



ABOUT COMPANY

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

For additional information regarding the company, please contact Investor Relations team:

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STOCK INFO

Price	0.210	52 wk high/low	0.235/0.149	Consensus rating	NA
Market cap (SGD m)	134	YTD % change	12%	BUY : HOLD : SELL	NA
YE	12/2018	Free float %	44%	Consensus TP	NA
Earnings release date (Est)	5/2/2019	Insiders holding	56%	Upside (%)	NA
Key Highlights	2016	2017	2018		
Revenue (CNYm)	1,559.9	1,804.6	2,259.5		
Net Profit (CNY m)	89.8	68.2	82.7		
P/E	7.4	9.8	8.1		
EV/EBITDA	14.1	14.1	13.4		
P/B	1.1	1.0	0.9		
Return on equity	14.6%	10.2%	9.5%		
Net D/E	-80.3%	-65.6%	98.4%		
Est Dividend yield	2.4%	2.4%	2.4%		

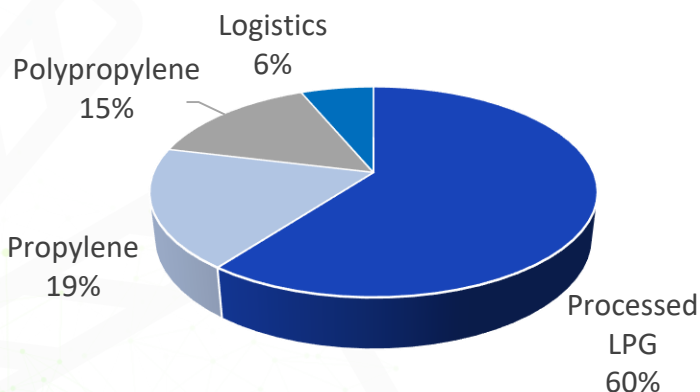
Source: Bloomberg (as at 4 Apr 19)



FY2018 SALES BY GEOGRAPHY

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

FY2018 SALES BY SEGMENT

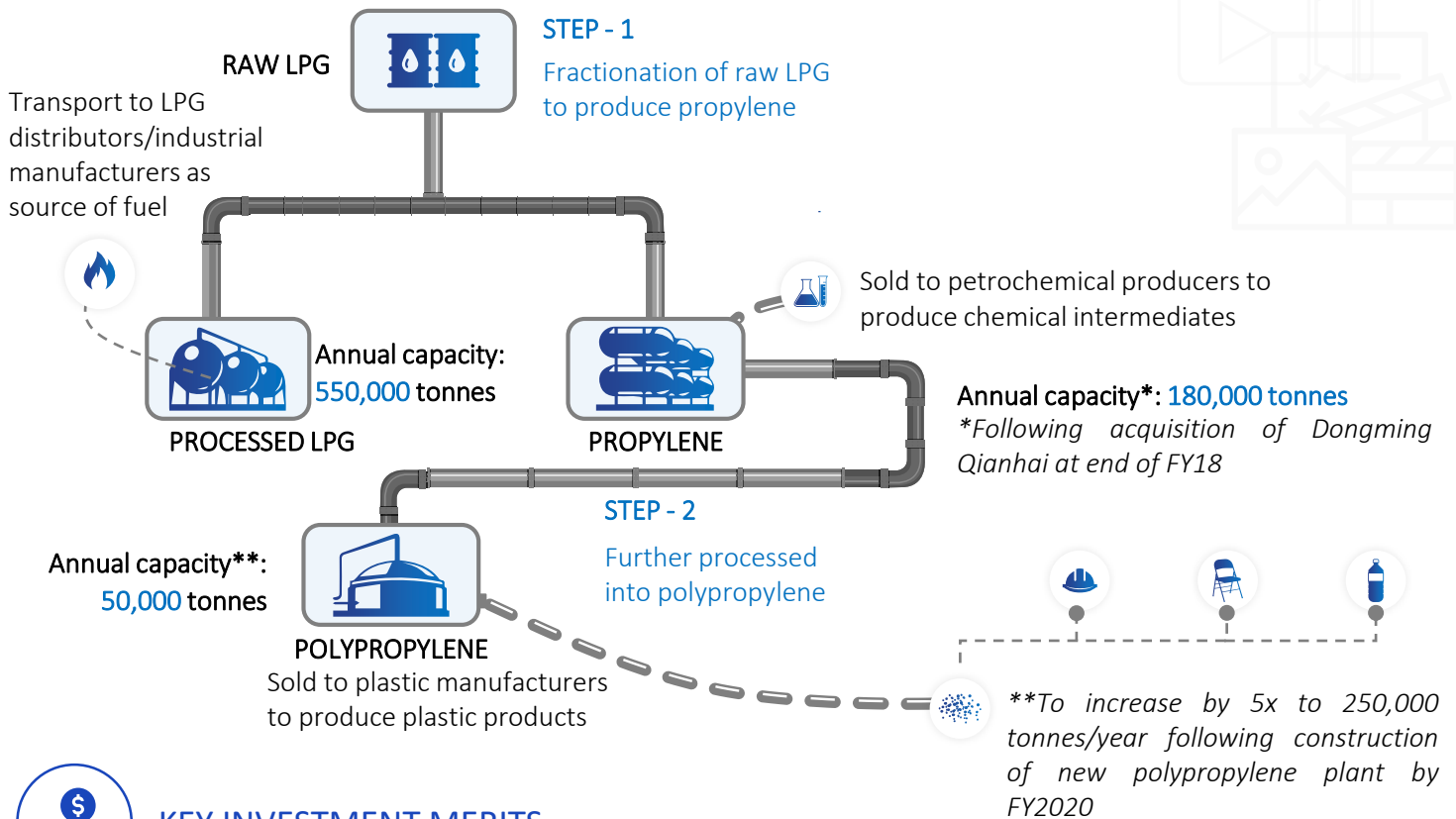


LATEST CORPORATE UPDATES

- Sinostar PEC Reports Stellar Growth in FY2018; 25% yoy rise in revenue, net profit +21% yoy
- Sinostar PEC reports positive growth in 3Q18; revenue +44.1% yoy, net profit +35.4% yoy
- Sinostar PEC approves proposed investment for the construction of a polypropylene production plant.



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.**
- **Strong free cashflow generation.** Sinostar has generated robust free cashflow of S\$9-23m/year from FY13-FY17, translating to a free cashflow yield of 7-18%.
- **2.4% dividend yield.** Sinostar has been paying out S\$0.005/share of dividends in the last 3 FYs.

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