

Singapore Company Guide

Yangzijiang Shipbuilding

Version 21 | Bloomberg: YZJSGD SP | Reuters: YAZG.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

6 Mar 2020

BUY

Last Traded Price (5 Mar 2020): S\$0.86 (STI : 3,018.27)
Price Target 12-mth: S\$1.50 (74% upside)

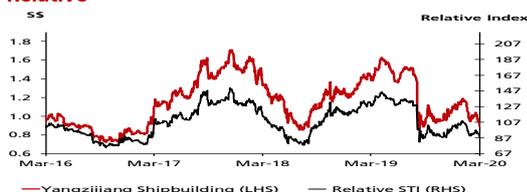
Analyst

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What's New

- Potential 2+6 mega containership contract worth up to US\$880m could be in the bag
- Yard activity level has risen substantially this week, led by government's push to resume economic activities
- Share buyback should lend support to share price; CEO's recent acquisition of shares a vote confidence
- Overly penalised for macro concerns; trading 18% below cash; BUY for 74% upside to our S\$1.50 TP

Price Relative



Forecasts and Valuation

FY Dec (RMBm)	2018A	2019A	2020F	2021F
Revenue	23,238	23,597	20,133	22,405
EBITDA	4,391	4,602	3,864	4,137
Pre-tax Profit	3,910	4,186	3,515	4,160
Net Profit	3,070	3,105	2,640	3,206
Net Pft (Pre Ex.)	3,070	3,105	2,640	2,958
Net Pft Gth (Pre-ex) (%)	16.2	1.1	(15.0)	12.0
EPS (S cts)	15.5	15.7	13.5	16.4
EPS Pre Ex. (S cts)	15.5	15.7	13.5	15.1
EPS Gth Pre Ex (%)	14	1	(14)	12
Diluted EPS (S cts)	15.5	15.7	13.5	16.4
Net DPS (S cts)	4.95	4.45	3.96	4.45
BV Per Share (S cts)	147	159	168	180
PE (X)	5.5	5.5	6.4	5.3
PE Pre Ex. (X)	5.5	5.5	6.4	5.7
P/Cash Flow (X)	13.0	3.7	5.8	5.7
EV/EBITDA (X)	0.7	0.3	0.0	nm
Net Div Yield (%)	5.8	5.2	4.6	5.2
P/Book Value (X)	0.6	0.5	0.5	0.5
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	11.2	10.3	8.3	9.4
Earnings Rev (%):			0	0
Consensus EPS (S cts):			15.6	14.4
Other Broker Recs:		B: 8	S: 1	H: 2

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

Don't miss the boat!

Yangzijiang is a bargain, trading 18% below its net cash of ~S\$1.05 per share, overly penalised by macro concerns. Trading at a 40% discount to regional peers at 0.5x P/BV despite superior financials - 8-9% ROE and sustainable ~4% dividend yield - we believe the low valuation is unwarranted. The stock is set for a rebound as: 1) A contract for 2+6 mega containerships worth up to US\$880m could potentially be in the bag; 2) Yard activity level has surged this week with the government's strong push to resume work; 3) Share buyback exercise typically resumes when share price falls below 95 Scts per share. The CEO's recent acquisition of ~4% stake in the company is another vote of confidence on Yangzijiang's prospects.

One of the world's best-managed and profitable shipyards.

Core shipbuilding revenue is backed by its order backlog of US\$2.9bn (~1.5x revenue coverage) as at end 2019. Investment segment provides stable recurring income. As the largest and most cost-efficient private shipbuilder in China, Yangzijiang is well positioned to ride on the sector consolidation and shipbuilding recovery. The company's strategy to move up into the LNG/LPG vessel segment strengthens its longer-term prospects.

Where we differ: We believe critical catalysts are Yangzijiang's successful strategy to expand into the LNG carrier and tanker markets, and overall recovery in the shipping and shipbuilding segments leading to margin improvements.

Valuation:

Our target price of S\$ 1.50 is based on sum-of-parts, pegged to 8x FY20F PE shipbuilding earnings, 1x P/BV for bulk carriers and 0.9x P/BV for investments. This translates into 0.9x P/BV, which is 0.5SD below its 10-year mean of 1.4x.

Key Risks to Our View:

USD depreciation and hike in steel cost. Revenue is denominated mainly in USD, and only half is naturally hedged. If the net exposure is unhedged, every 1% USD depreciation could lead to a 1.5% decline in earnings. Every 1% rise in steel costs, which accounts for about 20% of COGS, could result in a 0.8% drop in earnings.

At A Glance

Issued Capital (m shrs)	3,919
Mkt. Cap (S\$m/US\$m)	3,370 / 2,430
Major Shareholders (%)	
Yangzi International Holdings Ltd	21.5
Lido Point Investments Ltd.	9.9
Hengyuan Asset Investment Ltd	5.0
Free Float (%)	63.6
3m Avg. Daily Val (US\$m)	23.6
GIC Industry : Industrials / Capital Goods	



Live more, Bank less

Yangzijiang Shipbuilding

WHAT'S NEW

Mega containership contracts in the bag

Yangzijiang's share price has corrected ~30% from recent high of S\$1.19 in early Jan on economic slowdown concerns, exacerbated by COVID-19. This drop is overblown given Yangzijiang's 1.5-year order backlog and solid balance sheet. We believe recent positive developments in Yangzijiang are overlooked: 1) Clinching mega containership contract despite COVID-19 fears; 2) Rising yard activity level this week, backed by government's eagerness to resume economic activity; 3) Potential re-activation of share buyback exercise with share price now below 90 Scts, lending support to stock price; 4) CEO's acquisition of ~4% stake in early March is a vote of confidence

Securing 2+6 units of 14k TEU containerships from Tiger Group worth up to US\$880m. Tradewinds reported on 5 Mar that Yangzijiang has bagged up to eight dual-fuel 14k TEU containerships from **Tiger Group** at US\$110m each. This involves **two firm orders plus six options**. Yangzijiang has yet to make any official release on this. If the article is true, we surmise that the contract is probably signed but pending downpayment to be effective.

This will be a **remarkable win** amid the COVID-19 outbreak. It marks the first dual-fuel mega containership order for Yangzijiang, making it the third Chinese yard to build such vessels, following state-owned Jiangnan Shipyard and Hudong Zhonghua shipyard.

Assuming all options are exercised during 2020, the contracts will account for **~44% of Yangzijiang's order target** of ~US\$2bn for this year. Typically, **containerships command better margins** than other vessel type for Yangzijiang.

Tiger Group is a Hong Kong-based shipping investment firm that currently owns approximately ~30 ships comprising largely bulk carriers, chemical tankers and feeder containerships. It is founded by Canadian investors Graham Porter and former Seaspan CEO, Gerry Wang. Seaspan is a long-standing customer of Yangzijiang as well.

Shipyard activity levels improving on government's strong support to resume economic activities. While management guided that activity level was only at 20-30% in February, we understand that this has improved substantially in the first week of Mar. It was reported on local news that some companies in Jiangsu have resumed 100% of business activities this week. The ramp up of yard utilization will ensure timely delivery as well as enhance efficiency and profitability of shipyard.

Potential share buyback. Historically, Yangzijiang activates its share buyback exercise when its share price falls below 95 Scts. This will lend some support to share price, in our view.

Share buyback in 2019 post Chairman's Leave of Absence:

Date	Shares (m)	Average Px
15-Aug-19	2.0	0.86
16-Aug-19	2.0	0.90
16-Aug-19	2.0	0.98
21-Aug-19	2.0	0.95
22-Aug-19	2.0	0.95
23-Aug-19	2.0	0.92
26-Aug-19	1.0	0.95
27-Aug-19	2.0	0.91
28-Aug-19	2.0	0.91
29-Aug-19	1.0	0.91
30-Aug-19	2.0	0.93
2-Sep-19	1.0	0.91
3-Sep-19	1.0	0.91
4-Sep-19	2.0	0.94
30-Sep-19	1.0	0.97
2-Oct-19	1.0	0.95
10-Oct-19	1.0	0.94
Total	27.0	0.93

Source: Company DBS Bank

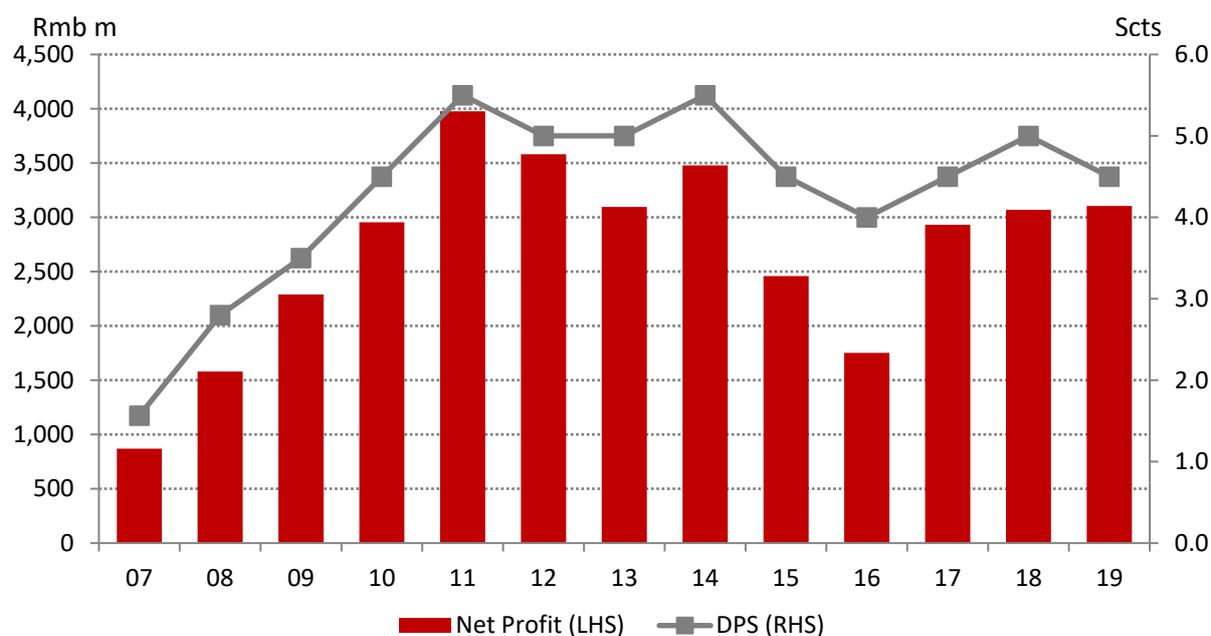
CEO bought a 4% stake in company. Yangzijiang uploaded a SGX filing on 2 Mar that CEO Ren Letian's deemed interest in the company has risen from 0.05% to 4.23% through the acquisition of Hengyuan Asset Investment (Hengyuan). Yangzijiang issued ~11% of stake to Hengyuan in exchange for its minority interest in New Yard during IPO in 2007. The investor has pared down its stake over the years.

Sustainable 4-5 Scts dividend payout. Yangzijiang has been paying an average DPS of ~4.5 Scts on Rmb3bn profit level in the past 10 years. This translates to 5% dividend yield at current share price.

We believe 4-5 Scts DPS or ~Rmb800-900m is sustainable, backed by its steady recurring investment returns of >Rmb1bn a year, which has helped the shipyard weather through the shipbuilding downturn.

Yangzijiang Shipbuilding

Yangzijiang's steady dividend payout since listing:



Source: Company DBS Bank

SOTP valuation for Yangzijiang

Components	% stake	FY20 PATMI (S\$ m)	Est. market value (S\$ m)	Value per share (S\$)	Basis	Remarks
Shipbuilding	100%	273	2,186	0.56	8x FY20 PE	10-year mean (8x)
Shipping & related	100%	17	160	0.04	1x P/BV	Book value of the 10 vessels has been marked down by 50%.
Investment	100%	237	2,483	0.63	0.9x P/BV	20% discount to SG banks' valuation peg of 1.1x
		528	4,829	1.23		
Add: Net Cash			1,033	0.26		
Target price (S\$)				1.50		

Source of all data: Company, DBS Bank

Yangzijiang Shipbuilding

Peer comparison; Yangzijiang trading at a steep discount to peers despite more superior financial metrics

Company	Last Px (LC)	Market cap (US\$m)	P/E		P/B Current	ROE (%)		Net D/E Current	Div Yld (%) Current
			FY20F	FY21F		FY19F	FY20F		
Singapore									
Keppel Corp	6.31	8,312	12.7	11.7	1.0	7.6%	7.8%	0.8	3.6%
Sembcorp Industries	1.8	2,319	8.3	6.9	0.5	5.8%	6.6%	1.2	2.2%
Sembcorp Marine	1.04	1,572	nm	nm	1.0	-2.2%	0.5%	1.3	nm
Yangzijiang	0.86	2,436	5.9	5.8	0.6	8.8%	8.5%	CASH	5.8%
China*									
China Shipbuilding Industry Co (CSIC)	4.71	15,482	73.6	90.6	1.3	1.5%	1.0%	CASH	0.2%
Shanghai Zhenhua Heavy Industries	3.6	2,322	25.2	22.5	1.3	3.9%	4.8%	2.0	1.4%
China CSSC	20.23	4,019	69.0	73.6	1.8	2.2%	1.9%	CASH	0.5%
Korea									
Hyundai Heavy Industries	110,500	6,581	31.3	20.9	0.7	2.0%	2.9%	CASH	nm
Samsung Heavy Industries	6,220	3,297	nm	42.5	0.6	0.3%	1.7%	0.2	nm
Daewoo Shipbuilding	23,150	2,088	37.0	33.5	0.6	1.7%	1.7%	0.7	nm
Average:			34.2	47.1	0.9	3.4%	4.0%	1.0	
Median:			31.3	25.2	0.7	2.4%	2.6%	1.0	

*Chinese yards yet to release FY19 earnings

Source of all data: Company, DBS Bank

Yangzijiang Shipbuilding

CRITICAL DATA POINTS TO WATCH

Critical Factors

Order backlog offers revenue visibility. Orderbook stood at US\$2.9n as at end-Dec 2019, implying book-to-bill ratio of c.1.5x, providing revenue visibility for the next 1.5 years. Yangzijiang is now ranked no.1 in China and no.5 in the world by orderbook. Contract wins were sluggish in 2019, declining ~45% y-o-y to US\$830m, partly affected by uncertainty over IMO 2020 and US-China trade war. Management targets to secure new orders of ~US\$1.5-2bn a year to maintain revenue coverage of c.2x, a healthy level for orderbook replenishment and optimisation of operational activities. YTD wins stood at US\$104m with potential additional US\$880m from Tiger Group if materialize.

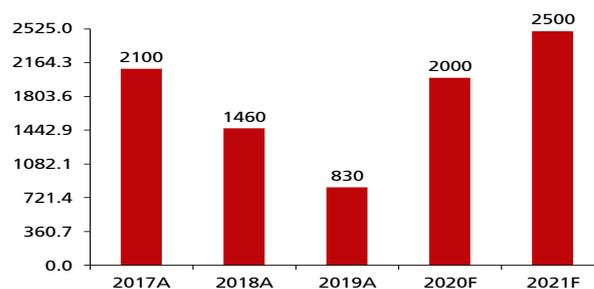
Shipping recovery. Global orderbook-to-fleet ratio has dropped to ~10% from the peak of ~55% in 2008, implying new supply in the low-to-mid single digits in these two years. Newbuild activities are expected to pick up as shipowners, who held back ordering pending clarity on implementation of IMO 2020, proceed with their order placements this year.

Recognition of deferred income cushions downturn. Post financial crisis, Yangzijiang has adopted more prudent provision and accounting policies. For instance, it extended the warranty provision (2% of sales in 2012-2015; 1% from 2016 onwards) from one year to three. The reversal of the warranty provision will be captured under COGS and would boost margins. We also expect the recognition of the remaining Rmb158m exceptional gains for the old yard's relocation fee in FY21 (in the form of government subsidies, Rmb557m out of a total of Rmb715m was recognised in FY15). The remaining ~Rmb300m of forfeited deposits from terminated vessels would also be recognised in 2020. In addition, given improving secondhand prices, Yangzijiang could potentially dispose the 13 terminated newbuild vessels at a gain. It recorded Rmb61m profit for the disposal of two bulk carriers in 3Q17. The reversal of foreseeable losses totaling Rmb588m in 2020 would also bolster shipbuilding margins by 4%.

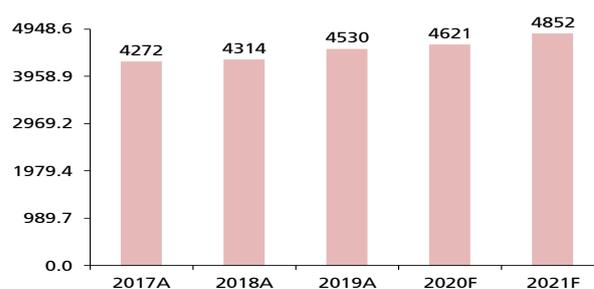
Exploring M&A opportunities for long-term growth. The Chinese shipbuilding industry has shrunk from over 3,000 yards to less than 100 currently. Further consolidation is underway, probably ending with 20-30 survivors, and Yangzijiang will surely make the list. It has emerged stronger in the past few cycles with Executive Chairman, Mr Ren Yuanlin at the helm. Mr Ren, ranked 82 in Lloyd's List of Top 100 most influential people in shipping, is highly respected for his great foresight, strategic sense, and cost and cash management.

Production efficiency and cost control. Yangzijiang enjoys 5-ppt higher margins vis-à-vis peers. This is achieved through its premium newbuild prices and better payment terms among Chinese yards, as well as production efficiency and cost control.

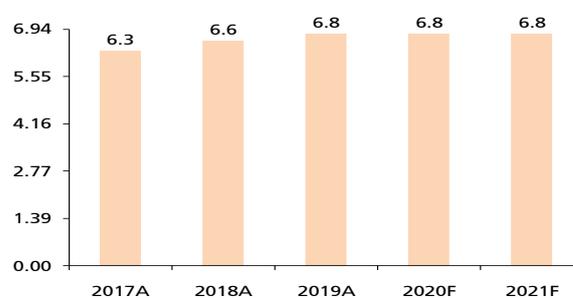
Order wins (US\$ m)



Steel cost (RMB/t)



RMB / USD



Source: Company, DBS Bank

Yangzijiang Shipbuilding

Balance Sheet:

Sound balance sheet. As at Dec 2019, including financial assets at amortised cost, Yangzijiang was in a net cash position, equivalent to S\$1.05 per share or ~65% of its NTA. It is expected to churn positive free cash flow in the light of its minimal capex requirements.

Share Price Drivers:

Contract wins is traditionally the leading indicator of shipbuilders' share price performance and earnings. Yangzijiang is gaining a good foothold in the "high-specs" vessel space, which has long been dominated by its Korean peers. The successful penetration into **LNG carrier** space is a key catalyst, in our view.

Key Risks:

Prolonged industry downturn. The ongoing US-China trade dispute and COVID-19 outbreak could affect economic growth and derail recovery of shipping market of bulk carriers and containerships. In addition, competition among yards remains keen. The prolonged shipbuilding downturn could affect Yangzijiang's order wins and share price.

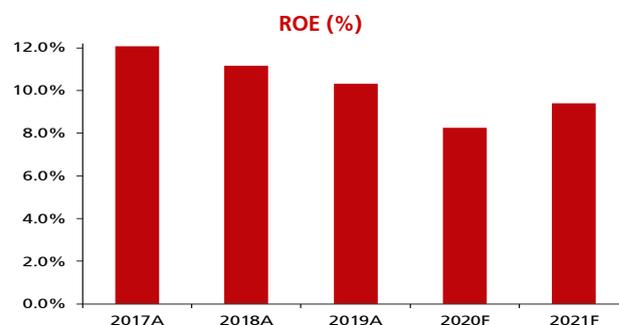
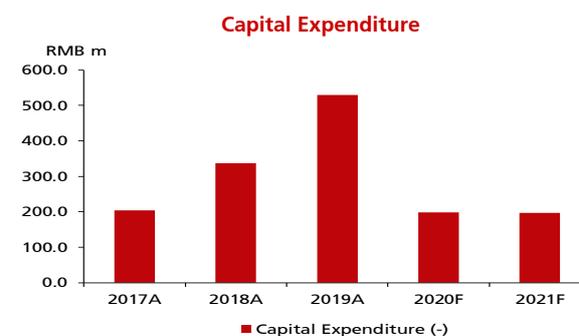
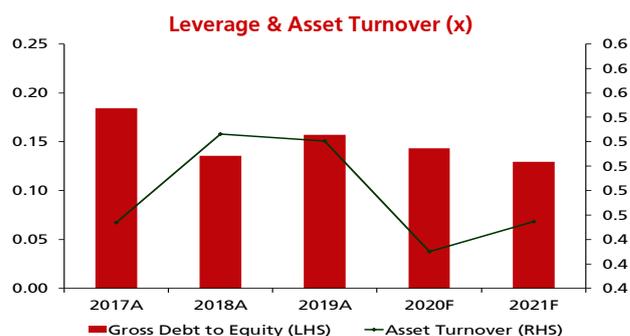
USD depreciation and hike in steel cost. Revenue is denominated mainly in USD, and only half is naturally hedged. Assuming the net exposure is unhedged, every 1% USD depreciation could lead to a 1.5% earnings decline. Every 1% rise in steel costs, which account for about 20% of COGS, could result in a 0.8% drop to the bottom line.

Environment, Social, Governance:

Yangzijiang's Bloomberg ESG Disclosure Score had improved from 2015-2017. The group has built up R&D capabilities in fuel-efficient and lower-emission green vessels, in support of the cleaner energy trend. Believing in giving back to society, over the years, the group and Mr. Ren Yuanlin, the Executive Chairman, have given hundreds of millions of RMB to society for various purposes.

Company Background

Yangzijiang is one of the largest, most efficient and most profitable shipbuilders in China. It has moved up the value chain to produce mega containerships and very large bulk carriers, as well as LNG vessels.



Source: Company, DBS Bank

Yangzijiang Shipbuilding

Key Assumptions

FY Dec	2017A	2018A	2019A	2020F	2021F
Order wins (US\$ m)	2,100	1,460	830	2,000	2,500
Steel cost (RMB/t)	4,272	4,314	4,530	4,621	4,852
RMB / USD	6.30	6.60	6.80	6.80	6.80

Segmental Breakdown

FY Dec	2017A	2018A	2019A	2020F	2021F
Revenues (RMBm)					
Shipbuilding	12,301	14,023	13,019	11,122	13,259
Investment	1,111	1,612	1,890	1,611	1,406
Others	5,794	7,603	8,687	7,400	7,740

Total	19,206	23,238	23,597	20,133	22,405
Gross profit (RMBm)					
Shipbuilding	2,100	2,471	1,939	1,281	1,833
Investment	1,056	1,534	1,798	1,531	1,335
Others	156	106	591	702	707

Total	3,312	4,112	4,329	3,514	3,876
Gross profit Margins (%)					
Shipbuilding	17.1	17.6	14.9	11.5	13.8
Investment	95.1	95.2	95.1	95.0	95.0
Others	2.7	1.4	6.8	9.5	9.1

Total	17.2	17.7	18.3	17.5	17.3
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Income Statement (RMBm)

FY Dec	2017A	2018A	2019A	2020F	2021F
Revenue	19,206	23,238	23,597	20,133	22,405
Cost of Goods Sold	(15,894)	(19,127)	(19,269)	(16,619)	(18,529)
Gross Profit	3,312	4,112	4,329	3,514	3,876
Other Opng (Exp)/Inc	(179)	(167)	(321)	(104)	(172)
Operating Profit	3,133	3,944	4,007	3,410	3,704
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	40.1	(85.8)	117	0.0	0.0
Net Interest (Exp)/Inc	25.2	51.7	62.1	105	208
Exceptional Gain/(Loss)	290	0.0	0.0	0.0	248
Pre-tax Profit	3,487	3,910	4,186	3,515	4,160
Tax	(395)	(830)	(890)	(703)	(782)
Minority Interest	(160)	(9.8)	(191)	(171)	(171)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	2,931	3,070	3,105	2,640	3,206
Net Profit before Except.	2,642	3,070	3,105	2,640	2,958
EBITDA	3,655	4,391	4,602	3,864	4,137
Growth					
Revenue Gth (%)	27.3	21.0	1.5	(14.7)	11.3
EBITDA Gth (%)	(11.3)	20.1	4.8	(16.0)	7.1
Opg Profit Gth (%)	(13.9)	25.9	1.6	(14.9)	8.6
Net Profit Gth (Pre-ex) (%)	15.7	16.2	1.1	(15.0)	12.0
Margins & Ratio					
Gross Margins (%)	17.2	17.7	18.3	17.5	17.3
Opg Profit Margin (%)	16.3	17.0	17.0	16.9	16.5
Net Profit Margin (%)	15.3	13.2	13.2	13.1	14.3
ROAE (%)	12.1	11.2	10.3	8.3	9.4
ROA (%)	6.9	7.0	6.8	5.6	6.5
ROCE (%)	8.6	9.2	8.6	7.0	7.3
Div Payout Ratio (%)	30.2	31.8	28.1	29.4	27.2
Net Interest Cover (x)	NM	NM	NM	NM	NM

Source: Company, DBS Bank

Yangzijiang Shipbuilding

Quarterly / Interim Income Statement (RMBm)

FY Dec	4Q2018	1Q2019	2Q2019	3Q2019	4Q2019
Revenue	4,945	6,291	7,033	5,424	4,849
Cost of Goods Sold	(4,256)	(5,125)	(5,834)	(4,364)	(3,946)
Gross Profit	689	1,166	1,199	1,060	904
Other Oper. (Exp)/Inc	200	(198)	74.7	(194)	(4.8)
Operating Profit	888	969	1,273	866	899
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(92.7)	73.1	(22.7)	(23.2)	89.9
Net Interest (Exp)/Inc	1.97	23.7	23.5	29.9	(15.0)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	798	1,065	1,274	873	974
Tax	(273)	(224)	(298)	(153)	(214)
Minority Interest	177	(16.9)	(39.4)	(17.6)	(117)
Net Profit	702	824	936	702	642
Net profit bef Except.	702	824	936	702	642
EBITDA	877	1,186	1,393	987	1,035

Growth

Revenue Gth (%)	(7.9)	27.2	11.8	(22.9)	(10.6)
EBITDA Gth (%)	(16.4)	35.2	17.5	(29.1)	4.8
Opg Profit Gth (%)	(0.6)	9.0	31.5	(32.0)	3.8
Net Profit Gth (Pre-ex) (%)	(9.9)	17.4	13.6	(25.0)	(8.5)

Margins

Gross Margins (%)	13.9	18.5	17.0	19.5	18.6
Opg Profit Margins (%)	18.0	15.4	18.1	16.0	18.5
Net Profit Margins (%)	14.2	13.1	13.3	12.9	13.2

Balance Sheet (RMBm)

FY Dec	2017A	2018A	2019A	2020F	2021F
Net Fixed Assets	4,821	5,163	5,678	5,422	5,185
Invt in Associates & JVs	1,395	1,454	1,533	1,533	1,533
Other LT Assets	7,704	7,144	7,293	6,861	6,666
Cash & ST Invt	15,574	18,824	21,552	23,654	25,700
Inventory	2,628	2,606	1,598	2,196	2,444
Debtors	5,290	5,051	4,680	4,474	4,979
Other Current Assets	5,960	4,669	3,422	3,764	4,141
Total Assets	43,373	44,911	45,756	47,903	50,645
ST Debt	2,532	1,149	2,782	2,504	2,254
Creditor	5,859	4,195	3,514	4,474	4,668
Other Current Liab	5,185	5,688	3,894	3,308	3,387
LT Debt	2,359	2,895	2,251	2,363	2,481
Other LT Liabilities	922	1,166	1,260	1,260	1,260
Shareholder's Equity	25,885	29,102	31,096	32,863	35,293
Minority Interests	632	717	959	1,130	1,302
Total Cap. & Liab.	43,373	44,911	45,756	47,903	50,645
Non-Cash Wkg. Capital	2,835	2,443	2,292	2,653	3,509
Net Cash/(Debt)	10,684	14,780	16,519	18,787	20,965
Debtors Turn (avg days)	101.1	81.2	75.3	83.0	77.0
Creditors Turn (avg days)	127.5	98.7	74.9	90.2	92.2
Inventory Turn (avg days)	55.2	51.4	40.8	42.8	46.8
Asset Turnover (x)	0.5	0.5	0.5	0.4	0.5
Current Ratio (x)	2.2	2.8	3.1	3.3	3.6
Quick Ratio (x)	1.5	2.2	2.6	2.7	3.0
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	(4.2)	8.3	10.5	4.1	4.2
Z-Score (X)	2.8	2.8	2.7	2.8	2.9

Source: Company, DBS Bank

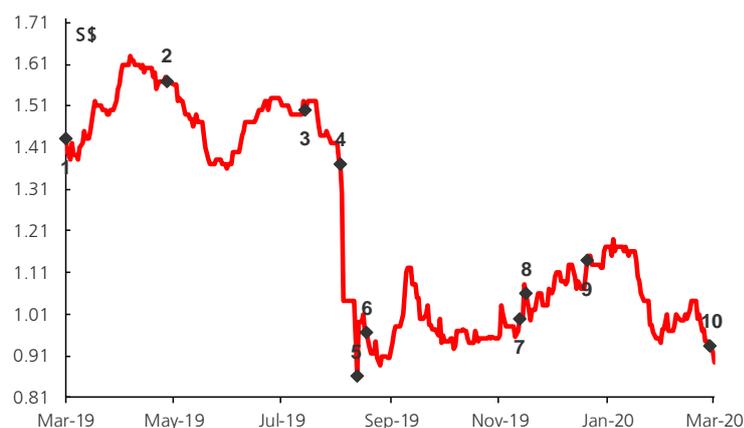
Yangzijiang Shipbuilding

Cash Flow Statement (RMBm)

FY Dec	2017A	2018A	2019A	2020F	2021F
Pre-Tax Profit	3,487	3,910	4,186	3,515	4,160
Dep. & Amort.	483	532	477	455	436
Tax Paid	(584)	(637)	(781)	(1,289)	(703)
Assoc. & JV Inc/(loss)	(40.1)	85.8	(117)	0.0	0.0
Chg in Wkg.Cap.	(1,131)	(2,445)	985	226	(935)
Other Operating CF	(633)	(139)	(142)	0.0	0.0
Net Operating CF	1,582	1,307	4,609	2,906	2,958
Capital Exp.(net)	204	(337)	(530)	(198)	(197)
Other Invt.(net)	0.0	0.0	0.0	0.0	0.0
Invt in Assoc. & JV	(545)	(187)	(149)	0.0	0.0
Div from Assoc & JV	71.5	184	139	0.0	0.0
Other Investing CF	(514)	1,248	(172)	1,568	705
Net Investing CF	(783)	908	(712)	1,370	508
Div Paid	(754)	(870)	(990)	(873)	(776)
Chg in Gross Debt	(1,943)	(782)	811	(166)	(132)
Capital Issues	1,008	0.0	0.0	0.0	0.0
Other Financing CF	0.0	(165)	(128)	0.0	0.0
Net Financing CF	(1,690)	(1,816)	(307)	(1,039)	(908)
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	(890)	399	3,589	3,238	2,558
Opg CFPS (S cts)	14.0	19.0	18.3	13.7	19.9
Free CFPS (S cts)	9.21	4.90	20.6	13.8	14.1

Source: Company, DBS Bank

Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	04 Mar 19	1.43	1.82	BUY
2:	30 Apr 19	1.57	1.82	BUY
3:	17 Jul 19	1.50	1.82	BUY
4:	06 Aug 19	1.37	1.82	BUY
5:	15 Aug 19	0.86	1.82	BUY
6:	21 Aug 19	0.97	1.82	BUY
7:	15 Nov 19	1.00	1.68	BUY
8:	19 Nov 19	1.06	1.68	BUY
9:	23 Dec 19	1.14	1.68	BUY
10:	02 Mar 20	0.94	1.50	BUY

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

Source: DBS Bank

Analyst: Pei Hwa HO

DBS Bank recommendations are based on an 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 share price catalysts within this time frame)

**Share price appreciation + dividends*

Completed Date: 6 Mar 2020 08:33:36 (SGT)

Dissemination Date: 6 Mar 2020 08:49:13 (SGT)

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