equivalents at end of period	475,178	478,915
For the purpose of the consolidated statement of cash flows, the cash and cash equivalents comprise the following:		
Cash on hand	25	72
Bank balances	465,153	478,843
	475,178	478,915

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Sinostar PEC Holdings Limited (“the Company”) is incorporated and domiciled in Singapore as a limited liability company. The Company is listed on the Singapore Exchange Mainboard (“SGX-ST”).

The immediate and ultimate holding company of the Company is Intelligent People Holdings Limited (“Intelligent People”), a company which is incorporated in the British Virgin Islands (“BVI”).

The Company’s registered office is located at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiary corporations are:

- (a) Manufacture and sale of propylene, polypropylene and LPG products;
- (b) Provide logistics and transportation related services for petroleum products; and
- (c) Manufacture and sale of propylene, purified isobutylene, methyl tert-butyl ether (commonly known as MTBE), hydrogen and mixed gas.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, “the Group”).

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Chinese Renminbi dollar which is the functional currency of the Company and have been rounded to the nearest thousand (“RMB’000”).

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is the useful lives of property, plant and equipment. The costs of property, plant and equipment are depreciated using the straight-line to allocate the depreciable amount over the estimated useful life. The useful lives of these assets are estimated by the management using common life expectancies applied in the industry and country of operations. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, thus affecting the depreciation charges of property, plant and equipment.

There were no significant changes in critical judgements, estimates and assumptions as compared to the consolidated financial statements as at and for the year ended 31 December 2020.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

1. The gas separation segment is the manufacturing and sales of LPG, propylene, polypropylene, MTBE, hydrogen, isobutylene and other gas.
2. The transport and logistic services segment is the provision of logistics and transportation related services for petroleum products.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Segment and revenue information (Cont'd)

4.1. Reportable segments

	The Group 6 months ended 30 June 2021		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
Revenue			
External customers	1,974,804	123,596	2,098,400
Inter-segment sales	564,857	17	564,874
Total revenue	<u>2,539,661</u>	<u>123,613</u>	<u>2,663,274</u>
Segment assets	<u>2,283,897</u>	<u>49,518</u>	<u>2,333,415</u>
Segment liabilities	<u>33,210</u>	<u>13,520</u>	<u>46,730</u>
Results			
Segment results	<u>283,789</u>	<u>14,836</u>	<u>298,625</u>
Unallocated expenses			
Unallocated corporate expenses			(7,877)
Profit from operations			290,748
Finance income			2,884
Finance cost			(22,365)
Profit before tax			271,267
Tax expense			(68,511)
Profit after tax			<u>202,756</u>
Segments assets for reportable segments			
			2,333,415
Other assets			
Unallocated			
Amounts owing by affiliated companies			686
Cash and cash equivalents			475,178
Other receivables			849
Goodwill on consolidation			10,345
			<u>2,820,473</u>
Segments liabilities for reportable segments			
			46,730
Other liabilities			
Unallocated			
Other payables			161,525
Amounts owing to affiliated companies			1,819
Bank borrowings			490,000
Loan from non-controlling interest			665,000
Current tax payable			43,504
			<u>1,408,578</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Segment and revenue information (Cont'd)

4.1. Reportable segments (Cont'd)

	The Group 6 months ended 30 June 2020		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
Revenue			
External customers	1,415,335	101,510	1,516,845
Inter-segment sales	281,949	6	281,955
Total revenue	<u>1,697,284</u>	<u>101,516</u>	<u>1,798,800</u>
Segment assets	<u>1,948,077</u>	<u>13,187</u>	<u>1,961,264</u>
Segment liabilities	<u>17,864</u>	<u>10,926</u>	<u>28,790</u>
Results			
Segment results	<u>69,929</u>	<u>8,791</u>	<u>78,720</u>
Unallocated expenses			
Unallocated corporate expenses			<u>(11,365)</u>
Profit from operations			67,355
Finance income			1,067
Finance cost			<u>(21,058)</u>
Profit before tax			47,364
Tax expense			<u>(14,698)</u>
Profit after tax			<u>32,666</u>
Segments assets for reportable segments			1,961,264
Other assets			
Unallocated			
Amounts owing by affiliated companies			253
Cash and cash equivalents			478,915
Other receivables			1,168
Goodwill on consolidation			<u>10,345</u>
			<u>2,451,945</u>
Segments liabilities for reportable segments			28,790
Other liabilities			
Unallocated			
Other payables			62,363
Bank borrowings			593,750
Loan from non-controlling interest			735,000
Current tax payable			<u>8,613</u>
			<u>1,428,516</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Segment and revenue information (Cont'd)

4.2. Disaggregation of Revenue

The Group derives revenue from the transfer of goods and services at a point in time for the following types of services.

	The Group 6 months ended 30 June 2021		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
People's Republic of China			
Liquefied petroleum gas	245,571	-	245,571
Propylene	82,883	-	82,883
Polypropylene	156,119	-	156,119
Premium grade polypropylene	328,127	-	328,127
Methyl Tert-Butyl Ether ("MTBE")	845,942	-	845,942
Propylene II	124,971	-	124,971
Hydrogen	101,204	-	101,204
Isobutylene	79,344	-	79,344
Other Gas	10,643	-	10,643
Transport and logistic services	-	123,596	123,596
	1,974,804	123,596	2,098,400

	The Group 6 months ended 30 June 2020		
	Gas Separation RMB'000	Transport and Logistic Services RMB'000	Total RMB'000
People's Republic of China			
Liquefied petroleum gas	176,958	-	176,958
Propylene	139,305	-	139,305
Polypropylene	132,186	-	132,186
Methyl Tert-Butyl Ether ("MTBE")	531,560	-	531,560
Propylene II	261,222	-	261,222
Hydrogen	96,817	-	96,817
Isobutylene	70,179	-	70,179
Other Gas	7,108	-	7,108
Transport and logistic services	-	101,510	101,510
	1,415,335	101,510	1,516,845

5. Profit before taxation

Significant items

	The Group	
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000
Interest income	2,884	1,067
Expenses:		
Interest on borrowings	22,365	21,058
Depreciation of property, plant and equipment	68,136	100,127
Amortisation of land use rights	544	658
Loss on disposal of property, plant and equipment	20	67
	91,071	123,510

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6. Income tax expense

The Group calculates the financial period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group	
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000
Current income tax expense		
- Profit for the financial period	67,452	14,698
- Under provision in prior financial periods	1,059	-
	68,511	14,698

7. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to RMB27,400,000 (30 June 2020: RMB166,860,000) and disposed of assets with net carrying value amounting to RMB 93,546 (June 2020: RMB Nil).

8. Goodwill arising on consolidation

	The Group	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Cost and carrying amount		
Beginning and end of financial period	10,345	10,345

8.1. Goodwill impairment

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	The Group	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Dongming Changshun Transport Company Limited (东明县昌顺运输有限公司)	2,501	2,501
Dongming Qianhai Petrochemical Co., Ltd. (东明前海化工有限公司)	7,844	7,844
	10,345	10,345

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using terminal growth rate of 3% (2020: 3%). These cash flows were discounted using a pre-tax discount rate of 10% (2020: 10%) that reflected current market assessment of the time value of money and the risks specific to the CGUs. The growth rate is based on past performance and expectations on market development.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8. Goodwill arising on consolidation (Cont'd)

8.1. Goodwill impairment (Cont'd)

Management determines that the recoverable amount is higher than the carrying amount. Accordingly, no impairment for allowance is provided. The Group believes that any reasonable possible changes on the above key assumptions are not likely to cause the recoverable amount to be materiality lower than the related carrying amount.

Under the fair value hierarchy, level 3 inputs were used.

9. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following:

	The Group	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Equity security (unquoted) - Dongming Qianhai Reli Co., Ltd. (东明前海热力有限公司)		
Beginning of financial period	79,761	30,450
Fair value gains recognised in other comprehensive income	-	49,311
End of financial year	<u>79,761</u>	<u>79,761</u>

Represents 18% of equity interest in Dongming Qianhai Reli Co., Ltd. The Group has elected to measure these equity security at FVOCI due to the Group's intention not to hold these equity instruments for trading but for long-term appreciation.

9.1. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the assets measured at fair value at each reporting date:

	Level 3 RMB'000
30 June 2021 Financial assets, at FVOCI	<u>79,761</u>
31 December 2020 Financial assets, at FVOCI	<u>79,761</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

10. Inventories

	The Group		The Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
At cost				
Raw materials	127,301	78,938	-	-
Finished goods	87,030	67,779	-	-
	<u>214,331</u>	<u>146,717</u>	-	-

11. Trade and other receivables

	The Group		The Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
– Non-related parties	18,922	1,787	-	-
Other receivables				
– Non-related parties	32,922	10,266	-	-
Accrued revenue	-	5,970	-	-
VAT receivable	-	21,885	-	-
Advances made to staff	758	858	-	-
Refundable deposits	91	141	-	-
	<u>52,693</u>	<u>40,907</u>	-	-

	The Group		The Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Amount owing by a subsidiary corporation				
Loans to a subsidiary corporation	-	-	7,514	7,612

	The Group		The Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Amount owing by affiliated companies				
	<u>686</u>	<u>2,542</u>	-	-

12. Prepayments

	The Group		The Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments				
Raw materials	6,621	-	-	-
Others	3,632	5,020	-	-
	<u>10,253</u>	<u>5,020</u>	-	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

13. Share capital

	The Group and the Company			
	30 June 2021		31 December 2020	
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
Issued and fully paid, with no par value				
Balance at beginning and at end of interim period	640,000	316,125	640,000	316,125

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14. Borrowings

	The Group		The Company	
	30 June 2021 RMB'000	31 December 2020 RMB'000	30 June 2021 RMB'000	31 December 2020 RMB'000
Amount repayable within one year or on demand				
- Secured	10,000 ^(a)	51,250 ^{(a),(b)}	-	-
- Unsecured	40,000 ^(c)	-	-	-
Amount repayable after one year				
- Secured	480,000 ^(a)	480,000 ^(a)	-	-
- Unsecured	625,000 ^(c)	-	-	-

- (a) 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). Full settlement is scheduled by 2 January 2027;
- (b) 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). This loan has been fully discharged in 1Q21;
- (c) 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).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

15. Trade and other payables

	The Group		The Company	
	30 June 2021 RMB'000	31 December 2020 RMB'000	30 June 2021 RMB'000	31 December 2020 RMB'000
Trade payables				
– Non-related parties	41,949	55,335	-	-
Other payables				
– Non-related parties	69,312	45,152	458	123
Other payables – staff	410	347	-	-
Accruals	6,336	9,272	-	1,858
VAT payables	13,591	16,832	-	-
Other governmental tax payables	2,637	2,695	-	-
Contract liabilities – advance collection from customers	69,240	12,399	-	-
	<u>203,475</u>	<u>142,032</u>	<u>458</u>	<u>1,981</u>

	The Group		The Company	
	30 June 2021 RMB'000	31 December 2020 RMB'000	30 June 2021 RMB'000	31 December 2020 RMB'000
Amount owing to affiliated companies				
– Trade	1,819	6,018	-	-
– Non-trade	-	930	-	-
	<u>1,819</u>	<u>6,948</u>	<u>-</u>	<u>-</u>

16. Dividends

	The Group	
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000
Ordinary dividend paid:		
- Final tax-exempt (one-tier) dividend paid in respect of previous financial year of S\$ 0.005 (equivalent to RMB 0.0242) [2020: S\$ Nil (equivalent to RMB Nil)] per share		
	<u>15,509</u>	<u>-</u>

17. Net Asset Value

	The Group		The Company	
	30 June 2021 RMB'000	31 December 2020 RMB'000	30 June 2021 RMB'000	31 December 2020 RMB'000
Net asset value per ordinary share	1.83	1.60	0.41	0.40

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

18. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020.

	Note	The Group		The Company	
		30 June 2021 RMB'000	31 December 2020 RMB'000	30 June 2021 RMB'000	31 December 2020 RMB'000
Financial Assets					
- At FVOCI	9	79,761	79,761	-	-
- At amortised cost		527,799	372,741	10,909	9,381
		<u>607,560</u>	<u>452,502</u>	<u>10,909</u>	<u>9,381</u>
Financial Liabilities					
- At amortised cost		1,279,606	1,358,084	458	1,981

19. Affiliated companies transactions

As an additional disclosure, the Group disclosed the following significant affiliated companies transactions entered into between the Group and its affiliated companies at terms agreed between the companies:

	The Group	
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000
Sales to affiliated companies		
- 山东东明石化集团有限公司	27,380	30,869
- 东明石油经销有限公司	27,241	40,883
- 山东东明梨树化学有限公司	170,559	128,007
- 东明中油燃料石化有限公司	8,633	-
- 山东润泽化工有限公司	107,368	104,103
	<u>276,181</u>	<u>273,862</u>
Purchases from affiliated companies		
- 山东润泽化工有限公司	25,621	23,588
- 东明中油燃料石化有限公司	1,023,139	836,835
- 山东东明石化集团有限公司	17,674	5,747
- 山东东明梨树化学有限公司	108,254	91,225
- 山东炼化能源集团有限公司	25,210	-
	<u>1,209,908</u>	<u>957,395</u>
Interest expenses on loan charged by affiliated company		
- 山东东明石化集团有限公司	16,596	17,881
	<u>16,596</u>	<u>17,881</u>
Other individually immaterial transactions	8,476	6,725

Affiliated companies refer to companies in which a director of the Company has an indirect equity interest.

20. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION

1. Review

The consolidated statement of financial position of Sinostar PEC Holdings Limited and its subsidiaries as at 30 June 2021 and the related consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of Performance of the Group

The consolidated statement of financial position of Sinostar PEC Holdings Limited and its subsidiaries as at 30 June 2021 and the related consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

Highlights on changes in Condensed Interim Statements of Profit or Loss and Other Comprehensive Income items of the Group are as follow; -

Revenue

2Q2021	3 months ended		3 months ended		+/(-)
	30 June 2021		30 June 2020		
	RMB'000	%	RMB'000	%	%
Analysis of Revenue					
Processed LPG - Total	332,602	29.2%	203,636	27.8%	63.3%
- Inter-company*	(205,556)	-18.1%	(125,104)	-17.1%	64.3%
Propylene	-	0.0%	66,971	9.1%	-100.0%
Polypropylene	83,424	7.3%	73,258	10.0%	13.9%
Premium grade polypropylene #	307,268	27.0%	-	-	NM
MTBE	479,967	42.2%	233,328	31.8%	105.7%
Propylene II - Total	174,464	15.3%	136,249	18.6%	28.0%
- Inter-company**	(202,644)	-17.8%	-	-	NM
Hydrogen	51,910	4.6%	49,856	6.8%	4.1%
Isobutylene	44,098	3.9%	30,281	4.1%	45.6%
Other Gas	6,757	0.6%	3,311	0.5%	104.1%
Logistic & transport related services	65,727	5.8%	60,824	8.3%	8.0%
TOTAL	1,138,017	100.0%	732,610	100.0%	55.3%

1H 2021	6 months ended		6 months ended		+/(-)
	30 June 2021		30 June 2020		
	RMB'000	%	RMB'000	%	%
Analysis of Revenue					
Processed LPG - Total	607,784	29.0%	458,935	30.3%	32.4%
- Inter-company*	(362,213)	-17.3%	(281,977)	-18.6%	28.5%
Propylene	82,883	3.9%	139,305	9.2%	-40.5%
Polypropylene	156,119	7.4%	132,186	8.7%	18.1%
Premium grade polypropylene #	328,127	15.6%	-	-	NM
MTBE	845,942	40.3%	531,560	35.0%	59.1%
Propylene II - Total	327,615	15.6%	261,222	17.2%	25.4%
- Inter-company**	(202,644)	-9.7%	-	-	NM
Hydrogen	101,204	4.8%	96,817	6.4%	4.5%
Isobutylene	79,344	3.8%	70,179	4.6%	13.0%
Other Gas	10,643	0.5%	7,108	0.5%	49.7%
Logistic & transport related services	123,596	5.9%	101,510	6.7%	21.7%
TOTAL	2,098,400	100.0%	1,516,845	100.0%	38.3%

* supplied of LPG to subsidiary Dongming Qianhai

** supplied of Propylene II to immediate holding company Dongming Hengchang

production from new polypropylene plant starting 1Q21

NM - Not Meaningful

OTHER INFORMATION (CONT'D)

2. Review of Performance of the Group (Cont'd)

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

Revenue (Cont'd)

Highlights on changes in Condensed Interim Statements of Profit or Loss and Other Comprehensive Income items of the Group are as follow; - (Cont'd)

(a) Processed LPG

LPG increases by 63.3% from RMB 203.6 million in 2Q20 to RMB 332.6 million in 2Q21, included the inter-company transactions. A total of 84,036 tonne produced and sold during the periods, an increase of 6.7% as compared to 2Q20. Average selling prices ("ASP") and average cost of production ("ACP") during the period increase by 53.1% and 53.0% respectively as compared to 2Q20.

LPG increases by 32.4% from RMB 458.9 million in 1H20 to RMB 607.8 million in 1H21 (included inter-company transactions). Total of 158,981 tonne produced and sold during 1H21, an increase of 5.6% as compared to 1H20. ASP and ACP during the periods increase by 25.4% and 20.8% respectively as compared to 1H20.

(b) Propylene

Propylene is used to further process into polypropylene due to higher margin and only excess output will be sold to markets. During the 2Q21 reporting period, all 28,596 tonnes of propylene output were used to process to polypropylene and premier grade polypropylene.

Due to the reason mentioned in 2Q21, the sale of propylene decreases by 40.5% from RMB 139.3 million in 1H20 to RMB 82.9 million in 1H21.

(c) Polypropylene

Polypropylene increases by 13.9% from RMB 73.2 million in 2Q20 to RMB 83.4 million in 2Q21. Though the production output decrease by 4.6% to 11,054 tonnes, both the ASP and ACP during the reporting period increase by 19.4% and 24.6% respectively as compared to 2Q20.

Polypropylene increases by 18.1% from RMB 132.2 million in 1H20 to RMB 156.1 million in 1H21. Total output decrease by 1.7% to 21,022 tonnes, both the ASP and ACP during the 1H21 increase by 20.2% and 21.7% respectively as compared to 1H20.

(d) Premier grade polypropylene

Premier grade polypropylene is produced by the newly commercialised polypropylene production plant from March 2021. A total of 43,012 tonnes were produced during the reporting periods.

(e) MTBE

MTBE increases by 105.7% from RMB 233.3 million in 2Q20 to approximately RMB 480.0 million in 2Q21. Production output by increases by 18.7% to 92,573 tonnes whereas both ASP and ACP during the period increase by 73.2% and 56.0% respectively as compared to 2Q20.

For 1st half, total MTBE increases by 59.1% from RMB 531.5 million in 1H20 to RMB 845.9 million in 1H21. Output by increases by 16.8% to 177,288 tonnes whereas both ASP and ACP during the periods increase by 36.3% and 12.6% respectively as compared to 1H20.

OTHER INFORMATION (CONT'D)

2. Review of Performance of the Group (Cont'd)

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

Revenue (Cont'd)

Highlights on changes in Condensed Interim Statements of Profit or Loss and Other Comprehensive Income items of the Group are as follow; - (Cont'd)

(f) Propylene II

Propylene II increases by 28.0% from RMB 136.2 million in 2Q20 to RMB 174.5 million in 2Q21, (included the inter-company transactions). Production output increase by 5.0% to 25,475 tonnes and ASP increase by 21.9% respectively, whereas ACP decreases during the period by 12.0% as compared to 2Q20.

Total revenue increases by 25.4% from RMB 261.2 million in 1H20 to RMB 327.6 million in 1H21, (included the inter-company transactions). During the 1H21, output increase by 3.5% to 48,395 tonnes, ASP and ACP increase by 21.2% and 7.9% respectively as compared to 1H20.

(g) Hydrogen

Hydrogen is mainly transacted with an affiliate party for its production utilities consumption. During the period, production output increases by 3.9% to 3,533 tonnes resulted the revenue to increase from RMB 49.8 million in 2Q20 to RMB 51.9 million in 2Q21.

For 1H21, a total output of 6,892 tonnes was transacted with a revenue value of RMB 101.2 million.

(h) Isobutylene

Isobutylene increases by 45.6% from RMB 30.3 million in 2Q20 to RMB 44.1 million in 2Q21. Though the production output decrease by 8.8% to 5,502 tonnes, both the ASP and ACP during the reporting period increase by 59.7% and 50.3% respectively as compared to 2Q20.

For 1H21, although the total output decreases by 8.2% to 10,838 tonnes, revenue increase by 13.0% from RMB 70.1 million to RMB 79.3 million mainly due to higher increase in ASP by 23.1% as compare to 2.3% in ACP.

(i) Logistics & transport related service

Revenue from this business increases by 8.0% from RMB 60.8 million in 2Q20 to RMB 65.7 million in 2Q21.

Total revenue for 1H21 increases 21.7% from RMB 101.5 million to RMB 123.5 million, mainly due to increase in transportation demand.

Gross profit

Gross profit increase from RMB 66.2 million in 2Q20 to approximately RMB 189.9 million in 2Q21, and from RMB 79.7 million to RMB 299.7 million for 1H21, mainly due increase in production volume and average selling price, couple with increase in revenue generated from logistics and transport related services.

OTHER INFORMATION (CONT'D)

2. Review of Performance of the Group (Cont'd)

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

Other income and expenses

(a) **Other income**

Comprise mainly of bank interest earned on short-term deposits placed with financial institution amounted to approximately RMB 1.6 million and balances on other non-trade receivables in 2Q21. For 1H21, a total of RMB 2.9 million earned from bank interest and balances on non-trade receivables.

(b) **Administrative costs**

Decreased from RMB 9.4 million in 2Q20 to RMB 5.5 million in 2Q21 mainly due to the decrease in the operating expenses at the holding listed company for approximately RMB 1.3 million and in subsidiary Hengchang the allocation of labour costs from administrative costs to cost of production amounted to approximately RMB 2.2 million.

(c) **Finance costs**

Interests incurred on the loan from non-controlling interest amounted to RMB 8.3 million and RMB 5.6 million on external bank borrowing in 2Q21. For 1H21, total of RMB 16.6 million interest paid to non-controlling interest and balance on bank loan.

(d) **Taxation**

Interests is in tandem to increase in sale transaction activities.

Net Profit

The Group made a profit of RMB 97.5 million in 2Q21 attributed to the equity holders of the company, as compared to profit of RMB 32.8 million in 2Q20.

For 1H21, a total profit of 156.8 million attributed to the equity holders of the company as compares to RMB 33.6 million in 1H20.

Condensed Interim Consolidated Statements of Financial Positions

Highlights on changes in Condensed Interim Consolidated Statements of Financial Positions items of the Group are as follow; -

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

Decrease is mainly due to depreciation charge during the financial period.

(b) **Inventories**

Inventories comprise of approximately RMB 127.3 million of raw materials and equivalent value of RMB 87.0 million on finished petrochemical products, recorded at cost.

(c) **Prepayment**

Increase is mainly due to amount paid to suppliers for raw materials.

(d) **Non-controlling interest**

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

OTHER INFORMATION (CONT'D)

2. Review of Performance of the Group (Cont'd)

Condensed Interim Consolidated Statements of Financial Positions (Cont'd)

Highlights on changes in Condensed Interim Consolidated Statements of Financial Positions items of the Group are as follow; - (Cont'd)

(e) Bank Borrowings

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 was carrying an interest rate of 4.75% per annum with a fixed repayment term of RMB 31.25 million in each quarterly. Last and final loan repayment has been settled in February 2021;
- ii. Capital loan from bank to finance Dongming Hengchang's new polypropylene construction. The loan is carrying at interest rate of 4.41% per annum and repayment commences from June of 2021. A repayment of RMB 10.0 million has been made during the reporting period.

(f) Loan from non-controlling interests

This is from non-controlling interest Dongming Petrochem Group (represent 30% minority stake in subsidiary Dongming Qianhai) to finance the working capital use in Dongming Qianhai since acquisition. Loan is unsecured, bearing interest at 4.75% per annum with scheduled quarterly repayments till April 2025. There was a repayment of RMB 20.0 million made in 2Q21.

Condensed Interim Consolidated Statement of Cash Flow

As of 30 June 2021, the group generated RMB 244.5 million net cash from operating, offset RMB 24.6 and RMB 96.7 million net cash used in both investing and financing activities, respectively. As a result, the Group's cash and cash equivalent amounted to RMB 475.2 million.

- 3.(i) **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 June 2021.

- 3.(ii) **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 June 2021	31 December 2020
Number of issued shares (excluding treasury shares)	640,000,000	640,000,000
Number of treasury shares held	NIL	NIL

- 3.(iii) **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.

OTHER INFORMATION (CONT'D)

4. **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 months ended 30 June	
	2021	2020
Profit/(loss) 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	15.24	5.13
No. of shares in issue (weighted average)	640,000,000	640,000,000
(b) On a fully diluted basis	15.24	5.13
No. of shares in issue (weighted average)	640,000,000	640,000,000

	6 months ended 30 June	
	2021	2020
Profit/(loss) 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	24.51	5.25
No. of shares in issue (weighted average)	640,000,000	640,000,000
(b) On a fully diluted basis	24.51	5.25
No. of shares in issue (weighted average)	640,000,000	640,000,000

5. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

None.

6. **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.**

As China hits the stimulus pedal this year, it is expected to surpass the U.S. as the world's largest oil refiner according to the International Energy Agency (IEA). China's economy continued to recover steadily in the first half of the year, with a 12.7 percent year-on-year GDP expansion for an average two-year growth of 5.3 percent.

Products such as polypropylene are the essential building block for everything from food packaging, clothing, cosmetics and fertilizer, even car and train interiors. This includes the demand for protective surgical masks and related products have continued to drive the demand for the Group's products such as polypropylene (Pp) fibre which is used in the manufacturing of these protective equipment.

The Group has also completed its trial productions for the new polypropylene plant, which is now in stable production and operating at an average utilization rate of 90% in 2Q2021. The new polypropylene plant adopts the latest generation technology, Spheripol, to produce high-quality polypropylene which can be used in the production of automotive accessories, food packaging, and other consumer products.

The Group is optimistic about its FY2021 financial performance and will continue to manage its cash flow closely while optimizing production.

OTHER INFORMATION (CONT'D)

7. Dividend information

- (a) Current Financial Period Reported On
Any dividend recommended for the current financial period reported on?
No.
- (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
NA.
- (d) Book Closure Date
NA.

8. Interested person transactions

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 period 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 period from April 2021 to June 2021;-</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"> - Purchase of raw LPG - Purchase of utilities - Logistics & transport related services provided to <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 - Sale of processed LPG - Logistics & transport related services provided to - Accrued Interest on loan from non-controlling interest 		<p>RMB 544,123,095</p> <p>RMB 2,738,181</p> <p>RMB 8,632,751</p> <p>RMB 12,004,124</p> <p>RMB 11,582,116</p> <p>RMB 61,417</p> <p>RMB 8,312,500</p>

OTHER INFORMATION (CONT'D)

8. Interested person transactions (Cont'd)

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 period which it is required to report on pursuant to rule 705. (Cont'd)

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 period from April 2021 to June 2021;-</p> <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 - Sale of Hydrogen gas - Sale of utilities - Sale of processed LPG # <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 - Consignment fee <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 - Purchase of LPG - Purchase of utilities - Logistics & transport related services provide to <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 	<p>RMB 849,531</p>	<p>RMB 14,299,430</p> <p>RMB 51,514,881</p> <p>RMB 3,534,903</p> <p>RMB 6,661,797</p> <p>RMB 14,897,124</p> <p>RMB 88,096,270</p> <p>RMB 49,912,738</p> <p>RMB 3,429</p> <p>RMB 1,417,147</p> <p>RMB 21,231</p>

OTHER INFORMATION (CONT'D)

8. Interested person transactions (Cont'd)

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 period which it is required to report on pursuant to rule 705. (Cont'd)

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 period from April 2021 to June 2021;- Shandong LianHua Energy Group Co. Ltd. (山东炼化能源集团有限公司)* - Purchase of propylene	RMB 9,546,022	
QingDao XinRenFeng Crude Oil Trading Co. Ltd. (青岛新润丰石油贸易有限公司) - Purchase of propylene	RMB 115,301	

transaction transferred from Shandong Dongming Petrochem Group Co., Ltd. (山东东明石化集团有限公司) from June 2021 onwards, with all terms remain;

* an entity located in Shandong Jinan with a 85.78% shareholding controlled by Shandong Dongming Petrochem Group Company Limited

9. 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.	From non-executive Chairman to Executive Chairman from April 2021.
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.

10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) that the Issuer has procured undertaking from all its directors and executive

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

Li Xiang Ping

William Tan Yew Chee

Executive Chairman

Chief Financial Officer

On behalf of the Board of Directors
Sinostar PEC Holdings Limited

Li Xiang Ping
Executive Chairman

Singapore
13 August 2021