

## SINOSTAR PEC HOLDINGS LIMITED

(Company Registration No. 200609833N)

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### ACQUISITION OF SUBSIDIARY

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The board of directors (the “**Board**”) of Sinostar PEC Holdings Limited (the “**Company**”, together with its subsidiaries, referred to as the “**Group**”) wishes to announce that Dongming Hengchang Petrochemical Co., Ltd., a wholly owned subsidiary of the Company, has on 14 July 2015 entered into a sale and purchase agreement (the “**Agreement**”) to acquire from Shandong Dongming Petrochem Group Co., Ltd (山东东明石化集团有限公司) (the “**Vendor**”) a 100% of the equity interest and registered capital in Dongming Changshun Transport Company Limited (东明县昌顺运输有限公司) (“**Changshun Transport**”), a company incorporated in the People’s Republic of China (the “**Acquisition**”). Following the completion of the Acquisition, Changshun Transport will become an indirect subsidiary of the Company, accordingly, this announcement is made pursuant to Rule 704(17)(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”).

The purchase consideration for the equity interest in Changshun Transport was RMB 9,724,100 (equivalent to approximately S\$2,113,934.78 based on the exchange rate of RMB 4.60 : S\$1.00) (the “**Purchase Consideration**”). The Purchase Consideration was arrived at following arm’s length negotiations and on a willing seller and willing buyer basis after taking into account the valuation report dated 30 June 2015 commissioned by the Purchaser and issued by an independent valuer, Shandong Tian Yuan Tong Tai Assets Appraisal Co. Ltd (山东天元同泰资产评估有限公司) (the “**Valuation Report**”). The Purchase Consideration is equivalent to the overall business value of Changshun Transport as at 31 May 2015 which was RMB 9,724,100.

Under the terms of the Agreement, the Purchase Consideration shall be satisfied in the following manner:

- (a) upon signing of the Agreement, the Purchaser shall pay the Vendor a sum of RMB 972,400, representing approximately 10% of the Purchase Consideration; and
- (b) within five (5) days after the completion of the Acquisition, the Purchaser shall pay the Vendor a sum of RMB 8,751,700, representing the balance of the Purchase Consideration.

Changshun Transport carries on the principal business of providing logistics and transportation for petroleum products. The Acquisition will enable the Group to provide delivery of liquefied petroleum gas and petrochemical related products to its end customers and reduce its reliance on third party logistics and transportation service providers.

The above transaction is not expected to have a material impact on the net tangible assets per share and earnings per share of the Group for the current financial year.

Mr Li Xiang Ping, a director and the non-executive chairman of the Company, has an indirect interest of 4.42% in Changshun Transport through his shareholdings in various intermediary companies. Accordingly, the Company is treating the Acquisition as an interested person transaction. The Purchase Consideration constitutes less than 3% of the Group's audited net asset value as at 31 December 2014.

Save as disclosed, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction save for their shareholdings in the Company.

**BY ORDER OF THE BOARD**

Zhang Liucheng  
Chief Executive Officer and Executive Director  
14 July 2015