

## Q2 FY19 YEAR-END RESULTS REPORT

22 August 2019

<b>Name of FIC: E&amp;K Green Resources Ltd (E&amp;K)</b>		<b>FIC Website: www.e&amp;k-green.com.my</b>
<b>Business Summary: Involved in hire purchase financing for used motor vehicles, insurance agency business and furniture business</b>		
<b>Top Three Shareholders as of 31 June 2019:</b>		
Tech Stock Charid Teo Stock Chat		40.3%
Dr Young Cheong Cheong King Yee Chai		8.2%
<b>Market / Sector</b>	<b>Main / Finance</b>	<b>Stock Code:</b> <b>Bloomberg Ticker:</b>
		2228 E&K.MF
<b>Market Capitalisation:</b>	<b>RM190.7m</b>	<b>Recommendation:</b>
		BUY
<b>Target Price:</b>	<b>RM 1.00</b>	<b>Expected Capital Gain:</b>
		0.0%
<b>Current Price:</b>	<b>RM 1.03</b>	<b>Expected Div. Yield:</b>
		2.3%
		<b>Expected Total Return:</b>
		2.4%
<b>Analyst: Bryan Chua   Tel: +603 2197 1200; Email: <a href="mailto:bchua@bct.com.my">bchua@bct.com.my</a></b>		

Key Stock Metrics	2018	2017	2016	2015
EPS (sen)	0.7	0.1	0.0	0.2
EPS (c)	0.0	0.0	0.0	0.0
EPS (w/Divid)	0.7	0.1	0.0	0.0
EPS (w/Divid)	0.0	0.0	0.0	0.0
Net Dividend/Share (sen)	0.0	0.0	0.0	0.0
Net Dividend Yield (%)	0.0	0.0	0.0	0.0
Book Value/Share (RM)	1.03	0.99	0.93	1.00
Book Value/Share (RM)	1.03	0.99	0.93	1.00
30-day Trailing Price (RM)	1.03	0.99	0.93	1.00
52-week High Price (RM)	1.03	0.99	0.93	1.00
52-week Low Price (RM)	0.93	0.88	0.83	0.88
Company Volume (Shares)	185,000	185,000	185,000	185,000

Key Share Data	2018	2017	2016	2015
Free and 14 Month				
Book Value/Share (RM)	1.03	0.99	0.93	1.00
Operating Earnings (sen)	0.0	0.0	0.0	0.0
EPS (sen)	0.7	0.1	0.0	0.2
Net Dividend/Share (sen)	0.0	0.0	0.0	0.0
EPS (c)	0.0	0.0	0.0	0.0
EPS (w/Divid)	0.7	0.1	0.0	0.0
EPS (w/Divid)	0.0	0.0	0.0	0.0
Net Dividend Yield (%)	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.0	0.0	0.0
Net Dividend Yield (%)	0.0	0.0	0.0	0.0
Net Dividend Yield (%)	0.0	0.0	0.0	0.0

F&A Analysis (RM mil)	2018	2017	2016	2015
Revenue	104.7	112.0	112.3	104.7
EBITDA	10.0	10.0	10.0	10.0
Operating Profit	10.0	10.0	10.0	10.0
Net Profit	10.0	10.0	10.0	10.0
Net Profit	10.0	10.0	10.0	10.0
EBITDA Margin (%)	10.0	10.0	10.0	10.0
Operating Profit Margin (%)	10.0	10.0	10.0	10.0
Net Profit Margin (%)	10.0	10.0	10.0	10.0

### 3. Q2 FY19 Results Highlight

	1Q FY19	1Q FY18	Chg
	RMm	RMm	%
Revenue	104.7	104.7	0.0%
Operating Profit	10.0	10.0	0.0%
Finance cost	10.0	10.0	0.0%
Net Profit	10.0	10.0	0.0%
Net Profit	10.0	10.0	0.0%
Free Profit without Impairment	10.0	10.0	0.0%
Net Margin (%)	10.0	10.0	0.0%
Net Margin (%)	10.0	10.0	0.0%

- 1Q FY19 group revenue improved 23.1% y-o-y to RM111.5m while net profit increased by 14.9% y-o-y to RM11.5m. The good set of results was attributable to both better performance in the Hire Purchase (HP) and Furniture divisions. However, a lower margin was recorded due to higher finance cost. Stripping off F&A costs and impairment allowance, the core margin was 2.0xpt lower at 36.5% as compared to 38.6%, with y-o-y growth of 15.6% in core profit.
- For the HP segment, revenue grew 20.0% y-o-y to RM11.5m as HP receivables registered notable growth of 24.3% y-o-y from RM11.2m in 1Q FY18. IFR registered a lower rate of 13.0% y-o-y to RM11.5m due to higher staff costs attributed to a larger workforce post portfolio expansion, as well as higher finance cost.