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Jumbo shares surge on revenue growth from new outlets

SINGAPORE (Nov 30): Shares in Jumbo Group rose by as much as 12.2% to 41.5 cents on Monday, despite the newly-listed seafood restaurant operator reporting FY2015 earnings had fallen 8% to $10.6 million.

At the close, Jumbo finished 6.8% higher at 39.5 cents, with some 40 million shares changing hands, making the stock one of the most actively traded on the Singapore Exchange.

Last Friday, Jumbo announced “other operating expenses” rose some $1.6 million owing mainly to a $1 million rise in professional fees relating to restructuring and preparation work for its IPO.

Revenue, however, rose 9.2% to $123 million, owing mainly to increased revenue contributions from new outlets that were opened towards the end of FY2014. It also had a full-year revenue contribution from its Jumbo Seafood outlet in Shanghai.

According to the article “Jumbo’s New Listing” in the Nov 2 issue of The Edge Singapore, CEO and executive chairman Ang Kiam Meng said investors can expect revenue growth to come from new restaurant openings.

Jumbo now owns and operates 14 restaurants under five brands in Singapore. It also has two Jumbo Seafood outlets in Shanghai. It is targeting to open at least four new outlets here and in China over the next 24 months.

The first of those new openings is likely to take place in January in the Shanghai International Finance Centre, where Jumbo has signed a lease for a space.

“Four may not be a very impressive number, but I must highlight that historically, every Jumbo outlet contributes about $8 million to $10 million in annual revenue on average,” said Ang, adding that each outlet costs between $1.5 million and $2 million to set up.

In its outlook for FY2016, Jumbo warned that “the food and beverage industry will continue to remain challenging”, adding that it would continue to cut costs and raise efficiency.

“The group will continue to explore suitable opportunities to expand our network of F&B outlets and business through opening new outlets, acquisitions, joint ventures or strategic alliances with partners who can strengthen our market position and add value to our existing business.”
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SGX slams SunVic Chemical Holdings for breaches of listing rules

BY BENJAMIN TAN

SINGAPORE (Nov 30): Singapore Exchange has reprimanded SunVic Chemical Holdings for breaches of listing rules relating to RMB1.6 billion ($353 million) of interested person transactions (IPTs) over the past three financial years.

The market regulator says on Monday that SunVic failed to make immediate announcements of and seek shareholders’ approval for IPTs conducted in FY2013, FY2014 and FY2015 with associates of Sun Xiao, the company’s executive director and CEO, and the late Sun Liping, former executive chairman and CEO.

SGX says the firm also failed to ensure that IPTs were properly disclosed in the company’s annual reports for FY2013 and FY2014.

SunVic’s auditor, Foo Kon Tan Grant Thornton, in April 2014 had highlighted a breach of SGX listing rules related to IPTs between SunVic and Taixing Jinyan Chemical Technology Co, a company controlled by Sun and his associates. A number of other previously undisclosed IPTs were subsequently revealed by the company.

Although the company announced over the course of five quarterly financial reports that it planned to seek shareholders’ approval for the IPTs, a shareholders’ vote on those IPTs has yet to be called. In the meantime, the company has continued to enter into new IPTs.

SGX says SunVic’s directors have said that the IPTs were necessary for the business operations of the company, and stopping them abruptly would have a “material adverse impact” on the company. SunVic’s board has also said that the IPTs “did not result in any prejudice to the interests of the company and its minority shareholders”, says SGX.

Listing rules require companies to immediately announce IPTs when they account for at least 3% of the company’s latest audited net tangible assets. Issuers must also obtain shareholder approval for any IPTs with the interest person if the IPTs in total account for at least 5% of net tangible assets.

The IPTs accounted for almost 30% of SunVic’s net tangible assets in year-to-date fiscal 2015. SunVic closed flat at 22 cents.

iX Biopharma granted patent in Indonesia for its WaferiX drug delivery technology

SINGAPORE (Nov 30): Specialty pharmaceutical company iX Biopharma has been granted a patent in Indonesia for its WaferiX drug delivery technology.

The company was granted its Japanese patent in September, while counterpart patents have been granted in Australia, Malaysia, New Zealand and Singapore.

The claims of the patent cover a fast-dissolving oral dosage form for the release of a biologically active material in the oral cavity, and provide strategic coverage for iX Biopharma’s WaferiX technology in Indonesia, the firm says.

WaferiX is a fast-dissolving, proprietary wafer formulation that allows pharmacologically active compounds, such as ketamine or fentanyl, to be placed under the tongue and delivered into the blood stream.

iX Biopharma closed 2.7% higher at 38 cents. — By Benjamin Tan

Midas Holdings to buy Hong Kong-based Huicheng Capital for $264 mil

SINGAPORE (Nov 30): Chinese railway firm Midas Holdings has entered into an agreement to buy Hong Kong-based Huicheng Capital for $264 million.

Huicheng Capital owns Dalian Huicheng, a company based in Dalian, China, which specialises in aluminium products.

Midas will be buying the company from seven individuals who currently hold stakes in it. The acquisition will enable Midas to acquire a profitable business and further expand its core business, it says.

After the acquisition is complete, Midas’ range of products and services will be expanded to include aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils, in addition to its existing aluminium alloy extrusion and cold-rolled plates and sheets product offerings. It will also benefit from a wider customer base.

Midas’ customers comprise players in the infrastructure and rail transport sectors, with a focus on China and major global train manufacturers, while Dalian Huicheng’s customers include firms in the aviation, aerospace, rail transportation, marine, automotive and petrochemical industries.

The company will seek shareholder approval for the acquisition at an extraordinary general meeting to be convened at a later date. The stock last traded at 30.5 cents on Nov 27. — By Benjamin Tan
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SINGAPORE (Nov 30): OKP Holdings, the infrastructure and civil engineering company, has won a $94.6 million contract by the Land Transport Authority.

Wholly-owned subsidiary Or Kim Peow Contractors (Pte) Ltd will construct a viaduct from the Tampines Expressway to the Pan Island Expressway (Westbound) and Upper Changi Road East.

The scope of this design-and-build contract involves the design and construction of new viaducts, realignment and widening of existing carriageways, resurfacing of existing roads, construction of retaining structures, reinstatement works, as well as the construction of other required structures and ancillary works.

The contract started on Nov 23 and is expected to be completed by the first quarter of 2020.

With this latest contract, OKP’s total value of contracts secured in 2015 has risen to $291.3 million.

OKP closed 10% higher at 22 cents on Friday. — By P C Lee

Fitch affirms Singapore at ‘AAA’; outlook stable

HONG KONG (Nov 30): Fitch Ratings has affirmed Singapore’s long-term foreign- and local-currency issuer default ratings at “AAA”, with stable outlook. The debt issue on Singapore’s senior unsecured local-currency bonds is also affirmed at AAA.

Fitch’s affirmation balances Singapore’s exceptionally strong external balance sheet, robust fiscal framework, high levels of per capita income, and strong governance indicators against its high vulnerability to external shocks — given that Singapore remains a small, open economy.

Exceptionally strong current account surpluses have led to a large positive net international investment position, which is equivalent to close to 200% of GDP as at end-2015, as per Fitch estimates. Fitch estimates that the current account surplus would gradually decline over the medium term on lower savings, which is related to an ageing population.

Nevertheless, Singapore’s current account surplus is far above the AAA median, and Fitch estimates that it would be close to 20% of GDP by end-2015, as against the AAA median’s 6.3%.

Fitch has revised downward its growth outlook for Singapore in 2015/16 to an average of 2.1%, as against our previous forecast of 3.2%. The downward revision is based on a less favourable external environment, accompanied by the ongoing economic transformation of the Singapore economy.

Nevertheless, Fitch does not view this growth slowdown as leading to a significantly weakened credit profile. The sovereign’s external balance sheet remains strong, while fiscal discipline remains underpinned by a constitutional mandate that requires the government to run a balanced fiscal position, on average, during its term.

Singapore’s fiscal position is a credit positive in the sovereign’s credit profile. Presidential approval is required to use the country’s “past reserves” (fiscal reserves accumulated during the terms of previous governments). — Reuters

Jason's CEO Sim gets court summons from CIMB for personal contractual row

SINGAPORE (Nov 30): Jason Holdings, the timber flooring specialist, says CEO Jason Sim Chon Ang received a High Court writ of summons by the solicitors representing CIMB Securities (Singapore) in respect of a contractual dispute between the two.

The claim set out in the writ is against Sim in his personal capacity and does not affect the business or operations of the group, says the directors of Jason.

In addition, Sim intends to contest the claim.

“The directors, having deliberated on Jason Sim’s suitability as the executive chairman and CEO of the company, are of the view that Jason Sim is suitable and it is in the best interest of the company that Jason Sim continues as the executive chairman and CEO of the Company,” says Jason in a filing this morning.

Jason will monitor the progress of the claim closely and may make a further assessment as to Sim’s suitability to continue to act as the company’s executive chairman and CEO as well as a member of the board at a later stage.

“Shareholders of the company and potential investors are advised to exercise caution when dealing in the shares of the company in relation to this announcement,” adds Jason.

Jason last traded at eight cents. — By P C Lee
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**Jumabhoy-led Scots Group sells 10% stake in Fintrax: report**

SINGAPORE (Nov 30): The Scots Group, an investment company led by Singapore businessman Asad Jumabhoy, has sold its minority stake in Fintrax.

Fintrax is a major global player in processing value-added tax refunds for tourists and operates under the “Premier Tax Free” brand.

Local media reported on Monday that The Scots Group sold its “about 10%” stake in Fintrax, and Jumabhoy will step down from his vice-chairman position in Fintrax.

Last week, French private equity group Eurazeo said it bought 90% of Fintrax from British group Exponent Private Equity, investing €300 million ($448 million). The remaining 10% will be held by Fintrax management.

Fintrax is valued at an enterprise value of €550 million, with another €35 million payable based on 2016 performance, said Eurazeo. Enterprise value includes debt and excludes cash.

Exponent bought Fintrax for €170 million in 2012 and roped Asad Jumabhoy into the deal in 2013. He is the youngest son of Ameerali Jumabhoy, former chairman of Scots Holdings.

Scotts Holdings owned serviced apartments and was founded by Ameerali Jumabhoy's father, Rajabali Jumabhoy.

In the late 1990s, Scotts Holdings was sold to a predecessor of present-day CapitaLand, and the business is now part of the Ascott chain of serviced apartments. — By Benjamin Tan

**Lower taxes for 93% of residential property owners in Singapore: IRAS**

SINGAPORE (Nov 30): Around 93% of residential property owners in Singapore are set to pay lower property taxes next year, with the annual values of real estate falling in line with market rentals.

The Inland Revenue Authority of Singapore (IRAS) says on Monday that owners of public housing flats would pay lower or no property tax next year, while four in five private residential property owners would pay lower property tax in 2016.

All one- and two-room HDB flat owner-occupiers and 28,200 three-room HDB flat owner occupiers will not have to pay any property tax when the revised annual values take effect from Jan 1. The tax savings for HDB flats will range from 9% to 24%, compared with property taxes paid in 2015.

For example, an owner of a five-room HDB flat would see his 2016 property tax payable reduced to $104.80 to $152.80, from $121.60 to $169.60 for 2015 — a minimum saving of 10%.

As for an owner of a three-room HDB flat, his 2016 property tax payable will be cut to $0 to $37.60, from $1.60 to $49.60 previously, representing savings of at least 24%.

Of the private residential properties with reduced annual values, more than 80% will benefit from tax savings of between 3% and 20%.

IRAS reviews the annual values of properties each year so that they reflect prevailing market rentals. — By Benjamin Tan

**Prices of completed non-landed private homes up 0.1% m-o-m in October: NUS flash estimate**

SINGAPORE (Nov 30): Prices of completed non-landed private homes in Singapore inched up 0.1% m-o-m in October, according to the National University of Singapore’s flash estimate for its Overall Singapore Residential Price Index (SRPI) released on Monday.

This comes on the heels of a 0.3% m-o-m rise in September.

The sub-index for Central Region posted a 0.3% gain in October. This compares with September’s 0.3% drop.

The Central Region is defined as districts one to four (including the financial district and Sentosa Cove) and the traditional prime districts nine, 10 and 11.

The sub-index for Non-Central Region was unchanged in October, after rising 0.6% in September.

Islandwide prices of small apartments and condominium units (up to 506 sq ft) fell 0.6% in October, following a 0.7% drop in September. — By Benjamin Tan

**CPF rates maintained for 1Q2016**

SINGAPORE (Nov 30): Central Provident Fund rates will be maintained at current levels from Jan 1 to March 31 next year, the CPF Board and the Housing and Development Board say in a joint press release on Monday.

For the Ordinary Account (OA), the legislated minimum of 2.5% a year applies as the three-month average of major local banks’ interest rates was 0.21% from August to October this year.

The concessory interest rate for HDB mortgage loans, which is pegged at 0.1% point above the OA interest rate, will remain unchanged at 2.6% a year for the first three months of 2016.

Special and Medisave Account monies earn the current floor interest rate of 4% a year or the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus one percentage point, whichever is higher.

For the first three months of 2016, the interest rate will be maintained at 4% a year. The 12-month 10YSGS average yield of November 2014 to October 2015, plus one percentage point, was 3.39%. — By Benjamin Tan

**Singapore labour force participation up, median income up 4.7% at $3,949 a month**

SINGAPORE (Nov 30): The Singapore labour force achieved broad-based gains this year, the Singapore Workforce 2015 report compiled by the Ministry of Manpower shows, even though some older and less educated workers continued to face challenges.

The resident labour force participation rate was up at 68.3% in June, a fourth consecutive year of increase, with more flexible work arrangements to make older workers more employable.

Median monthly income from work for full-time employed residents, including employer Central Provident Fund contributions, rose 4.7% to $3,949 in June 2015 from $3,770 in 2014.

Excluding employer CPF, median income in June 2015 rose 5.8% to $3,467 a month from $3,276 a year ago. — By Benjamin Tan
Shares in Enviro-Hub Holdings surged over 8% on increased trading volume on Nov 30. Year to date, shares in the company, which is engaged in recycling and e-waste management as well as property development, construction and investment, are up around 21%.

For 3QFY2015 ended September, Enviro-Hub posted a 20% y-o-y increase in revenue to $30.3 million, bolstered by the recycling and construction business. Despite this, the company posted a net loss of $1.7 million for the quarter. In particular, gross profit was weaker owing to fewer projects being completed for the piling business.

On Nov 3, Enviro-Hub announced that the conditions precedent under various acquisition sales and purchase agreements have not been fulfilled as at the long-stop date of Oct 31, and the vendors, comprising BS Capital, Marina Investment Holding and other parties have informed it that they do not intend to extend the long-stop date. As such, these agreements would terminate with effect from the long-stop date, with the mutual release and discharge of the respective parties’ obligations.

The company said the financial impact from the termination will not be material, as this mainly involves the professional fees and expenses incurred in the preparation of the transaction documents.

Meanwhile, Enviro-Hub said it will be reassessing options to a proposed share consolidation for compliance with the Singapore Exchange’s minimum trading price requirement of 20 cents a share. On top of this, it will continue to explore expansion opportunities in property investment and management.

Valuation score* 1.10
Fundamental score** 0.55
TTM P/E (x) 6.94
TTM PEG (x) 0.07
P/NAV (x) 1.10
TTM Dividend yield (%) -
Market capitalisation ($mil) 75.97
Shares outstanding (ex-treasury) mil 1,026.65
Beta 0.70
12-month price range ($) 0.04-0.07

This column is an analysis done by The Edge Singapore on the fundamentals of stocks with momentum that were picked up using proprietary algorithm by Anticipatory Analytics Sdn Bhd and that first appeared at www.theedgemarkets.com. Please exercise your own judgment or seek professional advice for your specific investment needs. We are not responsible for your investment decisions. Our shareholders, directors and employees may have positions in any of the stocks mentioned.

<table>
<thead>
<tr>
<th>ENVIRO-HUB HOLDINGS</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY2015Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ALL FIGURES IN SGD MIL)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover</td>
<td>57.5</td>
<td>59.1</td>
<td>108.3</td>
<td>30.3</td>
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<tr>
<td>EBITDA</td>
<td>(10.5)</td>
<td>(10.8)</td>
<td>(5.4)</td>
<td>2.5</td>
</tr>
<tr>
<td>Interest expense</td>
<td>0.7</td>
<td>4.1</td>
<td>13.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Pre-tax profit</td>
<td>(15.3)</td>
<td>5.3</td>
<td>32.1</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Net profit – owners of company</td>
<td>(10.9)</td>
<td>5.3</td>
<td>12.9</td>
<td>(1.7)</td>
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<tr>
<td>Fixed assets - PPE</td>
<td>45.0</td>
<td>35.0</td>
<td>35.4</td>
<td>33.5</td>
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<tr>
<td>Total assets</td>
<td>77.9</td>
<td>422.2</td>
<td>399.5</td>
<td>388.0</td>
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<tr>
<td>Shareholders’ fund</td>
<td>51.6</td>
<td>62.0</td>
<td>75.0</td>
<td>69.3</td>
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<tr>
<td>Gross borrowings</td>
<td>21.6</td>
<td>466.0</td>
<td>477.7</td>
<td>450.9</td>
</tr>
<tr>
<td>Net debt/(cash)</td>
<td>13.8</td>
<td>462.0</td>
<td>473.7</td>
<td>446.9</td>
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<tr>
<td>Net asset per share ($)</td>
<td>0.05</td>
<td>0.06</td>
<td>0.07</td>
<td>0.07</td>
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<tr>
<td>ROE (%)</td>
<td>(20.68)</td>
<td>9.31</td>
<td>18.85</td>
<td>16.64</td>
</tr>
<tr>
<td>Turnover growth (%)</td>
<td>52.81</td>
<td>2.81</td>
<td>83.21</td>
<td>17.61</td>
</tr>
<tr>
<td>Net profit growth (%)</td>
<td>-</td>
<td>-</td>
<td>143.75</td>
<td>96.01</td>
</tr>
<tr>
<td>Net margin (%)</td>
<td>(19.02)</td>
<td>8.96</td>
<td>11.92</td>
<td>9.50</td>
</tr>
<tr>
<td>ROA (%)</td>
<td>(13.31)</td>
<td>2.12</td>
<td>3.14</td>
<td>2.68</td>
</tr>
<tr>
<td>Current ratio (x)</td>
<td>1.43</td>
<td>0.20</td>
<td>0.14</td>
<td>0.13</td>
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<tr>
<td>Gearing (%)</td>
<td>26.73</td>
<td>746.27</td>
<td>591.84</td>
<td>645.29</td>
</tr>
<tr>
<td>Interest cover (x)</td>
<td>(14.51)</td>
<td>2.05</td>
<td>(0.39)</td>
<td>(0.48)</td>
</tr>
</tbody>
</table>

*Valuation factor — Composite measure of historical return & valuation
**Fundamental factor — Composite measure of balance sheet strength & profitability
Note: A score of 3.0 is the best to have and 0.0 is the worst to have

9 STOCKS WITH MOMENTUM
Hongkong Land Holdings, the regional property firm under the Jardine Matheson Group, fell 2.5% to close at US$7.02 on Monday with six million shares traded.

On Nov 25, Philippines-based property group DM Wenceslao & Associates Inc announced it had signed a deal with the local unit of the group to jointly develop a 2.6ha parcel of land in Aseana City, a waterfront estate in the Manila Bay area.

The joint venture will develop residential projects over a total land area of around 26,000 sq m within DM Wenceslao’s Aseana City. For its part, DM Wenceslao will contribute local development and construction expertise and a portion of its prime landbank to the JV.

On Nov 26, Hongkong Land announced two senior management changes. CEO Y K Pang will step down on July 31, 2016, to move to parent company Jardine Matheson Holdings as the deputy managing director. Replacing him is Robert Wong, who has been an executive director of Hongkong Land’s management company since 1996.

Meanwhile, John Witt will step down as the group’s chief financial officer next March 31, to take up the position of group finance director of Jardine Matheson. Taking over his place is Simon Dixon, who joined the group in 2006 and first served as a group treasurer before moving to Indonesian affiliate Astra International in 2010.

For the half year ended June, Hongkong Land’s net profit fell 9% to US$513 million ($725 million) after accounting for a net gain of US$94 million, principally arising from valuation of the group’s investment properties. This compares with US$563 million in the same period last year, which included net non-trading gains of US$130 million.

Hongkong Land says the group’s commercial portfolio produced another strong contribution as it benefited from lower vacancy. In the residential sector, there was a higher contribution from mainland China.

Valuation score* 2.60
Fundamental score** 2.15
TTM P/E (x) 13.26
TTM PEG (x) 1.23
P/NAV (x) 0.61
TTM Dividend yield (%) 2.64
Market capitalisation ($mil) 16,940.21
Shares outstanding (ex-treasury) mil 2,352.81
Beta 0.87
12-month price range ($) 6.96-8.74

HONGKONG LAND HOLDINGS

<table>
<thead>
<tr>
<th>HONGKONG LAND HOLDINGS</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY2015Q2</th>
</tr>
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<tbody>
<tr>
<td>Financials</td>
<td>31/12/2012</td>
<td>31/12/2013</td>
<td>31/12/2014</td>
<td>30/6/2015</td>
</tr>
<tr>
<td>Turnover (USD mil)</td>
<td>1,114.8</td>
<td>1,857.1</td>
<td>1,876.3</td>
<td>905.1</td>
</tr>
<tr>
<td>EBITDA (USD mil)</td>
<td>1,082.9</td>
<td>896.0</td>
<td>1,106.0</td>
<td>646.3</td>
</tr>
<tr>
<td>Interest expense (USD mil)</td>
<td>71.7</td>
<td>116.7</td>
<td>132.0</td>
<td>62.3</td>
</tr>
<tr>
<td>Pre-tax profit (USD mil)</td>
<td>1,573.0</td>
<td>1,357.2</td>
<td>1,537.4</td>
<td>602.6</td>
</tr>
<tr>
<td>Net profit – owners of company (USD mil)</td>
<td>1,437.7</td>
<td>1,189.6</td>
<td>1,327.4</td>
<td>512.7</td>
</tr>
<tr>
<td>Fixed assets - PPE (USD mil)</td>
<td>5.6</td>
<td>19.2</td>
<td>24.2</td>
<td>24.8</td>
</tr>
<tr>
<td>Total assets (USD mil)</td>
<td>30,218.1</td>
<td>30,803.6</td>
<td>31,800.3</td>
<td>31,915.4</td>
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<tr>
<td>Shareholders’ fund (USD mil)</td>
<td>26,147.7</td>
<td>26,857.0</td>
<td>27,548.1</td>
<td>27,672.9</td>
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<td>Gross borrowings (USD mil)</td>
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<td>4,431.5</td>
<td>4,319.6</td>
<td>4,281.7</td>
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<td>Net debt/(cash) (USD mil)</td>
<td>3,273.4</td>
<td>3,025.2</td>
<td>2,857.0</td>
<td>2,574.6</td>
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HONGKONG LAND HOLDINGS

<table>
<thead>
<tr>
<th>HONGKONG LAND HOLDINGS</th>
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<th>FY13</th>
<th>FY14</th>
<th>ROLLING 12-MTH</th>
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<tr>
<td>Ratios</td>
<td>31/12/2012</td>
<td>31/12/2013</td>
<td>31/12/2014</td>
<td>***********</td>
</tr>
<tr>
<td>DPS ($)</td>
<td>0.17</td>
<td>0.18</td>
<td>0.19</td>
<td>0.19</td>
</tr>
<tr>
<td>Net asset per share ($)</td>
<td>11.11</td>
<td>11.41</td>
<td>11.71</td>
<td>11.76</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>5.65</td>
<td>4.49</td>
<td>4.88</td>
<td>4.71</td>
</tr>
<tr>
<td>Turnover growth (%)</td>
<td>(8.90)</td>
<td>66.59</td>
<td>1.03</td>
<td>40.84</td>
</tr>
<tr>
<td>Net profit growth (%)</td>
<td>(72.91)</td>
<td>17.26</td>
<td>11.58</td>
<td>10.74</td>
</tr>
<tr>
<td>Net margin (%)</td>
<td>126.96</td>
<td>64.06</td>
<td>70.75</td>
<td>58.63</td>
</tr>
<tr>
<td>ROA (%)</td>
<td>3.79</td>
<td>2.90</td>
<td>4.24</td>
<td>4.07</td>
</tr>
<tr>
<td>Current ratio (x)</td>
<td>0.46</td>
<td>0.99</td>
<td>2.67</td>
<td>2.81</td>
</tr>
<tr>
<td>gearing (%)</td>
<td>12.59</td>
<td>11.26</td>
<td>8.64</td>
<td>8.30</td>
</tr>
<tr>
<td>Interest cover (x)</td>
<td>10.16</td>
<td>7.39</td>
<td>8.38</td>
<td>8.29</td>
</tr>
</tbody>
</table>

*Valuation factor — Composite measure of historical return & valuation
**Fundamental factor — Composite measure of balance sheet strength & profitability

Note: A score of 3.0 is the best to have and 0.0 is the worst to have

This column is an analysis done by The Edge Singapore on the fundamentals of stocks with momentum that were picked up using proprietary algorithm by Anticipatory Analytics Sdn Bhd and that first appeared at www.thedegemarkets.com. Please exercise your own judgment or seek professional advice for your specific investment needs. We are not responsible for your investment decisions. Our shareholders, directors and employees may have positions in any of the stocks mentioned.
Nam Lee reported annual profits of $12.9 million for FY2015 ended September, an 80% increase over its $7.15 million earnings in FY2014. Earnings in its seasonally weak 4QFY2015 rose sixfold to about $900,000 from $150,000 over the same quarter of last year.

The improved earnings came on the back of a 16% rise in turnover to $164 million from $141.5 million in FY2014. The company reported that increased revenue from its aluminium segment was the primary driver of higher sales in FY2014. Its gross profit margin also improved significantly to 22.7% in FY2015, from 16% previously.

But the company’s expenses also increased, in line with the higher sales volume. Its operating and administrative costs showed the fastest rate of increase, with the former more than doubling to $5.2 million in FY2015 from $2.3 million previously. The rise in operating costs was aggravated by a fair valuation loss of a financial derivative contract held by Nam Lee. However, details on the nature of the financial derivative were not provided.

Higher salaries and bonuses paid to company staff accounted for the bulk of the rise in administrative costs from $10.7 million in FY2014 to $13.5 million in FY2015, while distribution costs increased from $2.6 million to $3 million over the same period, in line with the increase in sales.

Nam Lee also declared higher dividends to shareholders to accompany its strong showing in the recent fiscal year. The company announced both final and special dividends for a combined payout of 2.5 cents a share versus 1.5 cents for FY2014. The company said that despite uncertainties in the global and regional economies, its aluminium business should contribute positively to its performance and overall profitability should be maintained in the next 12 months, barring unforeseen circumstances.

Shares of the metal fabricator have continued to reach fresh 52-week highs since last week. On Nov 30, it closed the first day of the current week at 32 cents, while the volume of shares traded also rose to the highest in 12 months as nearly 1.8 million shares changed hands.
RHB Capital’s 3Q profit curbed on workforce downsizing

BY CHONG JIN HUN

KUALA LUMPUR (Nov 30): RHB Capital Bhd’s net profit fell 67% to RM194.44 million ($64.44 million) in the third quarter ended Sept 30, from RM544.61 million a year earlier. Profit fell on lower non-interest income as the group registered workforce-downsizing cost and higher operating expenses.

In a statement to Bursa Malaysia today, RHB Capital said revenue declined to RM2.64 billion from RM2.72 billion in 3QFY2014.

“The group expected 2015 to be challenging and has focused on maintaining asset quality and improving operational efficiency,” RHB Capital said.

RHB Capital’s workforce-downsizing programme was known as the career transition scheme (CTS).

The group said the net profit for the nine-month period (9MFY2015) fell to RM1.2 billion from RM1.55 billion. Revenue was, however, higher at RM7.98 billion, versus RM7.58 billion.

“Excluding one-off CTS expenses of RM308.8 million, the group’s normalised pre-tax profit was at RM1,940.3 million, lower by 7.2%.

“This was mainly attributed to lower investment banking-related fee income and lower trading income and higher operating expenses,” it said.

RHB Capital foresees a challenging Malaysian banking landscape amid economic uncertainties.

The group said it expected industry loan growth to slow to between 7.5% and 8.5%, while “capital market activities will continue to remain low given the macroeconomic uncertainties”.

“The group is confident that the transformation programme will continue its positive momentum to achieve its targets. Barring unforeseen circumstances, the group’s 2015 performance will be satisfactory,” RHB Capital said.

At 12.30pm today, RHB Capital shares fell two sen or 0.4% to RM5.54 for a market capitalisation of RM17.21 billion. The stock saw 641,900 shares traded.

Boustead’s 3Q net profit falls 67% as revenue declines, pays six sen dividend

KUALA LUMPUR (Nov 30): Boustead Holdings Bhd’s net profit for the third quarter ended Sept 30 fell 67% to RM6 million ($1.99 million) from RM18.2 million, owing mainly to a decline in revenue in all its divisions.

In a filing to Bursa Malaysia today, Boustead said revenue for the quarter fell to RM2.12 billion from RM2.69 billion a year earlier.

Earnings per share fell to 0.58 sen from 1.76 sen in 3QFY2014.

The conglomerate declared a third interim dividend of six sen per share for the financial year ending Dec 31, to be paid on Jan 12, 2016.

For the nine months ended Sept 30, Boustead’s net profit fell 91.76% to RM9 million from RM109.2 million a year ago, while revenue fell to RM6.22 billion versus RM7.78 billion in 9MFY2014.

In a statement today, Boustead deputy chairman and managing director Tan Sri Lodin Wok Kamaruddin said it has been a trying economic period, with external pressures impacting the group’s earnings.

“However, despite the volatile economic climate, the diversified nature of the group has enabled us to remain resilient and deliver sustained results across most of our divisions.

“Despite the challenging environment, by leveraging on our strong track record and multiple business streams, we are confident that we will be able to weather through this and continue to move forward,” he said. — By Surin Murugiah

IFCA to earn up to 5% from soon-to-be-launched property website

KUALA LUMPUR (Nov 30): Multimedia super corridor-status company IFCA MSC Bhd expects to earn between 1% and 5% income from the value of each property sold through its “Property365.my” website, targeted for launch in early December.

In a filing with Bursa Malaysia today, IFCA said the property portal marked its entry into the e-commerce business, where it would also earn subscription fees from developers who utilised Property365.my’s services.

“Property365.my is a digital platform that serves as a marketplace for all new residential properties. It is designed with an online booking feature to help property developers market and sell their projects smarter and faster.

“Potential property buyers can access all the information on their preferred projects as well as register and proceed to book their preferred units through this platform,” it said.

IFCA, an integrated software provider in Malaysia and Asia, said the e-commerce business would contribute positively to its revenue and profits in 2016 and onwards.

At 12.29pm, it slipped 1.5 sen or 1.49% to 99.5 sen, with 5.49 million shares traded for a market capitalisation of RM567.4 million. — By Sangeetha Amarthalinga
Unit at VisionCrest for $1,874 psf

BY TAY HOCK MENG

A 1,227 sq ft, three-bedroom unit on the eighth floor of VisionCrest Residence, a high-end condominium at Oxley Rise in prime district 9 changed hands for $2.3 million ($1,874 psf), according to a caveat lodged on Nov 9. The unit was purchased in 2007 for $2.98 million ($2,428 psf). This means the price of the unit has suffered a 22.8% drop.

Prior to this transaction, another unit, a 926 sq ft, two-bedroom apartment on the fifth floor of a different block was sold for $1.73 million ($1,869 psf) in October. The unit had fetched $1.75 million ($1,893 psf) in 2007. The price difference was 1.26%.

The latest unit transacted is located in a premium block, according to Nicole Lim, district division director of ERA Realty. And at the peak of the market in 2007, units were sold at $2,300 to $2,500 psf, she says.

Lim is currently marketing a three-bedroom unit of a similar size that has a price tag of $2.59 million ($2,111 psf). However, the owner is reluctant to part with the unit at a price below $2,000 psf. The owner had paid around $3 million for the unit in 2007 and has declined offers of $1,800 psf, she adds. The lower price of $1,874 psf could be because of the poor facing of the unit, which overlooks the next block, reckons Lim. “Potential buyers may have some concerns about privacy.”

While there have been on-going buyer enquiries for units at VisionCrest, actual transaction activity has been muted compared with that for newer projects in the Mount Sophia area located across the road and closer to Plaza Singapura and the Dhoby Gaut MRT interchange station, says Lim.

VisionCrest Residences has four 12-storey blocks with a total of 265 units. The freehold condo was completed in 2007 by developer Wing Tai Holdings. The residential blocks are adjacent to the 12-storey office block, VisionCrest Commercial.

In front of VisionCrest Residence is the House of Tan Yeok Nee, a house constructed in 1882 and gazetted a national monument. The property was sold in 2013 by ERC Holdings to Perennial Real Estate, controlled by Pua Seck Guan, for just below $90 million.

When VisionCrest was first launched in 2003, prices ranged from $1,000 to $1,200 psf. And when it was completed in 2007, units were sold by the developer at prices ranging from $1,700 to a high of $2,654 psf. The highest price achieved was for a 1,227 sq ft, 10th floor unit that fetched $3.3 million ($2,700 psf) in January 2008. The first buyer had paid $2,500 psf for the unit in August 2007, before flipping it in a sub-sale.

VisionCrest has a wide mix of unit types, from studios of 603 sq ft to two-bedroom units of 947 sq ft, and three-bedroom units of as large as 1,475 sq ft and penthouses of 1,528 to 2,131 sq ft.

However, it is not the only high-end condo that has seen prices correct of late. The Paterson, an 88-unit freehold condo by Singapore Land that was completed in 2004, saw a similar downshift in price. This was seen in the transaction of a four-bedroom unit on the 21st floor that changed hands for $4.1 million ($1,822 psf), according to a caveat lodged on Nov 13.

The price was a markdown of 18.8% from the $5.05 million ($2,245 psf) achieved for the unit at the peak of 2007. The unit had sold for $2.89 million ($1,286 psf) in 2003, when the project was first launched.

According to Andy Tan, senior group director of Trillion Property Pte Ltd, the price of $4.1 million represents a good deal for the buyer, but less so for the owner. Tan had brokered the sale of a similar-sized four-bedroom unit on the 20th floor last November for $4 million ($1,778 psf). He believes the owner of the 21st-floor unit may have sat on the original asking price of $5.05 million for a long while before succumbing to pressure and selling for $4.1 million.
Cyan unit selling at a tad below value

A 1,313 sq ft, mid-floor unit in Cyan, a freehold condominium in prime district 10, is looking for buyer at an indicative price of $2.75 million or $2,094 psf. The price is listed as negotiable on TheEdgeProperty.com.

In December 2014, a larger unit on the 15th floor spanning 1,528 sq ft was sold for $2,087 psf. Separately, a 1,464 sq ft unit on the 18th floor found a buyer at $2,109 psf in June last year.

The subject property's asking price of $2,094 psf is slightly higher than the 2011 levels, which averaged $2,051 psf for similar-sized units located between the 13th and 17th floors.

Cyan is a 278-unit freehold condo on Keng Chin Road, developed by Far East Organization and completed in 2014. Schools within 1km of the property include Singapore Chinese Girls’ Primary School and Anglo-Chinese School (Primary).

There were nine rental contracts involving two-bedroom units of between 1,000 and 1,200 sq ft in Cyan in 2H2015. Rents for these units averaged $4,944 per month.

Based on the listing price of $2.75 million, the average rent translates into a potential gross rental yield of 2.2%. — By Tan Chee Yuen

75% of first units launched at The Poiz Residences snapped up over the weekend

The 731-unit The Poiz Residences by MCC Land saw 260 sold out of the 350 residential units released for sale since Saturday. It was the first phase of the project and the average price was $1,380 psf.

The majority of the buyers were Singaporeans and units sold were distributed evenly across all unit types, including 33% of one-bedroom, 36% two-bedroom and 31% of three- and four-bedroom units.

The Poiz Residences is located at Upper Serangoon Road/Meyappa Chettar Road. It is a mixed development, with residential units in 18-storey blocks sitting on top of a 50,000 sq ft retail-cum-lifestyle complex called Poiz Centre.

The retail complex contains 84 strata-titled shops, and is linked to the Potong Pasir MRT station. — By Tay Hock Meng