

Singapore Strategy

Top 20 net cash to market cap companies



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SINGAPORE | STRATEGY SNIPPET

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- With the market in a tailspin, we will periodically screen companies that enjoy some of the strongest balance sheets in comparison to their market cap.
- Our screening criteria for the Top 20 net cash to market capitalisation companies are: i) company has to be above S\$100mn in market capitalization ii) excludes financial companies (a large part of their cash holdings are customer deposits).
- Some of the stocks generated in our screen are under our coverage – Penguin International and PropNex. We have a BUY recommendation on both companies.
- The screen not only shows the healthy balance-sheet of the company, but it can also reflect how cheap the valuations of the company especially when we strip out the cash.

- Screening criteria:
 - Highest net cash to market capitalisation ratio.
 - Market capitalisation of S\$100mn and above.
 - Exclude banks, finance and insurance companies.

Figure 1: Based on the screen, 1 company trades below cash

Company	Market Cap. S\$mn	Cash S\$mn	Total Debt S\$mn	Net Cash S\$mn	Net cash to Mkt cap.	Avg. Daily Vol.(30D)	Last Px
HONG LEONG ASIA LTD	325.3	1,208.5	723.6	484.9	1.49	193	0.41
CREATIVE TECHNOLOGY LTD	145.3	135.5	8.4	127.1	0.87	61	0.20
NSL LTD	272.7	281.6	54.6	227.0	0.83	17	0.30
CHUAN HUP HOLDINGS LTD	184.7	145.4	0.0	145.4	0.79	107	0.55
CHINA SUNSINE CHEMICAL HLDGS	312.1	247.1	2.0	245.2	0.79	713	0.89
VALUETRONICS HOLDINGS LTD	230.6	181.4	0.5	180.9	0.78	2,315	0.46
CHINA AVIATION OIL SINGAPORE	782.8	509.3	20.0	489.3	0.63	614	0.47
YEO HIAP SENG LTD	481.3	301.2	21.8	279.4	0.58	21	0.20
HANWELL HOLDINGS LTD	100.7	131.2	77.5	53.7	0.53	248	0.68
PENGUIN INTERNATIONAL LTD	109.0	59.9	2.4	57.5	0.53	585	0.50
DUTY FREE INTERNATIONAL LTD	149.8	114.8	37.7	77.1	0.51	235	0.60
PEC LTD	128.8	96.5	31.1	65.4	0.51	33	0.80
HRNETGROUP LTD	498.5	266.2	14.3	251.9	0.51	416	0.84
HOCK LIAN SENG HOLDINGS LTD	153.6	77.6	0.0	77.6	0.50	117	1.71
FU YU CORP LTD	158.1	85.1	9.4	75.7	0.48	2,271	0.68
GENTING SINGAPORE LTD	8,385.0	3,947.2	260.6	3,686.6	0.44	36,237	0.03
CHALLENGER TECHNOLOGIES LTD	157.1	77.9	12.3	65.6	0.42	36	0.63
PROPnex LTD	183.2	81.6	5.3	76.3	0.42	332	15.31
BUND CENTER INVESTMENT LTD	390.8	159.5	0.1	159.4	0.41	18	0.27
UNITED GLOBAL LTD	139.1	53.5	0.2	53.3	0.38	121	7.65

Source: Bloomberg, PSR

#Explanation – A ratio of 0.87, means 87% of the market cap is cash on hand.

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