3Q10 results update

#### **BUY**

Current Price \$\$0.13 25 October 2010

Fair Value S\$0.18

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# Stock Statistics Market Cap \$\$59.0m 52-HI \$\$0.18 52-LOW \$\$0.12 Avg Vol (1 yr) 1,059,822 Shares 454.1m Outstanding 268.4m

Key Indicators						
ROE 10F	7.2%					
ROA 10F	5.0%					
P/BK	0.96x					
Net gearing	3.9%					
Major Shareholders						
Qian Hu Holdi	ng 24.0%					
Yap family	20.2%					
rap family	20.2%					

### Improvement QoQ but not YoY

- Results below expectations. 3Q10 net profit of S\$1.2 came in 40% below our S\$2m expectation mainly due to lower than expected sales and higher doubtful debt provision (excluding this S\$0.4m doubtful debt, net profit was 20% below our expectation). 9M results represent 51% of our full-year forecast.
- Sales declined 4% yoy to S\$22.9m, due to revenue from the fish division and accessories business dropping 5.5% and 3.5% yoy, respectively. The drop is partially due to the strengthening of the S\$ that resulted in certain export customers seeking alternative cheaper sources. Nevertheless, plastics revenue increased 8% yoy as the group managed to sell more varieties of plastic products.
- EBITDA margins declined 2.6% pts yoy to 10.4% due to 1) lower revenue of its self-bred Dragon Fish from Malaysia, 2) stronger S\$ which weakened purchasing power of the European markets, and 3) erosion in profit margin from plastics segment as a result of increasing raw material costs. However, its accessories profit margins show an improvement from the export of accessories.
- Lowered its net gearing to 3.9% at end-Sep quarter. Despite its cash conversion cycle increasing 7 days qoq to 187 day, after lowering its capex spending, Qian Hu still generated S\$0.5m positive free cash flow in 3Q. Given Qian Hu's results is traditionally strongest in the 4Q, we believe the group is still on track to turn net cash by the end of this year.
- Entering the strongest quarter. The group expects its business will continue to recover from the adverse situation in 2Q. Management will continue to build a resilient balance sheet and to be a debt-free and high dividend yield company for the long term prospects. We view the full resumption of the supply of self-bred Dragon Fish from Malaysia should lead to better margins in 4Q.
- Cutting forecasts but maintain Buy. We have cut our FY10-12 forecasts by 13-23% by assuming lower sales. We also roll forward our fair value 14x CY10 PER to 12x CY11 PER. As such, our fair value has been reduced from S\$0.21 to S\$0.18. Given there is still 40% upside, maintain our Buy recommendation.

Key Financial Data					
(S\$ m, FYE Dec)	2008	2009	2010F	2011F	2012F
Sales	93.1	94.6	94.7	99.0	104.0
Gross Profit	33.1	32.7	31.7	33.7	35.4
Net Profit	6.0	6.5	5.3	6.9	7.9
EPS (cents)	1.5	1.6	1.2	1.5	1.7
EPS growth (%)	8.4	6.3	(24.2)	28.9	15.0
PER (x)	8.9	8.4	11.1	8.6	7.5
NTA/share (cents)	12.4	13.5	13.6	14.6	15.9
DPS (cents)	0.2	0.5	0.5	0.5	0.5
Div Yield (%)	1.5	4.1	3.9	3.9	3.9
EV/EBITDA (x)	5.8	5.7	7.1	5.6	5.0

Source: Company, NRA Capital estimates



#### **Results comparison**

FYE Dec (S\$ m)	3Q10	3Q09	yoy %	2Q10	QoQ %	Prev.	
			chg		chg	3Q10F	Comments
Revenue	23.0	23.9	(4)	22.7	1	24.6	7% below expectation
Operating costs	(20.6)	(20.8)	(1)	(20.4)	1	(21.2)	Below, lower-than-expected sales
EBITDA	2.4	3.1	(23)	2.3	3	3.3	Below, lower-than-expected sales and margin
EBITDA margin (%)	10.4	13.0		10.2	2	13.6	Lower-than-expected margins
Depn & amort.	(0.7)	(0.7)	9	(0.7)	0	(0.7)	In line
EBIT	1.7	2.4	(32)	1.6	4	2.6	Below, lower-than-expected sales and margin
Interest expense	(0.1)	(0.2)	(18)	(0.1)	8	(0.1)	In line
Interest & invt inc	0.0	(0.0)	nm	(0.2)	122	0.0	In line
Associates' contrib	(0.0)	(0.0)	nm	(0.1)	(80)	(0.1)	In line
Exceptionals	0.0	0.0	0	0.0	0	0.0	
Pretax profit	1.6	2.2	(30)	1.2	29	2.5	Below, lower-than-expected sales and margin
Tax	(0.2)	(0.4)	(42)	(0.3)	(32)	(0.5)	Below, lower-than-expected profit
Tax rate (%)	13.1	15.9		24.8	(47)	20.0	
Minority interests	(0.1)	(0.2)	(24)	0.0	(523)	0.0	
Net profit	1.2	1.7	(28)	1.0	28	2.0	Below, lower-than-expected sales and margin
EPS (cts)	0.3	0.4	(33)	0.2	28	0.5	

Source: NRA Capital estimates



Pretax profit   9.2   9.4   7.0   9.7   11.3   Tax   (1.8)   (1.8)   (2.1)   Minority interests   (1.4)   (1.1)   (0.5)   (1.0)   (1.2)   Minority interests   (1.4)   (1.1)   (1.2)   454.1	Profit & Loss (S\$ m, FYE Dec)	2008	2009	2010F	2011F	2012F
EBITDA						
Depreciation & amortisation   (2.4)   (2.6)   (2.9)   (2.9)   (2.9)   (2.9)   (2.1)		,	,	,	,	,
EBIT Met interest & invt income (0.7) (0.6) (0.3) (0.2) (0.2) (0.2) Associates' contribution (0.0) (0.0) (0.0) 0.0 0.0 0.0 0.0 0.0 Petax profit 9.2 9.4 7.0 9.7 11.3 Tax (1.8) (1.8) (1.2) (1.8) (2.1) Tax (1.8) (1.8) (1.2) (1.8) (2.1) Tax (1.8) (1.8) (1.2) (1.8) (2.1) Minority interests (1.4) (1.1) (0.5) (1.0) (1.2) Minority interests (1.4) (1.4) (1.1) (0.5) (1.0) (1.2) Minority interests (1.4) (1.4) (1.1) (0.5) (1.0) (1.2) Minority interests (1.4) (1.4) (1.1) (1.5) (1.0) (1.2) Minority interests (1.4) (1.4						
Net interest & invi income	•	( )	( ,		( /	· /
Associates' contribution (0.0) (0.0) (0.0) 0.0 0.0 0.0 Petax profit 9.2 9.4 7.0 9.7 11.3 Tax (1.8) (1.8) (1.2) (1.8) (2.1) Minority interests (1.4) (1.1) (0.5) (1.0) (1.2) Minority interests (1.4) (1.1) (0.5) (1.0) (1.2) Minority interests (1.4) (1.1) (0.5) (1.0) (1.2) With shares (m) 414.6 422.2 454.1 454.1 454.1 Shares at year-end (m) 414.6 422.2 454.1 454.1 454.1  Balance Sheet (SS m, as at Dec) 2008 2009 2010F 2011F 2012F Fixed assets 14.4 46.3 46.3 46.9 45.3 Intangible assets 2.2 2.3 2.3 2.3 2.3 2.3 Intangible assets 2.2 2.3 2.3 2.3 2.3 2.3 Intangible assets 3.8 1.2 1.1 1.1 1.1 Total non-current assets 44.4 49.7 49.7 50.3 48.7 Cash and equivalents 8.3 9.8 9.8 12.9 16.3 Stocks 22.4 21.0 21.4 22.2 24.7 Trade debtors 19.8 18.1 19.6 20.5 21.5 Citer current assets 5.6 5.1 5.5 6.1 6.7 Total current assets 5.6 5.1 5.5 6.1 6.7 Total current assets 5.6 5.1 5.5 6.1 6.7 Total current inabilities 12.1 10.3 10.1 10.9 11.5 Trade creditors 9.2 7.7 8.5 8.9 8.3 Trade creditors 9.2 7.7 8.5 8.9 8.3 Trade creditors 9.2 7.7 8.5 8.9 8.3 Citer current inabilities 12.1 10.3 10.1 10.9 11.5 Total current liabilities 12.1 10.3 10.1 10.9 11.5 Total current liabilities 3.8 8.8 4.2 6.1 26.7 26.1 Long-term borrowings 2.4 2.1 1.3 1.0 0.8 Other Long-term liabilities 3.8 8.4 26.1 26.7 26.1 Long-term liabilities 6.0 6.1 5.4 5.1 5.5 6.7 26.1 Long-term borrowings 1.0 1.0 10.5 11.5 12.7 NTA/share (SS) 1.1 1.5 1.1 1.1 Total Long-term liabilities 6.0 6.1 5.4 5.1 5.5 6.7 26.1 Total Long-term liabilities 6.0 6.1 5.4 5.1 5.5 6.7 26.1 Total Long-term liabilities 6.0 6.1 5.4 5.1 5.5 6.7 26.1  Total Long-term liabilities 6.0 6.1 5.4 5.1 5.5 6.7 26.1  Total Long-term liabilities 6.0 6.1 5.4 5.1 5.5 6.7 26.1  Total Long-term liabilities 6.0 6.1 5.4 5.1 5.1 5.0 6.7 26.1  Total Long-term liabilities 6.0 6.1 5.4 5.1 5.1 5.0 6.7 26.1  Total Liabilities 7.1 6.0 6.0 6.1 5.4 5.1 5.1 5.0 6.7 26.1  Total Liabilities 8.0 6.0 6.1 5.4 5.1 5.0 6.7 26.1  Total Liabilities 8.0 6.0 6.1 5.4 5.1 5.1 6.0 6.7 26.1  Total Liabilities 6.0 6.0 6.1 5.4 5.1 5.0 6.0 6.0 6.0 6.0						
Pretax profit		( )	( ,	· /	( /	· /
Tax	Exceptional items	. ,	. ,	0.0	0.0	0.0
Minority interests						11.3
Net profit			( ,			
Wit. shares (m)						
Shares at year-end (m)						
Fixed assets						
Fixed assets	Dalamas Chast (Cft as as at Das)	2000	2000	20405	20445	20425
Intangible assets	( ) ( )					
Other long-term assets         0.8         1.2         1.1         1.1         1.1           Total non-current assets         44.4         49.7         49.7         50.3         48.7           Cash and equivalents         8.3         9.8         9.8         12.9         16.3           Stocks         22.4         21.0         21.4         22.2         24.7           Trade debtors         19.8         18.1         19.6         20.5         21.5           Other current assets         56.6         51.1         5.5         6.1         67.7         6.2         21.5           Total current assets         56.1         54.0         56.4         61.7         69.2         7.7         8.5         8.9         8.3           Short-term borrowings         10.4         10.5         7.6         6.9         6.2         6.2         6.1         5.4         5.1         10.9         11.5           Total current liabilities         31.8         28.4         26.1         26.7         26.1           Other Jong-term liabilities         3.6         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1						
Total non-current assets						
Cash and equivalents         8.3         9.8         9.8         12.9         16.3           Stocks         22.4         21.0         21.4         22.2         24.7           Trade debtors         19.8         18.1         19.6         20.5         21.5           Other current assets         56.6         51.1         5.5         6.1         6.7         6.9         21.5           Trade creditors         9.2         7.7         8.5         8.9         8.3           Short-term borrowings         10.4         10.5         7.6         6.9         6.2           Other current liabilities         11.3         10.1         10.9         11.5           Total current liabilities         31.8         28.4         26.1         26.7         26.1           Coher current liabilities         3.6         4.1         4						
Stocks						16.3
Other current assets 5.6 5.1 5.5 6.1 6.7 70tal current assets 56.1 54.0 56.4 61.7 69.2 Trade creditors 9.2 7.7 8.5 8.9 8.3 Short-term borrowings 10.4 10.5 7.6 6.9 6.2 Other current liabilities 12.1 10.3 10.1 10.9 11.5 Total current liabilities 31.8 28.4 26.1 26.7 26.1 Long-term borrowings 2.4 2.1 1.3 1.0 0.8 Other current liabilities 3.6 4.1 4.1 4.1 4.1 Total long-term liabilities 3.6 4.1 4.1 4.1 4.1 Total long-term liabilities 6.0 6.1 5.4 5.1 4.9 Shareholders' funds 53.6 59.2 64.1 68.7 74.3 Minority interests 9.1 10.0 10.5 11.5 12.7 NTA/share (S\$) 0.12 0.13 0.14 0.15 0.16 Total Assets 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Assets 100.5 100						24.7
Total current assets   56.1   54.0   56.4   61.7   69.2						21.5
Trade creditors 9.2 7.7 8.5 8.9 8.3 Short-term borrowings 10.4 10.5 7.6 6.9 6.2 Other current liabilities 12.1 10.3 10.1 10.9 11.5 Total current liabilities 31.8 28.4 26.1 26.7 26.1 Long-term borrowings 2.4 2.1 1.3 1.0 0.8 Other long-term liabilities 3.6 4.1 4.1 4.1 4.1 Other long-term liabilities 3.6 4.1 4.1 4.1 4.1 Other long-term liabilities 6.0 6.1 5.4 5.1 4.9 Shareholders' funds 53.6 59.2 64.1 68.7 74.3 Minority interests 9.1 10.0 10.5 11.5 12.7 NTA/share (S\$) 0.12 0.13 0.14 0.15 0.16 Total Assets 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities + S'holders' funds 100.5 103.8 106.1 112.0 118.0 Total Liabilities 100.1 1						6.7
Short-term borrowings						
Other current liabilities 31.8 28.4 26.1 26.7 26.1 Long-term borrowings 2.4 2.1 1.3 1.0 0.8 Charlong-term borrowings 2.4 2.1 1.3 1.0 0.8 Charlong-term borrowings 2.4 2.1 1.3 1.0 0.8 Charlong-term liabilities 3.6 4.1 4.1 4.1 4.1 4.1 4.1 5.1 4.1 5.1 4.9 Charlong-term liabilities 6.0 6.1 5.4 5.1 4.9 Charlong-term liabilities 9.1 10.0 10.5 11.5 12.7 Charlong 1.5						
Total Current liabilities						
Other long-term liabilities         3.6         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.1         4.9         Shareholders' funds         53.6         59.2         64.1         68.7         7.43         Minority interests         9.1         10.0         10.5         11.5         12.7         NA/share (SS)         0.12         0.13         0.14         0.15         0.16         0.15         0.15         0.16         11.5         12.7           Total Assets         100.5         103.8         106.1         112.0         118.0           Cash Flow (S\$ m, FYE Dec)         2008         2009         2010F         2011F         2012F           Pretax profit         9.2         9.4         7.0         9.7         11.3         0.0         1.0         9.7         11.3         0.0         1.0         9.7         11.3         0.0         1.0         9.7         1.3         0.0         1.0         1.0         1.1         1.0         1.0         1.0         1.0         1.0         1.0         1.0         1.0         1.0         1.0         1.0         1.0         1.0						
Total Long-term liabilities	Long-term borrowings	2.4	2.1	1.3	1.0	0.8
Shareholders' funds		3.6	4.1			4.1
Minority interests         9.1         10.0         10.5         11.5         12.7           NTA/share (S\$)         0.12         0.13         0.14         0.15         0.16           Total Assets         100.5         103.8         106.1         112.0         118.0           Total Liabilities + S'holders' funds         100.5         103.8         106.1         112.0         118.0           Cash Flow (S\$m, FYE Dec)         2008         2009         2010F         2011F         2012F           Pretax profit         9.2         9.4         7.0         9.7         11.3           Depreciation & non-cash adjustments         3.3         3.9         7.0         5.6         7.4           Working capital changes         (1.6)         0.1         (1.6)         (1.8)         (4.6)           Cash tax paid         (1.1)         (1.2.2         (5.3)         (4.7)         (5.0)           Others         0.0         0.0         0.0         0.0         0.0         0.0           Cash flow from operations         9.8         12.2         7.1         8.8         9.1           Capex         (10.9)         (6.8)         (1.6)         (2.1)         (2.1)           Wel i	•					4.9
NTA/share (S\$)						
Total Assets   100.5   103.8   106.1   112.0   118.0   Total Liabilities + S'holders' funds   100.5   103.8   106.1   112.0   118.0						
Total Liabilities + S'holders' funds   100.5   103.8   106.1   112.0   118.0						
Pretax profit  Depreciation & non-cash adjustments  3.3  3.9  7.0  5.6  7.4  Working capital changes  (1.6)  O.1  (1.6)  (1.18)  (4.6)  Cash tax paid  (1.1)  Others  O.0  Cash flow from operations  9.8  12.2  7.1  8.8  9.1  Capex  (10.9)  Others  O.0  O.0  O.0  O.0  O.0  O.0  O.0  O.						
Pretax profit  Depreciation & non-cash adjustments  3.3  3.9  7.0  5.6  7.4  Working capital changes  (1.6)  O.1  (1.6)  (1.18)  (4.6)  Cash tax paid  (1.1)  Others  O.0  Cash flow from operations  9.8  12.2  7.1  8.8  9.1  Capex  (10.9)  Others  O.0  O.0  O.0  O.0  O.0  O.0  O.0  O.	Cash Flow (S\$ m EVE Dec)	2008	2009	2010F	2011F	2012F
Depreciation & non-cash adjustments   3.3   3.9   7.0   5.6   7.4						
Working capital changes         (1.6)         0.1         (1.6)         (1.8)         (4.6)           Cash tax paid         (1.1)         (1.2)         (5.3)         (4.7)         (5.0)           Others         0.0         0.0         0.0         0.0         0.0           Cash flow from operations         9.8         12.2         7.1         8.8         9.1           Capex         (10.9)         (6.8)         (1.6)         (2.1)         (2.1)           Net investments & sale of FA         0.1         (0.3)         0.0         0.0         0.0           Others         0.0         0.0         0.0         0.0         0.0         0.0           Cash flow from investing         (10.8)         (7.2)         (1.6)         (2.1)         (2.1)           Debt raised/(repaid)         3.9         1.3         (3.7)         (0.9)         (0.9)           Equity raised/(repaid)         0.1         0.2         0.9         0.0         0.0           Dividends paid         0.0         (0.9)         (2.2)         (2.3)         (2.3)           Cash interest & others         (1.8)         (2.6)         (0.5)         (0.5)         (0.4)           Cash flow from financin						7.4
Others         0.0         0.0         0.0         0.0         0.0           Cash flow from operations         9.8         12.2         7.1         8.8         9.1           Capex         (10.9)         (6.8)         (1.6)         (2.1)         (2.1)           Net investments & sale of FA         0.1         (0.3)         0.0         0.0         0.0           Others         0.0         0.0         0.0         0.0         0.0         0.0         0.0           Cash flow from investing         (10.8)         (7.2)         (1.6)         (2.1)         (2.1)           Debt raised/(repaid)         3.9         1.3         (3.7)         (0.9)         (0.9)           Equity raised/(repaid)         0.1         0.2         0.9         0.0         0.0           Dividends paid         0.0         (0.9)         (2.2)         (2.3)         (2.3)         (2.3)           Cash interest & others         (1.8)         (2.6)         (0.5)         (0.5)         (0.4)           Cash flow from financing         2.2         (1.9)         (5.5)         (3.7)         (3.6)           Change in cash         1.2         3.1         (0.0)         3.0         3.4 <t< td=""><td>Working capital changes</td><td>(1.6)</td><td>0.1</td><td>(1.6)</td><td>(1.8)</td><td>(4.6)</td></t<>	Working capital changes	(1.6)	0.1	(1.6)	(1.8)	(4.6)
Cash flow from operations         9.8         12.2         7.1         8.8         9.1           Capex         (10.9)         (6.8)         (1.6)         (2.1)         (2.1)           Net investments & sale of FA         0.1         (0.3)         0.0         0.0         0.0           Others         0.0         0.0         0.0         0.0         0.0         0.0           Cash flow from investing         (10.8)         (7.2)         (1.6)         (2.1)         (2.1)           Debt raised/(repaid)         3.9         1.3         (3.7)         (0.9)         (0.9)           Equity raised/(repaid)         0.1         0.2         0.9         0.0         0.0           Dividends paid         0.0         (0.9)         (2.2)         (2.3)         (2.3)           Cash interest & others         (1.8)         (2.6)         (0.5)         (0.5)         (0.4)           Cash flow from financing         2.2         (1.9)         (5.5)         (3.7)         (3.6)           Change in cash         1.2         3.1         (0.0)         3.0         4.3           Ending net cash/(debt)         (2.7)         1.8         3.7         3.9         4.3           Ending net	Cash tax paid	(1.1)	(1.2)	(5.3)	(4.7)	(5.0)
Capex         (10.9)         (6.8)         (1.6)         (2.1)         (2.1)           Net investments & sale of FA         0.1         (0.3)         0.0         0.0         0.0           Others         0.0         0.0         0.0         0.0         0.0         0.0           Cash flow from investing         (10.8)         (7.2)         (1.6)         (2.1)         (2.1)           Debt raised/(repaid)         3.9         1.3         (3.7)         (0.9)         (0.9)           Equity raised/(repaid)         0.1         0.2         0.9         0.0         0.0           Dividends paid         0.0         (0.9)         (2.2)         (2.3)         (2.3)           Cash interest & others         (1.8)         (2.6)         (0.5)         (0.5)         (0.4)           Cash flow from financing         2.2         (1.9)         (5.5)         (3.7)         (3.6)           Change in cash         1.2         3.1         (0.0)         3.0         3.4           Change in net cash/(debt)         (2.7)         1.8         3.7         3.9         4.3           Ending net cash/(debt)         (4.6)         (2.8)         0.9         4.9         9.2           KEY RATI						0.0
Net investments & sale of FA       0.1       (0.3)       0.0       0.0       0.0         Others       0.0       0.0       0.0       0.0       0.0       0.0         Cash flow from investing       (10.8)       (7.2)       (1.6)       (2.1)       (2.1)         Debt raised/(repaid)       3.9       1.3       (3.7)       (0.9)       (0.9)         Equity raised/(repaid)       0.1       0.2       0.9       0.0       0.0         Dividends paid       0.0       (0.9)       (2.2)       (2.3)       (2.3)         Cash interest & others       (1.8)       (2.6)       (0.5)       (0.5)       (0.4)         Cash flow from financing       2.2       (1.9)       (5.5)       (3.7)       (3.6)         Change in cash       1.2       3.1       (0.0)       3.0       3.4         Change in net cash/(debt)       (2.7)       1.8       3.7       3.9       4.3         Ending net cash/(debt)       (2.7)       1.8       3.7       3.9       4.3         Ending net cash/(debt)       4.6       (2.8)       0.9       4.9       9.2         KEY RATIOS (FYE Dec)       2008       2009       2010F       2011F       2012F	•					
Others         0.0         0.0         0.0         0.0         0.0           Cash flow from investing         (10.8)         (7.2)         (1.6)         (2.1)         (2.1)           Debt raised/(repaid)         3.9         1.3         (3.7)         (0.9)         (0.9)           Equity raised/(repaid)         0.1         0.2         0.9         0.0         0.0           Dividends paid         0.0         (0.9)         (2.2)         (2.3)         (2.3)           Cash interest & others         (1.8)         (2.6)         (0.5)         (0.5)         (0.4)           Cash flow from financing         2.2         (1.9)         (5.5)         (3.7)         (3.6)           Change in cash         1.2         3.1         (0.0)         3.0         3.4           Change in net cash/(debt)         (2.7)         1.8         3.7         3.9         4.3           Ending net cash/(debt)         (4.6)         (2.8)         0.9         4.9         9.2           KEY RATIOS (FYE Dec)         2008         2009         2010F         2011F         2012F           Revenue growth (%)         1.5         1.7         0.0         4.6         5.0           EBITDA growth (%)						
Cash flow from investing         (10.8)         (7.2)         (1.6)         (2.1)         (2.1)           Debt raised/(repaid)         3.9         1.3         (3.7)         (0.9)         (0.9)           Equity raised/(repaid)         0.1         0.2         0.9         0.0         0.0           Dividends paid         0.0         (0.9)         (2.2)         (2.3)         (2.3)           Cash interest & others         (1.8)         (2.6)         (0.5)         (0.5)         (0.4)           Cash flow from financing         2.2         (1.9)         (5.5)         (3.7)         (3.6)           Change in cash         1.2         3.1         (0.0)         3.0         3.4           Change in net cash/(debt)         (2.7)         1.8         3.7         3.9         4.3           Ending net cash/(debt)         (4.6)         (2.8)         0.9         4.9         9.2           KEY RATIOS (FYE Dec)         2008         2009         2010F         2011F         2012F           Revenue growth (%)         1.5         1.7         0.0         4.6         5.0           EBITDA growth (%)         14.8         2.3         (19.5)         26.1         11.8           Pretax margi						
Debt raised/(repaid)       3.9       1.3       (3.7)       (0.9)       (0.9)         Equity raised/(repaid)       0.1       0.2       0.9       0.0       0.0         Dividends paid       0.0       (0.9)       (2.2)       (2.3)       (2.3)         Cash interest & others       (1.8)       (2.6)       (0.5)       (0.5)       (0.4)         Cash flow from financing       2.2       (1.9)       (5.5)       (3.7)       (3.6)         Change in cash       1.2       3.1       (0.0)       3.0       3.4         Change in net cash/(debt)       (2.7)       1.8       3.7       3.9       4.3         Ending net cash/(debt)       (4.6)       (2.8)       0.9       4.9       9.2         KEY RATIOS (FYE Dec)       2008       2009       2010F       2011F       2012F         Revenue growth (%)       1.5       1.7       0.0       4.6       5.0         EBITDA growth (%)       14.8       2.3       (19.5)       26.1       11.8         Pretax margins (%)       9.9       10.0       7.4       9.8       10.9         Net profit margins (%)       6.5       6.9       5.6       6.9       7.6         Interest co						
Equity raised/(repaid)       0.1       0.2       0.9       0.0       0.0         Dividends paid       0.0       (0.9)       (2.2)       (2.3)       (2.3)         Cash interest & others       (1.8)       (2.6)       (0.5)       (0.5)       (0.4)         Cash flow from financing       2.2       (1.9)       (5.5)       (3.7)       (3.6)         Change in cash       1.2       3.1       (0.0)       3.0       3.4         Change in net cash/(debt)       (2.7)       1.8       3.7       3.9       4.3         Ending net cash/(debt)       (4.6)       (2.8)       0.9       4.9       9.2         KEY RATIOS (FYE Dec)       2008       2009       2010F       2011F       2012F         Revenue growth (%)       1.5       1.7       0.0       4.6       5.0         EBITDA growth (%)       14.8       2.3       (19.5)       26.1       11.8         Pretax margins (%)       9.9       10.0       7.4       9.8       10.9         Net profit margins (%)       6.5       6.9       5.6       6.9       7.6         Interest cover (x)       11.5       14.7       15.4       23.2       30.1         Effective tax	<b>0</b>	, ,				
Cash interest & others       (1.8)       (2.6)       (0.5)       (0.5)       (0.4)         Cash flow from financing       2.2       (1.9)       (5.5)       (3.7)       (3.6)         Change in cash       1.2       3.1       (0.0)       3.0       3.4         Change in net cash/(debt)       (2.7)       1.8       3.7       3.9       4.3         Ending net cash/(debt)       (4.6)       (2.8)       0.9       4.9       9.2         KEY RATIOS (FYE Dec)       2008       2009       2010F       2011F       2012F         Revenue growth (%)       1.5       1.7       0.0       4.6       5.0         EBITDA growth (%)       14.8       2.3       (19.5)       26.1       11.8         Pretax margins (%)       9.9       10.0       7.4       9.8       10.9         Net profit margins (%)       6.5       6.9       5.6       6.9       7.6         Interest cover (x)       11.5       14.7       15.4       23.2       30.1         Effective tax rates (%)       19.5       19.0       17.0       19.0       19.0         Net dividend payout (%)       13.7       34.3       43.1       33.4       29.1         De	Equity raised/(repaid)	0.1	0.2			0.0
Cash flow from financing         2.2         (1.9)         (5.5)         (3.7)         (3.6)           Change in cash         1.2         3.1         (0.0)         3.0         3.4           Change in net cash/(debt)         (2.7)         1.8         3.7         3.9         4.3           Ending net cash/(debt)         (4.6)         (2.8)         0.9         4.9         9.2           KEY RATIOS (FYE Dec)         2008         2009         2010F         2011F         2012F           Revenue growth (%)         1.5         1.7         0.0         4.6         5.0           EBITDA growth (%)         14.8         2.3         (19.5)         26.1         11.8           Pretax margins (%)         9.9         10.0         7.4         9.8         10.9           Net profit margins (%)         6.5         6.9         5.6         6.9         7.6           Interest cover (x)         11.5         14.7         15.4         23.2         30.1           Effective tax rates (%)         19.5         19.0         17.0         19.0         19.0           Net dividend payout (%)         13.7         34.3         43.1         33.4         29.1           Debtors turnover (days)						
Change in cash         1.2         3.1         (0.0)         3.0         3.4           Change in net cash/(debt)         (2.7)         1.8         3.7         3.9         4.3           Ending net cash/(debt)         (4.6)         (2.8)         0.9         4.9         9.2           KEY RATIOS (FYE Dec)         2008         2009         2010F         2011F         2012F           Revenue growth (%)         1.5         1.7         0.0         4.6         5.0           EBITDA growth (%)         14.8         2.3         (19.5)         26.1         11.8           Pretax margins (%)         9.9         10.0         7.4         9.8         10.9           Net profit margins (%)         6.5         6.9         5.6         6.9         7.6           Interest cover (x)         11.5         14.7         15.4         23.2         30.1           Effective tax rates (%)         19.5         19.0         17.0         19.0         19.0           Net dividend payout (%)         13.7         34.3         43.1         33.4         29.1           Debtors turnover (days)         73.3         73.1         72.7         73.9         73.8           Stock turnover (days)		( )				
Change in net cash/(debt)         (2.7)         1.8         3.7         3.9         4.3           Ending net cash/(debt)         (4.6)         (2.8)         0.9         4.9         9.2           KEY RATIOS (FYE Dec)         2008         2009         2010F         2011F         2012F           Revenue growth (%)         1.5         1.7         0.0         4.6         5.0           EBITDA growth (%)         14.8         2.3         (19.5)         26.1         11.8           Pretax margins (%)         9.9         10.0         7.4         9.8         10.9           Net profit margins (%)         6.5         6.9         5.6         6.9         7.6           Interest cover (x)         11.5         14.7         15.4         23.2         30.1           Effective tax rates (%)         19.5         19.0         17.0         19.0         19.0           Net dividend payout (%)         13.7         34.3         43.1         33.4         29.1           Debtors turnover (days)         73.3         73.1         72.7         73.9         73.8           Stock turnover (days)         135.1         127.8         122.8         121.8         124.8						
Ending net cash/(debt)         (4.6)         (2.8)         0.9         4.9         9.2           KEY RATIOS (FYE Dec)         2008         2009         2010F         2011F         2012F           Revenue growth (%)         1.5         1.7         0.0         4.6         5.0           EBITDA growth (%)         14.8         2.3         (19.5)         26.1         11.8           Pretax margins (%)         9.9         10.0         7.4         9.8         10.9           Net profit margins (%)         6.5         6.9         5.6         6.9         7.6           Interest cover (x)         11.5         14.7         15.4         23.2         30.1           Effective tax rates (%)         19.5         19.0         17.0         19.0         19.0           Net dividend payout (%)         13.7         34.3         43.1         33.4         29.1           Debtors turnover (days)         73.3         73.1         72.7         73.9         73.8           Stock turnover (days)         135.1         127.8         122.8         121.8         124.8						
Revenue growth (%)       1.5       1.7       0.0       4.6       5.0         EBITDA growth (%)       14.8       2.3       (19.5)       26.1       11.8         Pretax margins (%)       9.9       10.0       7.4       9.8       10.9         Net profit margins (%)       6.5       6.9       5.6       6.9       7.6         Interest cover (x)       11.5       14.7       15.4       23.2       30.1         Effective tax rates (%)       19.5       19.0       17.0       19.0       19.0         Net dividend payout (%)       13.7       34.3       43.1       33.4       29.1         Debtors turnover (days)       73.3       73.1       72.7       73.9       73.8         Stock turnover (days)       135.1       127.8       122.8       121.8       124.8						9.2
Revenue growth (%)       1.5       1.7       0.0       4.6       5.0         EBITDA growth (%)       14.8       2.3       (19.5)       26.1       11.8         Pretax margins (%)       9.9       10.0       7.4       9.8       10.9         Net profit margins (%)       6.5       6.9       5.6       6.9       7.6         Interest cover (x)       11.5       14.7       15.4       23.2       30.1         Effective tax rates (%)       19.5       19.0       17.0       19.0       19.0         Net dividend payout (%)       13.7       34.3       43.1       33.4       29.1         Debtors turnover (days)       73.3       73.1       72.7       73.9       73.8         Stock turnover (days)       135.1       127.8       122.8       121.8       124.8		2222	0000	00405	00445	00405
EBITDA growth (%)       14.8       2.3       (19.5)       26.1       11.8         Pretax margins (%)       9.9       10.0       7.4       9.8       10.9         Net profit margins (%)       6.5       6.9       5.6       6.9       7.6         Interest cover (x)       11.5       14.7       15.4       23.2       30.1         Effective tax rates (%)       19.5       19.0       17.0       19.0       19.0         Net dividend payout (%)       13.7       34.3       43.1       33.4       29.1         Debtors turnover (days)       73.3       73.1       72.7       73.9       73.8         Stock turnover (days)       135.1       127.8       122.8       121.8       124.8		ZUUX	2009			
Pretax margins (%)     9.9     10.0     7.4     9.8     10.9       Net profit margins (%)     6.5     6.9     5.6     6.9     7.6       Interest cover (x)     11.5     14.7     15.4     23.2     30.1       Effective tax rates (%)     19.5     19.0     17.0     19.0     19.0       Net dividend payout (%)     13.7     34.3     43.1     33.4     29.1       Debtors turnover (days)     73.3     73.1     72.7     73.9     73.8       Stock turnover (days)     135.1     127.8     122.8     121.8     124.8			4 7	(1 (1		
Net profit margins (%)       6.5       6.9       5.6       6.9       7.6         Interest cover (x)       11.5       14.7       15.4       23.2       30.1         Effective tax rates (%)       19.5       19.0       17.0       19.0       19.0         Net dividend payout (%)       13.7       34.3       43.1       33.4       29.1         Debtors turnover (days)       73.3       73.1       72.7       73.9       73.8         Stock turnover (days)       135.1       127.8       122.8       121.8       124.8	Revenue growth (%)	1.5				
Interest cover (x)     11.5     14.7     15.4     23.2     30.1       Effective tax rates (%)     19.5     19.0     17.0     19.0     19.0       Net dividend payout (%)     13.7     34.3     43.1     33.4     29.1       Debtors turnover (days)     73.3     73.1     72.7     73.9     73.8       Stock turnover (days)     135.1     127.8     122.8     121.8     124.8	Revenue growth (%) EBITDA growth (%)	1.5 14.8	2.3	(19.5)	26.1	11.8
Effective tax rates (%)     19.5     19.0     17.0     19.0     19.0       Net dividend payout (%)     13.7     34.3     43.1     33.4     29.1       Debtors turnover (days)     73.3     73.1     72.7     73.9     73.8       Stock turnover (days)     135.1     127.8     122.8     121.8     124.8	Revenue growth (%) EBITDA growth (%) Pretax margins (%)	1.5 14.8 9.9	2.3 10.0	(19.5) 7.4	26.1 9.8	11.8 10.9
Debtors turnover (days)         73.3         73.1         72.7         73.9         73.8           Stock turnover (days)         135.1         127.8         122.8         121.8         124.8	Revenue growth (%) EBITDA growth (%) Pretax margins (%) Net profit margins (%)	1.5 14.8 9.9 6.5	2.3 10.0 6.9	(19.5) 7.4 5.6	26.1 9.8 6.9	11.8 10.9 7.6
Stock turnover (days) 135.1 127.8 122.8 121.8 124.8	Revenue growth (%) EBITDA growth (%) Pretax margins (%) Net profit margins (%) Interest cover (x)	1.5 14.8 9.9 6.5 11.5	2.3 10.0 6.9 14.7	(19.5) 7.4 5.6 15.4	26.1 9.8 6.9 23.2	11.8 10.9 7.6
	Revenue growth (%) EBITDA growth (%) Pretax margins (%) Net profit margins (%) Interest cover (x) Effective tax rates (%) Net dividend payout (%)	1.5 14.8 9.9 6.5 11.5 19.5	2.3 10.0 6.9 14.7 19.0 34.3	(19.5) 7.4 5.6 15.4 17.0 43.1	26.1 9.8 6.9 23.2 19.0 33.4	11.8 10.9 7.6 30.1 19.0 29.1
Greditors tumover (days) 32.4 32.5 31.2 32.1 30.2	Revenue growth (%) EBITDA growth (%) Pretax margins (%) Net profit margins (%) Interest cover (x) Effective tax rates (%) Net dividend payout (%) Debtors turnover (days)	1.5 14.8 9.9 6.5 11.5 19.5 13.7 73.3	2.3 10.0 6.9 14.7 19.0 34.3 73.1	(19.5) 7.4 5.6 15.4 17.0 43.1 72.7	26.1 9.8 6.9 23.2 19.0 33.4 73.9	11.8 10.9 7.6 30.1 19.0 29.1 73.8
	Revenue growth (%) EBITDA growth (%) Pretax margins (%) Net profit margins (%) Interest cover (x) Effective tax rates (%) Net dividend payout (%) Debtors turnover (days) Stock turnover (days)	1.5 14.8 9.9 6.5 11.5 19.5 13.7 73.3	2.3 10.0 6.9 14.7 19.0 34.3 73.1 127.8	(19.5) 7.4 5.6 15.4 17.0 43.1 72.7 122.8	26.1 9.8 6.9 23.2 19.0 33.4 73.9 121.8	11.8 10.9 7.6 30.1 19.0 29.1 73.8 124.8

Source: Company, NRA Capital Estimates



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