

IMMEDIATE RELEASE

Sinostar PEC Reports Positive Growth in 3Q18

- Robust revenue growth of 44.1% Y-O-Y
- Net Profit rose 35.4% Y-O-Y
- Acquisition of Dongming Qianhai to be completed by end FY2018, expected to contribute in FY19

SINGAPORE, 12 November 2018 – Sinostar PEC Holdings Limited (SGX: C9Q) (“Sinostar PEC” or the “Group”), one of the largest producers and suppliers of downstream petrochemical products within the Shandong Dongming Petrochemical Industrial Zone, today announced a 35.4% Y-o-Y increase in net profit for the Group’s third quarter year ended 30 September 2018 (“**3Q18**”) financial results.

3Q18 Financial Highlights

| <i>RMB (million)</i> | 3Q18 | 3Q217 | <i>yoy change %</i> |
|--------------------------------|-------------|--------------|---------------------|
| <i>Revenue (RMB)</i> | 570.2 | 395.6 | 44.1 |
| <i>Gross Profit (RMB)</i> | 29.4 | 20.5 | 43.5 |
| <i>Gross Profit Margin (%)</i> | 5.2 | 5.2 | |
| <i>Net Profit</i> | 19.9 | 14.7 | 35.4 |
| <i>Net Profit Margin (%)</i> | 3.5 | 3.7 | |

The Group’s revenue rose 44.1% to RMB 570.2 million, from RMB 395.6 million in 3Q17, this was largely contributed by the improve in sales of processed liquefied petroleum gas (“LPG”) by 54% to RMB 340.0 million. Propylene increased significantly to RMB 129.2 million in 3Q18, a colossal increment of 112.6% from RMB 60.8 million in 3Q17. This is mainly due to a periodical maintenance carryout in the polypropylene production plant leading to an increase of 79.6% of unprocessed propylene being sold externally.

Logistics and transport related service also grew by 3.9% from RMB 37.6 million in 3Q17 to RMB 39.1 million in 3Q18. On the other hand, revenue from polypropylene dropped by 19.1% from RMB 76.4 million in 3Q17 to RMB 61.8 million in 3Q18.

Gross Profit rose by RMB 8.9 million from RMB 20.5 million in 3QFY17 to RMB 29.4 million in 3Q18.

Moving Forward

The Group is optimistic to deliver profitability in FY2018 and will continue to focus on cost control measures, as well as have regular reviews on cost budgets.

Mr Zheng Liucheng, CEO and Executive Director of the Group, commenting on the Group's results, *"Earlier last year, the Group announced plans to acquire 70% of Dongming Qianhai Petrochemical Co. Ltd ("Dongming Qianhai"), which will double our capacity to produce 200,000 tonnes/year of propylene. Dongming Qianhai has now concluded its trial run and achieved stable production, and we expect this acquisition to be completed by end FY18, contributing tremendously to our performance in FY19. We are constantly on the lookout for profitable investments which will value-add to the Group, delivering profitability and better results for our stakeholders."*

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About Sinostar PEC Holdings Limited

Listed on the Mainboard of the Singapore Securities Exchange Trading Limited (SGX-ST), Sinostar PEC Holdings Limited is one of the largest producers and suppliers of downstream petrochemical products within a 400km radius of its production facilities within the Dongming Petrochem Industrial Zone in Dongming County of Shandong Province, PRC. Situated within the Zhongyuan Oilfield - one of PRC's largest oilfields, and linked by a comprehensive logistics network, Sinostar is able to reach out to the nearby populous and industrialised provinces such as Shandong, Henan, Anhui, Jiangsu, Shaanxi, Hebei and Zhejiang. The Group comprises Sinostar PEC Holdings Limited and its wholly-owned PRC subsidiary, Dongming Hengchang Petrochemical Co., Ltd., which has total processing capacity of 550,000 tonnes of processed LPG and the capacity to process generated propylene into another 50,000 tonnes of polypropylene to gas-fractionation production plants. Backed by a strong reputation and credible track record for quality products and services, the Group's "Hengchang" brand of polypropylene was named "Shandong Province Famous Trade Mark" and "Shandong Top Brand" in China. The Group also has attained three major international certifications for quality, environment, and occupational health and safety -namely ISO9001:2001, ISO14001:2004 and OHSAS18001:1999.



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For more information, please visit <http://www.sinostar-pec.com>

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