

DBS Group Research . Equity

9 Feb 2018

BUY

Last Traded Price (8 Feb 2018): S\$0.84 (STI : 3,415.90)

Price Target 12-mth: S\$1.05 (26% upside)

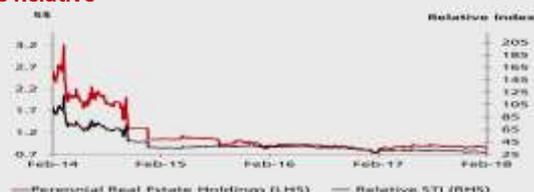
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What's New

- FY17 results boosted by divestment, fair value and acquisition gains; 4Q17 boosted by fair value gains mainly from China investment properties
- Achieved 85% committed occupancy at Chengdu medical hub
- Expects to deploy healthcare funds within 3 years
- Raised dividend to 1 Scents vs 0.4 Scents in FY16

Price Relative**Forecasts and Valuation**

FY Dec (\$\$ m)	2016A	2017A	2018F	2019F
Revenue	110	74.5	103	110
EBITDA	115	223	75.8	80.0
Pre-tax Profit	53.9	170	23.2	25.1
Net Profit	35.1	100	13.2	13.8
Net Pft (Pre Ex.)	35.1	100	13.2	13.8
Net Pft Gth (Pre-ex) (%)	(55.7)	186.1	(86.9)	4.7
EPS (S cts)	2.11	6.02	0.79	0.83
EPS Pre Ex. (S cts)	2.11	6.02	0.79	0.83
EPS Gth Pre Ex (%)	(56)	186	(87)	5
Diluted EPS (S cts)	2.11	6.02	0.79	0.83
Net DPS (S cts)	0.40	1.00	1.00	1.00
BV Per Share (S cts)	163	166	166	166
PE (X)	39.7	13.9	105.5	100.8
PE Pre Ex. (X)	39.7	13.9	105.5	100.8
P/Cash Flow (X)	nm	nm	nm	nm
EV/EBITDA (X)	44.8	21.6	66.0	64.1
Net Div Yield (%)	0.5	1.2	1.2	1.2
P/Book Value (X)	0.5	0.5	0.5	0.5
Net Debt/Equity (X)	0.7	0.6	0.6	0.7
ROAE (%)	1.3	3.7	0.5	0.5
Earnings Rev (%):			(2)	0
Consensus EPS (S cts):			0.70	0.70
Other Broker Recs:		B: 2	S: 0	H: 0

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

Medical hub vision slowly unfolding

Trading at 0.5x P/BV; maintain BUY. We maintain our BUY rating with TP of S\$1.05 (based on 50% discount to RNAV) on Perennial Real Estate Holdings (PREH). The stock currently trades at 0.5x P/BV, offering massive upside as it gradually realises its RNAV potential.

Where we differ. Unlocking development value from strategically located land bank with partial exposure to healthcare. We are one of two brokers with coverage on PREH. PREH's hidden gems lie in its vast integrated projects in strategic locations across the main transportation hubs in China though these have lengthy gestation periods. Apart from property, PREH has built a portfolio of medical and healthcare services to leverage on rising healthcare demand in China and Singapore.

Potential catalysts: Strata/en bloc sales, divestment of assets, building recurring income through healthcare hub and business.

FY17 results supported by divestment/fair value gains; expanding medical business via healthcare fund. PREH posted strong FY17 results with a net profit of S\$100m vs S\$35m in FY16, boosted by fair value and divestment gains. The key highlights from the results were: i) achieved 85% committed occupancy in Chengdu medical hub; ii) setup of healthcare fund, to deploy within 3 years; iii) received written approval to designate plot 5 in Xi'an development for medical usage; and iv) reviewing plans to unlock value in UE and Chinatown Point

Valuation:

Our TP of S\$1.05 is based on a 50% discount to RNAV to factor in potential execution risks and long development/gestation period. We have assumed marginal contribution from its new healthcare venture.

Key Risks to Our View:

Negative changes to property rules in China and exposure to RMB currency fluctuations as PREH owns a large land bank in China. Further deterioration in operating cashflows, coupled with high interest cost, may impact interest cover.

At A Glance

Issued Capital (m shrs)	1,664
Mkt. Cap (S\$m/US\$m)	1,389 / 1,043
Major Shareholders (%)	
Khoon Hong Kuok	35.6
Wilmar International Ltd	20.0
Chye Hock Sim	15.4
Free Float (%)	21.8
3m Avg. Daily Val (US\$m)	0.12

ICB Industry : Financials / Real Estate

WHAT'S NEW**Medical hub vision slowly unfolding****4Q17 supported by fair value gains. FY17 boosted by divestment/fair value gains and acquisitions.**

- PREH recorded strong FY17 results with net profit of S\$100m vs S\$35m in FY16, boosted by fair value gains on revaluation of investment properties mostly in China of S\$39m in 4Q17 (+61% y-o-y) and gains recognised in 9M17 i) share of gain on bargain purchase of United Engineers (UE) of S\$19m (based on its effective stake), ii) S\$56m divestment and remeasurement gain from the sale of 20.2% stake in TripleOne Somerset, and iii) S\$46m fair value gain from the revaluation of the reclassification of Xi'an North High Speed Railway Integrated Development Plot 4 to investment property.
- FY17 operating net profit (including divestment gains) was S\$48m vs S\$0.3m in FY16.
- FY17 revenue fell 32% y-o-y largely due to lower rental and management fees from TripleOne Somerset following the divestment, partially mitigated by one-off divestment fee from the sale of TripleOne Somerset, one-off consultancy fees earned from United Engineers' (UE) transaction and higher revenue recorded by Perennial Qinyang Mall in Chengdu (revenue from China: +6.8% y-o-y).
- Share of results from associate were up 74% y-o-y to S\$56m largely from share of results from UE (including S\$26m gain on bargain purchase of UE), offset by one-off loss adjustment from a lease restructuring with Shenyang Red Star Macalline Furniture Mall recorded in 1Q17.
- 4Q17 recorded net profit of S\$27m (vs S\$26m in 4Q16), largely boosted by 61% y-o-y increase fair value gains recognised on revaluation of investment properties, mainly in China from Perennial International Health and Medical Hub, Xian North HSR Development Plot 4, Chengdu East HSR Integrated Development Plot D2 and Capitol project in Singapore.
- Singapore and China remain its two largest markets. Singapore contributed 27% and 48% in revenue and EBIT respectively, while China contributed 44% and 53% respectively in FY17.
- As at 4Q17, net debt-to-equity stood at 0.57x (vs 0.66x in 4Q16) with an average interest cost of 3.8% (vs 3.3% in December 2016). The improvement in the net debt-to-equity ratio was largely due to the debt deconsolidation of TripleOne Somerset.
- PREH declared 1 Scents annual dividend vs 0.4 Scents in FY16.

Updates on major projects:

- **TripleOne strata sales and AXA Tower proposed en bloc.** In FY17, TripleOne Somerset recorded total strata sales of S\$41m at ASP of S\$2,726 psf (9M17: strata sales of S\$39.4m at ASP of S\$2,731psf). For AXA Tower, total strata sales AXA Tower was S\$17m in FY17 at an average price of S\$2,376psf. There is the potential of an en bloc sale of AXA Tower. However, we note that some existing tenants have taken up additional space for expansion, such as Lazada (expanding by 3.6x and taking up 16.6% of total office NLA), and Go-Jek. The upgrading and refurbishments at both TripleOne and AXA Tower are expected to complete by 2019.
- **Acquisition of 33.5% of United Engineers.** Management is currently looking at options to unlock the value of UE's properties such as UE Square and may divest non-core assets.
- **Acquisition of additional 5.49% in Chinatown Point.** Management is currently exploring value creation opportunities through potential enhancement works to increase the property's NLA through usage efficiencies.
- **Chengdu HSR Integrated Development.** The Perennial International Health and Medical Hub has recorded a committed occupancy of ~85% (~65% as at end-3Q17). New mini-anchor tenants include Chengdu BGI Perennial Genomics Diagnostic Imaging Centre, a JV between BGI Genomics and Perennial. One of the mini anchor tenants, Care Alliance Rehabilitation Hospital of Chengdu has soft-opened in 4Q17 while other mini-anchor and anchor tenants are expected to start operations by 2H18. Fitting out works for Chengdu Xiehe Home is ongoing and on track to commence operations in one tower from 2Q18.
- **Beijing Tongzhou Integrated Development.** Management targets to launch residential properties for sale this year.
- **Xi'an North HSR Integrated Development.** PREH has secured a written approval to designate Plot 5 for medical and healthcare usage and is in the process of obtaining other planning approvals. Three towers on Plot 4 have topped out.
- **Healthcare fund.** PREH recently announced the establishment of US\$1.2bn healthcare fund. Management expects its first close of US\$500m to be deployed by this year while the rest to be deployed within 3 years. (More details on healthcare fund: [Perennial Real Estate Holdings: Expanding via a 'healthcare fund'](#))

Healthcare segment - expanding eldercare homes. The total number of operational beds stood at 3,577 as at Dec17. It currently has a committed pipeline of 7,750 beds and potential pipeline of more than 13,500 beds. Renshoutang continues to expand via its three-pronged strategy - leasing, public-private-partnership and acquisition models.

Maintain BUY; TP S\$1.05

We lowered our FY18F earnings marginally by 2% to incorporate marginal increase in interest costs and adjustments to the contributions from Singapore portfolio post with TripleOne Somerset as an associate now.

We continue to expect near-term earnings to be driven by divestment/fair value gains. In the short-term, there will be additional earnings contributions from UE before potential AEI starts for some of the assets.

We remain positive on its medium to long term development plans especially as its investments in China (and its healthcare hub) slowly comes to fruition despite potential near-term financial risks. We believe the strength of its stakeholders (79% owned by its four key sponsors including Wilmar's Mr Kuok, OSIM's Mr Ron Sim and CEO Mr Pua, and partners and key management team) play an integral role to execute and mitigate potential financial risks.

Quarterly / Interim Income Statement (S\$m)

FY Dec	4Q2016	3Q2017	4Q2017	% chg yoy	% chg qoq
Revenue	21.5	20.4	16.0	(25.7)	(21.8)
Cost of Goods Sold	(9.4)	(6.1)	(7.0)	(24.9)	14.5
Gross Profit	12.1	14.3	8.95	(26.3)	(37.4)
Other Oper. (Exp)/Inc	25.3	(6.5)	33.7	33.2	nm
Operating Profit	37.4	7.78	42.6	13.9	447.6
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	13.3	29.8	20.9	57.2	(29.7)
Net Interest (Exp)/Inc	(14.7)	(12.4)	(11.0)	25.5	12.0
Exceptional Gain/(Loss)	0.0	0.0	0.0	-	-
Pre-tax Profit	36.0	25.1	52.6	46.0	109.5
Tax	(5.1)	(1.3)	(11.3)	119.8	759.0
Minority Interest	(5.3)	(6.9)	(13.7)	(157.0)	99.3
Net Profit	25.6	16.9	27.6	7.9	63.1
Net profit bef Except.	25.6	16.9	27.6	7.9	63.1
EBITDA	51.6	38.3	64.3	24.7	67.7
Margins (%)					
Gross Margins	56.5	70.0	56.0		
Opg Profit Margins	173.9	38.1	266.7		
Net Profit Margins	118.8	82.8	172.7		

Source of all data: Company, DBS Bank

CRITICAL DATA POINTS TO WATCH

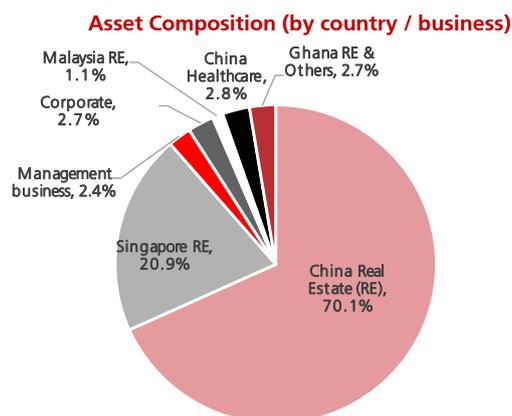
Critical Factors

Huge development value from strategically located land bank.
 The hidden jewel in PREH’s land bank lies in its vast integrated projects in strategic locations across main transportation hubs in China (i.e. Chengdu, Beijing, Xi’an and Zhuhai Integrated Developments) which could generate handsome returns if executed successfully. Currently, PREH trades at a 50% to its book value, offering massive upside as it gradually realises the RNAV potential of its development projects. We believe given time, good management and prudent capital management, PREH will be able to achieve its full potential.

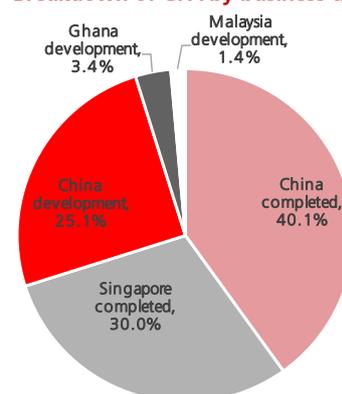
In addition, integrated developments often include investment properties (office, retail, healthcare) which would add to its portfolio of assets to build a recurring income stream in the long term.

Healthcare ventures (assets and services) in China and Singapore. PREH has successfully built up a portfolio of healthcare assets and services in China by leveraging on its development projects and partnerships at an opportune time as the Chinese government is encouraging foreign investments into the healthcare industry, and a relaxation of foreign ownership rules for healthcare investments. With the opening of Chengdu Healthcare Hub starting 4Q17 and potential opening of Traditional Chinese Medicine (TCM) centre in Singapore, we believe its healthcare ventures will soon contribute to its earnings underpinned by rising healthcare demand.

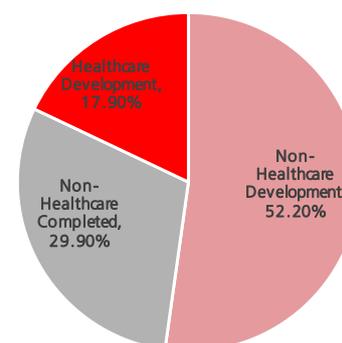
Monetisation of matured assets and asset recycling strategy. Management continues to be active in portfolio reconstitution with the monetisation of matured assets/strata sales of assets when opportunities arise. Moreover, with its portfolio of integrated developments, we believe PREH will have a pipeline of assets to be monetised in the long term.



Breakdown of GFA by business divisions



Breakdown of China assets by GFA



RNAV breakdown

RNAV breakdown	S\$'mn
China Landbank	2,796
China Development	1,476
China Completed	1,375
Singapore	907
Others	589
Minus: Capex	-1,000
Minus: Net Debt	-2,681
RNAV	3,463
RNAV / share	2.08
Discount	50%
Target Price (S\$/share)	1.05

Source: Company, DBS Bank

Appendix 1:

Perennial's absolute performance vs estimated core net profit

Remarks

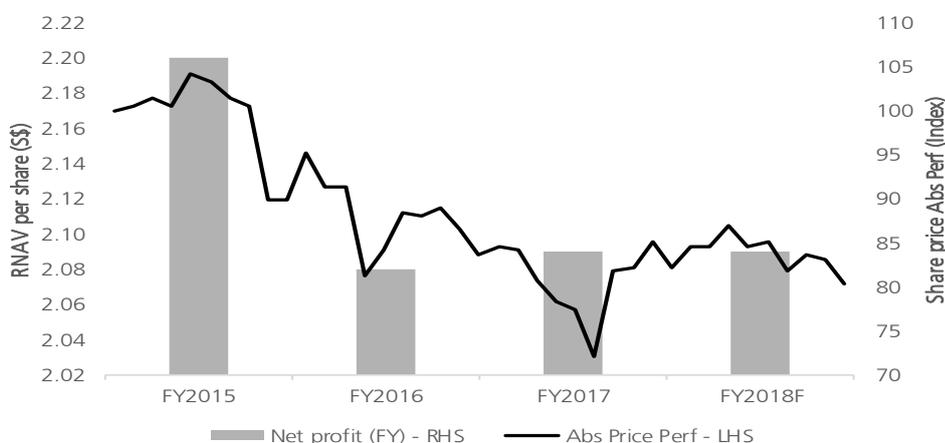


Source: DBS Bank, Thomson Analytics, Company

Downward trend in core net profit impacted share price performance.

Perennial's absolute performance vs RNAV per share

Remarks

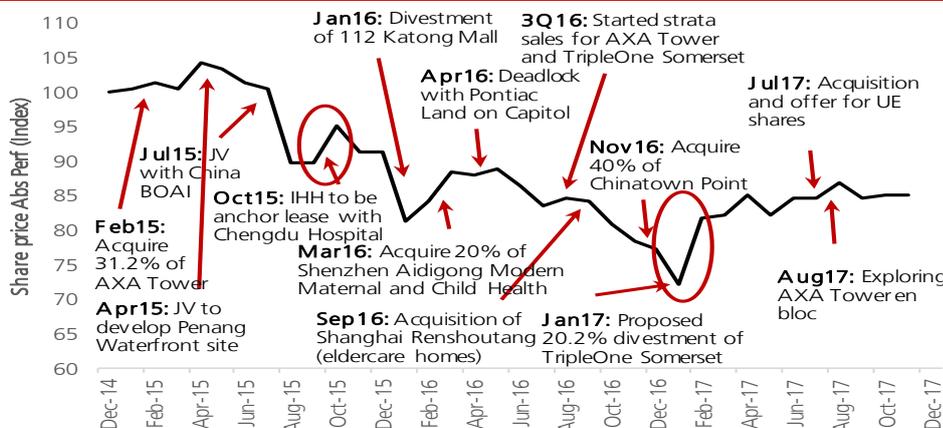


Source: DBS Bank, Thomson Analytics, Company

Contraction in RNAV per share impacted share price performance.

Perennial's absolute performance vs news flow of acquisitions/divestments/JVs

Remarks



Source: DBS Bank, Thomson Analytics, Company

We saw that PREH's share price increased on news flow that would lead to earnings accretion such as the proposed divestment of TripleOne Somerset.

Perennial Real Estate Holdings

Balance Sheet:

High debt levels from investments in development projects. Net debt-to-equity ratio stood at 0.6x as of December 2017 with the de-consolidation of TripleOne Somerset, post the sale of a 20% stake in 1Q17. The majority of its borrowings will be expiring in 2018 (41%). Management remains optimistic that they would be able to refinance these debts.

Share Price Drivers:

Realisation of RNAV potential from its development projects. PREH currently trades at only half its book value, largely pricing in the uncertainties in realising its huge development potential in the medium to long term. However, we believe that the realisation of its RNAV potential over time will drive its share price upwards. The opening of Chengdu Healthcare Hub progressively in FY18 and the successful rollout of its healthcare business will serve as testament of its execution track record

Strong support from Sponsor and key partnerships. PREH is able to leverage on the international network and relationships of its Sponsors, Mr. Kuok Khoo Hong and Wilmar Holdings. This enables the group to access deals and well-located land banks that are generally unavailable to the market, thereby generating further potential NAV accretion for unitholders.

Key Risks:

Execution risk in China. With close to 85% of the group's attributable gross floor area (GFA) located in China and c.60% being development properties in China, any macroeconomic or regulatory changes in China could adversely impact the group's financial outlook. The realisation of its RNAV is largely dependent on its successful execution of the large integrated developments in China.

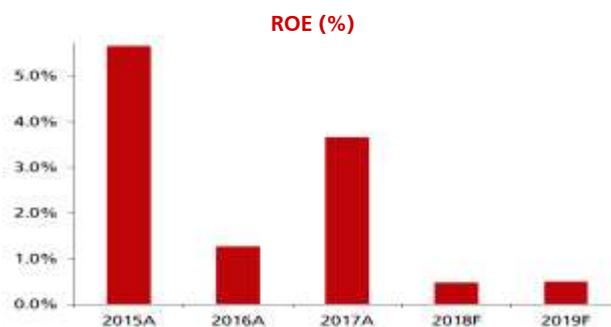
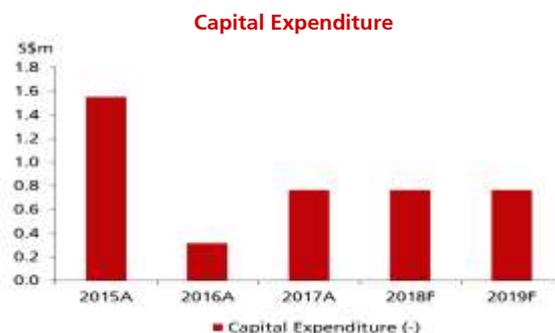
Risk of the depreciation of RMB. As mentioned above, with the large exposure to China, PREH is susceptible to the fluctuations of the RMB currency.

Refinancing in the near term. The majority of its borrowings will be expiring in 2018 (41%). However, management remains optimistic that they are able to refinance these debts.

Potential deterioration of operating cashflows may impact interest cover. With the majority of its properties still under development, potential deterioration of operating cashflows may impact its interest cover given the high debt levels. Management continues to build its recurring income base and potential monetisation of some assets could reduce these risks.

Company Background

Perennial Real Estate Holdings (PREH) is an integrated real estate developer, owner and manager focusing on two key markets, Singapore and China. The group has presence in Malaysia and Ghana. PREH's business also extends into the healthcare industry in China and Singapore, with exposure to various types of healthcare services.



Source: Company, DBS Bank

Income Statement (\$m)

FY Dec	2015A	2016A	2017A	2018F	2019F
Revenue	139	110	74.5	103	110
Cost of Goods Sold	(51.9)	(41.2)	(26.1)	(38.6)	(41.1)
Gross Profit	87.5	69.0	48.4	64.6	68.8
Other Opng (Exp)/Inc	(43.0)	10.1	115	(23.0)	(27.9)
Operating Profit	44.5	79.1	164	37.8	40.9
Other Non Opg (Exp)/Inc	113	0.0	0.0	0.0	0.0
Associates & JV Inc	39.8	32.2	55.8	34.7	35.8
Net Interest (Exp)/Inc	(68.5)	(57.3)	(49.4)	(49.3)	(51.5)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	128	53.9	170	23.2	25.1
Tax	(17.3)	(8.5)	(31.3)	(4.2)	(4.5)
Minority Interest	(32.1)	(10.3)	(38.5)	(5.9)	(6.8)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	79.0	35.1	100	13.2	13.8
Net Profit before Except.	79.0	35.1	100	13.2	13.8
EBITDA	201	115	223	75.8	80.0
Growth					
Revenue Gth (%)	621.8	(21.0)	(32.4)	38.6	6.4
EBITDA Gth (%)	nm	(43.1)	94.4	(66.0)	5.6
Opg Profit Gth (%)	(599.4)	77.7	107.2	(76.9)	8.0
Net Profit Gth (Pre-ex) (%)	nm	(55.7)	186.1	(86.9)	4.7
Margins & Ratio					
Gross Margins (%)	62.8	62.6	65.0	62.6	62.6
Opg Profit Margin (%)	31.9	71.7	219.8	36.6	37.2
Net Profit Margin (%)	56.7	31.8	134.6	12.8	12.6
ROAE (%)	5.7	1.3	3.7	0.5	0.5
ROA (%)	2.4	0.5	1.5	0.2	0.2
ROCE (%)	1.3	1.0	2.0	0.5	0.5
Div Payout Ratio (%)	0.0	19.0	16.6	126.4	120.8
Net Interest Cover (x)	0.6	1.4	3.3	0.8	0.8

Source: Company, DBS Bank

Perennial Real Estate Holdings

Quarterly / Interim Income Statement (\$\$m)

FY Dec	4Q2016	1Q2017	2Q2017	3Q2017	4Q2017
Revenue	21.5	20.2	17.9	20.4	16.0
Cost of Goods Sold	(9.4)	(8.0)	(4.9)	(6.1)	(7.0)
Gross Profit	12.1	12.2	12.9	14.3	8.95
Other Oper. (Exp)/Inc	25.3	48.5	39.7	(6.5)	33.7
Operating Profit	37.4	60.8	52.6	7.78	42.6
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	13.3	0.70	4.43	29.8	20.9
Net Interest (Exp)/Inc	(14.7)	(16.0)	(10.0)	(12.4)	(11.0)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	36.0	45.5	47.0	25.1	52.6
Tax	(5.1)	(6.2)	(12.6)	(1.3)	(11.3)
Minority Interest	(5.3)	(0.6)	(17.3)	(6.9)	(13.7)
Net Profit	25.6	38.7	17.1	16.9	27.6
NET Profit bef Except.	25.6	38.7	17.1	16.9	27.6
EBITDA	51.6	62.3	57.8	38.3	64.3

Includes divestment and
remeasurement gains, and
fair value gains

Includes gain on bargain
purchase of United Engineers

Growth

Revenue Gth (%)	(38.7)	(6.0)	(11.8)	14.5	(21.8)
EBITDA Gth (%)	209.3	20.7	(7.1)	(33.7)	67.7
Opg Profit Gth (%)	206.5	62.3	(13.4)	(85.2)	447.6
Net Profit Gth (Pre-ex) (%)	5,914.6	51.2	(55.7)	(1.2)	63.1

Margins

Gross Margins (%)	56.5	60.4	72.4	70.0	56.0
Opg Profit Margins (%)	173.9	300.3	294.8	38.1	266.7
Net Profit Margins (%)	118.8	191.1	95.9	82.8	172.7

Balance Sheet (\$\$m)

FY Dec	2015A	2016A	2017A	2018F	2019F
Net Fixed Assets	2.11	1.62	1.66	1.83	1.99
Invts in Associates & JVs	1,975	1,994	2,471	2,506	2,542
Other LT Assets	2,448	1,539	1,843	1,874	1,905
Cash & ST Invts	162	226	112	66.4	44.9
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	106	528	573	794	844
Other Current Assets	1,756	2,758	1,704	1,738	1,772
Total Assets	6,450	7,046	6,705	6,980	7,110
ST Debt	170	823	975	975	975
Creditor	365	257	291	403	429
Other Current Liab	5.22	4.92	9.99	20.8	21.2
LT Debt	1,741	2,084	1,400	1,550	1,650
Other LT Liabilities	286	95.3	113	113	113
Shareholder's Equity	2,794	2,717	2,767	2,764	2,761
Minority Interests	1,088	1,065	1,149	1,154	1,161
Total Cap. & Liab.	6,450	7,046	6,705	6,980	7,110
Non-Cash Wkg. Capital	1,493	3,024	1,976	2,108	2,166
Net Cash/(Debt)	(1,750)	(2,681)	(2,263)	(2,458)	(2,580)
Debtors Turn (avg days)	141.2	1,051.4	2,697.3	2,414.9	2,721.3
Creditors Turn (avg days)	1,420.5	2,999.2	4,362.1	3,584.1	4,027.0
Inventory Turn (avg days)	3.4	N/A	N/A	N/A	N/A
Asset Turnover (x)	0.0	0.0	0.0	0.0	0.0
Current Ratio (x)	3.7	3.2	1.9	1.9	1.9
Quick Ratio (x)	0.5	0.7	0.5	0.6	0.6
Net Debt/Equity (X)	0.5	0.7	0.6	0.6	0.7
Net Debt/Equity ex MI (X)	0.6	1.0	0.8	0.9	0.9
Capex to Debt (%)	0.1	0.0	0.0	0.0	0.0
Z-Score (X)	0.8	0.8	0.8	0.8	0.8

Source: Company, DBS Bank

Cash Flow Statement (\$m)

FY Dec	2015A	2016A	2017A	2018F	2019F
Pre-Tax Profit	111	45.4	139	19.0	20.6
Dep. & Amort.	4.41	3.36	3.18	3.27	3.37
Tax Paid	14.4	8.53	26.8	(5.8)	0.34
Assoc. & JV Inc/(loss)	(39.8)	(32.2)	(55.8)	(34.7)	(35.8)
Chg in Wkg.Cap.	(153)	(73.7)	(151)	(126)	(58.8)
Other Operating CF	(25.1)	(29.8)	(84.2)	0.0	0.0
Net Operating CF	(88.2)	(78.4)	(122)	(144)	(70.2)
Capital Exp.(net)	(1.6)	(0.3)	(0.8)	(0.8)	(0.8)
Other Invt.(net)	(137)	(65.1)	(33.8)	(33.8)	(33.8)
Invt in Assoc. & JV	(42.4)	(397)	(163)	0.0	0.0
Div from Assoc & JV	0.0	4.52	6.11	0.0	0.0
Other Investing CF	(48.3)	(8.5)	(102)	0.0	0.0
Net Investing CF	(229)	(466)	(294)	(34.6)	(34.6)
Div Paid	(10.9)	(7.5)	(6.7)	(16.7)	(16.7)
Chg in Gross Debt	557	705	334	150	100
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(70.5)	(88.6)	(23.3)	0.0	0.0
Net Financing CF	476	608	304	133	83.3
Currency Adjustments	0.69	0.53	(2.5)	0.0	0.0
Chg in Cash	159	64.2	(115)	(45.3)	(21.5)
Opg CFPS (S cts)	3.93	(0.3)	1.73	(1.1)	(0.7)
Free CFPS (S cts)	(5.4)	(4.7)	(7.4)	(8.7)	(4.3)

Estimated capex

Source: Company, DBS Bank

Target Price & Ratings History



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

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	09 Feb 17	0.80	1.05	BUY
2:	09 May 17	0.87	1.05	BUY
3:	14 Jul 17	0.90	1.05	BUY
4:	01 Aug 17	0.90	1.05	BUY
5:	10 Aug 17	0.90	1.05	BUY
6:	09 Nov 17	0.89	1.05	BUY
7:	04 Jan 18	0.90	1.05	BUY

Source: DBS Bank

Analyst: Rachel TAN

Derek TAN

DBS Bank recommendations are based on an Absolute Total Return* Rating system, defined as follows:

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: 9 Feb 2018 15:17:32 (SGT)

Dissemination Date: 9 Feb 2018 15:38:05 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

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