

3Q16 results update 7 December 2016

### **Overweight**

Current Price S\$0.148

Fair Value S\$0.315 Up / (downside) 112.8%

#### **Stock Statistics**

Market cap	S\$29.6m
52-low	S\$0.078
52-high	S\$0.188
Avg daily vol	85,357
No of share	200.1m
Free float	32.2%

#### **Key Indicators**

ROE 17F	6.0%
ROA 17F	1.4%
RNAV	RM304.5m
P/BK	1.5
Net gearing	50%

#### **Major Shareholders**

Su Chung Jye 69.72%





Source: Bloomberg

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### **Astute Strategy Results in Trail Blazing Revenue Growth**

- 3Q16 results show marked improvement. Regal reported positive 3Q16 EBIT of RM0.8m versus RM0.9m in the six months of 1H16, despite a net loss of RM1.0m in 3Q16 due to RM0.4m from discontinued operations, RM0.5m of tax and RM0.6m of finance costs. Revenue almost doubled from RM18.7m in 2Q16 to RM37.2m in 3Q16. The high revenue growth and positive EBIT demonstrate the viability of Regal's business and pave the way for higher profitability and hence shareholder returns in the future.
- Rapid addition of new projects in 2015 and 1H 2016 now paying off. We understand that 3Q16 revenue was evenly split, at about RM7m each from Tropics City, Airtrollis Phase 1, Tondong Heights Phase 1, Serapi Maju, and other smaller projects. Regal's results today show that it was astute to add many new projects earlier as these projects are now generating economies of scale and covering overheads, even though they are in varying stages of sales and completion. Regal would not have grown as fast had it focused on selling the remaining units at older projects in the current market.
- Projecting >RM450m of revenue over FY17 FY18. Regal Corporate Park Phase 1 is expected to contribute RM20m to RM30m of revenue on completion in 1Q17, out of GDV of about RM49.4m as it is about 50% sold. Tondong Heights Phase 2, Tropics City, Airtrollis Phase 2 and Block 2 of 72 Residences are also expected to contribute towards revenue in 2017. Treetops@Kemena has already obtained 20% to 30% registered interests since July and construction will ramp up in 2017, leading to improved revenue contribution. These projects have a total GDV of about RM729m. Hence, we revised our forecasts to expect 20% to 30% per annum revenue growth and project revenue of RM210m in FY17 and RM255m in FY18.
- Disposal of Precision Business to improve profitability and strengthen balance sheet. Based on the projected revenue, we expect Regal to be profitable in 4Q16 and FY17, excluding any losses from discontinued operations its legacy Precision Business. FY16 PATMI is estimated to be negative RM21.3m due to RM21m of loss from its Precision Business, whose disposal is subject to shareholders' approval on 15 December and completion three months thereafter. The disposal will yield Regal with S\$7m (RM22m) in cash to be mainly used in the repayment of borrowings.
- Preparing for next stage of growth. In 2H16, Regal has been aggressively entering into collaborations with partners from a wide range of industries, e.g. hospitality, tourism, industrial park and asset management. While these moves seem haphazard and are unlikely to be immediately profit accretive, we realised that Regal is building its capabilities and branding via these partnerships, which will allow Regal to grow faster than other domestic centric competitors. Maintain Overweight (high return / high risk).

Key Financial Data					
(RM m, FYE Dec)	2014	2015	2016F	2017F	2018F
Sales	95.3	120.7	160.1	209.8	254.8
Gross Profit	32.2	20.8	32.8	42.0	51.0
Net Profit	-17.9	-72.4	(21.3)*	3.7	11.0
EPS (sen)	-12.6	-36.2	(10.7)	1.8	5.5
EPS growth (%)	nm	187.8	(70.5)	nm	199.9
PER (x)	nm	nm	nm	25.2	8.4
NTA/share (sen)	71.8	40.3	29.6	30.5	34.6
DPS (sen)	NA	0.0	0.0	0.5	0.9
Div Yield (%)	NA	0.0	0.0	1.0	2.0

<sup>\*</sup>includes loss on disposal of discontinued operation. Source: Company, NRA Capital forecasts

#### **Results Comparison**

FYE Dec (RM m)	3Q16	3Q15	yoy %	2Q16	QoQ %	
			chg		chg	Comments
Revenue	37.2	11.2	233	18.7	99	Due to 100% contribution from Serapi Maju and partial contribution and sale
Operating costs	(35.3)	(16.3)	116	(18.1)	95	of left over units at Tondong Heights, and contribution from ongoing projects
EBITDA	2.0	(5.1)	NM	0.6	243	
EBITDA margin (%)	5.3	(46.0)		3.1		
Depn & amort.	(1.1)	(0.9)	23	(1.1)	4	
EBIT	0.8	(6.1)	NM	(0.5)	-254	
Interest expense	(0.7)	(0.6)	19	(0.6)	5	
Interest & invt inc	0.0	0.0	NM	(0.1)	-113	
Associates' contrib	(0.1)	0.6	NM	0.4	-117	
Exceptionals	0.0	0.0		0.0		
Pretax profit	0.1	(6.0)	NM	(0.9)	NM	
Tax	(0.5)	0.1	NM	(0.4)	35	
Tax rate (%)	(480.4)	(2.4)		41.0		
Profit from continuing operations	(0.4)	(5.8)	-93	(1.3)	-69	
Profit from discontinued operations	(0.4)	(0.3)	48	(19.1)	NM	Impairment of RM18.1m to reduce carrying value of assets to fair value
Minority interests	(0.3)	(0.0)		(0.1)	323	less costs to sell.
Net profit / loss	(1.0)	(6.1)	NM	(20.5)	NM	
EPS - continuing operation (cts)	(0.33)	(2.93)		(0.69)		

Source: Company, NRA Capital

**Expect momentum to sustain into 4Q16.** As a result of revenue of RM37.2m, 3Q16 gross profit grew to RM8.3m and offset RM7.5m of administrative expenses. We expect the momentum to be sustained into 4Q16 with the completion of Block 1 of 72 Residences and Ashraf Avenue 2 and forecast revenue of RM47m for 4Q16. 4Q16 EBIT is estimated to be about RM1.1m as a result of sustained revenue growth, after factoring in slightly higher year end administrative expenses of RM8.2m. This is also to partly reflect higher corporate costs in RM due to the 3% depreciation of the RM against the SGD from 30 September to-date.

**Steady portfolio renewal with new projects.** Following the completion of five projects with an estimated GDV of RM75.4m in 9M16, Regal announced a project management and construction project on 21 July and a development rights project on 10 November. The July project entails the development and construction of 81 units of semi-detached and terrace houses on 4.103 hectares of land in Kuching. The November project is also located in Kuching and covers land of area 13,974 square metres. We have not included both of these projects in our valuation as full development details are not available. Moreover, the November project is conditional upon certain approvals from the government.

**Disposal of Precision Business to lower gearing.** In a nutshell, Regal will be able to deliver growth so long as it continues to construct and sell new projects. The risk is that capital is in turn tied up in unsold units at older projects (rather than in buying land). As of 30 September, Regal has total borrowings of RM34.6m against cash of RM4.6m. Net debt increased by approximately 8.5% during 3Q16 to RM30.0m. We anticipate that a large chunk of these borrowings will be repaid once Regal receives the cash portion of its proceeds from the sale of the Precision Business.

How will the recent depreciation of the RM affect Regal? We were at first concerned about currency and capital outflow risks. Fortunately, Regal has been focusing more on domestic sales and low affordable housing projects. Hence, Regal is not reliant on external investment demand. The weaker RM will likely raise Singapore corporate costs which we have factored into our forecasts.

Figure 1: Projects Completed in 9M 2016

Projects completed in 9M FY16	Est. GDV	Gross Profit	PAT	Revenue recognition method
Tondong Heights Phase 1 and 3	43.79	11.26	5.16	COC
Tapah Heights	3.85	8.0	0.32	POC
Tapah Residences	6.66	1.18	0.39	POC
Haziq Ria	7.61	1.71	0.71	COC
Serapi Maju	13.51	2.09	0.55	COC
Total	75.42	17.04	7.13	
	Revenue	Gross Profit	PAT	Variance in revenue due to contribution from projects with percentage of completion (POC) revenue recognition, e.g. Tropics City and Airtrollis.  Profit after tax is lower than estimated as we have assumed a flat 10%
Reported 9H FY16 Financials	113.4	23.48	-0.12	operating expense and interest cost for each project. Operating expenses will generally start off as a high percentage of revenue before dropping off as economies of scale are achieved.

Source: Company, NRA Capital \*Key costs and ASP assumptions are provided in report dated 14 July 2016

Figure 2: Summary of Major Projects and Estimates

Major Ongoing Projects	Est. GDV	Gross Profit	PAT	
Regal Corporate Park Phase 1	49.4	16.24	8.47	COC, 1Q17 100% recognition
72 Residences Block 1	36.9	8.19	3.38	COC, 4Q16 100% recognition
Airtrollis Phase 1 (est. to be recognized)	46.2	6.60	1.23	POC, substantially recognized in 2015, full GDV = 115.5m
Treetops@Kemena	202.2	44.93	18.53	Completion in 2018, still in early stage of construction
Tropics City SOHO and apartments	198.9	68.09	35.50	Completion in 2019, GDV less est. 3% completed
Other Projects	Est. GDV	<b>Gross Profit</b>	PAT	
Ashraf Avenue 2	26.51	4.58	1.45	COC, completion in 4Q16
Tondong Heights Phase 2	22.97	5.91	2.71	COC, completion in 2017
72 Residences Block 2	28.9	8.67	4.34	COC, completion in 2017
Airtrollis Phases 2 and 3	220.8	31.54	7.1	POC, completion in 2018, 2019
Airtrollis shophouse and malls	25.8	4.77	1.63	COC, completion in 2019 or later
Tropics City Mall	110.64	55.32	33.19	COC, completion in 2019
Regal Corporate Park Phase 2 and 3	328.1	173.93	105.83	COC, completion in 2020 onwards
Minor projects				
- COC in 2017	114.12	19.87	6.34	
<ul> <li>POC, completion in 2017</li> </ul>	6.88	1.45	0.57	
- COC in 2018	36.31	15.52	8.91	
<ul> <li>POC, completion in 2018</li> </ul>	64.77	14.65	6.13	
-POC, completion in 2019	22.78	3.31	0.78	
Less other revenue recognized	-10.00	-2.24	-1.51	Revenue of RM37m, less RM27m removed from above list
Totalı	net developme	nt value (RM m)	244.6	Previously RM247.9m
Book value of F	Regal as of 30 S	Sep 2016 (RM m)	59.9	·
	•	RNAV (RM m)	304.5	
Discount (based o	n 15% discount	rate per annum)	35.1%	
`	Discounte	ed RNAV (RM m)	197.6	
	Numl	ber of shares (m)	200.11	
	Value	e per share (RM)	0.987	
	Valu	e per share (S\$)	0.316	Rounded to S\$0.315, based on SGDRM rate of 3.1225

Source: Company, NRA Capital \*Key costs and ASP assumptions are provided in report dated 14 July 2016

**Business update 1 – JV to market international properties.** A recent venture is the formation of Regalia Properties Pte Ltd for the marketing of international properties in Kuching and Sarawak. During a roadshow in Kuching from 11 to 13 November, Regalia marketed one property in United Kingdom and one property in Australia.

Business update 2 - Set up of sales gallery incorporating smart home system. In November, Regal also unveiled Regal Galleria, thus bringing the showroom to consumers. One of the concepts being displayed is the smart home system operated via a mobile application in collaboration with XY Hotel Group China. We reckon that Tropics City units may incorporate such a system. This smart home system is a fruition of Regal's earlier MOU with XY Hotel.

Figure 3: Extracts from Regal Galleria Press Release



Source: http://regalinternational.com.sg/regal-unfolds-new-property-sales-gallery-in-kuching-regal-galleria/

Business update 3 – Planting flag in China. Earlier in September, Regal established a 55% owned subsidiary Million Sunray Sdn Bhd to enter into a non-binding agreement with the China-Malaysia Qinzhou Industrial Park Administrative Committee. The objective is for both parties to assess opportunities for cooperation to develop selected projects within the industrial park. Such projects may include a halal certification and inspection center, a halal research and development center, food processing production line and a logistics and warehouse area. Therefore, Regal will contribute its expertise in Malaysia towards the development of halal food processing industries of the park. Regal has 12 months to source the above projects.

**Business update 4 –** Another recent venture is the formation of Regal Global Logistics Pte Ltd to be a logistics solutions provider and to complement the project in China. In addition, we reckon that Regal Global Logistics will engage in similar strategic collaboration/joint ventures to create a logistics network.

**Working on differentiating itself.** Having monitored Regal for some time, we now understand that Regal has been rapidly acquiring new projects to build economies of scale. Since 2016, Regal has been entering into MOUs with partners from the hospitality, tourism, asset management and other sectors. We see that these MOUs are efforts by the management to explore how Regal can differentiate itself from other developers who are more domestic centric.

We once visited a property exhibition where multiple developers would set up booths to market their projects. Via Regalia Properties and Regal Galleria, Regal will be able to 1) set itself apart from other developers with overseas projects and 2) offer and demonstrate differentiated home concepts via XY hotel's smart home system and its own gallery. Longer term, Regal will be able to establish itself as a brand for premium products among consumers in spite of its current size and resources.

**Recommendation and valuation.** In a nutshell, Regal offers high growth potential, but is also exposed to all the risks typical of small and medium sized companies. Hence, we maintain our high return / high risk view of Regal. We have previously updated our valuation, but did not revise our forecasts to factor in new projects, higher costs and the disposal of the Precision Business. In this update, we have updated our forecasts to better reflect the current circumstances of Regal. For instance, we now estimate PATMI of RM3.7m and RM11.0m for FY17 and FY18, as opposed to RM18.2m and RM23.7m previously. As for our valuation, we have factored in the weaker RM currency and reduced our fair value estimate of Regal from S\$0.330 previously to S\$0.315.

Profit & Loss (RM m, FYE Dec)	2014	2015	2016F	2017F	2018F
Revenue	95.3	120.7	160.1	209.8	254.8
Operating expenses	-81.1	-142.6	(152.5)	(193.8)	(230.7)
EBITDA	14.2	-21.9	7.6	15.9	24.1
Depreciation & amortisation	-1.6	-4.7	(4.7)	(4.7)	(4.7)
EBIT	12.6	-26.6	2.8	11.2	19.4
Non-operating income/(expenses)	-4.4	-44.2	(1.3)	(1.7)	(1.8)
Associates' contribution	8.9	-1.5	0.9	0.0	0.0
Exceptional items	-30.1	0.0 -72.3	(21.0)	0.0	0.0
Pretax profit Tax	<b>-12.9</b> -5.0	-12.3 0.1	(18.6) (1.9)	9.5 (4.7)	<b>17.6</b> (5.3)
Minority interests	0.0	-0.2	(0.8)	(1.0)	(1.3)
Net profit	-17.9	-72.4	(21.3)	3.7	11.0
Shares at year-end (m)	200.1	200.1	200.1	200.1	200.1
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Balance Sheet (RM m, as at Dec)	2014	2015	2016F	2017F	2018F
Fixed assets	16.6	22.7	0.3	2.3	4.4
Goodwill and intangible assets	39.3	0.0	0.0	0.0	0.0
Other long-term assets	23.7	17.7	17.7	17.7	17.7
Total non-current assets	79.6	40.4	18.0	20.0	22.1
Cash and equivalents	27.7 30.3	22.5 36.7	3.2 38.2	14.0 47.0	33.0 51.0
Stocks Trade and other debtors	78.9	73.6	59.5	70.6	78.5
Development properties and others	54.0	113.5	129.8	136.0	142.5
Total current assets	190.9	246.3	230.7	267.7	305.0
Trade and other creditors	55.5	61.1	76.3	100.7	122.3
Short-term borrowings	16.5	31.3	11.2	21.0	25.5
Other current liabilities	39.8	96.5	81.9	84.7	90.0
Total current liabilities	111.8	188.9	169.4	206.4	237.8
Long-term borrowings	13.7	15.7	17.6	16.8	15.3
Other long-term liabilities	1.4	1.3	1.3	1.3	1.3
Total long-term liabilities	15.0	16.9	18.9	18.0	16.5
Shareholders' funds	143.6	80.5	59.2	61.0	69.3
Minority interests	0.1	0.4	1.2	2.2	3.5
NTA/share (RM)	0.72	0.40	0.30	0.31	0.35
NTA/share (RM) Total Assets	270.6	286.7	248.7	287.7	327.1
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NTA/share (RM) Total Assets Total Liabilities + S'holders' funds	270.6 270.6	286.7 286.7	248.7 248.7	287.7 287.7	327.1 327.1
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec)	270.6 270.6 2014 -12.9 22.4	286.7 286.7 2015 -72.3 53.5	248.7 248.7 2016F 2.4 (0.5)	287.7 287.7 2017F	327.1 327.1 2018F 17.6 2.4
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes	270.6 270.6 2014 -12.9 22.4 -23.5	286.7 286.7 2015 -72.3 53.5 7.2	248.7 248.7 2016F 2.4 (0.5) 13.2	287.7 287.7 2017F 9.5 (2.3) 0.4	327.1 327.1 2018F 17.6 2.4 5.5
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NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid)	270.6 270.6 2014 -12.9 22.4 -23.5 0.3 -13.7 -1.4 26.3 -2.2 22.7 19.0 0.0	286.7 286.7 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 3.2 -1.4 6.5 0.0	248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0	287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0	327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 0.0 (3.0) 3.0 0.0
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid	270.6 270.6 2014 -12.9 22.4 -23.5 0.3 -13.7 -1.4 26.3 -2.2 22.7 19.0 0.0	286.7 286.7 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 3.2 -1.4 6.5 0.0 0.0	248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 0.0	287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 0.0	327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) 3.0 0.0 (0.9)
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others	270.6 270.6 2014 -12.9 22.4 -23.5 0.3 -13.7 -1.4 26.3 -2.2 22.7 19.0 0.0 0.0 -6.0	286.7 286.7 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 6.5 0.0 0.0 -3.9	248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 0.0 (0.2)	287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7)	327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) 3.0 0.0 (0.9) (0.9)
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash flow from financing	270.6 270.6 2014 -12.9 22.4 -23.5 0.3 -13.7 -1.4 26.3 -2.2 22.7 19.0 0.0 0.0 -6.0 13.0	286.7 286.7 286.7 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 6.5 0.0 0.0 -3.9 2.6	248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3)	287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2	327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) 3.0 0.0 (0.9) (0.9)
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others Cash flow from financing Change in cash	270.6 270.6 270.6 270.6 2014 -12.9 22.4 -23.5 0.3 -13.7 -1.4 26.3 -2.2 22.7 19.0 0.0 0.0 -6.0 13.0 21.9	286.7 286.7 286.7 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 6.5 0.0 0.0 -3.9 2.6 -11.0	248.7 248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3) 1.7	287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2 10.8	327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) 3.0 0.0 (0.9) (0.9) 1.2 19.0
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash flow from financing	270.6 270.6 2014 -12.9 22.4 -23.5 0.3 -13.7 -1.4 26.3 -2.2 22.7 19.0 0.0 0.0 -6.0 13.0	286.7 286.7 286.7 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 6.5 0.0 0.0 -3.9 2.6	248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3)	287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2	327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) 3.0 0.0 (0.9) (0.9)
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid  Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others Cash flow from financing Change in cash Change in net cash/(debt) Ending net cash/(debt)	270.6 270.6 270.6 270.6 270.6 2014 -12.9 22.4 -23.5 0.3 -13.7 -1.4 26.3 -2.2 22.7 19.0 0.0 0.0 -6.0 13.0 21.9 0.5 -2.4	286.7 286.7 2815 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 3.2 -1.4 6.5 0.0 0.0 -3.9 2.6 -11.0 -22.0 -24.5	248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3) 1.7 19.9 (4.6)	287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2 10.8 1.9 (2.7)	327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) 3.0 (0.9) (0.9) (1.2) 19.0 16.0 13.3
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others Cash flow from financing Change in cash Change in net cash/(debt) Ending net cash/(debt) KEY RATIOS (FYE Dec)	270.6 270.6 270.6 270.6 270.6 2014 -12.9 22.4 -23.5 0.3 -13.7 -1.4 26.3 -2.2 22.7 19.0 0.0 0.0 -6.0 13.0 21.9 0.5 -2.4	286.7 286.7 2815 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 3.2 -1.4 6.5 0.0 0.0 -3.9 2.6 -11.0 -22.0 -24.5	248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3) 1.7 19.9 (4.6) 2016F	287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2 10.8 1.9 (2.7)	327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) 3.0 0.0 (0.9) (0.9) 1.2 19.0 16.0 13.3
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others Cash flow from financing Change in cash Change in net cash/(debt) Ending net cash/(debt)  KEY RATIOS (FYE Dec) Revenue growth (%)	270.6 270.6 270.6 270.6 270.6 2014 -12.9 22.4 -23.5 0.3 -13.7 -1.4 26.3 -2.2 22.7 19.0 0.0 0.0 -6.0 13.0 21.9 0.5 -2.4 2014 -24.2	286.7 286.7 286.7 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 3.2 -1.4 6.5 0.0 0.0 -3.9 2.6 -11.0 -22.0 -24.5 2015 26.7	248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3) 1.7 19.9 (4.6) 2016F 32.6	287.7 287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2 10.8 1.9 (2.7) 2017F 31.1	327.1 327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) 3.0 (0.9) (0.9) 1.2 19.0 16.0 13.3
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others Cash flow from financing Change in cash Change in net cash/(debt) Ending net cash/(debt)  KEY RATIOS (FYE Dec) Revenue growth (%) EBITDA growth (%)	270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.7	286.7 286.7 286.7 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 3.2 -1.4 6.5 0.0 0.0 -3.9 2.6 -11.0 -22.0 -24.5 2015 26.7 NM	248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3) 1.7 19.9 (4.6) 2016F 32.6 134.6	287.7 287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2 10.8 1.9 (2.7) 2017F 31.1 110.3	327.1 327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) (3.0) (0.9) (0.9) 1.2 19.0 16.0 13.3 2018F 21.5 51.4
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others Cash flow from financing Change in cash Change in net cash/(debt) Ending net cash/(debt)  KEY RATIOS (FYE Dec) Revenue growth (%) EBITDA growth (%) Pretax margins (%)	270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.7	286.7 286.7 286.7 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 3.2 -1.4 6.5 0.0 0.0 -3.9 2.6 -11.0 -22.0 -24.5 2015 26.7 NM -59.9	248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3) 1.7 19.9 (4.6) 2016F 32.6 134.6 (11.6)	287.7 287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2 10.8 1.9 (2.7) 2017F 31.1 110.3 4.5	327.1 327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) (3.0) (0.9) (0.9) 1.2 19.0 16.0 13.3 2018F 21.5 51.4 6.9
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others Cash flow from financing Change in cash Change in net cash/(debt) Ending net cash/(debt)  KEY RATIOS (FYE Dec) Revenue growth (%) Pretax margins (%) Net profit margins (%)	270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.7	286.7 286.7 286.7 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 3.2 -1.4 6.5 0.0 0.0 -3.9 2.6 -11.0 -22.0 -24.5  2015 26.7 NM -59.9 -60.0	248.7 248.7 248.7 248.7 248.7 2016F 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3) 1.7 19.9 (4.6) 2016F 32.6 134.6 (11.6) (13.3)	287.7 287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2 10.8 1.9 (2.7) 2017F 31.1 110.3 4.5 1.8	327.1 327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (3.0) 3.0 0.0 (0.9) (0.9) 1.2 19.0 16.0 13.3 2018F 21.5 51.4 6.9 4.3
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others Cash flow from financing Change in cash Change in net cash/(debt) Ending net cash/(debt)  KEY RATIOS (FYE Dec) Revenue growth (%) Pretax margins (%) Net profit margins (%) Effective tax rates (%)	270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 22.4 22.4 23.5 0.3 21.3.7 2.1.4 26.3 2.2.2 22.7 19.0 0.0 0.0 0.0 21.9 0.5 21.9 0.5 22.4 2014 24.2 255.2 13.5 18.7 NM	286.7 286.7 286.7 2815 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 3.2 -1.4 6.5 0.0 0.0 -3.9 2.6 -11.0 -22.0 -24.5  2015 26.7 NM -59.9 -60.0 NM	248.7 248.7 248.7 248.7 248.7 248.7 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3) 1.7 19.9 (4.6) 2016F 32.6 134.6 (11.6) (13.3) (10.2)	287.7 287.7 287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2 10.8 1.9 (2.7) 2017F 31.1 110.3 4.5 1.8 50.0	327.1 327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (0.9) (0.9) 1.2 19.0 16.0 13.3 2018F 21.5 51.4 6.9 4.3 30.0
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others Cash flow from financing Change in cash Change in net cash/(debt) Ending net cash/(debt)  KEY RATIOS (FYE Dec) Revenue growth (%) EBITDA growth (%) Pretax margins (%) Net profit margins (%) Net dividend payout (%)	270.6 270.6	286.7 286.7 286.7 281.5 2015 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 6.5 0.0 0.0 -3.9 2.6 -11.0 -22.0 -24.5  2015 26.7 NM -59.9 -60.0 NM 0.0	248.7 248.7 248.7 248.7 248.7 248.7 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3) 1.7 19.9 (4.6) 2016F 32.6 134.6 (11.6) (13.3) (10.2) 0.0	287.7 287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2 10.8 1.9 (2.7) 2017F 31.1 110.3 4.5 1.8 50.0 (75.6)	327.1 327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (0.9) (0.9) 1.2 19.0 16.0 13.3 2018F 21.5 51.4 6.9 4.3 30.0 (50.4)
NTA/share (RM) Total Assets Total Liabilities + S'holders' funds  Cash Flow (RM m, FYE Dec) Pretax profit (w/o exceptional items) Depreciation & non-cash adjustments Working capital changes Cash tax paid Cash flow from operations Capex Net investments & sale of FA Others Cash flow from investing Debt raised/(repaid) Equity raised/(repaid) Dividends paid Cash interest & others Cash flow from financing Change in cash Change in net cash/(debt) Ending net cash/(debt)  KEY RATIOS (FYE Dec) Revenue growth (%) Pretax margins (%) Net profit margins (%) Effective tax rates (%)	270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 270.6 22.4 22.4 23.5 0.3 21.3.7 2.1.4 26.3 2.2.2 22.7 19.0 0.0 0.0 0.0 21.9 0.5 21.9 0.5 22.4 2014 24.2 255.2 13.5 18.7 NM	286.7 286.7 286.7 2815 -72.3 53.5 7.2 -0.6 -12.2 -3.2 -1.4 3.2 -1.4 6.5 0.0 0.0 -3.9 2.6 -11.0 -22.0 -24.5  2015 26.7 NM -59.9 -60.0 NM	248.7 248.7 248.7 248.7 248.7 248.7 2.4 (0.5) 13.2 (16.5) (1.4) 21.5 0.0 0.0 21.5 (18.1) 0.0 (0.2) (18.3) 1.7 19.9 (4.6) 2016F 32.6 134.6 (11.6) (13.3) (10.2)	287.7 287.7 287.7 287.7 2017F 9.5 (2.3) 0.4 (1.9) 5.6 (3.0) 0.0 (3.0) 9.0 0.0 (0.7) 8.2 10.8 1.9 (2.7) 2017F 31.1 110.3 4.5 1.8 50.0	327.1 327.1 327.1 2018F 17.6 2.4 5.5 (4.7) 20.8 (3.0) 0.0 (0.9) (0.9) 1.2 19.0 16.0 13.3 2018F 21.5 51.4 6.9 4.3 30.0

Source: Company, NRA Capital forecasts

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