

# Singapore Company Guide

## APAC Realty

Version 9 | Bloomberg: APAC SP | Reuters: APAC.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

14 May 2019

**HOLD** (Downgrade from BUY)

Last Traded Price ( 13 May 2019): S\$0.55 (STI : 3,234.28)

Price Target 12-mth: S\$0.58 (6% upside) (Prev S\$0.70)

### Analyst

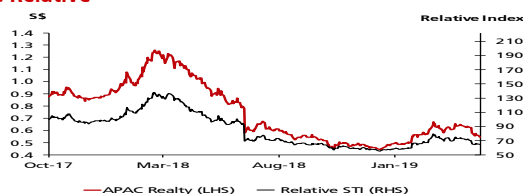
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### What's New

- 1Q19 results below expectations; impact of cooling measures larger than expected
- More project launches to partly offset lower take up rates; secondary market should improve q-o-q but weak for FY19
- Lower sales projection for primary and secondary market
- Cut FY19F-20F earnings by 17% each; downgrade to HOLD with lower TP of S\$0.58

### Price Relative



### Forecasts and Valuation

FY Dec (S\$m)	2017A	2018A	2019F	2020F
Revenue	401	424	383	406
EBITDA	31.2	31.1	26.6	28.6
Pre-tax Profit	29.4	29.2	24.7	26.7
Net Profit	25.9	24.2	20.5	22.1
Net Pft (Pre Ex.)	25.9	24.2	20.5	22.1
Net Pft Gth (Pre-ex) (%)	63.1	(6.4)	(15.6)	8.2
EPS (S cts)	7.29	6.83	5.76	6.23
EPS Pre Ex. (S cts)	7.29	6.83	5.76	6.23
EPS Gth Pre Ex (%)	63	(6)	(16)	8
Diluted EPS (S cts)	7.29	6.83	5.76	6.23
Net DPS (S cts)	2.00	4.50	3.46	3.74
BV Per Share (S cts)	37.5	40.3	42.6	45.1
PE (X)	7.5	8.0	9.5	8.7
PE Pre Ex. (X)	7.5	8.0	9.5	8.7
P/Cash Flow (X)	5.6	17.2	7.3	7.9
EV/EBITDA (X)	4.2	6.7	7.3	6.5
Net Div Yield (%)	3.7	8.3	6.3	6.9
P/Book Value (X)	1.5	1.4	1.3	1.2
Net Debt/Equity (X)	CASH	0.1	0.0	CASH
ROAE (%)	24.4	17.6	13.9	14.2
<b>Earnings Rev (%):</b>			(17)	(17)
<b>Consensus EPS (S cts):</b>			8.50	8.80
<b>Other Broker Recs:</b>		B: 2	S: 0	H: 0

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

## Lower sales projection

**Cut sales projection for primary and secondary market; downgrade to HOLD with lower TP of S\$0.58.** Our previous thesis on a recovery in the secondary market and smaller drop in primary market seems misplaced. We have lowered our assumption to a 15% drop in primary sales transaction value, from a 7% decline in FY19F. We expect the slower take up rate for new launches to be partly offset by higher number of project launches and higher commission rates. For the secondary market, we have cut our assumption to 20% decline in FY19F from a 6% growth previously, and to rebound 5% in FY20F. Sales should improve on a q-o-q basis but to expect it to be lower for FY19 as compared to FY18. We maintain HDB resale growth of 5% y-o-y. Overall, we expect the private residential market to decline 18% in FY19F, and to rebound 6% in FY20F.

**1Q19 results weak; impact of cooling measures felt.** The full impact of the cooling measures announced in July last year was felt in 1Q19, as a property transaction typically takes about three to six months to be reflected in the books. 1Q19 net profit tumbled 71% y-o-y while revenue declined 26.4%.

**Decent pipeline; rising stockpile but secondary market remains weak in FY19.** ERA has been appointed the marketing agent for 42 projects with about 16,500 new home units to be launched in FY19, as compared to about 27 new project launches totaling about 13,000 units in 2018. There are also about 38,710 (including ECs) unsold units as at end-1Q19. Secondary market should rebound q-o-q but to remain weak for FY19 vs 2018.

### Valuation:

**Downgrade to HOLD with lower TP of S\$0.58.** On the back of the cut in transaction value assumption for the primary and secondary market, we have lowered FY19F and FY20F earnings by 17% each. Accordingly, TP is lowered to S\$0.58, pegged to peers' average PE of 10x. Downgrade to 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)	194 / 141
Major Shareholders (%)	
Tan Choon Hong	71.8
FIL Investment Management	4.3
Free Float (%)	23.9
3m Avg. Daily Val (US\$m)	0.85
ICB Industry : Industrials / Support Services	



## WHAT'S NEW

### 1Q19 results below expectations; full impact of cooling measures felt

#### Results Highlight

**Impact of cooling measures felt in 1Q19; larger than expected.** Revenue declined 26.4% y-o-y to S\$77.4m, mainly due to a 29.9% drop in new home sales and 25.4% drop in resale and rental of properties. Coupled with higher expenses, net profit of S\$1.7m (-71% y-o-y; -57% q-o-q) was below expectations. While we had been prepared for property transactions to be typically impacted and reflected in the books about three to six months after cooling measures, the effect on 1Q19 was larger than expected. Gross margin of 12.2% in 1Q19 is similar to 1Q18 but slightly lower than 13.7% in 4Q18. Our earlier thesis was premised on our expectations of a recovery in the secondary market coupled with a smaller decline in primary market sales.

**Weak results in line with the broader market.** Based on URA data, private residential transactions declined 29.7% to 3,743 units in 1Q FY19, from 5,328 units in 1Q FY18. The secondary market saw a steeper drop of 49% y-o-y to 1905 units, while primary sales improved 16% to 1838 units.

**Stable market share in terms of transaction value and agent strength.** ERA's overall market share was relatively stable at 35.8% in 1Q19, vs 36.4% in FY18. Agent strength of 6817 as at 13 May 19 was up 5% from the beginning of the year.

#### Outlook and Recommendation

**Decent project pipeline.** To date, ERA has secured marketing agent appointments for 42 projects with about 16,500 new home units to be launched in FY19, as compared to about 27 new project launches totaling about 13,000 units in 2018. There are also about 38,710 (including ECs) unsold units as at end 1Q19 and a potential supply of 5,200 units from Government Land Sale sites and awarded en-bloc sites that have not been granted planning approval yet.

**More project launches to offset slower take up rate.** Though the take up rates for new launches is expected to be slower, this should be partly offset by a bigger base with more project launches. Furthermore, commission rates for new projects are also on a rising trend, as developers attempt to clear old inventory and to speed up sales amid the ample supply in the market.

**Increasing commission rates.** Given the ample supply coming onstream from new launches and also stock pile from earlier launches, we expect developers to offer higher commission rates especially for the older projects. Commission rates should be able to increase to 3% to 3.5%, vs about 1.5% to 2% in the past.

**Secondary market could remain weak.** We had previously expect the secondary market to show a slight y-o-y growth as transaction activities should stabilise going forward post the cooling measures. However, 1Q19 numbers were still weak. Though 2Q numbers are expected to improve q-o-q, we expect overall FY19 transaction to be lower compared to a year ago.

**Downgrade to HOLD with lower TP of S\$0.58; earlier thesis of recover in secondary market seems distant for now.** We downgrade APAC to HOLD from BUY. Our previous buy call was premise on a y-o-y recovery in the secondary market and a lesser drop in the primary market. However, the secondary market segment was weaker than expected. Hence, we have cut our assumption to 20% decline in FY19F from a 6% growth previously, and to rebound 5% in FY20F. Sales should improve on a q-o-q basis but to remain weak for FY19 as compared to FY18.

For the primary market, we have also lowered our assumption to a 15% drop in primary sales transaction value, from a 7% decline in FY19F, and maintaining forecast of a 7% rebound FY20F. We expect the slower take up rate for new launches to be partly offset by more project launches and higher commission rates for new projects, which seems to be on a rising trend.

We maintain HDB resale growth of 5% y-o-y. Overall, we expect the private residential market to decline 18% in FY19F, and to rebound 6% in FY20F.

On the back of the cut in transaction value assumption for the primary and secondary market, we have lowered FY19F and FY20F earnings by 17% each. Accordingly, TP is lowered to S\$0.58, pegged to peers' average PE of 10x. Downgrade to HOLD.

## APAC Realty

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

FY Dec	1Q2018	4Q2018	1Q2019	% chg yoy	% chg qoq
Revenue	105	81.9	77.4	(26.4)	(5.4)
Cost of Goods Sold	(92.3)	(70.7)	(67.9)	(26.4)	(3.9)
<b>Gross Profit</b>	<b>12.9</b>	<b>11.2</b>	<b>9.46</b>	<b>(26.5)</b>	<b>(15.5)</b>
Other Oper. (Exp)/Inc	(5.8)	(6.1)	(6.8)	18.2	11.7
<b>Operating Profit</b>	<b>7.13</b>	<b>5.11</b>	<b>2.66</b>	<b>(62.6)</b>	<b>(47.9)</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	(0.4)	(0.4)	nm	(22.9)
Exceptional Gain/(Loss)	0.0	0.0	0.0	-	-
<b>Pre-tax Profit</b>	<b>7.13</b>	<b>4.75</b>	<b>2.22</b>	<b>(68.9)</b>	<b>(53.3)</b>
Tax	(1.2)	(0.7)	(0.5)	(60.6)	(27.2)
Minority Interest	0.0	0.0	0.0	-	-
<b>Net Profit</b>	<b>5.92</b>	<b>4.09</b>	<b>1.74</b>	<b>(70.6)</b>	<b>(57.4)</b>
Net profit bef Except.	5.92	4.09	1.74	(70.6)	(57.4)
EBITDA	7.49	5.47	3.43	(54.3)	(37.4)
<b>Margins (%)</b>					
Gross Margins	12.2	13.7	12.2		
Opg Profit Margins	6.8	6.2	3.4		
Net Profit Margins	5.6	5.0	2.3		

Source of all data: Company, DBS Bank

**APAC Realty**

**CRITICAL DATA POINTS TO WATCH**

**Critical Factors**

**Lower sales projection for primary and secondary market.** We have lowered our assumption to a 10% drop in primary sales transaction value, from a 7% decline in FY19F. Maintain forecast of a 7% rebound FY20F. We expect the slower take up rate for new launches to be partly offset by more project launches. Commission rates for new projects are also on a rising trend. For the secondary market, we have cut our assumption to 20% decline in FY19F from a 6% growth previously, and to rebound 5% in FY20F. Sales should normalise post impact of the cooling measures. We maintain HDB resale growth of 5% y-o-y. Overall, we expect the private residential market to decline 17% in FY19F, and to rebound 6% in FY20F.

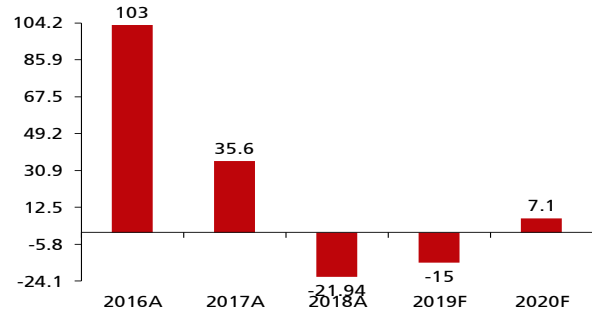
**Market share is critical.** ERA's market share based on transaction value for the private property segment increased from 26.9% in 2011 to about 35.8% in 1Q19. ERA has established itself as one of the market leaders in project marketing, alongside Huttons whose strength is in mass market projects, and Savills and Knight Frank which are both strong in luxury developments.

**Project pipeline** To date, ERA has secured marketing agent appointments for 42 projects with about 16,500 new home units to be launched in FY19, as compared to about 27 new project launches totaling about 13,000 units in 2018. There are also about 38,710 (including ECs) unsold units as at end 1Q19 and a potential supply of 5,200 units from Government Land Sale sites and awarded en-bloc sites that have not been granted planning approval yet.

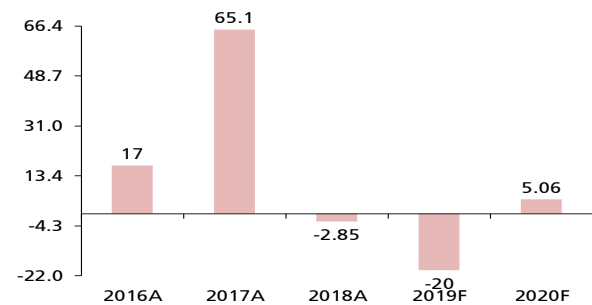
**Agent strength.** APAC has one of the largest numbers of registered real estate agents. APAC's agents are its primary sales force through which units are transacted and are not employees of the group. APAC has grown its network of agents over the years and has managed to gain market share. As at 13 May 2019, APAC has about 6,817 agents.

**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.

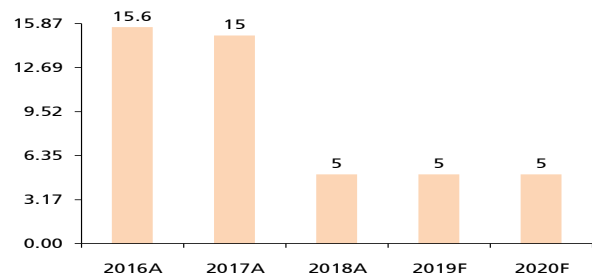
**Transaction value growth (%) - Private residential - primary**



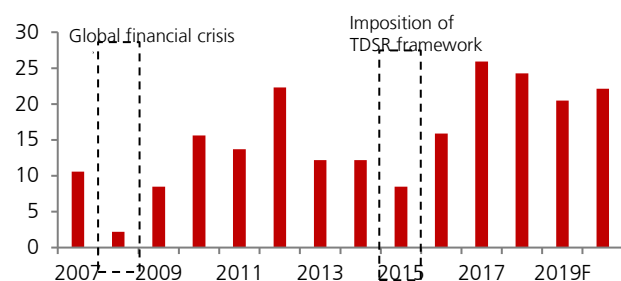
**Transaction value growth (%) - Private residential - secondary**



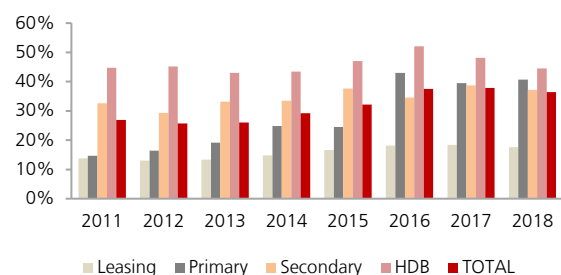
**Transaction value growth (%) - HDB resale**



**Net profit trend**



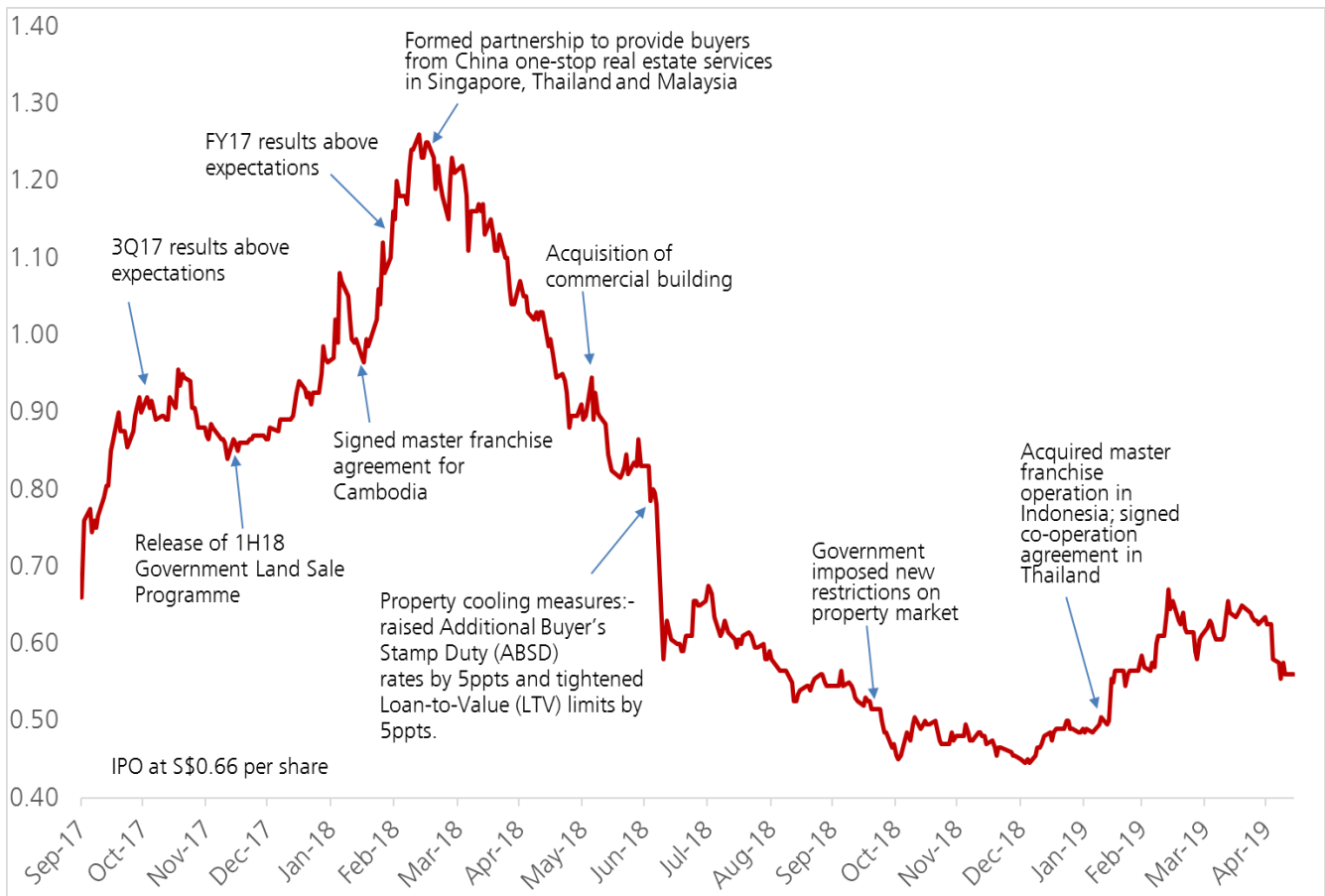
**ERA's market share**



Source: Company, DBS Bank

**APAC Realty**

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



Source: DBS Bank; Bloomberg Finance L.P.

## 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 31 December 2018, APAC had a S\$58m debt, to partly finance the acquisition of the office headquarters. As such, FY18 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 end 1Q19, 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.

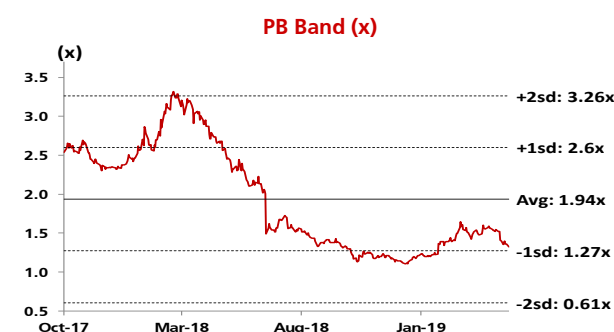
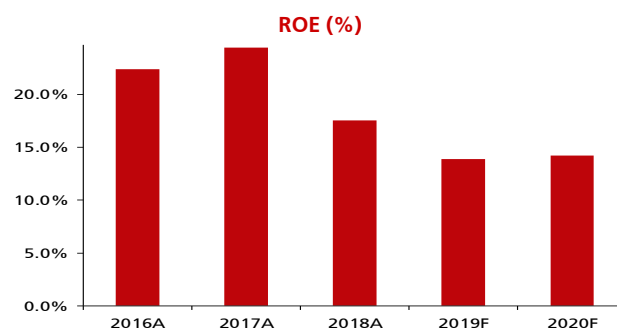
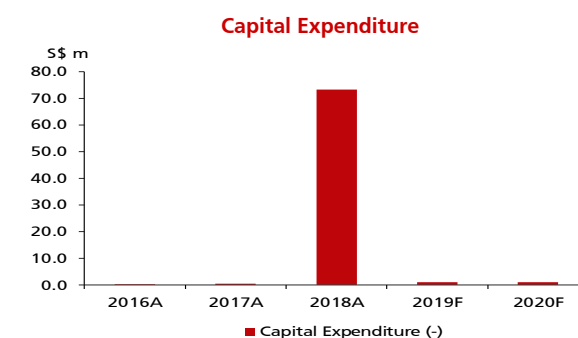
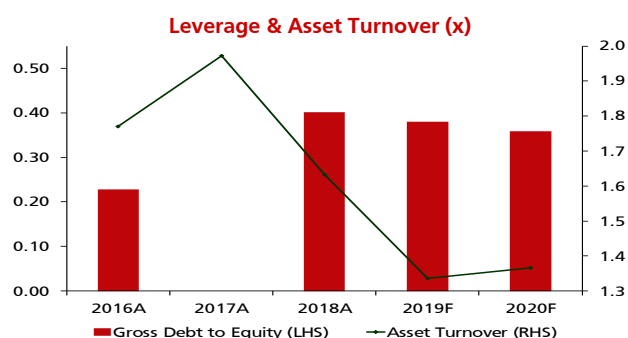
### Key Risks:

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	2018A	2019F	2020F
<b>Transaction value growth (%)</b>					
Private residential - primary	103	35.6	(21.9)	(15.0)	7.10
Private residential - secondary	17.0	65.1	(2.9)	(20.0)	5.06
HDB resale	15.6	15.0	5.00	5.00	5.00

Affected by property cooling measures

### Segmental Breakdown

FY Dec	2016A	2017A	2018A	2019F	2020F
<b>Revenues (\$\$m)</b>					
Brokerage	279	391	415	373	394
Non-brokerage	8.62	9.38	9.46	10.4	11.5
<b>Total</b>	<b>288</b>	<b>401</b>	<b>424</b>	<b>383</b>	<b>406</b>
<b>Gross profit (\$\$m)</b>					
Brokerage	32.2	46.6	44.5	40.0	42.3
Non-brokerage	7.66	8.29	8.34	9.37	10.3
<b>Total</b>	<b>39.9</b>	<b>54.9</b>	<b>52.8</b>	<b>49.4</b>	<b>52.6</b>
<b>Gross profit Margins (%)</b>					
Brokerage	11.5	11.9	10.7	10.7	10.7
Non-brokerage	88.9	88.4	88.2	90.0	90.0
<b>Total</b>	<b>13.9</b>	<b>13.7</b>	<b>12.5</b>	<b>12.9</b>	<b>13.0</b>

### Income Statement (\$\$m)

FY Dec	2016A	2017A	2018A	2019F	2020F
Revenue	288	401	424	383	406
Cost of Goods Sold	(248)	(346)	(371)	(334)	(353)
<b>Gross Profit</b>	<b>39.9</b>	<b>54.9</b>	<b>52.8</b>	<b>49.4</b>	<b>52.6</b>
Other Opng (Exp)/Inc	(20.7)	(25.2)	(23.1)	(24.3)	(25.5)
<b>Operating Profit</b>	<b>19.2</b>	<b>29.7</b>	<b>29.7</b>	<b>25.1</b>	<b>27.1</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.01	0.0	0.0	0.0
Net Interest (Exp)/Inc	(1.1)	(0.3)	(0.4)	(0.4)	(0.4)
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>29.2</b>	<b>24.7</b>	<b>26.7</b>
Tax	(2.2)	(3.5)	(5.0)	(4.2)	(4.5)
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>24.2</b>	<b>20.5</b>	<b>22.1</b>
Net Profit before Except.	15.9	25.9	24.2	20.5	22.1
EBITDA	20.8	31.2	31.1	26.6	28.6
<b>Growth</b>					
Revenue Gth (%)	23.7	39.2	5.8	(9.6)	5.8
EBITDA Gth (%)	59.6	49.7	(0.1)	(14.7)	7.6
Opg Profit Gth (%)	67.3	54.7	0.0	(15.4)	8.0
Net Profit Gth (Pre-ex) (%)	87.2	63.1	(6.4)	(15.6)	8.2
<b>Margins &amp; Ratio</b>					
Gross Margins (%)	13.9	13.7	12.5	12.9	13.0
Opg Profit Margin (%)	6.7	7.4	7.0	6.5	6.7
Net Profit Margin (%)	5.5	6.5	5.7	5.3	5.5
ROAE (%)	22.4	24.4	17.6	13.9	14.2
ROA (%)	9.8	12.8	9.3	7.1	7.4
ROCE (%)	14.3	21.5	13.9	9.6	10.0
Div Payout Ratio (%)	0.0	27.4	65.9	60.0	60.0
Net Interest Cover (x)	17.1	111.6	66.9	56.6	61.1

Source: Company, DBS Bank

## APAC Realty

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

FY Dec	1Q2018	2Q2018	3Q2018	4Q2018	1Q2019
Revenue	105	122	115	81.9	77.4
Cost of Goods Sold	(92.3)	(108)	(100)	(70.7)	(67.9)
<b>Gross Profit</b>	<b>12.9</b>	<b>14.0</b>	<b>14.8</b>	<b>11.2</b>	<b>9.46</b>
Other Oper. (Exp)/Inc	(5.8)	(4.7)	(6.6)	(6.1)	(6.8)
<b>Operating Profit</b>	<b>7.13</b>	<b>9.25</b>	<b>8.18</b>	<b>5.11</b>	<b>2.66</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	(0.1)	(0.4)	(0.4)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>7.13</b>	<b>9.25</b>	<b>8.10</b>	<b>4.75</b>	<b>2.22</b>
Tax	(1.2)	(1.6)	(1.6)	(0.7)	(0.5)
Minority Interest	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>5.92</b>	<b>7.69</b>	<b>6.54</b>	<b>4.09</b>	<b>1.74</b>
Net profit bef Except.	5.92	7.69	6.54	4.09	1.74
EBITDA	7.49	9.61	8.54	5.47	3.43

## Growth

Revenue Gth (%)	(18.9)	16.0	(5.9)	(28.7)	(5.4)
EBITDA Gth (%)	(14.8)	28.2	(11.1)	(36.0)	(37.4)
Opg Profit Gth (%)	(15.4)	29.8	(11.6)	(37.5)	(47.9)
Net Profit Gth (Pre-ex) (%)	(24.9)	30.0	(14.9)	(37.5)	(57.4)

## Margins

Gross Margins (%)	12.2	11.4	12.9	13.7	12.2
Opg Profit Margins (%)	6.8	7.6	7.1	6.2	3.4
Net Profit Margins (%)	5.6	6.3	5.7	5.0	2.3

Lower gross margins as more agents move up the commission scale

## Balance Sheet (\$\$m)

FY Dec	2016A	2017A	2018A	2019F	2020F
Net Fixed Assets	1.44	1.22	72.8	73.3	73.8
Invt in Associates & JVs	0.0	0.0	0.35	0.35	0.35
Other LT Assets	102	101	101	99.7	98.7
Cash & ST Invt	17.7	62.0	43.0	56.4	66.5
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	47.8	70.1	59.7	54.2	57.4
Other Current Assets	1.63	1.92	6.79	6.79	6.79
<b>Total Assets</b>	<b>170</b>	<b>236</b>	<b>283</b>	<b>291</b>	<b>304</b>
ST Debt	6.00	0.0	2.90	2.90	2.90
Creditor	55.6	82.0	63.5	63.8	67.4
Other Current Liab	13.1	16.4	14.8	13.9	14.2
LT Debt	12.0	0.0	54.6	54.6	54.6
Other LT Liabilities	4.67	4.49	4.29	4.29	4.29
Shareholder's Equity	78.9	133	143	151	160
Minority Interests	0.0	0.0	0.04	0.04	0.04
<b>Total Cap. &amp; Liab.</b>	<b>170</b>	<b>236</b>	<b>283</b>	<b>291</b>	<b>304</b>
Non-Cash Wkg. Capital	(19.4)	(26.5)	(11.8)	(16.6)	(17.4)
Net Cash/(Debt)	(0.3)	62.0	(14.5)	(1.1)	9.03
Debtors Turn (avg days)	51.6	53.7	55.8	54.2	50.2
Creditors Turn (avg days)	70.1	73.0	71.8	69.8	68.1
Inventory Turn (avg days)	N/A	N/A	N/A	N/A	N/A
Asset Turnover (x)	1.8	2.0	1.6	1.3	1.4
Current Ratio (x)	0.9	1.4	1.3	1.5	1.5
Quick Ratio (x)	0.9	1.3	1.3	1.4	1.5
Net Debt/Equity (X)	0.0	CASH	0.1	0.0	CASH
Net Debt/Equity ex MI (X)	0.0	CASH	0.1	0.0	CASH
Capex to Debt (%)	0.8	N/A	127.2	1.7	1.7
Z-Score (X)	3.2	3.2	3.2	3.2	3.2

Acquisition of commercial building

Source: Company, DBS Bank



## APAC Realty

## Cash Flow Statement (\$\$m)

FY Dec	2016A	2017A	2018A	2019F	2020F
Pre-Tax Profit	18.1	29.4	29.2	24.7	26.7
Dep. & Amort.	1.62	1.44	1.44	1.44	1.44
Tax Paid	(1.6)	(3.2)	(5.0)	(5.2)	(4.2)
Assoc. & JV Inc/(loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	3.35	4.16	(16.1)	5.73	0.49
Other Operating CF	1.22	2.80	1.69	0.0	0.0
<b>Net Operating CF</b>	<b>22.7</b>	<b>34.6</b>	<b>11.3</b>	<b>26.7</b>	<b>24.4</b>
Capital Exp.(net)	(0.1)	(0.5)	(73.2)	(1.0)	(1.0)
Other Invts.(net)	0.0	0.0	0.0	0.0	0.0
Invts in Assoc. & JV	0.0	(0.2)	(0.4)	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>(73.5)</b>	<b>(1.0)</b>	<b>(1.0)</b>
Div Paid	0.0	0.0	(14.2)	(12.3)	(13.3)
Chg in Gross Debt	(19.0)	(18.0)	57.5	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>43.3</b>	<b>(12.3)</b>	<b>(13.3)</b>
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	3.53	44.2	(19.0)	13.4	10.1
Opg CFPS (S cts)	5.44	8.58	7.71	5.90	6.73
Free CFPS (S cts)	6.34	9.62	(17.4)	7.23	6.59

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:	06 Jun 18	0.90	1.32	BUY
2:	14 Jun 18	0.82	1.22	BUY
3:	06 Jul 18	0.58	0.66	FULLY VALUED
4:	08 Aug 18	0.62	0.62	HOLD
5:	06 Sep 18	0.57	0.62	HOLD
6:	14 Nov 18	0.50	0.56	HOLD
7:	11 Feb 19	0.50	0.56	HOLD
8:	01 Mar 19	0.57	0.70	BUY

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: 14 May 2019 16:31:44 (SGT)

Dissemination Date: 14 May 2019 17:03:15 (SGT)

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