



SINOSTAR PEC HOLDINGS LIMITED

(Company Registration No.: 200609833N)

ANNOUNCEMENT

1. Introduction

References are made to the following:

- (i) the announcements issued by Sinostar PEC Sinostar PEC Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) relating to the Company’s:
 - (a) unaudited financial statement for the three months (“**Q4 2021**”) and 12 months (“**FY 2021**”) ended on 31 December 2021 dated 1 and 8 March 2022 (the “**Q4 2021 Announcements**”);
 - (b) unaudited financial statement for the three months ended on 30 September 2021 (“**Q3 2021**”) dated 12 November 2021 (the “**Q3 2021 Announcement**”);
 - (c) unaudited financial statement for the three months (“**Q2 2021**”) and six months ended on 30 June 2021 (“**HY 2021**”) dated 13 and 25 August 2021 (the “**Q2 2021 Announcements**”);
 - (d) unaudited financial statement announcements for the three months ended on 31 March 2021 (“**Q1 2021**”) dated 8 May 2021 (the “**Q1 2021 Announcement**”),

(each an “**FY 2021 Announcement**”, and collectively, the “**FY 2021 Announcements**”), and

- (ii) the Company’s appendix dated 12 April 2019 in relation to the proposed renewal of the general mandate for interested person transactions (the “**2019 Circular**”). The “**IPT General Mandate**” proposed therein was approved at the Company’s annual general meeting held on 29 April 2019. It is also noted that the IPT General Mandate remains effective as of the date of this announcement.

The Board of Directors of the Company (the “**Board**”) recently discovered that several interested person transactions (“**IPTs**”), which were conducted pursuant to the IPT General Mandate, was not included in the FY 2021 Announcements (the “**Relevant IPTs**”). Accordingly, the Company wishes to make this announcement to provide the particulars of these IPTs.

The Relevant IPTs comprise of the purchase of raw liquefied petroleum gas (“LPG”):

- (i) from Qingdao Xinrunfeng Crude Oil Trading (青岛新润丰石油贸易有限公司) (“**Qingdao Xinrunfeng**”) by the Company’s wholly owned subsidiary, Dongming Hengchang Petrochemical Co., Ltd. (东明恒昌化工有限公司) (“**Dongming Hengchang**”); and
- (ii) from Jiangsu Runhai Oil Products Distribution Co., Ltd. (江苏润海油品销售有限公司) (“**Jiangsu Runhai**”, a wholly owned subsidiary of Jiangsu Xinhai) and Jiangsu Xinhai Petrochem Co., Ltd. (江苏新海化工有限公司) (“**Jiangsu Xinhai**”, together with Jiangsu Runhai, the “**Jiangsu Companies**”), by Dongming Qianhai Petrochemical Co., Ltd. (东明前海化工有限公司) a 70% owned subsidiary of the Group (“**Dongming Qianhai**”).

Qingdao Xinrunfeng is an interested person of the Company as it is a wholly owned subsidiary of the Dongming Petrochem Group (as defined in the following). Mr Li Xiang Ping, the Company’s Executive Chairman and CEO (“**Mr Li**”), owns 99.61% shares in Shandong Hong Li Yuan Stock Limited Company (山东宏利源股份有限公司), formerly known as Shandong Dongming Petrochemical Group Holdings Co., Ltd. (山东东明石化集团控股有限公司) (“**Hong Li Yuan**”). Hong Li Yuan is the 97.18% shareholder of Shandong Dongming Petrochem Group (山东东明石化集团有限公司) (“**Dongming Petrochem**”, together with its subsidiaries, the “**Dongming Petrochem Group**”).

The Jiangsu Companies are interested persons of the Company by way of Mr Li’s 99.61% shares in Hong Li Yuan, which is the sole shareholder of the Jiangsu Companies.

The Company also wishes to highlight that the reason for its genuine oversight in not disclosing the Relevant IPTs in the FY 2021 Announcements is due to change in accounting personnel in Dongming Hengchang and Dongming Qianhai who are not familiar with the relevant concept of IPTs and haven’t received necessary training in time due to covid situation. To avoid doubt, the Relevant IPTs are conducted in accordance with the IPT General Mandate and were recorded by the new accounting personnel as normal transactions in compliance with the Group’s existing reporting procedures. As travelling to Dongming is still a challenge, the Board has taken temporary action to arrange the necessary training via video call so as to ensure the relevant accounting personnel are familiar with the relevant concept of IPTs and procedures to avoid such mistake from happening again.

2. The FY 2021 Announcements

Q1 2021 Announcement

Name of interested person	Aggregate value of all interested person transactions during Q1 2021 (excluding transactions less than \$100,000)
Jiangsu Runhai	

- Purchase of raw LPG	RMB 45,219,061
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Q2 2021 Announcements

Name of interested person	Aggregate value of all interested person transactions during Q2 2021 (excluding transactions less than \$100,000)	Aggregate value of all interested person transactions during HY 2021 (excluding transactions less than \$100,000)
Jiangsu Runhai - Purchase of raw LPG	RMB 24,008,222	RMB 69,227,283
Qingdao Xinrunfeng - Purchase of raw LPG	RMB 7,376,337	RMB 7,376,337

Q3 2021 Announcement

Name of interested person	Aggregate value of all interested person transactions during Q3 2021 (excluding transactions less than \$100,000)
Jiangsu Runhai - Purchase of raw LPG	RMB 11,972,067
Jiangsu Xinhai - Purchase of raw LPG	RMB 18,101,799

Q4 2021 Announcements

Name of interested person	Aggregate value of all interested person transactions during Q4 2021 (excluding transactions less than \$100,000)	Aggregate value of all interested person transactions during FY 2021 (excluding transactions less than \$100,000)
Jiangsu Runhai - Purchase of raw LPG	NIL	RMB 81,199,351
Jiangsu Xinhai - Purchase of raw LPG	RMB 30,552,587	RMB 48,654,387
Qingdao Xinrunfeng - Purchase of raw LPG	-	RMB 7,376,337

BY ORDER OF THE BOARD

Li Xiang Ping
Executive Chairman and CEO
11 October 2022