



SINOSTAR PEC HOLDINGS LIMITED

(Company Registration No.: 200609833N)

RETIREMENT OF 100K TON GAS FRACTIONATION INSTALLATION

The Board of Directors (the "Board") of Sinostar PEC Holdings Limited (the "Company" or together with its subsidiaries, "the Group") wishes to announce the retirement of a 100K tons Gas fractionation installation.

The 100K tons of gas fractionation installation is built and commissioned production since December 2000. The building cost of RMB 13,286,770 of this installation has been fully depreciated with nil carrying value as of the date of this announcement. The installation has been kept idling since 2020.

The Board has decided to retire the plant after carryout a full cost benefit evaluation on the plant, and has engaged the strategic partner, Dongming Zhongyou Fuel & Petrochemical Co., Limited, to assist in the process to dismantle the installation.

The retirement of the 100K ton Gas fractionation installation is not expected to have significant impact on the financial year ending 31 December 2022.

By Order of the Board

Li Xiang Ping
CEO and Executive Chairman