GKE Corporation Limited

8 June 2021

BUY
(Initiation)

Price: S$0.134 (as at 7 June 2021)

Target Price: S$0.163 (+21.6%)

BBG	GKEC SP
Market cap	S$103.9m
Price (7 June 2021)	S$0.134
52-week range	S$0.061 – S$0.152
Target Price	S$0.163
Shares Outstanding	775.1m
Free Float	48.1%
Major Shareholder	Yong Hua Chen 8.7% Chen Li Rong 7.5% Qian Wen Hua 7.3% Zhu Jun Wen 7.3%
P/BV (11/20)	1.2x
Net Debt to EBITDA (05/20)	1.5x

Source: Company data, Bloomberg, SAC Capital

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Cementing position as warehousing provider and concrete producer

GKE Corporation Limited is an integrated warehousing and logistics solutions provider and ready-mixed concrete supplier. GKE's third-party logistics segment offers door-to-door multi-modal solutions for supply chain management in Singapore. The Group's ready-mixed concrete segment in China is involved in producing and manufacturing brick, building materials and cement products in Wuzhou and Cenxi cities.

Strong 1HFY21, stellar results expected for FY2021. GKE reported a 9.2% yoy increase in revenue to S$60.1 million in 1HFY21 ending 30 Nov 2020**.** The Group's gross margin improved from 18.6% to 24.2% with i) increase in contribution by infrastructural segment which generally has higher margins; and ii) higher utilisation of warehousing space for the logistics segment due to Covid-induced stockpiling. PATMI surged by 3.6x to S$6.5 million due to improvements in margins, which we expect can be maintained moving forward.

China's urbanisation plans to be tailwind. Urbanisation of Wuzhou and Cenxi cities to upgrade the infrastructure will bring sustained demand for ready-mixed concrete. Rapid urbanisation plans in Wuzhou to upgrade the infrastructure of the city will support the demand for the Group's infrastructural segment. With Cenxi's new plant upcoming, total capacity of production including Wuzhou's existing 3 production lines would be increased to 1.6 million m^3. Current utilisation rate of ~50% means output can be raised when demand increases.

Initiate with a BUY rating, at fair value of S$0.163. Our DCF-derived target price translates into a FY21E/FY22E P/E of 10.7x and 10.4x respectively. We expect China's urbanisation plans to continue to drive demand for RMC. Addition of Cenxi plant would increase capacity by 30%, which would lift infrastructural segment contribution and hence Group margins. Our target price implies a 21.6% upside to the last traded price.

Key Risks: High operating leverage and short expiry contract terms for warehousing segment

Key Financials

FY ended 31 May	FY2019	FY2020	FY2021E	FY2022E	FY2023E
Revenue (S$'m)	88.2	107.3	121.3	135.6	149.5
EBIT (S$'m)	2.7	11.7	20.3	20.7	22.2
Net profit (S$'m)	(2.1)	4.7	11.9	12.2	13.4
Basic EPS (S cents)	(0.31)	0.61	1.53	1.57	1.72
Dividend per share (S cents)	-	-	-	0.76	0.78
Net cash / (debt)	(57.6)	(41.8)	(25.3)	(15.9)	(9.9)
Valuation					
EBIT margin (%)	3.1	10.9	16.8	15.3	14.8
ROIC (%)	0.4	5.8	12.1	12.1	12.8
EV/EBITDA (x)	12.9	5.3	3.6	3.2	2.8
P/E (x)	NA	22.1	8.8	8.5	7.8
Dividend yield (%)	-	-	-	5.7	5.9

Investment Summary

Revenue (S$'m)	Third party logistics	Infrastructural (RMC)
FY2020	70.4	36.9
FY2019	63.8	24.5
FY2018	53.3	18.2

Source: Company data

Warehousing & logistics solutions provider in Singapore

GKE's warehousing and logistics segment provides end-to-end logistics solutions and services. These services comprise receiving cargoes at destinations, freight forwarding, providing storage and inventory management warehouses, project logistics management and arranging for delivery in Singapore and around the world.

GKE's customers come from a wide array of industries, including manufacturing, food and beverage, oil & gas, chemical and pharmaceutical companies, among others. GKE seeks to value-add by providing a full-stop service, translating to higher efficiencies for customers.

Infrastructural materials and services supplier in China

GKE's infrastructural segment focuses on the supply chain of infrastructural materials (ready-mixed concrete) and services, targeting mainly the private infrastructural, real estate development, and construction sectors in China, specifically, in Wuzhou and Cenxi.

Wuzhou Xing Jian, together with the new Cenxi Xing Jian (~80km from Wuzhou) that would be operational later this calendar year, is primarily engaged in the manufacturing and supply of ready-mixed concrete (RMC) in Wuzhou and Cenxi cities respectively.

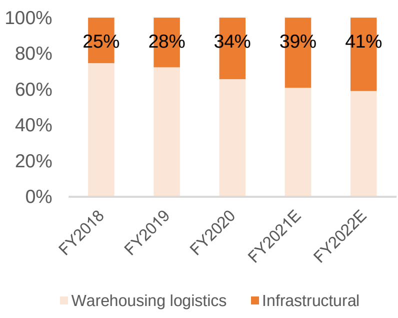
Through Wuzhou Xing Jian, the Group also has:

1. A 24% stake in Cenxi Haoyi Recycling, which recycles construction material waste; and

2. Ownership of mining rights for 9.5 years (starting May 2019) which allows the Group to receive RMB3/tonne of limestone output produced and sold by its joint venture partners. This provides recurring income for the Group.

Good 1HFY21, stellar results expected for FY2021

Revenue contribution (%)



Source: Company data

GKE reported a 9.2% yoy increase in revenue to S$60.1 million in 1HFY21 ending 30 Nov 2020. This was mainly due to higher revenue contributed by Wuzhou Xing Jian RMC plant, coupled with an increase in storage revenue from the logistics segment due to Covid stockpiling. PATMI surged by 3.6x to S$6.5 million due to improvements in margins, which we believe can be maintained going forward. Overall gross margin rose from 18.6% in 1HFY20 to 24.2% in 1HFY21.

For logistics segment, which has high fixed costs, stockpiling has increased utilisation rates which will give economies of scale and bring down unitary costs. We expect FY2021 to see higher segmental margins from logistics.

Infrastructural segment brings in higher margins and has been seeing double-digit yoy revenue growth. With the Group's the third line of production in Wuzhou and Cenxi's new plant expected to be operational in 2HFY22, differences in revenue contributions of both segments will narrow further, improving Group margins going forward.

Investment Summary

New RMC plants increase total capacity to 1.6 million m^3

The Group expanded capacity of its Wuzhou Xing Jian RMC plant by 400,000m^3 per annum in September 2020, bringing total production capacity of Wuzhou's plants to 1.2 million m^3 per annum.

Construction of the new Cenxi Xing Jian RMC plant (~80km from Wuzhou) is also almost completed, and would see production capacity of 400,000m^3 per annum, which would contribute more substantially to 2HFY22 results, as we anticipate some downtime is needed for testing.

Wuzhou Xing Jian and Cenxi Xing Jian have a total fleet of around 40-50 mixer trucks. Management guided that the current utilisation rate for their plants is ~50%, which means output can be raised. Trucks can be leased to accommodate to short-term fluctuations in demand.

China's urbanisation plans to be tailwind

Rapid urbanisation plans in Wuzhou to upgrade the infrastructure of the city will support the demand for the Group's infrastructural segment. The urban development plan for Wuzhou includes property development, better roadway connectivity, and potentially to also build the city into a logistics hub.

This long-term plan is expected to continue to last at least until the end of the decade, seeing that Wuzhou is still largely underdeveloped compared to many other parts of China. This will create a sustained demand for ready-mixed concrete as it is one of the building blocks for construction.

In addition to Wuzhou, the Group's new RMC manufacturing plant in Cenxi will add to revenue with its ~30% addition to production capacity, after construction and testing is completed.

Indoor farming as a small diversification

GKE Agritech is the Group's wholly-owned subsidiary for indoor farming. Management said the idea came about after the importance of self-sufficiency of food became glaring during our Circuit Breaker in Singapore last year. GKE Agritech obtained the farm license from SFA in March 2021, which allows them to grow and sell its produce (only Kale currently) commercially in Singapore.

The Group converted its office premises at 6 Pioneer Walk into an indoor farm with a cultivation area of 2,400 sq ft, and target to expand to 12,500 sq ft. Although this is profitable, given the small scale, we do not expect operations to materially add to Group's profit.

Initiate with a BUY rating, at fair value of S$0.163

Our DCF-derived target price translates into a FY21E/FY22E P/E of 10.7x and 10.4x respectively. We expect China's urbanisation plans to continue to drive demand for RMC. Addition of Cenxi plant would increase capacity by 30%, which would lift infrastructural segment contribution and hence Group margins. Our target price implies a 21.6% upside to the last traded price.

Financial Summary

Revenue (S$'m)	Third party logistics	Infrastruc-tural
FY2020	70.4	36.9
FY2019	63.8	24.5
FY2018	53.3	18.2

PBT margin	Third party logistics	Infrastruc-tural
FY2020	2.6%	19.6%
FY2019	-4.6%	14.9%
FY2018	-0.5%	11.6%

Source: Company data

Stellar results expected for FY2021

The Group recorded a 9.2% yoy increase in revenue to S$60.1 million in 1HFY21 ending 30 Nov 2020, mainly due to higher revenue contributed by ready-mixed concrete manufacturing plant of Wuzhou Xing Jian, coupled with an increase in storage revenue from the third-party logistics segment with higher utilisation of space. PATMI surged by 3.6x to S$6.5 million, from S$1.8 million, due to improvements in margins.

Previously in FY2020 (ending 31 May 2020), the logistics segment grew 10.4% yoy to bring S$70.4m in revenue, contributing 65.6% to total revenue. However, this only made up 20.0% of profit before tax (PBT), giving a PBT margin of 2.6%.

Infrastructural segment, comprising largely ready-mixed concrete (RMC) supply surged 50.7% yoy in FY2020 to bring S$36.9m in revenue, but contributed 80.0% to PBT. PBT margin of infrastructural segment was significantly higher at 19.6%. We expect net margins of the segment to remain higher than logistics.

Overall gross margin likely to improve

The Group's gross margin improved from 18.6% in 1HFY20 to 24.2% in 1HFY21, mainly due to i) an increase in contribution by infrastructural segment (to ~40% of revenue in 1HFY21, from 34.4% in FY20) which generally has higher margins comparatively; and ii) higher utilisation of warehousing space for the logistics segment.

For logistics segment, which has high fixed costs, stockpiling has increased utilisation rates which will give economies of scale and bring down unitary costs. We expect FY21 to see significant improvements in margins.

Infrastructural logistics segment brings in higher margins and has been seeing double-digit yoy growth in topline, thanks to the urbanisation projects in China. With the Group's new cement plant up and running in Wuzhou, and Cenxi's to be expected to be up in 2HFY22, we expect that differences in revenue contributions of both segments will narrow further as infrastructural segment's rise in FY2022. Overall margins are likely to increase.

Turnaround year with positive accumulated earnings

During 1HFY21, the net cash generated from operations amounted to approximately S$11.1 million, up from S$2.6 million. Overall increase in cash during the HY was S$4.4 million.

Accumulated losses from previous years reversed. As at May 2020, accumulated losses was S$6.3 million, which their 1HFY21 results more than netted off, to give a retained earnings of S$0.3 million. FY2021 is a turnaround year for the Group as they start to enjoy positive retained earnings from their business operations.

We expect lower net gearing ratio going forward as the GKE generates higher cash flows.

Financial Summary

Marquis Services became wholly-owned subsidiary

GKE bought the remaining 30% stake in Marquis Services Pte Ltd, a specialty chemicals storage and management specialist that handles chemical products and flammable materials. It also does industrial coating blending services and marine support services. GKE paid S$2.7m for the acquisition, with net tangible assets of Marquis sitting at S$5.5m.

Marquis has been a profitable subsidiary and the acquisition of stake will positively add to the Group's result under the logistics segment. This also adds to recurring income as contracts for Marquis with its customers are usually locked in for a period of 2 years, and marine logistics businesses have lower competition due to its harder penetration.

Sale of Van der Horst

Sale of 65% stake in Van der Horst subsidiary is expected to increase cash at bank by RMB 58.5 million (~ S$12.2 million) over 3 tranches, of which, GKE received a total of 50% to date. The remaining 50% will be collected within the next year.

Tax rate to stabilise

The Group saw high tax rates in FY2020 due to the high non-deductible expenses, and losses from some entities in the Group. In addition, the higher China corporate tax rate, with an additional VAT element led to a higher Group effective tax rate. However, the effective tax rate had dropped from 47.7% in 1HFY20 to 30.3% in 1HFY21, mainly due to the higher profit from subsidiaries in Singapore. We expect tax rate to normalise to ~30% for FY2021 and stabilise going forward.

Dividend policy

Although there is no fixed dividend policy, we expect GKE could possibly pay out a dividend in 2021. The previous time GKE paid a dividend was in Sep 2016 when they were profitable. At 0.6 cents per share, dividend yield was 7.1% at a share price of S$0.084 (as at 31 May 2016). This also translated to a payout ratio of 67.4% based on FY2016 results. We conservatively based our estimates on a 50% payout ratio.

Growth Drivers

Logistics services – Covid-induced stock piling

The disruption to supply chains early during the pandemic last year led to longer storage periods by customers, bringing higher occupancies across the 4 warehouses. This higher demand against limited warehouse space also led to better rental rates. The logistics segment has high fixed costs, such as rental, thus higher occupancy rates bring about significant economies of scale.

Warehouse	Built-in space (sq ft)	Open yard (sq ft)	Lease / owed
No. 39 Benoi Road	400,000	130,000	Owned on leasehold, expiring Feb 2037
No. 30 Pioneer Road	200,000	32,000	Leased from ESR-Reit, renewed lease for five years commencing on 15 Apr 2021
No. 6 Pioneer Walk	170,000	76,000	Owned on leasehold, expiring April 2036
7 Kwong Min Road	43,000	-	Owned on leasehold, expiring June 2028
Total area	**813,000**	**238,000**	

Source: Company data

Long-term customers make up ~90% of revenue. The remaining 10% is taken up by ad-hoc customers. The pandemic allowed GKE to penetrate the healthcare and medical supplies sector. These products are charged higher rental rates due to more stringent storage requirements. GKE is also further looking to add cold storage capabilities to their warehouses.

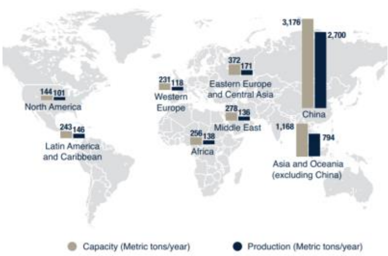
Trade activity is mostly still ongoing as Singapore's trade doors remain open. With many companies sticking with just-in-time inventory management to just-in-case, to insulate against supply chain disruptions, we expect that going into FY2022, the Group can continue to enjoy higher margins than pre-Covid, as uncertainty still lingers and would continue to hold up occupancy ratios.

Ongoing urbanisation projects in China to be tailwind

Rapid urbanisation plans in Wuzhou to upgrade the infrastructure of the city will support the demand for the Group's infrastructural segment. The urban development plan for Wuzhou includes property development, better roadway connectivity, and potentially to also build the city into a logistics hub.

This long-term plan is expected to continue to last at least until the end of the decade, seeing that Wuzhou is still largely underdeveloped compared to many other parts of China. This will create a sustained demand for ready-mixed concrete as it is one of the building blocks for construction.

In addition to Wuzhou, the Group's new RMC manufacturing plant in Cenxi will add to revenue with its ~30% addition to production capacity, after construction and testing is completed.



Source: CW Research 2020

Growth Drivers

New RMC plants increase total capacity to 1.6 million m^3

The Group expanded capacity of its Wuzhou Xing Jian RMC plant by 400,000m^3 per annum in September 2020, bringing total production capacity of Wuzhou's plants to 1.2 million m^3 per annum.

Construction of the new Cenxi Xing Jian RMC plant (~80km from Wuzhou) is also almost completed, and would see production capacity of 400,000m^3 per annum, which would contribute more substantially to 2HFY22 results, as we anticipate some downtime is needed for testing.

Wuzhou Xing Jian and Cenxi Xing Jian have a total fleet of around 40-50 mixer trucks. Management guided that the current utilisation rate for their plants is ~50%, which means there is idle capacity to increase production when needed. Trucks can be leased to accommodate to short-term fluctuations in demand.

Average selling price of RMC

According to IFC, Covid-19 has decreased the global average selling price (ASP) of cement due to the slowdown in construction activity early last year. However, with the pick-up in activity over the past year, prices have stabilised, albeit still down from its highs.

According to Management, their ASP of RMC range from RMB 450–480 /m^3. The Group is the leading concrete supplier in Wuzhou with the highest production capacity, and has strong relationships with their customers, thus giving them some pricing power. Presence of competitors may however mean that the price would hover around this range despite the high demand for RMC.

Stake in other investments under infrastructural segment

Apart from its main focus on the supply of ready-mixed concrete, the Group also has, through Wuzhou Xing Jian:

1. A 24% stake in Cenxi Haoyi Recycling under a partnership with the Cenxi government

- Cenxi Haoyi Recycling recycles construction material waste in order to uphold environmental standards and prevent dumping of waste illegally.
- GKE targets to produce at least 6 million tonnes per annum of recycled construction materials when fully commercialised.
- The plant will also provide feedstock to the Cenxi RMC plant, which is located beside their recycling plant.

2. Ownership of mining rights giving recurring income

- GKE owns the mining rights for for 9.5 years (starting May 2019).
- This allows the Group to receive RMB3/tonne of limestone output produced and sold by its joint venture partners, and the rate is subject to a 15% increase every 3 years.

Key Risks

Short expiry of logistics contracts

Management guided that contracts are usually locked in for 1-2 years. There is a risk that companies revert back to the just-in-time approach to inventory management, which would decrease length of storage, and ultimately decrease rental yields and occupancy ratios.

In the near-term, however, we believe that with Covid still being a lingering uncertainty, companies will choose to adopt a more conservative approach to stock up on inventory. In addition, for long-term customers, which make up ~90% of revenue, renewal of contracts are highly likely.

Competition from other RMC suppliers in China

Market competition exists, even from many smaller-scale companies due to the high profitability of ready-mixed concrete. There may be an imbalance of supply and demand which may adversely affect the ASP and ability to keep market orders.

However, seeing that GKE is the biggest player in Wuzhou, economies of scale due to the volume and some pricing power remains. Furthermore, smaller players may lack cement quality, which is important in construction. GKE’s longstanding relationships with their customers also give them an edge.

Environmental and sustainability concerns

According to IFC, the cement industry has been moving towards decarbonisation, and the European Cement Association has set a target to reduce certain greenhouse gas emissions by about 30% by 2030 from 1990 levels.

According to China Concrete Network, in order to control air pollution, China’s Municipal Ecological Environment Bureau monitors the RMC industry closely through inspections, and impose new regulations when necessary. Companies that violate such environmental laws may be fined heavily, thus caution needs to be heeded on carbon emission levels to keep under limits.

Income Statement

S$'mil	FY2019A	FY2020A	FY2021E	FY2022E	FY2023E
	Fiscal Year Ended 31 May				
Revenue	**88.2**	**107.3**	**121.3**	**135.6**	**149.5**
Cost of sales	(73.0)	(85.4)	(93.4)	(103.0)	(113.6)
Gross profit	**15.3**	**21.8**	**27.9**	**32.5**	**35.9**
Other income	3.7	3.1	6.2	3.1	2.7
Marketing and distribution costs	(0.3)	(0.2)	(0.4)	(0.4)	(0.4)
Administrative expenses	(15.6)	(13.0)	(13.3)	(14.6)	(16.1)
Finance costs	(2.6)	(3.4)	(3.0)	(3.2)	(2.9)
Other income/(expenses)	(0.2)	0.1	0.1	0.1	0.1
Share of results of associates	(0.2)	-	(0.1)	0.1	0.2
Profit before tax	**0.2**	**8.4**	**17.4**	**17.6**	**19.3**
Tax expense	(2.1)	(3.6)	(5.2)	(5.1)	(5.6)
Profit/(loss) for the year	**(1.9)**	**4.8**	**12.2**	**12.5**	**13.7**
Profit/(Loss) attributable to owners of company	(2.1)	4.7	11.9	12.2	13.4
Minority Interests	0.2	0.1	0.3	0.3	0.4

Ratios

	FY2019A	FY2020A	FY2021E	FY2022E	FY2023E
	Fiscal Year Ended 31 May				
Profitability (%)					
Gross profit/(loss) margin	17.3	20.4	23.0	24.0	24.0
Profit/(loss) before tax margin	(2.4)	4.4	9.8	9.0	8.9
Liquidity (x)					
Current ratio	1.5	1.4	2.2	2.1	2.2
Quick ratio	1.5	1.4	2.2	2.1	2.2
Interest coverage ratio	1.1	3.5	6.7	6.5	7.5
Net Debt to Equity (%)	78.1	51.3	27.2	16.0	9.3
Valuation (x)					
P/E	NA	22.1	8.8	8.5	7.8
P/B	1.4	1.3	1.1	1.0	1.0
EV/EBITDA	12.9	5.3	3.6	3.2	2.8
Cash Conversion Cycle					
Trade receivable days	130	120	108	99	91
Inventory days	2	1	1	1	1
Trade payable days	70	59	55	51	47
CCC days	63	62	54	49	45

Balance Sheet

S$'mil	FY2019A	FY2020A	FY2021E	FY2022E	FY2023E
	Fiscal Year Ended 31 May				
Property, plant and equipment	114.8	129.8	110.5	114.5	116.8
Intangible assets	4.8	5.6	5.3	5.0	4.6
Investments in associates	-	1.0	1.9	1.9	1.9
Financial assets at FVTPL/AVS assets	0.3	0.3	0.1	0.1	0.1
Others	5.5	-	-	-	-
Non-current assets	**125.5**	**136.7**	**117.7**	**121.4**	**123.4**
Inventories	0.4	0.3	0.3	0.4	0.4
Trade and other receivables	31.5	35.2	36.0	36.7	37.4
Prepaid operating expenses	1.0	1.3	1.4	1.4	1.4
Cash and short-term deposits	11.7	23.1	38.8	44.2	46.6
Others	-	-	7.2	1.5	2.4
Current assets	**44.5**	**60.0**	**83.7**	**84.0**	**88.1**
Total assets	**170.0**	**196.7**	**201.4**	**205.5**	**211.6**
Other liabilities	3.0	2.5	2.5	2.5	2.5
Borrowings	60.0	55.2	54.6	50.9	48.0
Lease liabilities	2.5	13.3	12.0	13.2	14.5
Deferred tax liabilities	0.4	0.6	0.6	0.6	0.6
Non-current liabilities	**65.9**	**71.6**	**69.6**	**67.2**	**65.6**
Trade and other payables	13.9	13.9	14.1	14.4	14.7
Other liabilities	5.1	8.6	4.1	4.1	4.1
Derivative financial liabilities	-	2.0	1.9	1.9	1.9
Lease liabilities	-	8.0	6.4	7.0	7.8
Borrowings	9.3	9.7	9.5	9.1	8.5
Tax payable	0.8	1.3	2.6	2.6	2.8
Others	1.2	-	-	-	-
Current liabilities	**30.3**	**43.5**	**38.7**	**39.1**	**39.8**
Total liabilities	**96.3**	**115.1**	**108.3**	**106.3**	**105.3**
Share capital	78.2	85.1	85.1	85.1	85.1
Treasury shares	(0.7)	(1.1)	(1.5)	(1.5)	(1.5)
Retained earnings	(9.2)	(6.3)	5.1	10.8	17.4
Other reserves	0.5	(1.1)	(1.1)	(1.1)	(1.1)
Non-controlling interests	4.9	4.8	5.5	5.9	6.3
Total equity	**73.8**	**81.6**	**93.1**	**99.2**	**106.3**

** Cash and short-term deposits include cash at bank and other short-term deposits.*

Cash Flows Statement

S$'mil	FY2019A	FY2020A	FY2021E	FY2022E	FY2023E
	Fiscal Year Ended 31 May				
Cash flows from operating activities					
Profit/(loss) before tax	0.2	8.4	17.4	17.6	19.3
Depreciation and amortisation	9.8	15.7	15.6	16.3	18.0
Interest expense	2.6	3.4	3.0	3.2	2.9
Interest income	-	(0.1)	(0.1)	(0.1)	(0.1)
Share of results of associates	0.2	-	0.1	(0.1)	(0.2)
Others	0.3	-	(1.0)	-	-
OCF before changes in working capital	12.9	27.4	35.0	36.9	40.0
Changes in working capital	(4.6)	(1.1)	(0.5)	(0.5)	(0.5)
Interest received	-	0.1	0.1	0.1	0.1
Tax paid	(2.2)	(3.0)	(5.2)	(5.1)	(5.6)
Net cash from operating activities	**6.2**	**23.4**	**29.4**	**31.4**	**34.0**
Cash flows from investing activities					
Capital contribution into investment in associate	-	(1.0)	(0.9)	-	-
Net cash outflow from disposal of subsidiary	-	(0.2)	-	-	-
Proceeds from disposal of subsidiary	-	-	6.1	6.1	-
Purchase of property, plant and equipment	(2.3)	(1.9)	(5.9)	(10.0)	(10.0)
Others	3.0	0.2	0.3	-	-
Net cash used in investing activities	**0.6**	**(2.9)**	**(0.5)**	**(3.9)**	**(10.0)**
Cash flows from financing activities					
Dividends paid to owners/NCI	(0.4)	(0.2)	(0.5)	(6.5)	(6.7)
Repayment of lease liabilities	(1.6)	(8.4)	(8.4)	(8.4)	(8.4)
Interest paid	(2.6)	(3.4)	(3.0)	(3.2)	(2.9)
Proceeds from borrowings	3.4	4.3	6.6	4.8	5.2
Repayment of borrowings	(8.9)	(8.7)	(8.8)	(8.8)	(8.8)
Others	(0.2)	7.2	1.8	-	-
Net cash (used in)/from financing activities	**(10.2)**	**(9.2)**	**(12.3)**	**(22.1)**	**(21.6)**
Net increase in cash	**(3.4)**	**11.3**	**16.6**	**5.4**	**2.4**
Beginning cash	12.6	9.3	20.7	37.4	42.8
Ending Cash	**9.3**	**20.7**	**37.4**	**42.8**	**45.2**

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