

# Singapore Company Guide

## APAC Realty

Version 71 Bloomberg: APAC SP | Reuters: APAC.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

13 Nov 2018

### HOLD

Last Traded Price ( 12 Nov 2018): S\$0.50 (STI : 3,068.15)

Price Target 12-mth: S\$0.56 (13% upside) (Prev S\$0.62)

#### Analyst

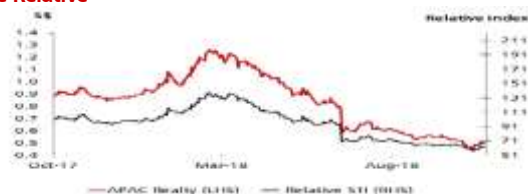
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### What's New

- Decent 3Q18 results despite recent property curbs; expecting weaker 4Q18
- Slower take-up rate for recent launches; robust pipeline of 27 projects
- Rising stockpile and potential supply
- Cut FY19F earnings by 9% on weaker primary sales assumption; maintain HOLD with lower TP of S\$0.56

#### Price Relative



#### Forecasts and Valuation

FY Dec (S\$m)	2017A	2018F	2019F	2020F
Revenue	401	389	371	385
EBITDA	31.2	30.3	26.2	27.2
Pre-tax Profit	29.4	26.7	22.6	23.6
Net Profit	25.9	23.5	19.9	20.8
Net Pft (Pre Ex.)	25.9	23.5	19.9	20.8
Net Pft Gth (Pre-ex) (%)	63.1	(9.3)	(15.2)	4.3
EPS (S cts)	7.29	6.62	5.61	5.85
EPS Pre Ex. (S cts)	7.29	6.62	5.61	5.85
EPS Gth Pre Ex (%)	63	(9)	(15)	4
Diluted EPS (S cts)	7.29	6.62	5.61	5.85
Net DPS (S cts)	2.00	3.97	3.37	3.51
BV Per Share (S cts)	37.5	40.1	42.3	44.7
PE (X)	6.8	7.5	8.8	8.5
PE Pre Ex. (X)	6.8	7.5	8.8	8.5
P/Cash Flow (X)	5.1	8.8	8.7	7.8
EV/EBITDA (X)	3.7	6.0	6.7	6.1
Net Div Yield (%)	4.0	8.0	6.8	7.1
P/Book Value (X)	1.3	1.2	1.2	1.1
Net Debt/Equity (X)	CASH	0.0	CASH	CASH
ROAE (%)	24.4	17.1	13.6	13.4
Earnings Rev (%)		0	(9)	NEW
Consensus EPS (S cts):		6.80	6.10	6.00
Other Broker Recs:		B: 1	S: 0	H: 1

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

### Weaker project sales

**Expect weaker primary project sales ahead.** In the light of the recent property curbs, we are expecting weaker demand for new project launches. In FY18F, we project a 5% y-o-y decline in transaction value for the primary market, and a steeper 15% drop in FY19F. For the secondary market, we expect a 5% drop in FY18F and flat in FY19F. The healthy project pipeline of 27 new project launches in the next one to two years should provide some support. Maintain Hold.

**Decent 3Q18 results.** APAC reported a 18.8% increase in 3Q18 net profit to S\$6.5m, on the back of a 8.8% rise in revenue to S\$114.8m. Net profit in 9M18 gained 11.8% to S\$20.2m, accounted for 86% of our FY18F earnings, above expectations.

**Where we differ: Sales momentum hurt; en bloc activity to wane.** We are more cautious than street. The uncertainty and expected slowdown in sales velocity in 2H18 and potentially 2019 might lead to developers re-thinking their land-banking strategy or even put a halt to this altogether. The en bloc market could also potentially come to a standstill.

**Robust pipeline; rising stockpile and potential oversupply.** APAC currently has a robust pipeline of 27 new project launches, totaling 12,958 units, vs 25 projects that were already launched this year. The volume of unsold private residential units with planning approval rose to 31,295 (+16% q-o-q). Additionally, there is a potential supply of 14,200 units from Government Land Sales ("GLS") sites and awarded en-bloc sale sites that have yet to be granted planning approval. A large part of this new supply could be made available for sale from next year.

#### Valuation:

**Cut FY19F earnings by 9%; maintain HOLD with lower TP of S\$0.56.** Our target price of S\$0.56 (previous S\$0.62) is pegged to -1SD of 10x FY19F earnings. Maintain HOLD.

#### Key Risks to Our View:

Outlook is dependent on Singapore's residential property market and macroeconomic conditions.

#### At A Glance

Issued Capital (m shrs)	355
Mkt. Cap (S\$m/US\$m)	176 / 127
Major Shareholders (%)	
Tan Choon Hong	71.8
FIL Investment	4.3
Free Float (%)	23.96
3m Avg. Daily Val (US\$m)	0.22

ICB Industry : Industrials / Support Services



## WHAT'S NEW

### Decent 3Q18 results despite recent property curbs

#### Results Highlight

**Decent 3Q18 results.** APAC reported an 18.8% increase in 3Q18 net profit to S\$6.5m, on the back of an 8.8% rise in revenue to S\$114.8m. Excluding IPO expense of S\$1.1m in 3Q17, 3Q18 net profit was flat. Net margin was lower at 5.7%, vs 6.3% in 2Q18 and 5.2% in 3Q17.

For the 9-mth period, total revenue increased 26.3% to S\$342.1m, mainly due to the increase in brokerage income from the resale and rental of properties, and new home sales. This was achieved against a backdrop of moderating growth in the Singapore real estate sector in 3Q18, in light of the recent property curbs. Net profit gained 11.8% to S\$20.2m, accounted for 86% of our FY18F earnings, above expectations.

**Rising contribution from secondary market.** In terms of segmental revenue for the 9-mth period, private residential sale from the primary market accounts for 25% of total revenue, down from 28% in FY17. Secondary market increased to 56% from 53% in FY17, and the balance 19% (19% in FY17) from HDB resales.

For property market transactions as a whole, 6,959 units (-20% y-o-y) worth S\$9.8bn were transacted in the primary market for the 9-mth period while the resale market saw a total of 11,320 units (+12% y-o-y) worth S\$22.6m sold.

**Weaker property market in 3Q18 but APAC recorded 35.9% y-o-y increase in new home sales in 9M18.** According to data from Urban Redevelopment Authority (URA), the private residential price index grew at a more subdued pace of 0.5% in 3Q18, compared to 3.4% in 2Q18 and 3.9% in 1Q18. Developers sold 8,066 new private residential units (including executive condominiums) in 9M18, a decline of 34.2% from 12,267 units sold in 9M17. Despite the weaker market sentiment, ERA recorded new home sales of S\$104.5m in 9M18, an increase of 35.9% y-o-y.

**Slower take-up rate for recent launches; robust pipeline of 27 projects.** APAC saw slower take-up rate for recent launches, post the property cooling measures. Average take-up rate for the four sales launches – Arena Residences, Belgravia Green, Whistler Grand and Kent Ridge Hill Residences, is about 30%, vs c.40% take-up in 1H18.

APAC currently has a robust pipeline of 27 new project launches, totaling 12,958 units in Singapore. Some of the upcoming project launches in 4Q18, for which ERA is

appointed as the marketing agency, are Parc Esta and Uptown @ Farrer.

**Rising stockpile and potential oversupply.** The volume of unsold private residential units with planning approval rose to 31,295 (including executive condominiums) (+16% q-o-q), from 26,961 in the previous quarter. This was mainly due to a fresh round of property cooling measures introduced in July and the traditional lull period during the seventh lunar month.

Additionally, there is a potential supply of 14,200 units (including executive condominiums) from Government Land Sales (“GLS”) sites and awarded en-bloc sale sites that have yet to be granted planning approval. A large part of this new supply could be made available for sale next year, and will be completed from 2022 onwards.

**Growing agent force.** With the acquisition of CBRE Realty and HSR International Realtors expected to be completed by end of November, ERA’s agent strength will be increased by about 450 agents to 6,550 agents, reinforcing its position as one of the market leaders.

#### Earnings & Recommendation

**Cut FY19F earnings by 9%; maintain HOLD with lower TP of S\$0.56.** No change in assumption of a 5% y-o-y decline in transaction value for the private residential primary and secondary market in FY18F. In FY19F, we have lowered our assumption for the primary market segment to drop by 15% y-o-y, down from a 5% decline previously. For the secondary market and the HDB segment, we have maintained our flat growth assumption. In FY20F, we assumed a 5% increase in transaction value for the primary and HDB market and flat for the secondary market. We expect more HDB upgraders to enter the private property market in 2020, after the 5-year minimum occupation period.

As such, earnings for FY19F is reduced by 9%. We maintain our earnings forecast for FY18F despite 9M18 earnings accounting for 86% of our forecast. We are expecting a weaker 4Q18 on the back of the weak market sentiment and higher expenses due to the consolidation of CBRE and HSR into the group. Our target price is lowered to S\$0.56 (previous S\$0.62), pegged to -1SD of 10x FY19F earnings. Maintain HOLD.

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

FY Dec	3Q2017	2Q2018	3Q2018	% chg yoy	% chg qoq
Revenue	106	122	115	8.8	(5.9)
Cost of Goods Sold	(91.9)	(108)	(100)	9.0	(7.4)
<b>Gross Profit</b>	<b>13.7</b>	<b>14.0</b>	<b>14.8</b>	<b>7.9</b>	<b>5.7</b>
Other Oper. (Exp)/Inc	(7.1)	(4.7)	(6.6)	(7.2)	39.8
<b>Operating Profit</b>	<b>6.59</b>	<b>9.25</b>	<b>8.18</b>	<b>24.2</b>	<b>(11.6)</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	0.0	0.0	0.0	-	-
Net Interest (Exp)/Inc	0.0	0.0	(0.1)	-	-
Exceptional Gain/(Loss)	0.0	0.0	0.0	-	-
<b>Pre-tax Profit</b>	<b>6.55</b>	<b>9.25</b>	<b>8.10</b>	<b>23.7</b>	<b>(12.5)</b>
Tax	(1.0)	(1.6)	(1.6)	49.5	(0.3)
Minority Interest	0.0	0.0	0.0	-	-
<b>Net Profit</b>	<b>5.51</b>	<b>7.69</b>	<b>6.54</b>	<b>18.8</b>	<b>(14.9)</b>
Net profit bef Except.	5.51	7.69	6.54	18.8	(14.9)
EBITDA	6.95	9.61	8.54	22.9	(11.1)
<b>Margins (%)</b>					
Gross Margins	13.0	11.4	12.9		
Opg Profit Margins	6.2	7.6	7.1		
Net Profit Margins	5.2	6.3	5.7		

Source of all data: Company, DBS Bank

**APAC Realty**

**CRITICAL DATA POINTS TO WATCH**

**Critical Factors**

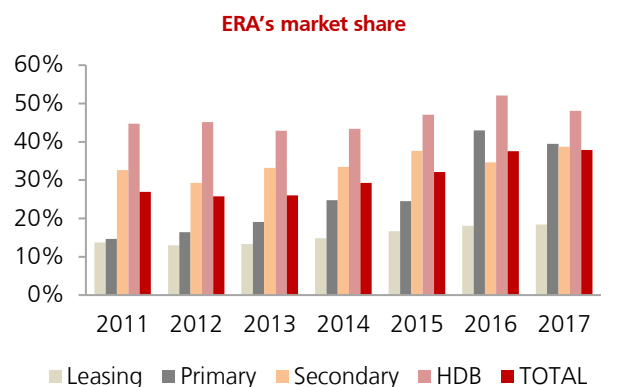
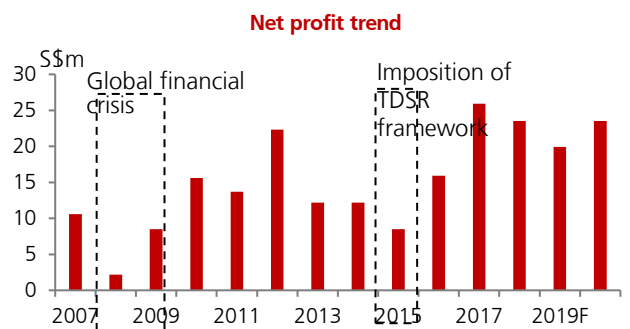
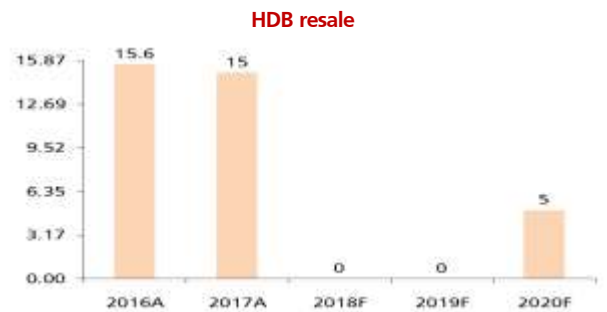
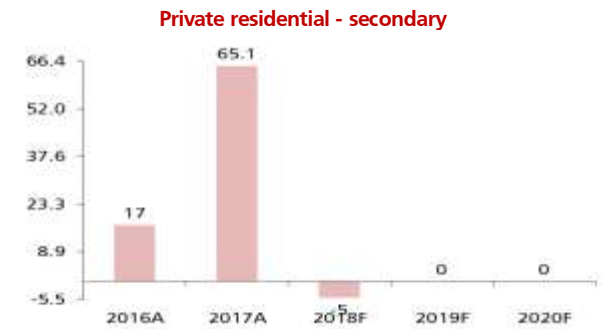
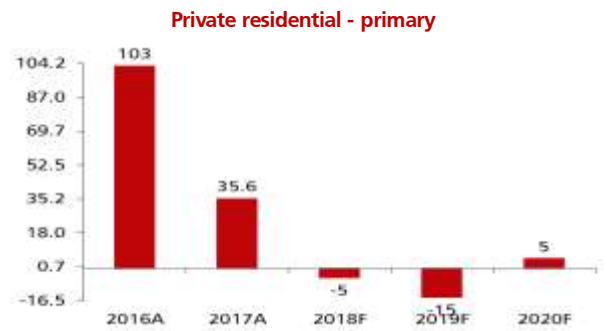
**Sales momentum to slow.** On the back of the latest property cooling measure targeting the supply side, we have lowered our assumption for transaction value in the primary market segment in FY19F to record a 15% y-o-y drop, down from a 5% decline previously. For the secondary market and the HDB segment, we have maintained our flat growth assumption. No change in assumption for a 5% y-o-y decline in transaction value in the private residential primary and secondary markets in FY18F. In FY20F, we assumed a 5% increase in transaction value for the primary and HDB market and flat for the secondary segment.

**Market share is critical.** ERA's market share based on transaction value for the private property segment increased from 26.9% in 2011 to about 36.4% as at September 2018. ERA has established itself as one of the market leaders in project marketing, alongside Huttons whose strength is in mass market projects, and Savills and Knight Frank which are both strong in luxury developments.

**Project pipeline.** In terms of project launches, ERA secured 12 projects out of 19 (47%) in 2015; 14 out of 23 (66%) in 2016 and eight projects or 91% of projects launched in 2017. APAC currently has a robust pipeline of 27 new project launches, totaling 12,958 units in Singapore. Some of the upcoming project launches in 4Q18, for which ERA is appointed as the marketing agency, are Parc Esta and Uptown @ Farrer.

**Agent strength.** APAC has one of the largest numbers of registered real estate agents. APAC's agents are its primary sales force through which units are transacted and are not employees of the group. APAC has grown its network of agents over the years and has managed to gain market share. As at September 2018, APAC has over 6,100 agents with a market share of around 21%, up from 16% in 2014.

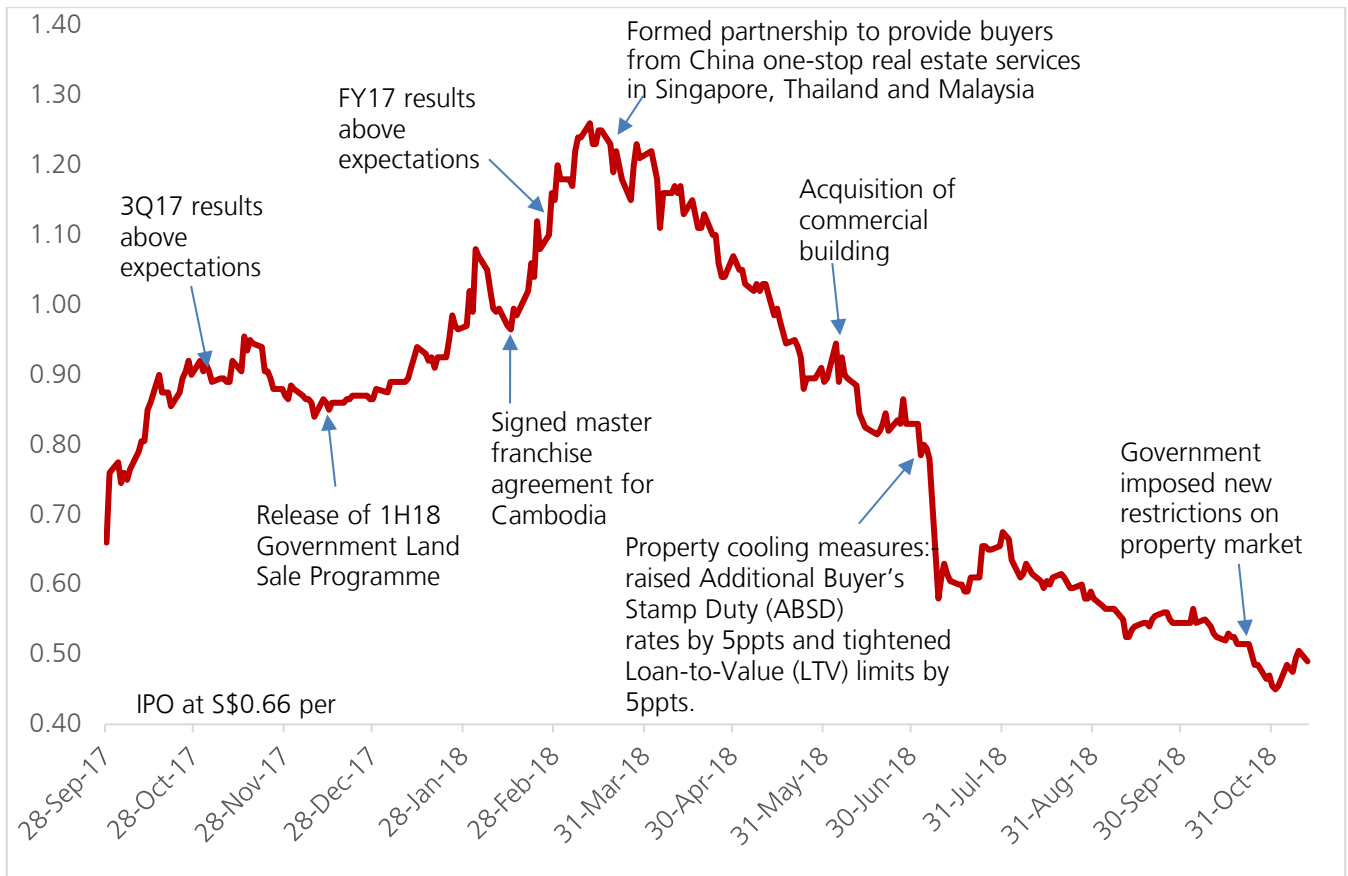
**Technological initiative to enhance competitiveness.** APAC currently offers various tools such as mobile applications to its agents and customers to facilitate the execution of real estate transactions. It intends to continue to develop its technological capabilities to enhance its competitiveness. It has launched a new Property Investment Calculator in its i-ERA mobile app, which will provide salespersons with a one-stop financial analysis tool for any property. They will be able to assist their clients to make more effective buying and selling decisions as all variables are dynamically updated.



Source: Company, DBS Bank

APAC Realty

Appendix 1: A look at Company's listed history – what drives its share price?



Source: Company, DBS Bank

**APAC Realty**

**Balance Sheet:**

**Cash-generative business.** Barring any major capital expenditure, APAC is a cash-generating business with good cash conversion cycle as APAC only pays out to its agents after receiving payments from its debtors. As at 30 September 2018, APAC has taken on a S\$58m debt, to partly finance the acquisition of the office headquarters. As such, FY18F is dipped into a slight net debt position. We expect APAC to be in a net cash position in FY19F.

**Intangibles, include goodwill and franchise rights, account for the bulk of total assets.** Goodwill amounted to S\$100m as at September 2018, derived from ERA and Coldwell Banker. Franchise rights are held for the exclusive use of the brand names "ERA" and "Coldwell Banker". The exclusive ERA Regional master franchise rights is for an initial term of 30 years from 19 November 1999 and expiring in 2029, with the option to renew for another 30 years. The ERA sub-franchise rights in Singapore is for an initial term of 30 years from 28 June 1990, and expires in 2020, also with the option to renew for another 30 years.

**Share Price Drivers:**

We believe that APAC is largely viewed by the market as a proxy to Singapore's private and HDB residential transaction volumes and values. As such, any newsflow in relation to the Singapore residential market would have an impact on APAC's share price.

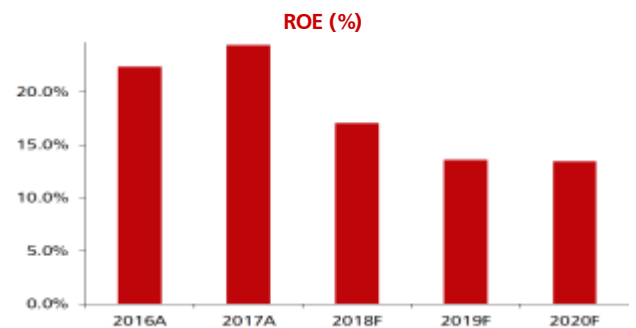
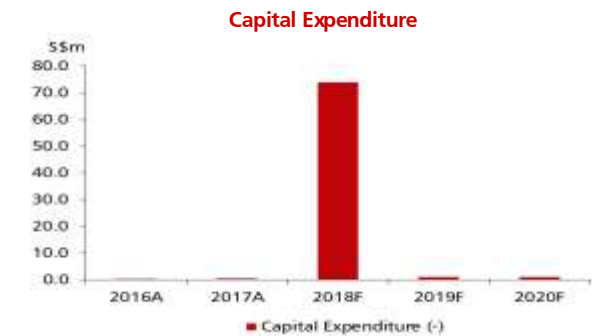
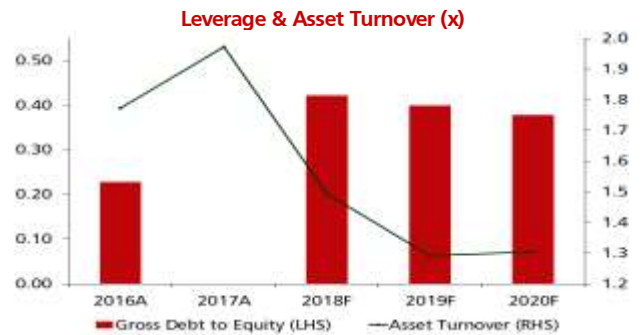
**Key Risks:**

APAC is highly dependent on Singapore's residential property market and macroeconomic conditions. Any change in government policies might affect the property market, which will in turn affect APAC. For example, residential transaction volumes and values suffered a sharp decline with the 5ppts hike in Additional Buyer's Stamp Duty (ABSD) and tightening of Loan-to-Value (LTV) limits. On the supply side, the government has revised up the average development home sizes. Under the new rules, the maximum number of dwelling units per development will be lesser, which could lead to lower demand for land sites.

In the longer term, the real estate brokerage industry may also be disrupted by technology with increasing adoption of websites that facilitate private sales.

**Company Background**

APAC Realty Limited ("APAC") is one of the leading players in the real estate brokerage industry in Asia. APAC Realty operates three main business segments – the real estate brokerage services; franchise agreements; and training, valuation and other ancillary services.



Source: Company, DBS Bank



## APAC Realty

## Key Assumptions

FY Dec	2016A	2017A	2018F	2019F	2020F
<b>Transaction value growth (%)</b>					
Private residential - primary	103	35.6	(5.0)	(15.0)	5.00
Private residential - secondary	17.0	65.1	(5.0)	0.0	0.0
HDB resale	15.6	15.0	0.0	0.0	5.00

Cut transaction value growth assumption on the back of the new property cooling measures

## Segmental Breakdown

FY Dec	2016A	2017A	2018F	2019F	2020F
<b>Revenues (\$m)</b>					
Brokerage	279	391	378	359	371
Non-brokerage	8.62	9.38	11.0	12.1	13.3
<b>Total</b>	<b>288</b>	<b>401</b>	<b>389</b>	<b>371</b>	<b>385</b>
<b>Gross profit (\$m)</b>					
Brokerage	32.2	46.6	45.4	43.1	44.6
Non-brokerage	7.66	8.29	9.90	10.9	12.0
<b>Total</b>	<b>39.9</b>	<b>54.9</b>	<b>55.3</b>	<b>54.0</b>	<b>56.5</b>
<b>Gross profit Margins (%)</b>					
Brokerage	11.5	11.9	12.0	12.0	12.0
Non-brokerage	88.9	88.4	90.0	90.0	90.0
<b>Total</b>	<b>13.9</b>	<b>13.7</b>	<b>14.2</b>	<b>14.5</b>	<b>14.7</b>

## Income Statement (\$m)

FY Dec	2016A	2017A	2018F	2019F	2020F
Revenue	288	401	389	371	385
Cost of Goods Sold	(248)	(346)	(334)	(317)	(328)
<b>Gross Profit</b>	<b>39.9</b>	<b>54.9</b>	<b>55.3</b>	<b>54.0</b>	<b>56.5</b>
Other Opng (Exp)/Inc	(20.7)	(25.2)	(28.4)	(31.2)	(32.8)
<b>Operating Profit</b>	<b>19.2</b>	<b>29.7</b>	<b>26.9</b>	<b>22.8</b>	<b>23.8</b>
Other Non Opg (Exp)/Inc	0.0	0.0	2.00	2.00	2.00
Associates & JV Inc	0.0	0.01	0.0	0.0	0.0
Net Interest (Exp)/Inc	(1.1)	(0.3)	(2.2)	(2.2)	(2.2)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>18.1</b>	<b>29.4</b>	<b>26.7</b>	<b>22.6</b>	<b>23.6</b>
Tax	(2.2)	(3.5)	(3.2)	(2.7)	(2.8)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>15.9</b>	<b>25.9</b>	<b>23.5</b>	<b>19.9</b>	<b>20.8</b>
Net Profit before Except.	15.9	25.9	23.5	19.9	20.8
EBITDA	20.8	31.2	30.3	26.2	27.2
<b>Growth</b>					
Revenue Gth (%)	23.7	39.2	(2.9)	(4.6)	3.6
EBITDA Gth (%)	59.6	49.7	(2.7)	(13.4)	3.7
Opg Profit Gth (%)	67.3	54.7	(9.6)	(15.1)	4.2
Net Profit Gth (Pre-ex) (%)	87.2	63.1	(9.3)	(15.2)	4.3
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	13.9	13.7	14.2	14.5	14.7
Opg Profit Margin (%)	6.7	7.4	6.9	6.1	6.2
Net Profit Margin (%)	5.5	6.5	6.0	5.4	5.4
ROAE (%)	22.4	24.4	17.1	13.6	13.4
ROA (%)	9.8	12.8	9.0	6.9	7.0
ROCE (%)	14.3	21.5	12.4	8.4	8.5
Div Payout Ratio (%)	0.0	27.4	60.0	60.0	60.0
Net Interest Cover (x)	17.1	111.6	12.4	10.5	11.0

Assume 60% payout. APAC paid 2-Scts DPS in 4QFY17 which translates into 90% payout post IPO and based on 4Q17 earnings

Source: Company, DBS Bank

## APAC Realty

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

FY Dec	3Q2017	4Q2017	1Q2018	2Q2018	3Q2018
Revenue	106	130	105	122	115
Cost of Goods Sold	(91.9)	(114)	(92.3)	(108)	(100)
<b>Gross Profit</b>	<b>13.7</b>	<b>16.0</b>	<b>12.9</b>	<b>14.0</b>	<b>14.8</b>
Other Oper. (Exp)/Inc	(7.1)	(7.6)	(5.8)	(4.7)	(6.6)
<b>Operating Profit</b>	<b>6.59</b>	<b>8.43</b>	<b>7.13</b>	<b>9.25</b>	<b>8.18</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	0.0	0.0	0.0	0.0	(0.1)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>6.55</b>	<b>8.43</b>	<b>7.13</b>	<b>9.25</b>	<b>8.10</b>
Tax	(1.0)	(0.5)	(1.2)	(1.6)	(1.6)
Minority Interest	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>5.51</b>	<b>7.88</b>	<b>5.92</b>	<b>7.69</b>	<b>6.54</b>
Net profit bef Except.	5.51	7.88	5.92	7.69	6.54
EBITDA	6.95	8.79	7.49	9.61	8.54

Fewer new launches in 1Q18

## Growth

Revenue Gth (%)	15.8	22.9	(18.9)	16.0	(5.9)
EBITDA Gth (%)	(31.5)	26.5	(14.8)	28.2	(11.1)
Opg Profit Gth (%)	(32.6)	27.9	(15.4)	29.8	(11.6)
Net Profit Gth (Pre-ex) (%)	(35.1)	43.0	(24.9)	30.0	(14.9)

Lower gross margins as more agents move up the commission scale

## Margins

Gross Margins (%)	13.0	12.3	12.2	11.4	12.9
Opg Profit Margins (%)	6.2	6.5	6.8	7.6	7.1
Net Profit Margins (%)	5.2	6.1	5.6	6.3	5.7

## Balance Sheet (\$m)

FY Dec	2016A	2017A	2018F	2019F	2020F
Net Fixed Assets	1.44	1.22	74.5	75.0	75.5
Invt in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other LT Assets	102	101	99.9	98.9	98.0
Cash & ST Invt	17.7	62.0	54.0	61.3	70.3
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	47.8	70.1	55.1	52.5	54.4
Other Current Assets	1.63	1.92	1.92	1.92	1.92
<b>Total Assets</b>	<b>170</b>	<b>236</b>	<b>285</b>	<b>290</b>	<b>300</b>
ST Debt	6.00	0.0	0.0	0.0	0.0
Creditor	55.6	82.0	63.7	60.6	62.6
Other Current Liab	13.1	16.4	14.7	14.2	14.3
LT Debt	12.0	0.0	60.0	60.0	60.0
Other LT Liabilities	4.67	4.49	4.49	4.49	4.49
Shareholder's Equity	78.9	133	142	150	159
Minority Interests	0.0	0.0	0.0	0.0	0.0
<b>Total Cap. &amp; Liab.</b>	<b>170</b>	<b>236</b>	<b>285</b>	<b>290</b>	<b>300</b>
Non-Cash Wkg. Capital	(19.4)	(26.5)	(21.4)	(20.3)	(20.6)
Net Cash/(Debt)	(0.3)	62.0	(6.0)	1.25	10.3
Debtors Turn (avg days)	51.6	53.7	58.7	52.9	50.7
Creditors Turn (avg days)	70.1	73.0	80.0	71.8	68.8
Inventory Turn (avg days)	N/A	N/A	N/A	N/A	N/A
Asset Turnover (x)	1.8	2.0	1.5	1.3	1.3
Current Ratio (x)	0.9	1.4	1.4	1.5	1.6
Quick Ratio (x)	0.9	1.3	1.4	1.5	1.6
Net Debt/Equity (X)	0.0	CASH	0.0	CASH	CASH
Net Debt/Equity ex MI (X)	0.0	CASH	0.0	CASH	CASH
Capex to Debt (%)	0.8	N/A	123.0	1.7	1.7
Z-Score (X)	3.0	2.9	2.2	2.2	2.2

Acquisition of commercial building

Assume bulk of debt financing for the acquisition of commercial building

Source: Company, DBS Bank



## APAC Realty

## Cash Flow Statement (S\$m)

FY Dec	2016A	2017A	2018F	2019F	2020F
Pre-Tax Profit	18.1	29.4	26.7	22.6	23.6
Dep. & Amort.	1.62	1.44	1.44	1.44	1.44
Tax Paid	(1.6)	(3.2)	(5.0)	(3.2)	(2.7)
Assoc. & JV Inc/(loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	3.35	4.16	(3.3)	(0.6)	0.17
Other Operating CF	1.22	2.80	0.0	0.0	0.0
<b>Net Operating CF</b>	<b>22.7</b>	<b>34.6</b>	<b>19.9</b>	<b>20.3</b>	<b>22.5</b>
Capital Exp.(net)	(0.1)	(0.5)	(73.8)	(1.0)	(1.0)
Other Invt.(net)	0.0	0.0	0.0	0.0	0.0
Invt in Assoc. & JV	0.0	(0.2)	0.0	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	0.0	0.0	0.0	0.0	0.0
<b>Net Investing CF</b>	<b>(0.1)</b>	<b>(0.7)</b>	<b>(73.8)</b>	<b>(1.0)</b>	<b>(1.0)</b>
Div Paid	0.0	0.0	(14.1)	(12.0)	(12.5)
Chg in Gross Debt	(19.0)	(18.0)	60.0	0.0	0.0
Capital Issues	0.0	28.2	0.0	0.0	0.0
Other Financing CF	0.0	0.0	0.0	0.0	0.0
<b>Net Financing CF</b>	<b>(19.0)</b>	<b>10.2</b>	<b>45.9</b>	<b>(12.0)</b>	<b>(12.5)</b>
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	3.53	44.2	(8.0)	7.29	9.04
Opg CFPS (S cts)	5.44	8.58	6.52	5.88	6.29
Free CFPS (S cts)	6.34	9.62	(15.2)	5.42	6.05

Part financing for the acquisition of commercial building

Source: Company, DBS Bank

## Target Price &amp; Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	13 Nov 17	0.96	1.12	BUY
2:	19 Feb 18	1.06	1.12	BUY
3:	26 Feb 18	1.16	1.25	BUY
4:	19 Mar 18	1.19	1.42	BUY
5:	10 May 18	1.03	1.32	BUY
6:	06 Jun 18	0.90	1.32	BUY
7:	14 Jun 18	0.82	1.22	BUY
8:	06 Jul 18	0.58	0.66	FULLY VALUED
9:	08 Aug 18	0.62	0.62	HOLD
10:	06 Sep 18	0.57	0.62	HOLD

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

Source: DBS Bank

Analyst: Lee Keng LING

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: 13 Nov 2018 09:30:49 (SGT)

Dissemination Date: 13 Nov 2018 10:24:46 (SGT)

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