Singapore Company Guide

Frasers Commercial Trust

Version 13 | Bloomberg: FCOT SP | Reuters: FRCR.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

19 Jan 2018

BUY

Last Traded Price (18 Jan 2018): S$1.51 (**STI :** 3,521.31)
Price Target 12-mth: S$1.71 (13% upside and 6.6% yield)
(Prev S$1.55)

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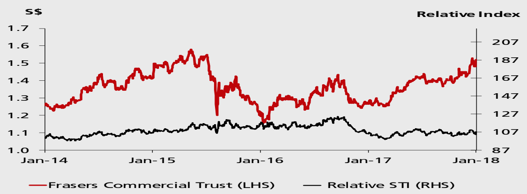
What's New

- Enters into a 50:50 JV with its Sponsor to acquire Farnborough Business Park for GBP174.6m
- DPU accretive acquisition with the property's long WALE of 8.3 years mitigating Brexit risks
- Acquisition kick-starts FCOT's inorganic growth strategy following overhang from the HP leases

Price Relative



Forecasts and Valuation

FY Sep (S$m)	2016A	2017A	2018F	2019F
Gross Revenue	157	157	145	158
Net Property Inc	116	114	102	114
Total Return	71.2	111	59.4	71.2
Distribution Inc	77.6	78.6	86.6	91.1
EPU (S cts)	9.06	6.40	6.82	7.84
EPU Gth (%)	(5)	(29)	7	15
DPU (S cts)	9.82	9.82	9.95	10.0
DPU Gth (%)	1	0	1	1
NAV per shr (S cts)	155	160	154	152
PE (X)	16.7	23.6	22.1	19.3
Distribution Yield (%)	6.5	6.5	6.6	6.6
P/NAV (x)	1.0	0.9	1.0	1.0
Aggregate Leverage (%)	35.9	34.6	37.1	37.9
ROAE (%)	5.9	4.1	4.5	5.2
DPU. Inc Chng (%):			1	2
Consensus DPU (S cts):			9.50	9.60
Other Broker Recs:		B: 2	S: 1	H: 3

Source of all data on this page: Company, DBS Bank, Bloomberg Finance L.P

A dawn of a new era

Laggard office play. We maintain our BUY call with a TP of S$1.71. While the share price of Frasers Commercial Trust (FCOT) over the past 18 months has rallied, it has lagged the other office REITs such as CapitaLand Commercial Trust (CCT) and Keppel REIT (KREIT) given concerns over the impact of HP vacating Alexandra Technopark (ATP) and concerns over a lack of growth. As these issues in our view have been addressed, we believe FCOT's share price should catch up, as the c.2% yield differential between FCOT and its large cap peers is higher than the historical average spread of c.0.8%.

Where we differ – Back on the growth path. Consensus has a HOLD call due to concerns that FCOT is ex-growth. However, we believe the acquisition of the Farnborough Business Park (FBP) puts FCOT back on the growth path as the UK now provides a growth avenue. The UK offers attractive yields relative to the tighter yields for office assets in Singapore and Australia, FCOT's original core markets. Moreover, with its sponsor expanding into the UK business park space, FCOT has increased its visible acquisition pipeline to over S$4bn. Thus, with resumption of growth, we believe FCOT should be accorded a premium as implied by our TP of S$1.71.

Clarity over HP lease. The news that HP Inc will stagger its exit from ATP finally removes the HP lease uncertainty as an overhang on FCOT. In addition, we believe the market should react positively as the change in tenant mix at ATP provides an opportunity raise rents post the completion of the AEI currently undertaken. Both these factors should act as re-rating catalysts.

Valuation:

After incorporating the acquisition of FBP and S$79m equity raising, we raised our DCF-based TP to S$1.71 from S$1.55.

Key Risks to Our View:

A key risk to our view is the market ignoring FCOT's ability to mitigate the loss of HP as a tenant and slower than expected recovery in office rents.

At A Glance

Issued Capital (m shrs)	809
Mkt. Cap (Sm/USm)	1,221 / 925
Major Shareholders (%)	
TCC Assets Ltd	26.8
Free Float (%)	73.2
3m Avg. Daily Val (US$m)	1.5
ICB Industry : Real Estate / Real Estate Investment Trust	

WHAT'S NEW

Maiden entry into the UK

Acquires Farnborough Business Park with its Sponsor

- FCOT announced it has entered into a 50:50 JV with its Sponsor, Frasers Centrepoint Limited (FCL) to acquire Farnborough Business Park (FBP) for GBP174.6m (c.S$314.8m) and estimated NPI yield of 6.3%. The acquisition price is slightly below the independent valuation of GBP175.05m. FCOT's share of the acquisition cost is GBP87.3m.
- FBP is located in the Blackwater Valley micro-market in the Thames Valley which is in the west of London. Spread over 46.5 hectares, the freehold business park has 14 commercial buildings with a total net lettable area (NLA) of c.555,000 sqft.
- The property is close to key motorways with a nearby train station providing a direct service to Waterloo Station in London. In addition, the business park is adjacent to the TAG Farnborough Airport and Farnborough International Exhibition & Conference Centre.
- Occupancy for the property as at 30 September is high at 98.1%. The tenant retention rate is also healthy at 89%.
- FBP also provides strong cashflow visibility with a long WALE of 8.3 years. There are no leases up for renewal in FY18 with only 8.8% and 2.1% of leases expiring in FY19 and FY20 respectively.
- The property has a diversified tenant base of 36 tenants which includes established companies such as Fluor Limited, INC Research UK Ltd, Time Inc (UK) Ltd, Aetna Global Benefits (UK) Ltd and a unit of Regus.
- The top five tenants represent c.65% of total gross rental income with the largest tenant Fluor comprising 35.6% of total gross rental income.
- The acquisition is expected to be completed by end January 2018 and funded through a combination of debt and equity.

Stable Blackwater Valley micro-market

- Blackwater Valley is home to a large pool of highly skilled workers, and has attracted blue chip tenants including multinationals such as Fluor, AON, Samsung, Ericsson, GE, Audi, Sanofi, Novartis and 3M.
- This quality of the talent pool is also boosted by access to the universities in the South East UK which provides access to over 340k university students.
- Key industries in the area include manufacturing, financial & business services, Hi-tech, TMT and aerospace.
- On the back of a healthy economy, rents in the area have risen from GBP19.50 psf per annum in 2012 to GBP26.50 currently. Occupancy rates over the same period have risen from 77.9% to 88.3%.
- Nevertheless, going forward we understand the investment case for FBP is based on the Blackwater market remaining stable.

Edge from having Sponsor's strong presence in the area

- While FCOT going into UK alone would have posed some risk given its lack of track record there, we believe one of the positive attributes of the acquisition is the fact FCOT is partnering with its Sponsor which has a strong presence in the Thames Valley market. Its sponsor currently has 4 other properties in the area.
- This ensures FCOT benefits from the clustering effect of multiple business parks in terms of access to prospective tenants and leasing agents but also overall information on the market.

Mitigating factors to Brexit risk

- In light of the Brexit vote, there is some uncertainty over the impact on the British economy and potential volatility of the GBPSGD FX rate which could negatively impact FCOT's exposure to the UK business park sector.
- However, we believe some of this Brexit risk is mitigated by the property's stable cashflows through a long WALE and having average passing rents of GBP21-22 psf per annum, which are below spot office rents of around GBP26.50.
- Furthermore, thus far, there has been limited impact on the UK economy since the Brexit vote with the UK economy still growing at a healthy rate, domestic profits rising, and there has been increased foreign direct investment in the UK.
- Furthermore, rents and occupancy in the Blackwater Valley have also been stable owing largely due to the industries in the area being non-financial.
- In terms of managing its FX risks, FCOT intends to enter into rolling 6-9 month hedges.
- Overall, we believe FCOT has taken a well calculated risk with its entry into the UK, with the earnings risks mitigated by having a property with stable long term cashflows and buying when there may be less competition for assets during a period of uncertainty.

DPU accretive transaction despite anticipated S$79m capital raising

- Assuming financial close for the FBP acquisition at end February combined with a S$79m raising (c.58m shares at S$1.37), we project a 1-2% accretion to our FY18-19F DPU. This should result in FCOT in delivering 1-2% per annum growth in DPU versus our previous forecast for a flat DPU profile.
- Post acquisition, we also estimate gearing to increase to c.37% from c.35% at end September 2017.
- In addition, proforma NPI contribution from UK will be approximately 8.0% with contribution from Australia and Singapore dropping to 43.3% and 48.7% from 47.1% and 52.9% respectively.
- Based on asset value, UK will represent 7.1% of FCOT's portfolio with Australia and Singapore making up 38.5% and 54.4% of the portfolio respectively. Australia and Singapore previously contributed 41.5% and 58.5% respectively.
- Finally, beyond the diversification of FCOT portfolio, the overall WALE will be extended to 3.8 years from 3.4 years.

Maintain BUY - Resumption of inorganic strategy to trigger re-rating

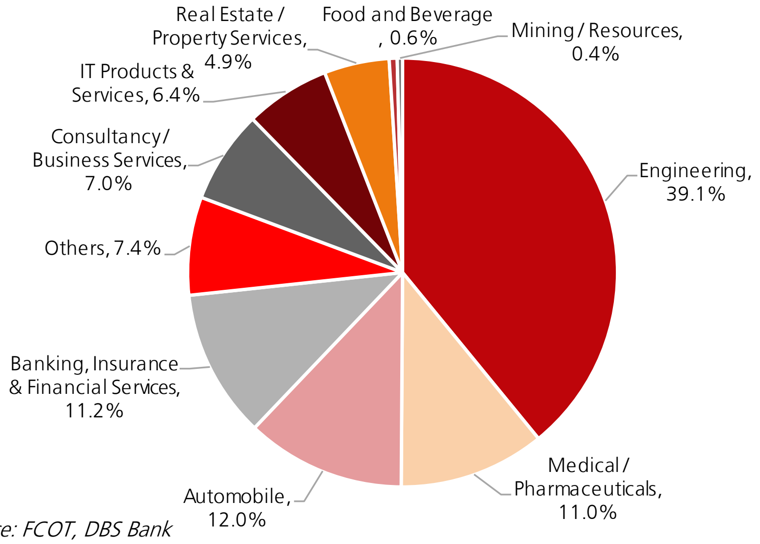
- We believe the expansion into the UK is the start of FCOT kick-starting its inorganic growth strategy and should allay any concerns that the REIT is ex-growth given the previous difficulty to identify DPU accretive acquisitions in Singapore and Australia due to the tight yields.
- With a visible acquisition pipeline from its Sponsor which has now doubled, we believe this should give investors' confidence that FCOT's growth outlook is secured. This should trigger a re-rating and reduce the c.2% yield differential between the large cap office REITs and FCOT to closer to the average yield differential of around 0.8% yield.
- To better reflect our positive view, potential redevelopment potential of FBP in the medium term (potential 30% increase in NLA) and prospects for stronger growth ahead, we raised our DCF-based TP to S$1.71 from S$1.55 after raising our terminal growth rate to 2% from 1.5% previously.
- Thus, with 13% capital upside and attractive 6.6% yield, we maintain our BUY call.

FBP's top ten tenants

	Tenant	Sector	% of gross rental income	Credit rating
1	Fluor Limited	Engineering	35.6%	A3 / A-
2	INC Research UK Ltd	Medical / Pharmaceuticals	10.8%	Ba2 / BB-
3	Time Inc(UK) Ltd	Publisher	6.5%	B1 / B
4	BollingInvestments Limited	Automobile	6.3%	n/a
5	Aetna Global Benefits (UK) Ltd	Insurance	5.9%	Baa2 / A
6	Barons Farnborough Limited	Automobile	4.7%	n/a
7	Red Hat UK Limited	IT	4.2%	BBB
8	CapQuestDebt Recovery Ltd	Financial services	3.3%	n/a
9	A unit of Regus	Service office	3.2%	n/a
10	Corporate Media Partners Limited	Consultancy	1.8%	n/a

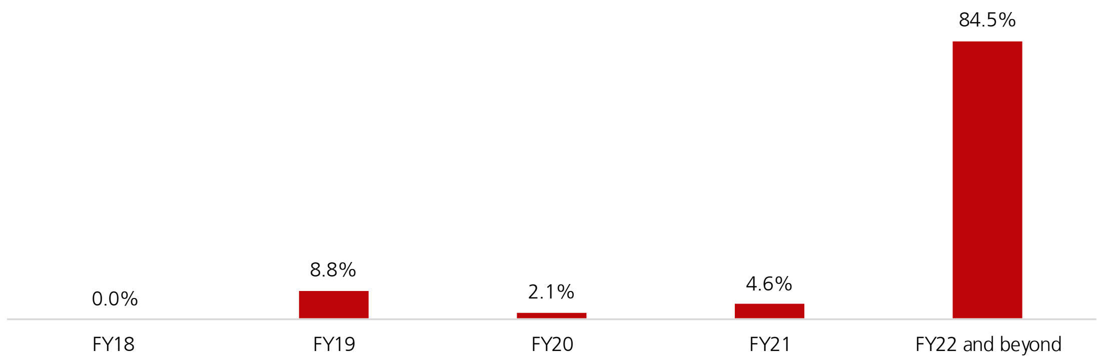
Source: FCOT, DBS Bank

Trade sector mix



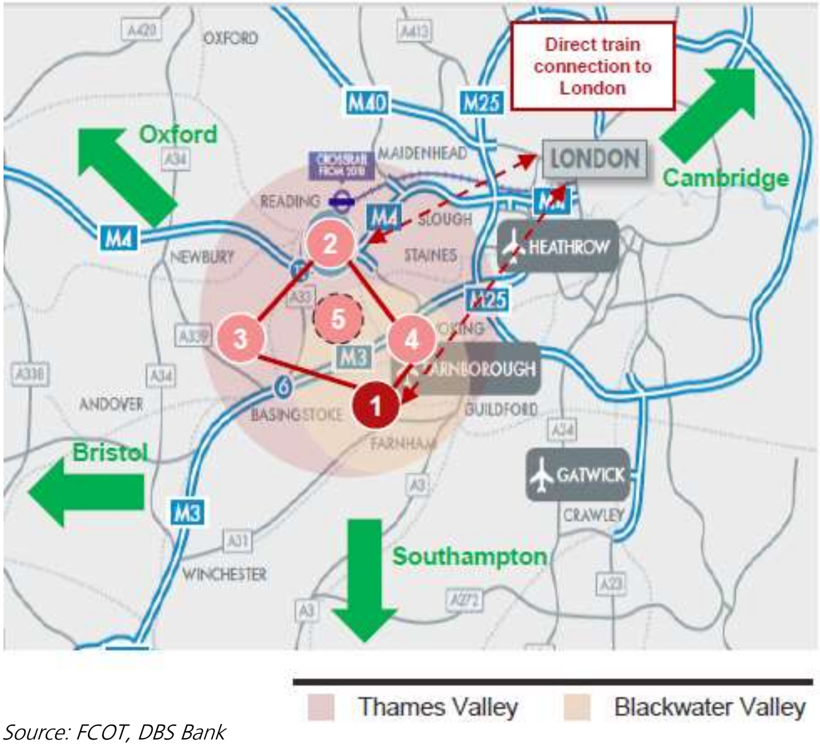
Source: FCOT, DBS Bank

Lease expiry profile



Source: FCOT, DBS Bank

FCL Group's Thames Valley network with strong transport connectivity

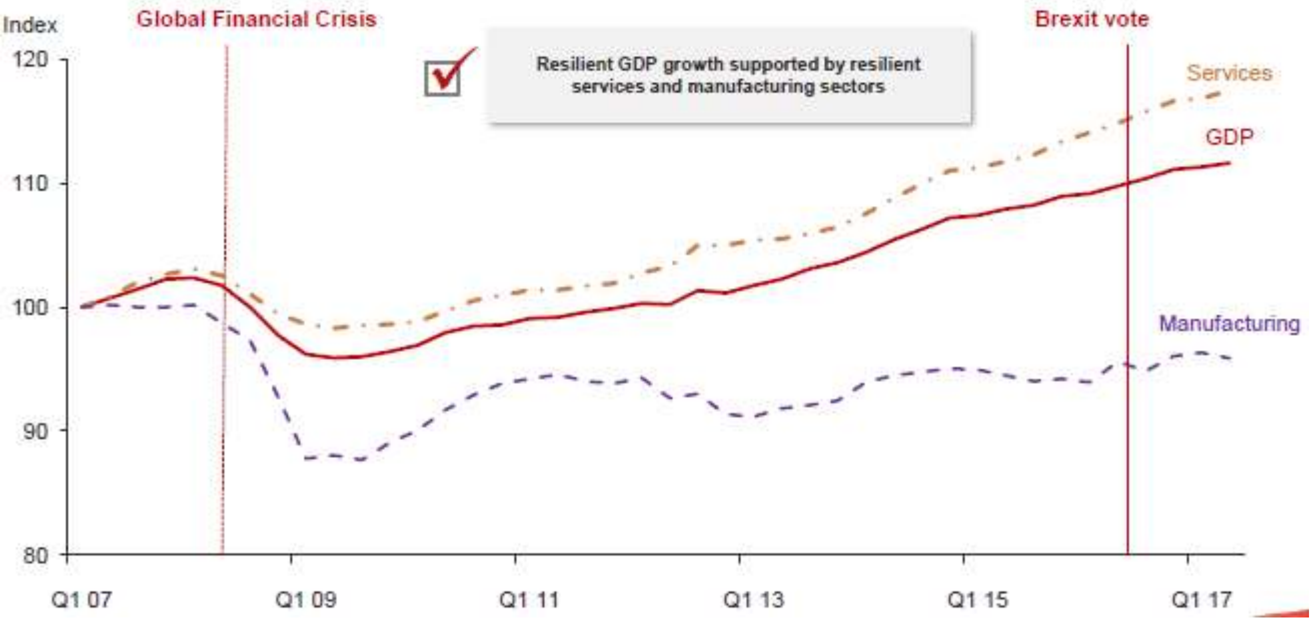


	ROAD	RAIL	AIR
1 Farnborough Business Park	5 km to M3 29 km to M25	34 min to London Waterloo Stn	40 km to Heathrow 1.6 km to TAG Farnborough Airport
2 Winnersh Triangle	1.6 km to M4 – J10 26 km to M25 – J48	8 min to Reading Stn 30 min to Paddington Stn	37 km to Heathrow
3 Chineham Park	5 km to M3 – J6 45 km to M25 – J2	16 min to Reading Stn	64 km to Heathrow
4 Watchmoor Park	1 km to M3 – J4 8 km to M25 – J2	34 min to London Waterloo Stn	29 km to Heathrow
5 Maxis[1]	8 km to M4 – J10 63 km to Central London	54 min[2] to Paddington Stn 62 min to London Waterloo Stn	32 km to Heathrow

FCOT / FCL   FCL

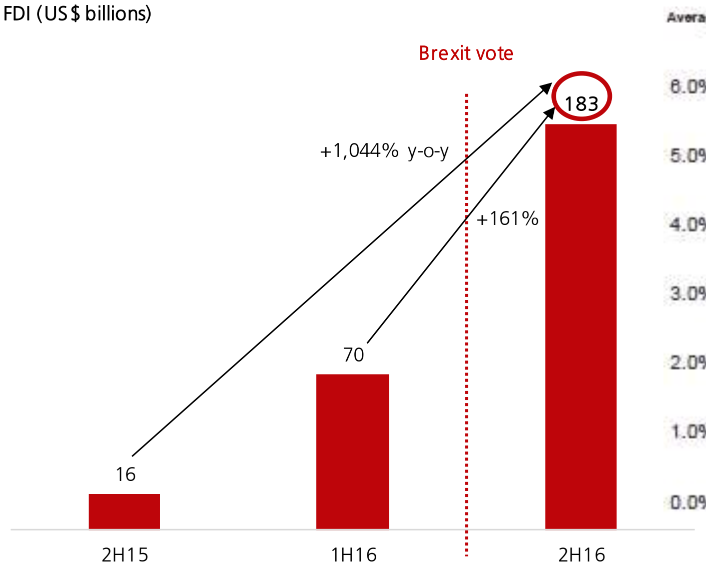
Source: FCOT, DBS Bank

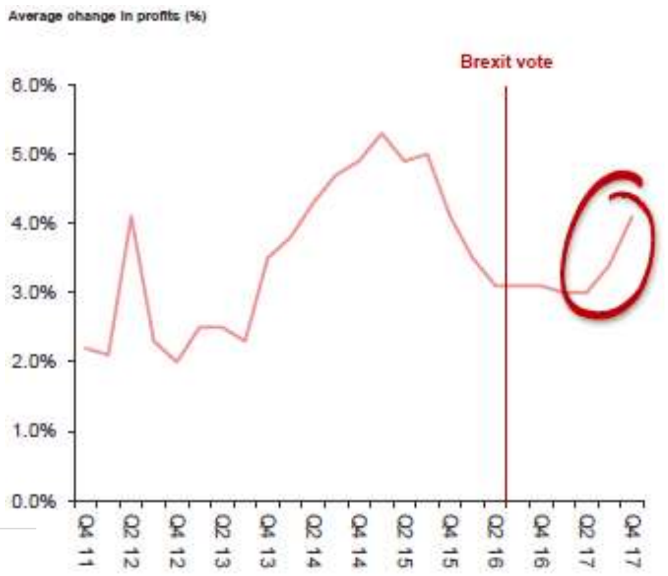
UK economy resilient despite the Brexit vote



Source: FCOT, DBS Bank

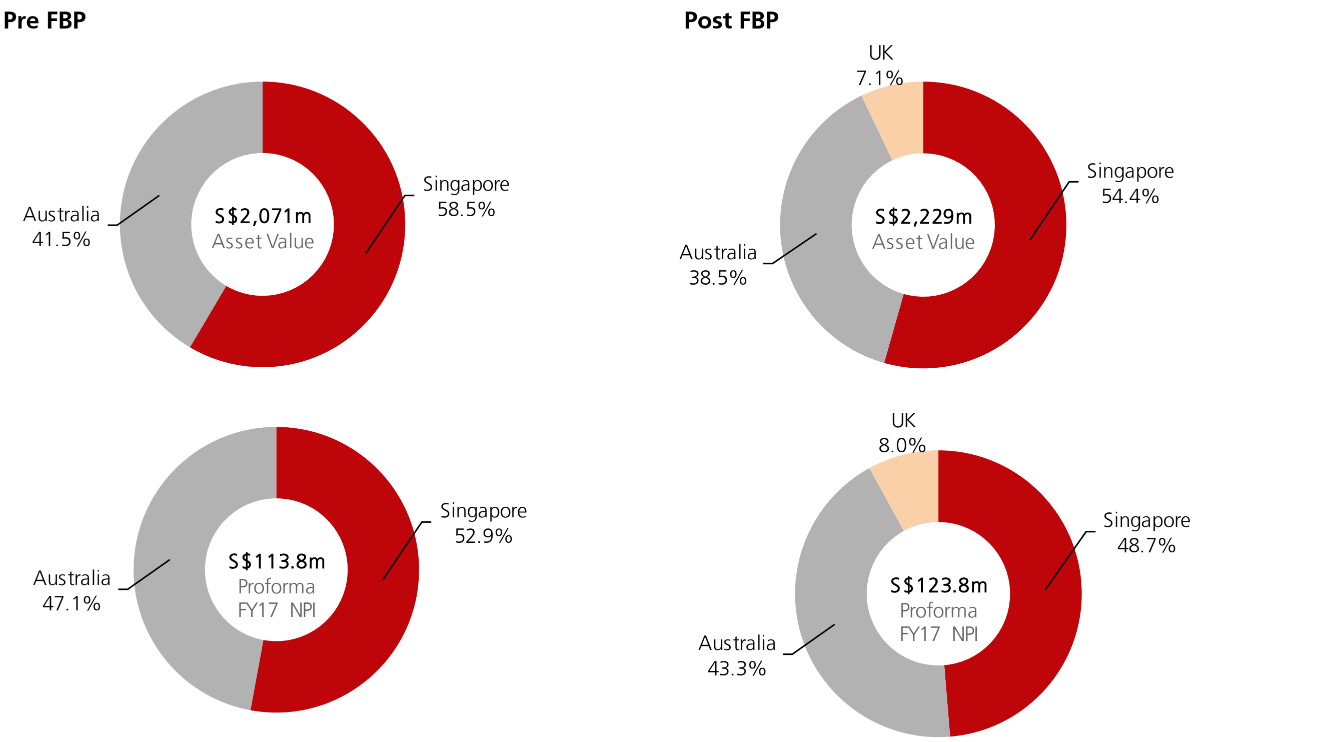
Post the Brexit vote FDI inflows have been resilient and domestic profits have picked up





Source: FCOT, DBS Bank

Geographic mix



Source: FCOT, DBS Bank

CRITICAL DATA POINTS TO WATCH

Critical Factors

Recovery in the Singapore office market. With supply pressures easing in Singapore and GDP growth expected to hit 3% according to our DBS economists, we expect Grade-A office rents to be on an upturn over the next 3-4 years. While FCOT's exposure in Singapore is predominantly Grade-B offices and business parks, whose rents are likely to lag, FCOT should also benefit from an upturn in office rents.

Earnings anchored by inbuilt rental escalations. FCOT's earnings are anchored by c.37% of its portfolio (mainly related to its Australian properties) having built-in annual rental escalations (weighted average of 2.9%). Thus, a significant portion of FCOT's DPU is supported by a visible and stable income stream.

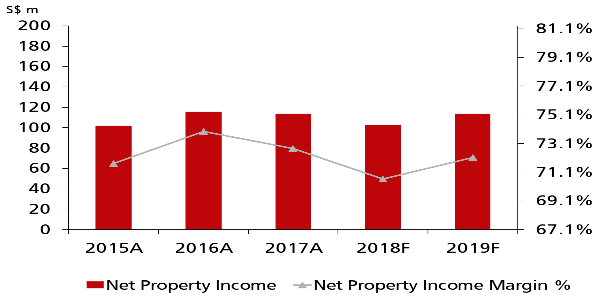
Medium-term upside from AEI at Alexandra Technopark. With HP Inc and HP Enterprise vacating Alexandra Technopark (ATP), FCOT has taken the opportunity to undertake a S$45m asset enhancement initiative (AEI) which we believe should enable FCOT to raise rents by 10% at the property over the medium term. Near term, the loss income from the end of the HP Inc and HP Enterprise (c.20% of top line) can be mitigated via the increase in the proportion of management fees paid in units from around zero currently to 100%.

AEI at China Square Central. Following the sale of land at China Square Central (CSC) to FCOT's Sponsor for the development of a hotel, FCOT will undertake an AEI at China Square Central closer to the completion of the hotel in mid-2019. We believe the AEI, as well as the improved vibrancy of the area and foot traffic once the hotel is open, will help drive rents higher in the medium term.

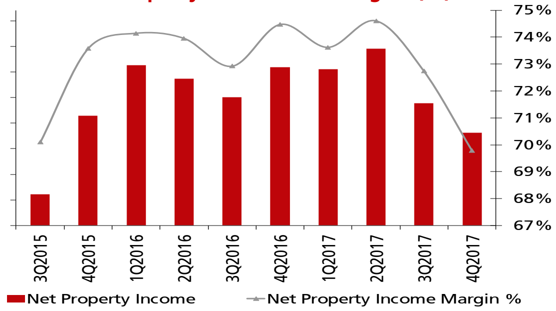
Positive exposure to Melbourne office market. Through the acquisition of 357 Collins Street in Melbourne, Australia, from its Sponsor in 2015, not only has FCOT gained exposure to a property with good cashflow visibility with a WALE of 3.6 years and inbuilt rental escalation clauses of 3.75-4% p.a., the REIT is now able to leverage on a healthy leasing market. According to Knight Frank, prime net face rents is forecast to grow by 5% p.a. over the next two years. In addition, the Melbourne CBD is ranked in the top five cities globally in terms of rental growth prospects over the next three years.

Expansion into UK. The recent acquisition of Farnborough Business Park (FBP) in the UK in our view provides FCOT with another growth avenue beyond its core markets of Australia and Singapore. With its sponsor holding another 4 business parks in the UK which it has extended the first right of refusal to FCOT, we believe incremental acquisitions in the UK will feature for FCOT over the coming years.

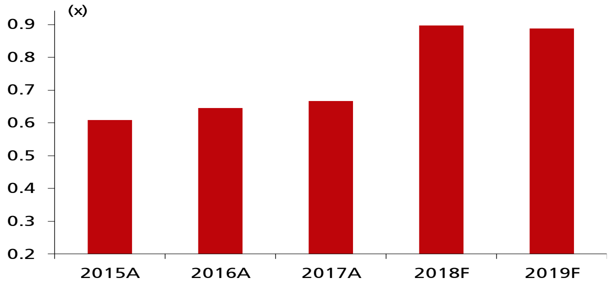
Net Property Income and Margins (%)



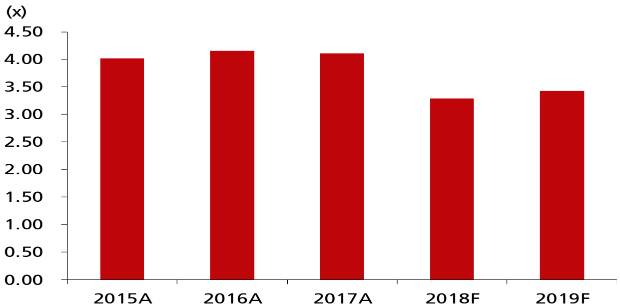
Net Property Income and Margins (%)



Distribution Paid / Net Operating CF



Interest Cover (x)



Source: Company, DBS Bank

Balance Sheet:

Gearing expected to increase to 37%. We project gearing to rise to c.37% from c.35% post the acquisition of FBP as well as undertaking a S$79m equity raising.

Well-spread debt maturity profile. The trust has well spread-out debt maturity, and has hedged 81% of gross borrowings, giving it a measure of protection against short-term fluctuations in interest rates.

Share Price Drivers:

Expansion into UK to change growth perception. We believe the recent expansion into UK should allay investor concerns that FCOT is ex-growth given the difficulty in identifying DPU accretive acquisitions in Australia and Singapore. The positive growth outlook should change investors' perception of the stock, leading to a re-rating of the stock.

Clarity over the HP leases. HP Inc potentially existing ATP has been an overhang over on FCOT's share price over the past year. However, we believe the news that HP Inc will be staggering its exit will be a re-rating catalyst. This is because FCOT will have time and income while it finds replacement tenants rather than the worst case scenario of 6-9 months of zero income for HP Inc's vacant space.

Key Risks:

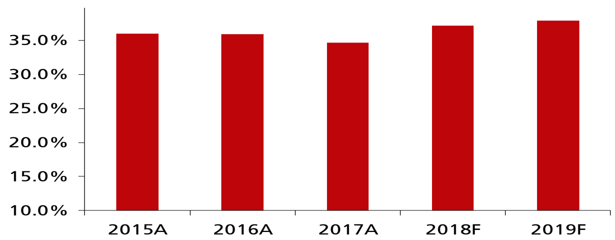
Rising interest rates. Any increase in interest rates will result in higher interest payments for FCOT. However, we note that c.81% of FCOT's loans are on fixed rates.

Unfavourable forex movements. FCOT will derive c.54% of its income Singapore with the remainder from Australia and the UK. Thus the REIT's DPU is subject to fluctuations in the AUD and GBP. To manage this risk, FCOT hedges its AUD and GBP exposures on a 6- to 9-month rolling basis.

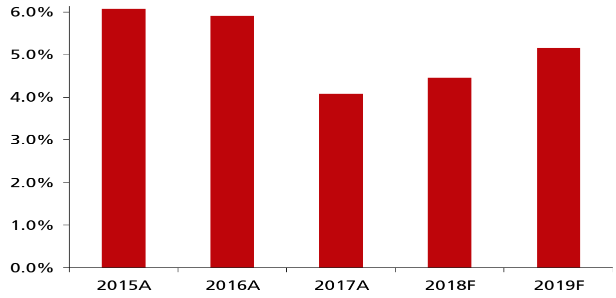
Company Background

Frasers Commercial Trust (FCOT) is a real estate investment trust that invests in income-producing commercial office properties in Singapore and Australia. Approximately 61% of FCOT's portfolio worth an aggregate S$2bn is from its properties in Singapore and the remaining 39% from Australia.

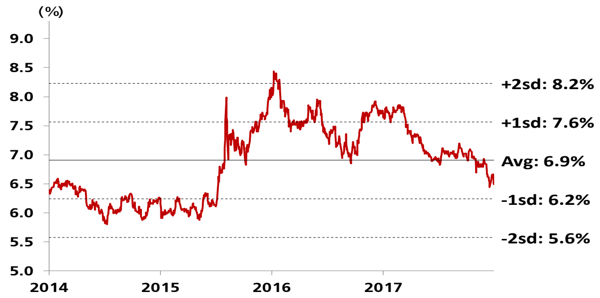
Aggregate Leverage (%)



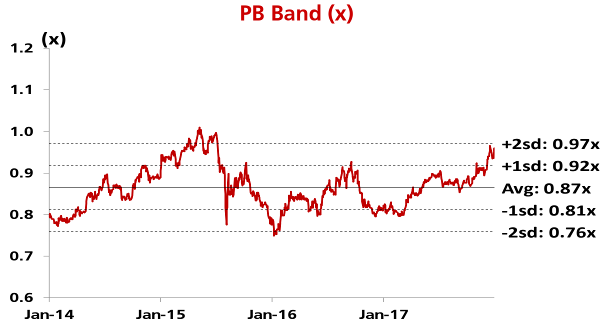
ROE (%)



Distribution Yield (%)

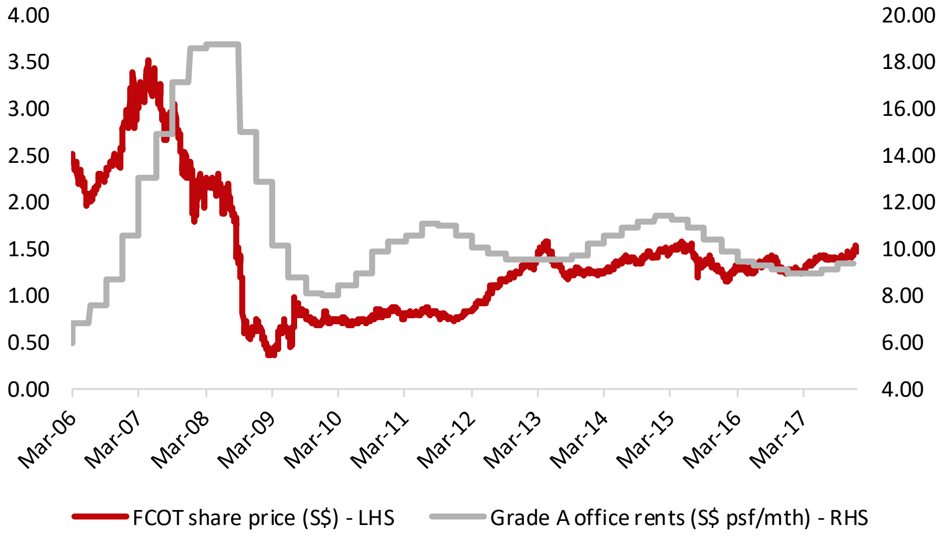


PB Band (x)



Source: Company, DBS Bank

FCOT share price versus Singapore office rents



Source: Bloomberg Finance L.P.,, STB, DBS Bank

Remarks

With Singapore being FCOT's largest exposure, FCOT's share price is correlated to spot office rents in Singapore.

With prospects for a recovery in office rents in 2018, and given we now have clarity over HP's lease, FCOT should re-rate with the other office REITs.

Income Statement (S$m)

FY Sep	2015A	2016A	2017A	2018F	2019F
Gross revenue	142	157	157	145	158
Property expenses	(40.3)	(40.9)	(42.7)	(42.7)	(44.2)
Net Property Income	102	116	114	102	114
Other Operating expenses	(14.8)	(15.3)	(15.5)	(18.1)	(17.6)
Other Non Opg (Exp)/Inc	(0.8)	0.59	0.59	0.0	0.0
Net Interest (Exp)/Inc	(21.7)	(24.1)	(23.9)	(25.6)	(28.1)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Net Income	64.6	76.8	75.1	64.7	77.3
Tax	5.20	(4.8)	(23.7)	(5.3)	(6.1)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Income After Tax	69.8	71.9	51.4	59.4	71.2
Total Return	75.2	71.2	111	59.4	71.2
Non-tax deductible Items	(7.4)	6.37	(32.8)	27.2	19.9
Net Inc available for Dist.	67.8	77.6	78.6	86.6	91.1
Growth & Ratio					
Revenue Gth (%)	19.6	10.1	0.0	(7.3)	9.0
N Property Inc Gth (%)	12.5	13.5	(1.5)	(10.1)	11.3
Net Inc Gth (%)	16.8	3.0	(28.6)	15.6	19.9
Dist. Payout Ratio (%)	100.0	100.0	100.0	100.0	100.0
Net Prop Inc Margins (%)	71.6	73.9	72.7	70.6	72.1
Net Income Margins (%)	49.1	46.0	32.8	40.9	45.0
Dist to revenue (%)	47.7	49.6	50.2	59.7	57.6
Managers & Trustee's fees	10.4	9.8	9.9	12.5	11.1
ROAE (%)	6.1	5.9	4.1	4.5	5.2
ROA (%)	3.6	3.5	2.4	2.6	3.0
ROCE (%)	4.5	4.7	3.2	3.5	3.8
Int. Cover (x)	4.0	4.2	4.1	3.3	3.4

Source: Company, DBS Bank

Decline in income due to loss of HP Enterprise and HP Inc as tenants offset by contribution from the acquisition of FBP

Quarterly / Interim Income Statement (S$m)

FY Sep	4Q2016	1Q2017	2Q2017	3Q2017	4Q2017
Gross revenue	39.3	39.7	40.2	38.3	38.3
Property expenses	(10.0)	(10.5)	(10.2)	(10.5)	(11.6)
Net Property Income	29.3	29.2	30.0	27.9	26.7
Other Operating expenses	(3.9)	(3.8)	(4.0)	(3.8)	(3.9)
Other Non Opg (Exp)/Inc	0.71	0.15	0.52	(0.5)	0.65
Net Interest (Exp)/Inc	(6.5)	(5.9)	(6.3)	(5.9)	(5.9)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Net Income	**19.6**	**19.7**	**20.3**	**17.7**	**17.6**
Tax	(1.6)	(1.2)	(1.1)	(1.4)	(20.0)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Income after Tax	**18.0**	**18.5**	**19.2**	**16.4**	**(2.4)**
Total Return	19.2	18.7	19.2	16.4	57.1
Non-tax deductible Items	0.30	1.20	0.80	2.88	(37.7)
Net Inc available for Dist.	19.5	19.9	20.0	19.2	19.4
Growth & Ratio					
Revenue Gth (%)	2	1	1	(5)	0
N Property Inc Gth (%)	4	0	3	(7)	(4)
Net Inc Gth (%)	10	2	4	(15)	(115)
Net Prop Inc Margin (%)	74.5	73.6	74.6	72.7	69.8
Dist. Payout Ratio (%)	100.0	100.0	100.0	100.0	100.0

Balance Sheet (S$m)

FY Sep	2015A	2016A	2017A	2018F	2019F
Investment Properties	1,955	1,989	2,071	2,127	2,160
Other LT Assets	0.39	0.43	0.42	161	161
Cash & ST Invts	62.2	71.5	74.6	81.0	90.1
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	8.82	8.16	13.1	13.1	13.1
Other Current Assets	8.18	0.0	0.0	0.0	0.0
Total Assets	**2,034**	**2,069**	**2,159**	**2,381**	**2,424**
ST Debt	0.0	179	183	183	183
Creditor	29.7	23.3	29.4	29.4	29.4
Other Current Liab	9.67	16.5	12.0	12.0	12.0
LT Debt	732	563	565	701	735
Other LT Liabilities	56.3	58.8	80.3	80.3	80.3
Unit holders' funds	1,207	1,228	1,289	1,375	1,384
Minority Interests	0.0	0.0	0.0	0.0	0.0
Total Funds & Liabilities	**2,034**	**2,069**	**2,159**	**2,381**	**2,424**
Non-Cash Wkg. Capital	(22.4)	(31.7)	(28.3)	(28.3)	(28.3)
Net Cash/(Debt)	(670)	(671)	(673)	(804)	(828)
Ratio					
Current Ratio (x)	2.0	0.4	0.4	0.4	0.5
Quick Ratio (x)	1.8	0.4	0.4	0.4	0.5
Aggregate Leverage (%)	36.0	35.9	34.6	37.1	37.9
Z-Score (X)	4.3	4.2	4.0	3.9	3.9

Source: Company, DBS Bank

Increase in gearing as AEIs expected to be 100% debt funded

Cash Flow Statement (S$m)

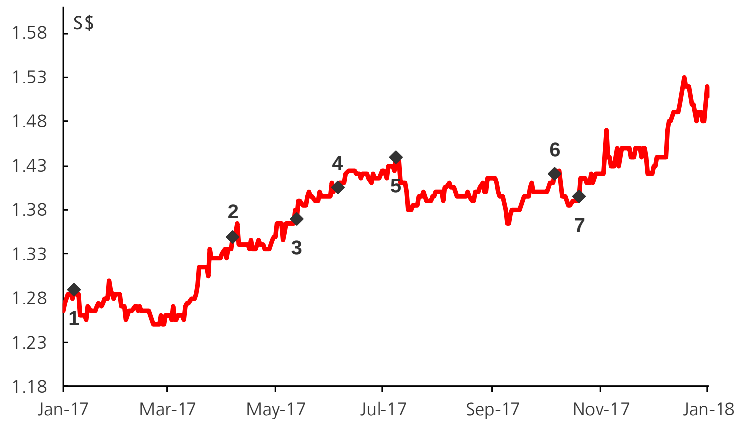
FY Sep	2015A	2016A	2017A	2018F	2019F
Pre-Tax Income	64.6	76.8	75.1	64.7	77.3
Dep. & Amort.	0.0	0.0	0.0	0.0	0.0
Tax Paid	0.25	(3.0)	(3.3)	(5.3)	(6.1)
Associates &JV Inc/(Loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	1.53	0.98	(2.6)	0.0	0.0
Other Operating CF	22.2	27.0	27.7	17.9	10.8
Net Operating CF	**88.6**	**102**	**96.8**	**77.3**	**82.0**
Net Invt in Properties	(197)	(3.0)	(4.3)	(55.8)	(33.3)
Other Invts (net)	0.0	0.0	0.0	0.0	0.0
Invts in Assoc. & JV	0.0	0.0	0.0	(160)	0.0
Div from Assoc. & JVs	0.0	0.0	0.0	0.0	0.0
Other Investing CF	(0.5)	(0.3)	(1.1)	0.0	0.0
Net Investing CF	**(197)**	**(3.3)**	**(5.4)**	**(216)**	**(33.3)**
Distribution Paid	(53.9)	(65.7)	(64.5)	(69.3)	(72.9)
Chg in Gross Debt	58.0	0.0	0.0	137	33.3
New units issued	142	0.0	0.0	77.8	0.0
Other Financing CF	(22.0)	(23.7)	(23.8)	0.0	0.0
Net Financing CF	**124**	**(89.4)**	**(88.4)**	**145**	**(39.6)**
Currency Adjustments	(0.6)	0.19	0.09	0.0	0.0
Chg in Cash	14.9	9.25	3.12	6.36	9.13
Operating CFPS (S cts)	11.9	12.7	12.4	8.88	9.03
Free CFPS (S cts)	(14.8)	12.4	11.5	2.47	5.37

Capex for S$45m AEI at ATP and S$38m AEI at China Square Central

Acquisition of FBP

Source: Company, DBS Bank

Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	24 Jan 17	1.29	1.46	BUY
2:	24 Apr 17	1.35	1.52	BUY
3:	30 May 17	1.37	1.52	BUY
4:	22 Jun 17	1.41	1.52	BUY
5:	25 Jul 17	1.44	1.61	BUY
6:	23 Oct 17	1.42	1.55	BUY
7:	06 Nov 17	1.40	1.55	BUY

Note *: Share price and Target price are adjusted for corporate actions.*

Source: DBS Bank

Analyst: Mervin SONG, CFA
Derek TAN

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STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)
BUY (>15% total return over the next 12 months for small caps, >10% for large caps)
HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)
FULLY VALUED (negative total return i.e. > -10% over the next 12 months)
SELL (negative total return of > -20% over the next 3 months, with identifiable catalysts within this time frame)

Share price appreciation + dividends

Completed Date: 19 Jan 2018 08:07:41 (SGT)
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