

# Singapore Company Guide

## Roxy-Pacific Holdings

Version 3 | Bloomberg: ROXY SP | Reuters: RXYP.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

1 Aug 2018

### FULLY VALUED

Last Traded Price ( 31 Jul 2018): S\$0.44 (STI : 3,319.85)

Price Target 12-mth: S\$0.40 (-9% downside)

#### Analyst

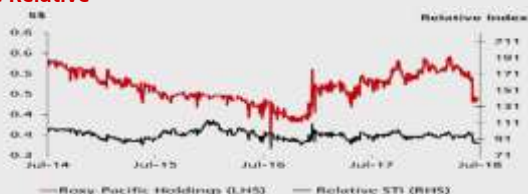
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### What's New

- 1H18 net profit fell 35% y-o-y on lower contributions from development and investment properties (due to divestments)
- Sales take-up was >70% for 3 launches in 1H18
- To launch 5 more projects in 2H18 as planned
- Declared interim dividend of 0.195 Scts

#### Price Relative



#### Forecasts and Valuation

FY Dec (\$m)	2017A	2018F	2019F	2020F
Revenue	247	190	406	382
EBITDA	41.6	77.4	120	117
Pre-tax Profit	46.7	54.1	94.8	89.6
Net Profit	29.4	41.2	68.7	62.9
Net Pft (Pre Ex.)	6.51	41.2	68.7	62.9
Net Pft Gth (Pre-ex) (%)	(80.5)	532.8	66.6	(8.4)
EPS (S cts)	2.47	3.14	5.24	4.80
EPS Pre Ex. (S cts)	0.55	3.14	5.24	4.80
EPS Gth Pre Ex (%)	(80)	475	67	(8)
Diluted EPS (S cts)	2.47	3.14	5.24	4.80
Net DPS (S cts)	0.98	0.79	1.31	1.20
BV Per Share (S cts)	42.2	40.6	45.0	48.5
PE (X)	17.8	14.0	8.4	9.2
PE Pre Ex. (X)	80.5	14.0	8.4	9.2
P/Cash Flow (X)	nm	nm	29.8	14.8
EV/EBITDA (X)	26.0	19.1	12.8	13.5
Net Div Yield (%)	2.2	1.8	3.0	2.7
P/Book Value (X)	1.0	1.1	1.0	0.9
Net Debt/Equity (X)	1.1	1.7	1.6	1.5
ROAE (%)	5.9	8.0	12.2	10.3
Earnings Rev (%):		0	0	N/A
Consensus EPS (S cts):		3.20	5.30	N/A
Other Broker Recs:		B: 1	S: 1	H: 0

Source of all data on this page: Company, DBS Bank, Bloomberg Finance L.P

### All eyes on new launches

**Maintain FULLY VALUED; TP of S\$0.40.** We maintain our rating on Roxy-Pacific (Roxy) at Fully Valued and TP of S\$0.40 based on a 55% discount to RNAV. We believe the surprise move by the authorities in hiking ABSD rates and tightening mortgages (just over a year after the authorities relaxed the policy measures) will hit buyer sentiment significantly.

**Where we differ. Buyers' sentiment impacted but small and nimble Roxy could still benefit.** Despite the strong sales take-up rates of its property launches thus far, we believe the change in buyer sentiment would still have an impact Roxy's new property launches. Although its sites are smaller, Roxy still has quite a few projects which are scheduled to be launched in 2018 / 2019. Being nimble in times like this is a plus.

**Potential catalysts:** Property sales remain strong despite recent cooling measures. **1H18 net profit fell on lower contribution from development properties; strong sales take-up before cooling measures.** 1H18 net profit fell 35% y-o-y to S\$13m, 33% of our FY18F estimates, mainly due to lower revenue from development properties and investment properties (due to divestments), lower fair value gains from investment properties (S\$3.5m in 2Q18 vs S\$28.5m in 2Q17), offset by higher share of associates' results (+56% y-o-y) from fair value gains of 117 Clarence Street. Sales take-up rates of 3 residential projects launched in 1H18 were strong at >70%. Management remains on track to launch 5 more developments in 2H18 (FY18 target of 8 launches).

#### Valuation:

Maintain FULLY VALUED. Our TP of S\$0.40 is based on a 55% discount to RNAV.

#### Key Risks to Our View:

i) Slower take-up rates, ii) Government regulates more to manage the Singapore property market, iii) AUD / NZD / JPY forex fluctuations, and iv) acquisitions of less desirable investment properties.

#### At A Glance

Issued Capital (m shrs)	1,307
Mkt. Cap (S\$m/US\$m)	575 / 422
Major Shareholders (%)	
Kian Lim Investment Pte Ltd	38%
Teo Hong Lim	12%
Sen Lee Development Pte Ltd	11%
Free Float (%)	22%
3m Avg. Daily Val (US\$m)	0.10

ICB Industry : Financials / Real Estate

## WHAT'S NEW

## All eyes on new launches

**1H18 net profit fell 35% y-o-y largely from lower development profits and lower contributions from investment properties:** Roxy's 1H18 net profit fell 35% y-o-y to S\$13m, 33% of our FY18F estimates, mainly due to lower revenue (-42% y-o-y), lower fair value gains from investment properties (S\$3.5m in 2Q18 vs S\$28.5m in 2Q17), offset by higher share of results from associates (+56% y-o-y) on the back of fair value gains recognised from 117 Clarence Street, with the SPA agreement to sell the office building signed on 25 June 2018. Excluding fair value gains, 1H18 PBT grew 25% y-o-y to S\$13m.

Lower revenue was largely from development properties (-53% y-o-y) mainly due to completion of older residential projects, and investment properties (-35% y-o-y) as a result of loss of income following the disposal of 59 Goulburn Street. This was mitigated by higher revenue from its hotel assets (+18% y-o-y) such as newly acquired hotels in Japan and the partial opening of the resort in Maldives.

2Q18 net profit fell 57% y-o-y to S\$6m, mainly from lower revenue (-52% y-o-y), lower fair value gains from investment properties, offset by higher share of results from associates (+19% y-o-y) from the recognition of fair value gains of 117 Clarence Street.

1H18 gross profit margin improved to 31% from 21% in 1H17, led by (i) better margins of 19% on its development properties (vs 12% in 1H17) mainly from Straits Mansions and Trilive, and (ii) change in portfolio mix which is now skewed towards hotel properties (as revenue from development properties has dropped), which has higher gross profit margin. However, we noted that margins from hotel properties and investment properties fell marginally.

Roxy declared an interim dividend of 0.195 Scts vs 0.214 Scts in 1H17. Despite the lower dividend per share, total dividend payout remains relatively stable at S\$2.6m mainly due to 10% bonus share issued in Apr18.

**Unrecognised sales stood at S\$605m as at 1H18:** As at 1H18, unrecognised sales stood at S\$605m from S\$459m as at FY17, largely from its Australia properties (57%) which are expected to be completed in 2018 / 2019, and Singapore properties (31%).

**Take-up rates of >70% from 3 property launches in 1H18.**

Roxy launched 3 properties in 1H18 out of its target of 8 property launches in FY18, before the government announced the new cooling measures. All 3 properties achieved strong take-up rates of more than 71%. Despite the cooling measures, management will continue to launch its properties in 2H18 as planned (remaining 5 properties). Upcoming launches in 3Q18 include Bukit 828 (Upper Bukit Timah), RV Millenia (River Valley) and Arena Residences

(Guillemard Lane). While the cooling measures could impact its sales take-up rates, its smaller sized developments (between 34 to 140 units) may have less risks.

**Noku Maldives partially opened in Dec17, target to be fully opened by Sep18.** Noku Maldives started operations in Dec17 and expects to be fully operational by Sep18. Its soft opening was well received and has maintained strong occupancy despite ongoing renovations. Its hotel in Phuket is targeted to open in FY19.

Noku Kyoto and Noku Osaka are contributing healthy recurring income.

**Maintain Fully Valued; TP of S\$0.40.** We maintain our Fully Valued rating and target price of S\$0.40. We continue to believe that the surprise move by the authorities in hiking ABSD rates and tightening mortgages (just over a year after the authorities relaxed the policy measures) will hit buyer sentiment significantly. While Roxy's sites are typically smaller in size and reducing its risks compared to the larger sites, Roxy still has quite a few projects to be launched in 2H18 / 2019 which could still be impacted by slower sales volume and buyer sentiment. Key potential turnaround catalysts are i) strong sales take-up rates despite the measures; ii) acquisition of good-quality investment properties; and iii) change in government policies.

Roxy currently trades at 1.1x FY18F P/BV, close to -1 standard deviation of its historical range. At its trough, Roxy traded close to 0.9x P/BV.

**Quarterly / Interim Income Statement (\$m)**

<b>FY Dec</b>	<b>2Q2017</b>	<b>1Q2018</b>	<b>2Q2018</b>	<b>% chg yoy</b>	<b>% chg qoq</b>
Revenue	77.8	46.5	37.0	(52.5)	(20.4)
Cost of Goods Sold	(64.1)	(33.0)	(24.4)	(62.0)	(26.1)
<b>Gross Profit</b>	<b>13.8</b>	<b>13.5</b>	<b>12.6</b>	<b>(8.2)</b>	<b>(6.4)</b>
Other Oper. (Exp)/Inc	(7.7)	(9.8)	(8.6)	11.4	(12.4)
<b>Operating Profit</b>	<b>6.07</b>	<b>3.71</b>	<b>4.06</b>	<b>(33.1)</b>	<b>9.5</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	4.67	5.78	5.57	19.2	(3.6)
Net Interest (Exp)/Inc	(4.0)	(3.2)	(3.4)	14.0	(8.2)
Exceptional Gain/(Loss)	18.7	1.55	2.58	(86.2)	67.0
<b>Pre-tax Profit</b>	<b>25.4</b>	<b>7.86</b>	<b>8.77</b>	<b>(65.5)</b>	<b>11.7</b>
Tax	(10.1)	(0.9)	(2.2)	(78.0)	158.9
Minority Interest	(0.6)	0.01	(0.2)	71.7	nm
<b>Net Profit</b>	<b>14.7</b>	<b>7.00</b>	<b>6.39</b>	<b>(56.7)</b>	<b>(8.8)</b>
Net profit bef Except.	(4.0)	5.46	3.80	nm	(30.3)
EBITDA	12.5	11.1	11.2	(10.4)	1.1
<b>Margins (%)</b>					
Gross Margins	17.7	29.0	34.1		
Opg Profit Margins	7.8	8.0	11.0		
Net Profit Margins	18.9	15.1	17.3		

Source of all data: Company, DBS Bank

## CRITICAL DATA POINTS TO WATCH

## Critical Factors

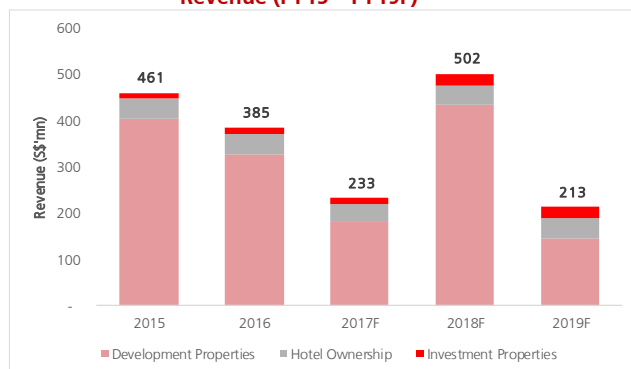
**Launching nine freehold residential projects in Singapore in 2018 / 2019.** As developers rushed to landbank, Roxy can reap the benefits of being one of the earliest to landbank among the mid- to small-cap developers. It has successfully launched 3 to 4 residential properties which have garnered strong take-up rates prior to the tightening property measures. While future property launches could be impacted by a change in buyers' sentiment, we believe Roxy's smaller plots of land could be a plus as it allows the group to stay nimble in uncertain times such as this.

**Beefing up its recurring-income portfolio.** Since the slowdown of the Singapore property market in 2013, Roxy had started to venture out of Singapore and expanded its horizons to build its portfolio of assets to improve recurring income and provide earnings stability. In FY17, Roxy acquired four commercial buildings - two in Australia, and two in New Zealand - adding to its portfolio of one commercial building (excluding the divestment of 59 Goulburn, a commercial building).

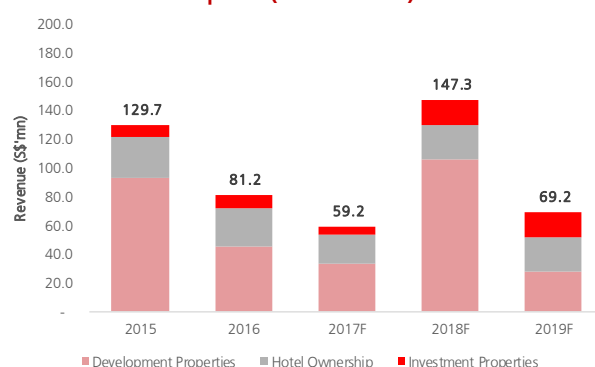
In addition, the group continues to build its hospitality segment, which will add to its recurring income. In FY17, the group acquired Tenmabashi Grand Hotel Osaka for JPY3bn. These properties will start to contribute from FY18 onwards.

**Realisation of development projects in Australia upon completion.** Roxy's investments of development projects in Australia in 2015 will soon pay off when five projects are completed by 2018. The projects have all been substantially sold (95% sold) except for the last project launched in 3Q17, Art House at West End Glebe. The units sold have a total sales value of approximately S\$300m and could potentially contribute 21% to 44% of FY18F-FY19F earnings.

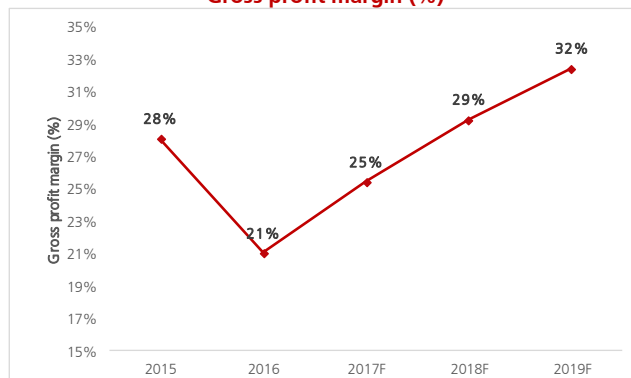
Revenue (FY15 – FY19F)



Gross profit (FY15 – FY19F)



Gross profit margin (%)



RNAV (\$'m)

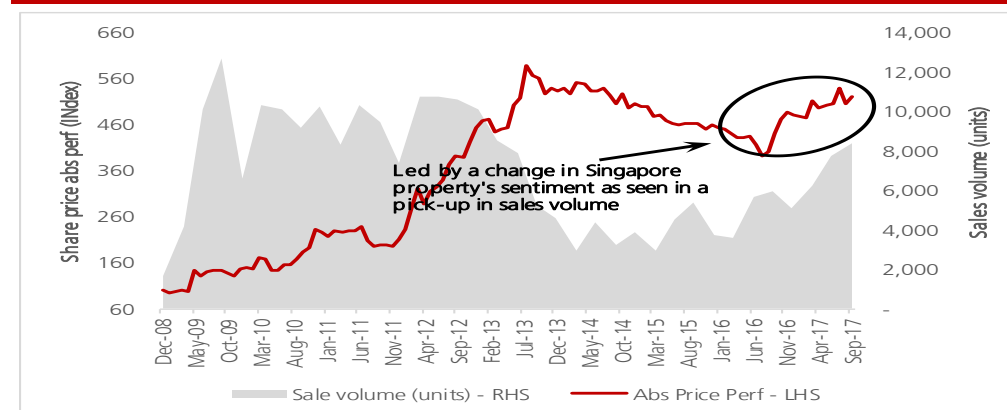
OMV (\$'mn)

RNAV (\$'m)		OMV (\$'mn)
<b>Surplus / deficit of assets:</b>		
Development properties		105.9
Landbank		18.5
Hotel properties		447.2
Investment properties		97.6
		<hr/>
		669.2
NAV		<hr/>
		502.7
<b>RNAV</b>		<b>1,171.9</b>
No of shares		1,311.6
<b>RNAV per share (\$\$)</b>		<b>0.89</b>
Discount		55%
<b>Price Target (\$\$)</b>		<b>0.40</b>

Source: Company, DBS Bank

## Appendix 1:

### Roxy's absolute performance vs Singapore property industry sales volume

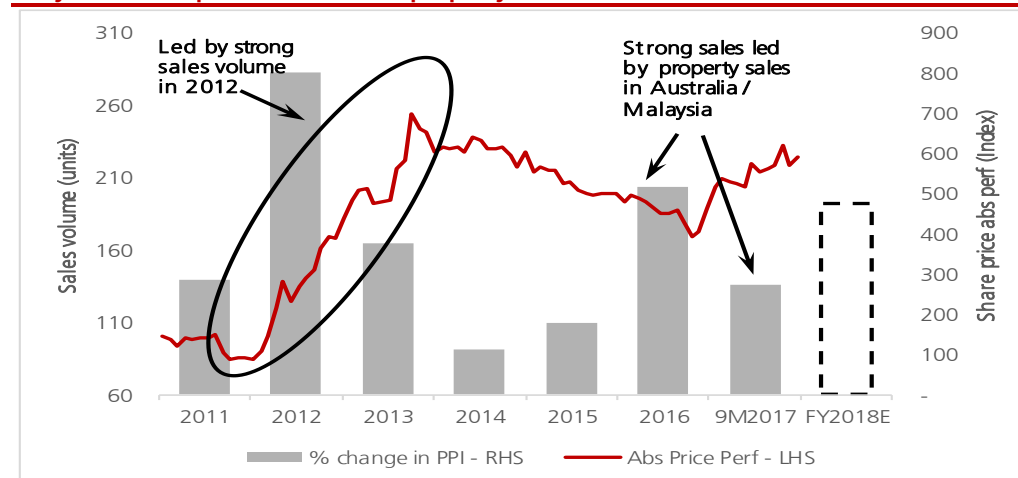


Source: DBS Bank, Thomson Analytics, Company

### Remarks

Share price performance is positively correlated to sales volume in the Singapore property market. This was especially seen at the initial stages of an upcycle seen in 2017, when sentiment in the property sector turned positive, supported by an increase in sales volume.

### Roxy's absolute performance vs its property sales volume

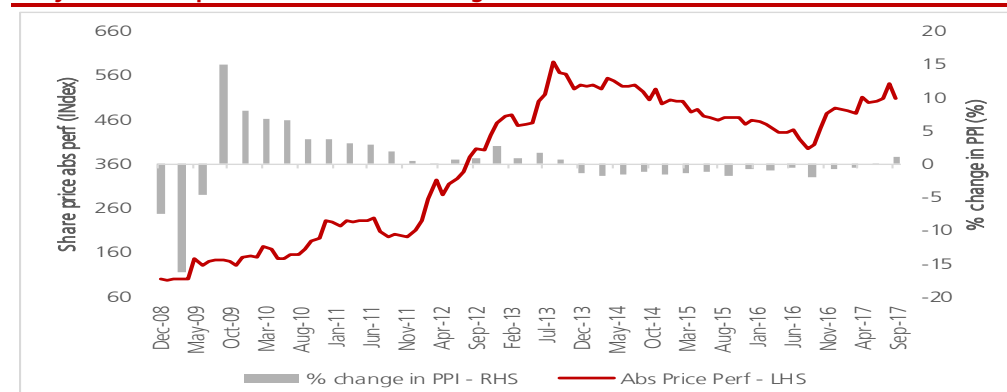


Source: DBS Bank, Thomson Analytics, Company

### Remarks

The market did not reward Roxy despite the strong sales performance in 2016 as the strong sales volume was led by sales in Australia and Malaysia. Share price performance seems to be more correlated to its sales volume in Singapore.

### Roxy's absolute performance vs PPI changes



Source: DBS Bank, Thomson Analytics, Company, SGX

### Remarks

We do not see much correlation between share price performance and property price changes.

## Roxy-Pacific Holdings

### Balance Sheet:

**Undervalued Net Asset Value (NAV).** The group's NAV is conservative largely because the carrying values of its hospitality portfolio is at historical cost. In addition, development properties comprise close to 60% of its total assets, which typically offer more upside upon realisation of these development properties. Its RNAV is more than double its current NAV.

**Net debt to equity stood at 1x in FY17.** Roxy's net debt to equity stood at 1x as at end-FY17. We expect the ratio may increase to 1.7x following landbanking / development activities, and acquisitions of investment properties in FY18. While it may seem high, its NAV could be conservative as mentioned above. The group's net debt to adjusted NAV (ANAV) stood at 0.6x as at FY17.

### Share Price Drivers:

#### Sustainable sales take-up rates despite cooling measures.

Despite the property cooling measures, if sales take-up rates remain sustainable, this would boost confidence and ensure sustainable profitability in its development properties. If property prices remains lofty, it is also a testament that the market is receptive of higher property prices.

**Beefing up its recurring income portfolio.** Improvement in office rental rates of its office properties and positive asset recycling will boost investor's confidence on the capabilities of management in managing and building a sustainable recurring income portfolio for higher income stability.

### Key Risks:

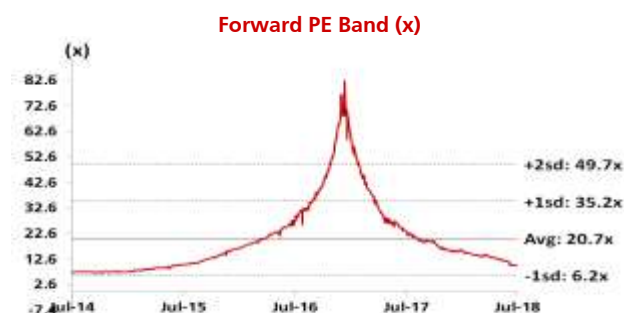
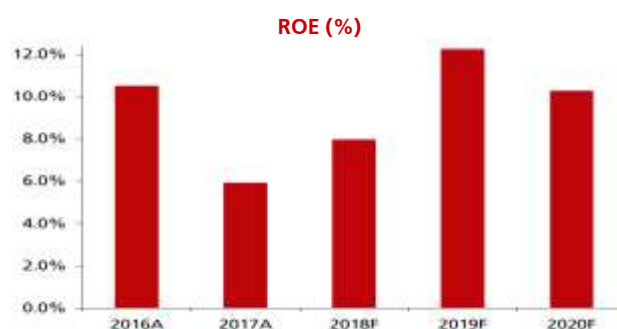
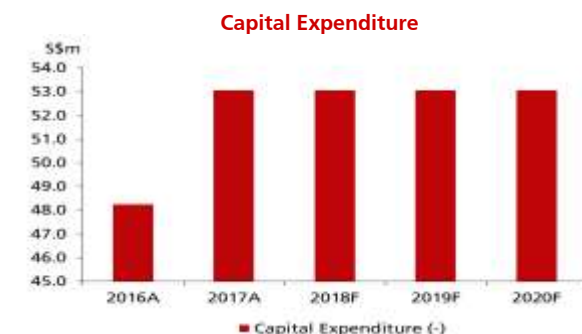
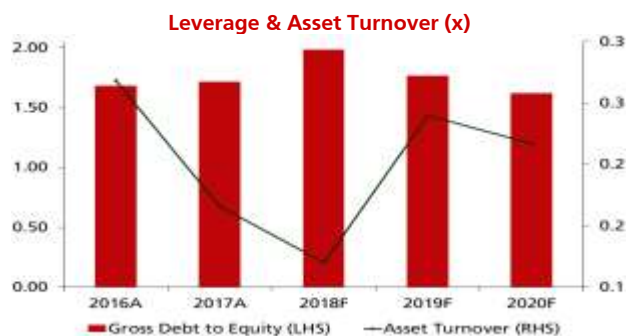
**Slower take-up rates.** With six developments expected to be launched in FY18, slower take-up rates for its properties would impact the need for more financing, thus, increasing its cost. In addition, Roxy has the five-year timeline to complete its sales before the ABSD and QC charges kick in.

### Government regulates more to manage Singapore property.

We remain cautious that the authorities may decide to implement more measures to ensure that the Singapore property market remains sustainable in the medium term and that it doesn't become a "runaway train".

### Company Background

Roxy-Pacific Holdings (Roxy) has a long track record in the property and hospitality space since it was established in May 1967. Listed in March 2008, Roxy is one of the reputable small- to mid-cap developers and has established its brand in small- to medium-sized residential developments targeting middle-to-upper-middle-income segments.



Source: Company, DBS Bank

### Segmental Breakdown

FY Dec	2016A	2017A	2018F	2019F	2020F
<b>Revenues (\$m)</b>					
Development Properties	327	192	122	338	314
Hotel Ownership	46.3	44.3	43.0	43.0	43.0
Investment Properties	12.5	10.8	24.9	24.9	24.9
<b>Total</b>	<b>385</b>	<b>247</b>	<b>190</b>	<b>406</b>	<b>382</b>
<b>Gross Profit (\$m)</b>					
Development Properties	45.3	28.0	20.3	62.8	53.6
Hotel Ownership	26.9	24.0	23.2	23.2	23.2
Investment Properties	9.00	7.59	17.8	17.8	17.8
<b>Total</b>	<b>81.2</b>	<b>59.5</b>	<b>61.3</b>	<b>104</b>	<b>94.6</b>
<b>Gross Profit Margins (%)</b>					
Development Properties	13.9	14.6	16.6	18.6	17.0
Hotel Ownership	58.1	54.2	54.0	54.0	54.0
Investment Properties	71.9	70.5	71.5	71.5	71.5
<b>Total</b>	<b>21.1</b>	<b>24.1</b>	<b>32.3</b>	<b>25.6</b>	<b>24.7</b>

### Income Statement (\$m)

FY Dec	2016A	2017A	2018F	2019F	2020F
Revenue	385	247	190	406	382
Cost of Goods Sold	(304)	(187)	(128)	(302)	(288)
<b>Gross Profit</b>	<b>81.2</b>	<b>59.5</b>	<b>61.3</b>	<b>104</b>	<b>94.6</b>
Other Opng (Exp)/Inc	(38.7)	(36.8)	(37.4)	(38.6)	(39.8)
<b>Operating Profit</b>	<b>42.5</b>	<b>22.8</b>	<b>33.1</b>	<b>74.4</b>	<b>63.9</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	18.6	13.0	38.5	38.5	44.4
Net Interest (Exp)/Inc	(11.9)	(12.0)	(17.5)	(18.1)	(18.7)
Exceptional Gain/(Loss)	16.4	22.9	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>65.6</b>	<b>46.7</b>	<b>54.1</b>	<b>94.8</b>	<b>89.6</b>
Tax	(12.7)	(15.4)	(10.3)	(18.0)	(17.0)
Minority Interest	(3.1)	(1.9)	(2.6)	(8.1)	(9.7)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>49.8</b>	<b>29.4</b>	<b>41.2</b>	<b>68.7</b>	<b>62.9</b>
Net Profit before Except.	33.4	6.51	41.2	68.7	62.9
EBITDA	67.6	41.6	77.4	120	117
<b>Growth</b>					
Revenue Gth (%)	(16.4)	(36.0)	(23.1)	113.8	(5.8)
EBITDA Gth (%)	(38.5)	(38.5)	86.1	55.0	(2.8)
Opg Profit Gth (%)	(54.7)	(46.3)	45.2	124.7	(14.1)
Net Profit Gth (Pre-ex) (%)	(57.4)	(80.5)	532.8	66.6	(8.4)
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	21.1	24.1	32.3	25.6	24.7
Opg Profit Margin (%)	11.0	9.2	17.4	18.3	16.7
Net Profit Margin (%)	12.9	11.9	21.7	16.9	16.5
ROAE (%)	10.5	5.9	8.0	12.2	10.3
ROA (%)	3.5	2.0	2.6	4.1	3.6
ROCE (%)	2.6	1.1	1.8	3.6	3.0
Div Payout Ratio (%)	39.9	39.9	25.0	25.0	25.0
Net Interest Cover (x)	3.6	1.9	1.9	4.1	3.4

Source: Company, DBS Bank



## Quarterly / Interim Income Statement (\$\$m)

FY Dec	2Q2017	3Q2017	4Q2017	1Q2018	2Q2018
Revenue	77.8	60.3	43.3	46.5	37.0
Cost of Goods Sold	(64.1)	(42.7)	(31.4)	(33.0)	(24.4)
<b>Gross Profit</b>	<b>13.8</b>	<b>17.5</b>	<b>11.9</b>	<b>13.5</b>	<b>12.6</b>
Other Oper. (Exp)/Inc	(7.7)	(11.4)	(5.7)	(9.8)	(8.6)
<b>Operating Profit</b>	<b>6.07</b>	<b>6.10</b>	<b>6.24</b>	<b>3.71</b>	<b>4.06</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	4.67	0.51	5.22	5.78	5.57
Net Interest (Exp)/Inc	(4.0)	(3.2)	(2.7)	(3.2)	(3.4)
Exceptional Gain/(Loss)	18.7	0.0	0.0	1.55	2.58
<b>Pre-tax Profit</b>	<b>25.4</b>	<b>3.39</b>	<b>8.75</b>	<b>7.86</b>	<b>8.77</b>
Tax	(10.1)	(1.1)	(1.4)	(0.9)	(2.2)
Minority Interest	(0.6)	(0.8)	(0.1)	0.01	(0.2)
<b>Net Profit</b>	<b>14.7</b>	<b>1.50</b>	<b>7.27</b>	<b>7.00</b>	<b>6.39</b>
Net profit bef Except.	(4.0)	1.51	7.27	5.46	3.80
EBITDA	12.5	7.12	13.1	11.1	11.2

## Growth

Revenue Gth (%)	18.9	(22.6)	(28.1)	7.2	(20.4)
EBITDA Gth (%)	(4.5)	(43.2)	84.6	(15.4)	1.1
Opg Profit Gth (%)	(30.6)	0.6	2.2	(40.6)	9.5
Net Profit Gth (Pre-ex) (%)	(190.8)	(138.0)	383.3	(25.0)	(30.3)

## Margins

Gross Margins (%)	17.7	29.1	27.5	29.0	34.1
Opg Profit Margins (%)	7.8	10.1	14.4	8.0	11.0
Net Profit Margins (%)	18.9	2.5	16.8	15.1	17.3

## Balance Sheet (\$\$m)

FY Dec	2016A	2017A	2018F	2019F	2020F
Net Fixed Assets	176	216	263	309	354
Invts in Associates & JVs	158	198	237	275	320
Other LT Assets	200	127	161	161	161
Cash & ST Invts	325	322	175	131	100
Inventory	0.78	1.07	1.07	1.07	1.07
Debtors	93.2	53.3	39.2	83.9	79.0
Other Current Assets	509	598	772	772	772
<b>Total Assets</b>	<b>1,462</b>	<b>1,516</b>	<b>1,648</b>	<b>1,733</b>	<b>1,787</b>
ST Debt	562	554	554	554	554
Creditor	15.6	88.9	9.69	20.7	19.5
Other Current Liab	85.3	30.9	10.3	18.0	17.0
LT Debt	271	318	518	518	518
Other LT Liabilities	33.1	16.5	16.5	16.5	16.5
Shareholder's Equity	491	503	532	591	636
Minority Interests	3.75	5.07	7.69	15.8	25.5
<b>Total Cap. &amp; Liab.</b>	<b>1,462</b>	<b>1,516</b>	<b>1,648</b>	<b>1,733</b>	<b>1,787</b>
Non-Cash Wkg. Capital	502	533	793	819	816
Net Cash/(Debt)	(507)	(549)	(897)	(941)	(972)
Debtors Turn (avg days)	57.8	108.3	89.0	55.4	77.8
Creditors Turn (avg days)	16.7	105.0	146.6	18.8	26.3
Inventory Turn (avg days)	0.6	1.9	3.2	1.3	1.4
Asset Turnover (x)	0.3	0.2	0.1	0.2	0.2
Current Ratio (x)	1.4	1.4	1.7	1.7	1.6
Quick Ratio (x)	0.6	0.6	0.4	0.4	0.3
Net Debt/Equity (X)	1.0	1.1	1.7	1.6	1.5
Net Debt/Equity ex MI (X)	1.0	1.1	1.7	1.6	1.5
Capex to Debt (%)	5.8	6.1	4.9	4.9	4.9
Z-Score (X)	1.4	1.2	1.2	1.3	1.3

Source: Company, DBS Bank



### Cash Flow Statement (\$m)

FY Dec	2016A	2017A	2018F	2019F	2020F
Pre-Tax Profit	65.6	46.7	54.1	94.8	89.6
Dep. & Amort.	6.48	5.75	5.75	7.00	8.23
Tax Paid	(24.6)	(2.1)	(30.9)	(10.3)	(18.0)
Assoc. & JV Inc/(loss)	(18.6)	(13.0)	(38.5)	(38.5)	(44.4)
Chg in Wkg.Cap.	(16.7)	(5.6)	(65.1)	(33.6)	3.69
Other Operating CF	(4.6)	(51.5)	0.0	0.0	0.0
<b>Net Operating CF</b>	<b>7.54</b>	<b>(19.7)</b>	<b>(74.7)</b>	<b>19.4</b>	<b>39.1</b>
Capital Exp.(net)	(48.3)	(53.1)	(53.1)	(53.1)	(53.1)
Other Invt.(net)	0.0	99.2	(33.7)	0.0	0.0
Invt in Assoc. & JV	(17.1)	(38.5)	0.0	0.0	0.0
Div from Assoc & JV	13.3	3.34	0.0	0.0	0.0
Other Investing CF	2.36	3.20	(174)	0.0	0.0
<b>Net Investing CF</b>	<b>(49.7)</b>	<b>14.2</b>	<b>(261)</b>	<b>(53.1)</b>	<b>(53.1)</b>
Div Paid	(21.5)	(16.4)	(11.7)	(10.3)	(17.2)
Chg in Gross Debt	19.0	41.9	200	0.0	0.0
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(32.4)	(22.6)	0.0	0.0	0.0
<b>Net Financing CF</b>	<b>(34.8)</b>	<b>2.85</b>	<b>188</b>	<b>(10.3)</b>	<b>(17.2)</b>
Currency Adjustments	1.28	(0.2)	0.0	0.0	0.0
Chg in Cash	(75.7)	(2.9)	(147)	(44.0)	(31.1)
Opg CFPS (\$ cts)	2.03	(1.2)	(0.7)	4.04	2.70
Free CFPS (\$ cts)	(3.4)	(6.1)	(9.7)	(2.6)	(1.1)

Source: Company, DBS Bank

### Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	12 Dec 17	0.49	0.63	BUY
2:	14 Dec 17	0.49	0.63	BUY
3:	17 Dec 17	0.50	0.63	BUY
4:	15 Feb 18	0.51	0.63	BUY
5:	19 Feb 18	0.52	0.63	BUY
6:	19 Mar 18	0.50	0.63	BUY
7:	07 May 18	0.52	0.63	BUY
8:	16 May 18	0.52	0.63	BUY
9:	06 Jul 18	0.43	0.40	FULLY VALUED

Note: Share price and Target price are adjusted for corporate actions.

Source: DBS Bank

Analyst: Rachel TAN

Derek TAN

DBS Bank recommendations are based on Absolute Total Return\* Rating system, defined as follows:

**STRONG BUY** (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

**BUY** (>15% total return over the next 12 months for small caps, >10% for large caps)

**HOLD** (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

**FULLY VALUED** (negative total return i.e. > -10% over the next 12 months)

**SELL** (negative total return of > -20% over the next 3 months, with identifiable catalysts within this time frame)

*Share price appreciation + dividends*

Completed Date: 1 Aug 2018 09:11:59 (SGT)

Dissemination Date: 1 Aug 2018 09:13:44 (SGT)

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