

IMMEDIATE RELEASE

Sinostar PEC Announces Record

FY2019 Revenue and Profit

- Revenue rose 62% Y-O-Y on maiden contribution from newly acquired subsidiary, Dongming Qianhai at end 2018
- Net Profit surged 67% Y-O-Y to RMB 138 million

SINGAPORE, 28 February 2020 – 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 its financial results for the full year ended 31 December 2019 (“**2019**”), with a 67% Y-O-Y surge in net profit.

2019 Financial Highlights

RMB (million)	2019	2018	yoy change %
<i>Revenue</i>	3,660.0	2,259.5	62.0%
<i>Gross Profit</i>	266.6	128.0	108.3%
<i>Gross Profit Margin (%)</i>	7.3%	5.7%	
<i>Net Profit</i>	138.0	82.7	66.9%
<i>Net Profit Margin (%)</i>	3.8%	3.7%	
<i>Net Profit Attributable to Equity Holders</i>	113.7	82.7	37.5%

Revenue rose 62% Y-O-Y to RMB3.7 billion primarily from higher sales contribution from two products MTBE and Propylene II, which are generated by its subsidiary Dongming Qianhai, partially offset by a decrease in revenue from Processed LPG, Propylene and Polypropylene

generated by subsidiary Dongming Hengchang. Group's gross profit more than doubled, with an increase in revenue and expansion in gross margins from product – MTBE, propylene II, Hydrogen and Isobutylene.

Consequently, the Group's net profit rose 67% Y-O-Y to RMB138.0 million. Net Profit attributable to equity holders jumped 38% Y-O-Y to RMB113.7 million.

Segmental Breakdown

Revenue (RMB million)	2019	% of sales	2018	% of sales
<i>Processed LPG (Total)</i>	1,180.6	32%	1,362.5	60%
<i>Less Inter-company* sales</i>	(645.8)	-18%	-	0%
<i>Propylene</i>	318.1	9%	418.0	19%
<i>Polypropylene</i>	296.5	8%	337.2	15%
<i>MTBE**</i>	1,369.2	37%	-	0%
<i>Propylene II**</i>	637.0	17%	-	0%
<i>Hydrogen**</i>	176.3	5%	-	0%
<i>Isobutylene**</i>	169.9	5%	-	0%
<i>Other Gas**</i>	15.8	0%	-	0%
<i>Logistics & Transport related services</i>	142.4	4%	141.8	6%
Total	3,660.0	100%	2,259.5	100%

*Supplied of LPG to subsidiary Dongming Qianhai and subjects to Group elimination

**Petrochemical products contributed by subsidiary company Dongming Qianhai

Looking Ahead

The Group's propylene production plant has been in stable production since its acquisition of Dongming Qianhai in late 2018, contributing steadily to the group's profitability. The construction of the new polypropylene production plant remains on track and barring unforeseen circumstance it is estimated to be completed by the fourth quarter of fiscal year 2020. In the meantime, the Group will continue to be prudent in cash flow management and focus on cost efficiency.

The Group's current operations not unaffected by the COVID-19 situation, management remain upbeat on the polypropylene market as it witnesses an increase in demand for polypropylene-based masks, protective wear, and other downstream products. Still, the management is cautious about the impact on the overall China's economy which remains uncertain. Sinostar will monitor the situation closely and have activated our business continuity plan to ensure the safety of our employees and offset any headwinds ahead.

Mr Zhang Liucheng, Chief Executive Officer and Executive Director of Sinostar PEC, commented, ***"This set of results showed the contribution from Dongming Qianhai, which doubled our propylene production capacity and broadened our product offerings. Despite a periodical production plant maintenance, which temporarily stopped production, we managed to record a set of commendable results. We begin the new year on a cautious note, monitoring the COVID-19 outbreak situation closely while remaining confident in our long-term growth outlook."***

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About Sinostar PEC Holdings Ltd.

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 Trademark" 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.

Issued for and on behalf of Sinostar PEC Holdings Ltd. by GEM COMM PTE LTD

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

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