

SINOSTAR PEC HOLDINGS LTD FACTSHEET

NOVEMBER 2020



ABOUT THE COMPANY

SINOSTAR PEC HOLDINGS LTD one of the largest producers and suppliers of downstream petrochemical products within the 400km radius of its facilities within the Dongming Petrochem Industrial Zone in Dongming County of Shandong Province, PRC

STOCK INFO

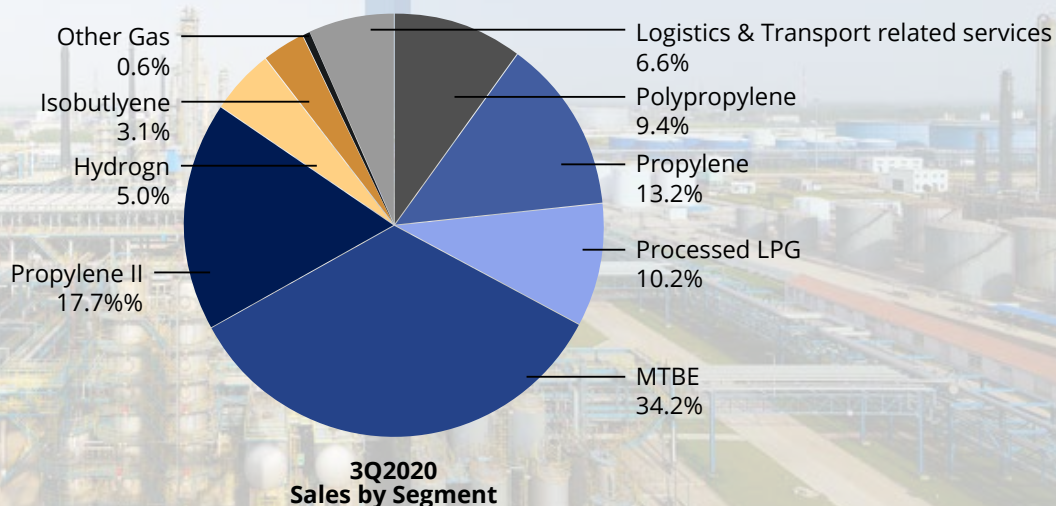
Price	0.145	52 wk high/low	0.013 - 0.22	Consensus Rating	NA
Market cap (SGD m)	92.8	YTD % change	-21.6%	Buy : Hold : Sell	NA
YE	12/2020	Free float %	37%	Consensus TP	NA
Earnings release date (est)	15/02/2021	Insiders holding	63%	Upside (%)	NA

Key Financial Highlights

Key Highlights	2018	2019	9M2019	9M2020
Revenue (CNY m)	2,259.5	3,366.0	2,547.0	2,231.4
Net Profit (CNY m)	82.7	113.7	59.7	84.6
P/E	5.7	4.2		
P/B	0.6	0.6		
Return on Equity	11.8%	14.5%		
Net D/E	98.4%	95.4%		
Est Dividend yield	3.3%	0.0%		

3Q2020 Sales

The Group derives all its revenue from the People's Republic of China



Latest Corporate Updates

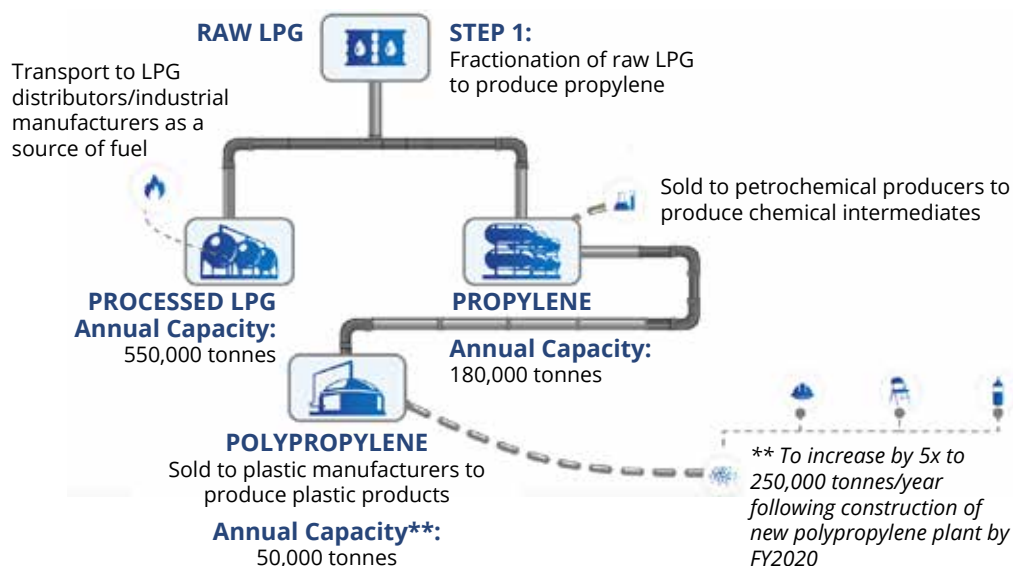
Sinostar PEC Doubles YOY Net Profit in 3Q2020

[Minutes of AGM](#)

[Responses to SGX query on extension of interim loan agreement as an interested person transaction](#)



Simplified Business Model



Key Investment Merits

One of the largest producers and suppliers of downstream petrochemical products within the 400km radius of Sinostar's production facilities within the Dongming Petrochem Industrial Zone in Dongming County of Shandong Province, PRC

Strategic affiliation with Shandong Dongming Petrochem Holdings Group (China's largest independent refiner with refining capacity of 15m tons/year)

Expansion plans point to potential huge profit growth in the future. Sinostar is looking to construct a polypropylene production plant which will increase its annual processing capacity by 5x to 250,000 tonnes. This follows its acquisition of Dongming Qianhai which has helped double its propylene production capacity to 180,000 tonnes. Propylene and polypropylene form more than 80% of the group's total gross profit due to its much higher gross margins than processed LPG and logistics segment.

Vote of confidence from major Shareholder, Mr Xiang Ping Li, who owns 56% and has been buying shares from the market over the last 2 years from S\$0.09 - S\$0.22.

Sinostar has generated robust free cashflow of S\$9-23m/year from FY13-FY17. The Group generated negative free cashflow in FY18 and FY19 due to the construction of the new polypropylene plant which is expected to be ready by end of FY2020.