

Singapore Company Guide

APAC Realty

Version 3 | Bloomberg: APAC SP | Reuters: APAC.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

10 May 2018

BUY

Last Traded Price (9 May 2018): S\$1.03 (STI : 3,548.54)

Price Target 12-mth: S\$1.32 (28% upside) (Prev S\$1.42)

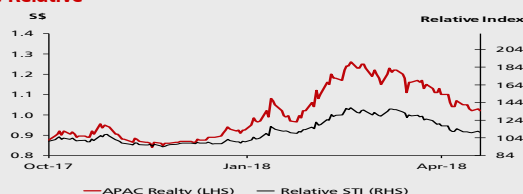
Analyst

Lee Keng LING +65 6682 3703 leekeng@db.com
Derek TAN +65 6682 3716 derektan@db.com

What's New

- 1Q18 net profit rose 47%; more new launches in 2H18
- Healthy project pipeline; active en-bloc sales provide positive backdrop
- Trimmed earnings by 6% to 7% to account for lower margins
- Maintain BUY with lower S\$1.32 TP

Price Relative



Forecasts and Valuation

FY Dec (\$m)	2016A	2017A	2018F	2019F
Revenue	288	401	454	492
EBITDA	20.8	31.2	35.6	38.3
Pre-tax Profit	18.1	29.5	34.3	37.0
Net Profit	15.9	25.9	30.2	32.5
Net Pft (Pre Ex.)	15.9	25.9	30.2	32.5
Net Pft Gth (Pre-ex) (%)	87.2	63.1	16.7	7.7
EPS (S cts)	4.47	7.29	8.51	9.16
EPS Pre Ex. (S cts)	4.47	7.29	8.51	9.16
EPS Gth Pre Ex (%)	87	63	17	8
Diluted EPS (S cts)	4.47	7.29	8.51	9.16
Net DPS (S cts)	0.0	2.00	5.10	5.50
BV Per Share (S cts)	22.2	37.5	40.9	44.5
PE (X)	23.0	14.1	12.1	11.2
PE Pre Ex. (X)	23.0	14.1	12.1	11.2
P/Cash Flow (X)	16.1	10.6	12.7	10.6
EV/EBITDA (X)	17.6	9.8	8.3	7.3
Net Div Yield (%)	0.0	1.9	5.0	5.3
P/Book Value (X)	4.6	2.8	2.5	2.3
Net Debt/Equity (X)	0.0	CASH	CASH	CASH
ROAE (%)	22.4	24.4	21.7	21.5
Earnings Rev (%):			(6)	(7)
Consensus EPS (S cts):			8.60	9.50
Other Broker Recs:		B: 2	S: 0	H: 0

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

Strong project pipeline

Purest proxy to Singapore residential volumes. ERA Realty, a wholly-owned subsidiary of APAC Realty, is one of Singapore's largest real estate agencies with approximately 6,100 registered agents as at April 2018. We believe that APAC Realty is poised to deliver robust 12% EPS CAGR during FY17-FY19F on the back of a turn in the Singapore residential market, which is at the cusp of a multi-year recovery. The projected FY18F dividend yield of 5.0% based on 60% payout is attractive.

Where we differ: Sizeable scale and leading market share a winning formula in our view. ERA's strong market share of c.38% in terms of transaction value in the Singapore residential market allows the agency to reach out to a diverse base of potential property buyers. ERA has a pipeline of more than c.11,000 units across 20 new project launches till 3Q18, which is significantly higher than the units secured in the whole of 2017. Successful sell-through rates for the various projects will set the stage for another record year in FY18F.

Stronger-than-projected volumes could surprise on the upside. We maintained our projection of industry transaction value for the private residential market of S\$52.2bn in FY18F (+15% y-o-y), and S\$57.4bn for FY19F (+10%).

Trimmed earnings to account for lower margins; revenue maintained. We have adjusted FY18F and FY19F earnings lower by 6% to 7% after lowering gross margin to 12% for both FY18F and FY19F, from 12.5% and 12.6% previously. Given the upturn in buyer sentiment, partly driven by the strong collective sales, we believe that the opportunity to surprise on the upside is high. Every S\$1bn in transaction value adds 2% to our EPS and TP estimates.

Valuation:

Reduced TP to S\$1.32 on blended DCF and PE valuation methodology. Our TP of S\$1.32 (previous S\$1.42) is based on the average of discounted cash flow (DCF) valuation and PE valuation that is pegged to peers' historical average of 15x FY18F earnings.

Key Risks to Our View:

Outlook is dependent on Singapore's residential property market and macroeconomic conditions.

At A Glance

Issued Capital (m shrs)	355
Mkt. Cap (S\$m/US\$m)	366 / 273
Major Shareholders (%)	
Choon Hong Tan	72.0
Free Float (%)	28.0
3m Avg. Daily Val (US\$m)	1.1
ICB Industry : Industrials / Support Services	

WHAT'S NEW

1Q18 net profit up 47%; more new launches in 2H18**Results highlight**

1Q18 net profit up 47%; more new launches in 2H18: 1Q18 net profit was 46.8% higher y-o-y at S\$5.9m on 56.7% surge in revenue to S\$105.2m. APAC benefited from a recovery in the Singapore residential market. The private residential price index registered an increase of 3.9% in 1Q18, the steepest quarter-on-quarter gain since 2Q10. Revenue and net profit account for 23% and 18% of our FY18F estimates. We expect a stronger 2H18 as to date, only six out of 20 projects secured were launched.

In terms of ERA's transaction value for 1Q18, 19.6% was from the private primary sale, 51.6% from the secondary market, 23.6% from HDB resale and the balance 5.2% from commercial resale and leasing. Overall market transaction volume for 1Q18 saw a 67.3% y-o-y rise for the private secondary market but the primary sales registered a 46.6% drop as few projects were launched in 1Q18.

Cost contained; negligible bad debts provision. Total operating expenses saw a slight 6.2% increase despite the strong surge in revenue. Provision for doubtful debts was only S\$0.5m (vs S\$1.1m in 1Q17) despite the high trade receivables of S\$70.9m as at 31 Mar 18.

Lower gross margins due to higher payout to agents and alignment with industry rate. The lower gross margin of 12.2% for 1Q18, vs 15.1% in 1Q17 and 13.7% for FY17 was mainly due to higher payout to agents as they gradually move up the commission scale. To recap, agents generally get between 70% to 90% of the total commission received. ERA has also adjusted its commission structure to align with the industry standard.

Healthy project pipeline; active en-bloc sales provide positive backdrop. ERA has already launched six projects and secured another 14 projects which will be launched during the rest of

2018, representing a total of close to 11,000 residential units available for sale. This is more than double the 4,800 units (from eight projects) launched by ERA in 2017, which points to higher growth potential for ERA. The bulk of the projects is expected to be launched in 2H18.

En-bloc sales have been very active over the past one to two years. The redevelopment of these en-bloc sites will add a significant number of housing units to the existing supply pipeline. The potential units from the redevelopment of en-bloc sites (13,200) and available parcels on Government land sales (6,900) could add up to 20,100.

Earnings and Recommendation

Slight adjustment to earnings to account for lower margins; revenue maintained. We have adjusted FY18F and FY19F earnings lower by 6% to 7% after lowering gross margin to 12% for both FY18F and FY19F, from 12.5% and 12.6% previously. The lower margin assumption is to account for the higher payout to agents and to align with the industry standard. We maintained our revenue forecasts and our assumption of 15% growth in transaction value for the primary and secondary private residential market and 10% growth for the HDB resale market for FY18F. Growth estimate for FY19F is also maintained at 10% for the private segment and 5% for HDB resale.

Maintain BUY as we expect more new launches in 2H18. TP lowered to S\$1.32 (prev S\$1.42), still based on blended DCF and PE valuation that is pegged to the peers' historical average of 15x FY18F earnings.

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

FY Dec	1Q2017	4Q2017	1Q2018	% chg yoy	% chg qoq
Revenue	67.2	130	105	56.7	(18.9)
Cost of Goods Sold	(57.0)	(114)	(92.4)	62.0	(18.8)
Gross Profit	10.2	16.0	12.9	26.7	(19.5)
Other Oper. (Exp)/Inc	(5.3)	(7.6)	(5.8)	9.1	(24.1)
Operating Profit	4.89	8.43	7.13	45.7	(15.4)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	0.0	0.0	0.0	-	-
Net Interest (Exp)/Inc	(0.1)	0.0	0.0	-	-
Exceptional Gain/(Loss)	0.0	0.0	0.0	-	-
Pre-tax Profit	4.75	8.43	7.13	50.0	(15.4)
Tax	(0.7)	(0.6)	(1.2)	67.9	121.6
Minority Interest	0.0	0.0	0.0	-	-
Net Profit	4.03	7.88	5.92	46.8	(24.9)
Net profit bef Except.	4.03	7.88	5.92	46.8	(24.9)
EBITDA	5.25	8.79	7.49	42.6	(14.8)
Margins (%)					
Gross Margins	15.1	12.3	12.2		
Opg Profit Margins	7.3	6.5	6.8		
Net Profit Margins	6.0	6.1	5.6		

Source of all data: Company, DBS Bank

CRITICAL DATA POINTS TO WATCH

Critical Factors

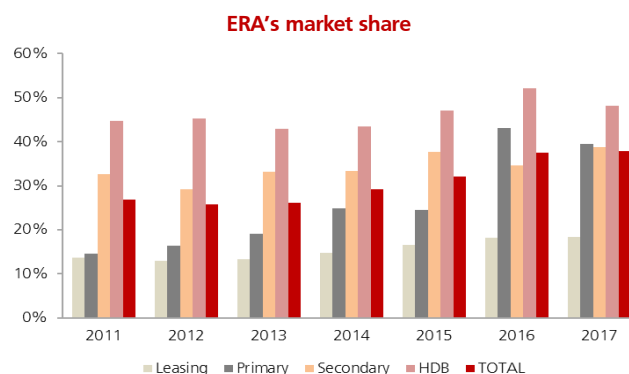
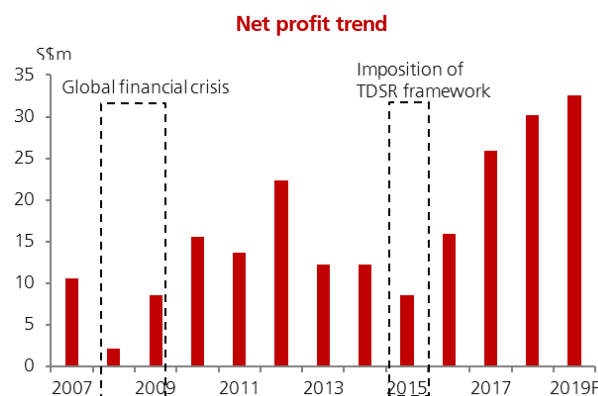
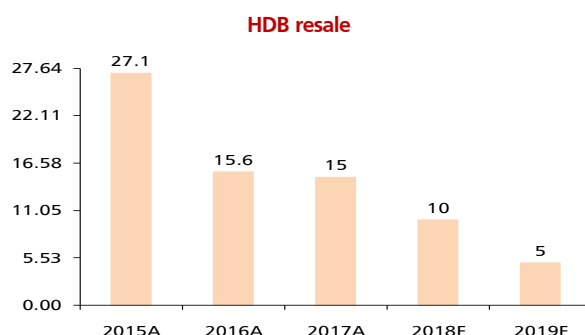
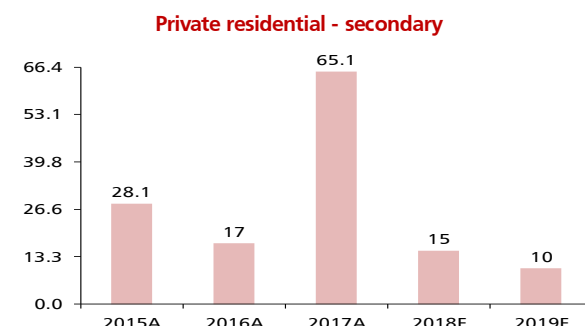
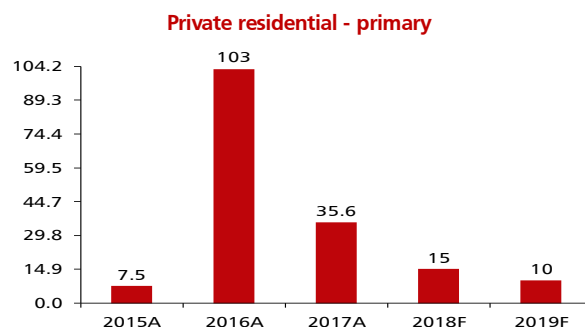
Transaction value expected to continue growing. We are expecting transaction value to hit S\$52.2bn in FY18F (+15% y-o-y) and S\$57.4bn for FY19F (+10% y-o-y) for the total private residential market, including both primary and secondary markets. We see multiple catalysts for residential prices to head higher in the next two years. Prices in the residential market could rise by 6-10% by 2019. Overall, for the whole residential market, including HDB segment, we expect transaction value to grow 13.3% in FY18F and 8.3% in FY19F.

Market share is critical. Market share for ERA based on transaction value increased from 26.9% in 2011 to about 38% in 1Q18. ERA has established itself as one of the market leaders in project marketing, alongside Huttons whose strength is in mass market projects, and Savills and Knight Frank which are both strong in luxury developments.

Project pipeline. In terms of project launches, ERA secured 12 projects out of 19 (47%) in 2015; 14 out of 23 (66%) in 2016 and eight projects or 91% of projects launched in 2017. To date, ERA has already secured 20 projects to be launched in 2018 with about 11,000 residential units available for sale. This is double the 4,800 units (from eight projects) launched by ERA in 2017.

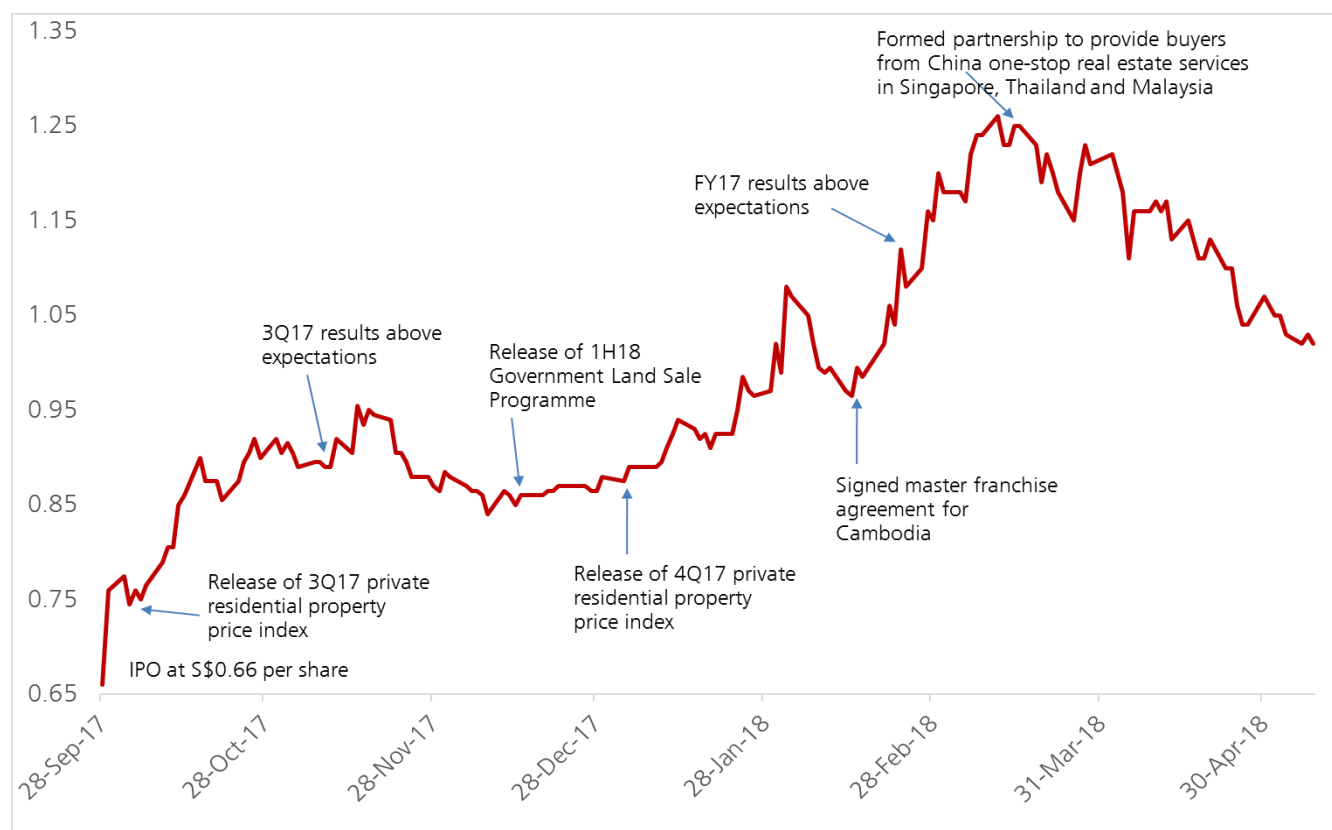
Agents strength. APAC has one of the largest numbers of registered real estate agents. APAC's agents are its primary sales force and are not employees of the group, through which units are transacted. APAC has grown its network of agents over the years, and has managed to gain market share. As at April 2018, APAC has about 6,100 agents with a market share of around 21%, up from 16% in 2014.

Technological initiative to enhance competitiveness. APAC currently offers various tools such as mobile applications for its agents and customers to facilitate the execution of real estate transactions. It intends to continue to develop its technological capabilities to enhance its competitiveness. It has launched a new Property Investment Calculator in its i-ERA mobile app, which will provide salespersons with a one-stop financial analysis tool for any property. They will be able to assist their clients to make more effective buying and selling decisions as all variables are dynamically updated.



Source: Company, DBS Bank

Appendix 1: A look at Company's listed history – what drives its share price?



New launches till 3Q18 for which ERA secured marketing agent roles

	Location / Project	Developer	Target Launch (Estimated)	Estimated Number of Units
1	Rivercove Residences (Anchorvale Lane EC)	Sunway / Hoi Hup	launched	628
2	New Futura (Former Futura)	CDL	launched	124
3	The Tapestry (Tampines Avenue 10)	CDL	launched	861
4	Twin View (West Coast Vale)	China Construction	launched	520
5	The Verandah Residences (Pasir Panjang)	Oxley	launched	160
6	Park Place Residences at PLQ (Phase 2)	Lendlease	launched	219
7	TwentyOne Angullia Park	Private Owner	2Q 2018	28
8	Belgravia (Phase 2)	Fairview Developments	2Q/3Q 2018	118
9	Woodleigh Lane	CEL Unique Development	2Q/3Q 2018	735
10	Shunfu Road (Former Shunfu Ville)	Qing Jian	2Q/3Q 2018	1,300
11	Potong Pasir Avenue 1 (Former Raintree Gardens)	UOL	2Q/3Q 2018	750
12	Hougang Avenue 7 (Former Rio Casa)	Oxley - Lian Beng Ventures	2Q/3Q 2018	1,472
13	Flora Drive	Hong Leong / CDL / TID	2Q/3Q 2018	400
14	Stirling Road	Logan / Nanshan	2Q/3Q 2018	1,110
15	Serangoon North Avenue 1 (Former Serangoon Ville)	Oxley Serangoon & KSH	2Q/3Q 2018	1,052
16	Rifle Range Road (Former Mayfair Gardens)	Oxley	2Q/3Q 2018	387
17	Marina One Residences (Phase 2)	M + S	2Q/3Q 2018	500
18	Bukit Timah Road (Former Royalville)	Allgreen	2Q/3Q 2018	320
19	Ewe Boon Road (Former Crystal Tower)	Allgreen	2Q/3Q 2018	130
20	Fourth Avenue	Allgreen	2Q/3Q 2018	455
TOTAL				11,269

Source: Company, DBS Bank

Balance Sheet:

Cash-generative business expected to turn net cash. Barring any major capital expenditure, APAC is a cash-generating business with good cash conversion cycle as APAC only pays out to its agents after receiving payments from its debtors. As at 31 March 2018, APAC had fully pared down its debt, with cash balance of S\$63.5m.

Intangibles, include goodwill and franchise rights, account for the bulk of total assets. Goodwill amounted to S\$100m as at March 2018, derived from ERA Realty Network Pte Ltd, ERA Singapore Pte Ltd, Realty International Associates Pte Ltd and Coldwell Banker Real Estate (S) Pte Ltd. Franchise rights are held for the exclusive right of use of the brand names "ERA" and "Coldwell Banker". The group acquired the exclusive ERA Regional master franchise rights for certain countries in the Asia-Pacific region for an initial term of 30 years from 19 November 1999, expiring in 2029, with the option to renew for another 30 years. The group also holds the ERA sub-franchise rights in Singapore for an initial term of 30 years from 28 June 1990, which expires in 2020, also with the option to renew for another 30 years.

Share Price Drivers:

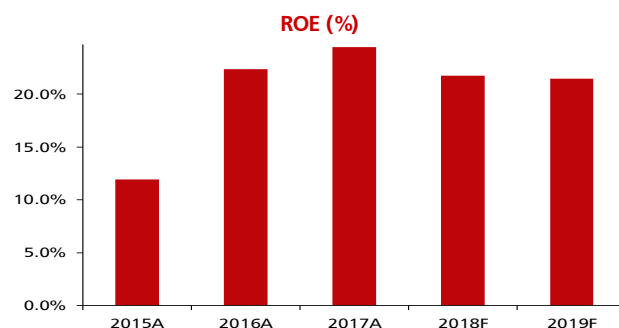
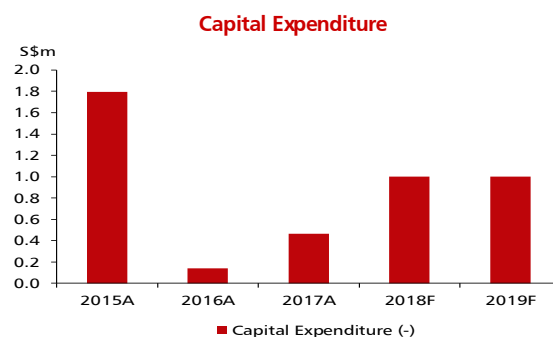
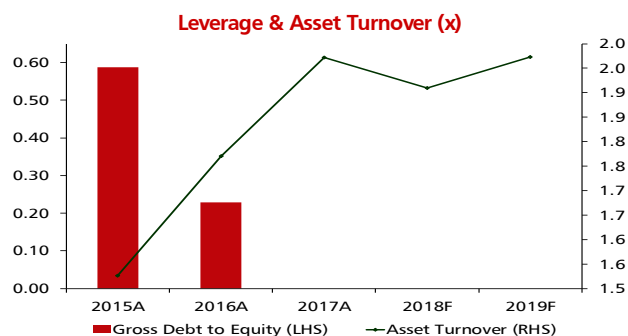
We believe that APAC is largely viewed by the market as a proxy to Singapore's private and HDB residential transaction volumes and values. As such, any newsflow in relation to the Singapore residential market should drive APAC's share price.

Key Risks:

APAC is highly dependent on Singapore's residential property market and macroeconomic conditions. Any change in government policies might affect the property market, which will in turn affect APAC. For example, residential transaction volumes and values suffered a sharp decline in 2014 due to the cumulative effect of various measures introduced by the government. In the longer term, the real estate brokerage industry may also be disrupted by technology with increasing adoption of websites that facilitate private sales.

Company Background

APAC Realty Limited ("APAC") is one of the leading players in the real estate brokerage industry in Asia. APAC Realty operates three main business segments – the real estate brokerage services; franchise agreements; and training, valuation and other ancillary services.



Source: Company, DBS Bank

Key Assumptions

FY Dec	2015A	2016A	2017A	2018F	2019F
Transaction value growth					
Private residential - primary	7.50	103	35.7	15.0	10.0
Private residential - secondary	28.1	17.0	65.1	15.0	10.0
HDB resale	27.1	15.6	15.0	10.0	5.00

Segmental Breakdown

FY Dec	2015A	2016A	2017A	2018F	2019F
Revenues (\$m)					
Brokerage	224	279	391	443	480
Non-brokerage	8.28	8.62	9.38	11.0	12.1
Total	233	288	401	454	492
Gross profit (\$m)					
Brokerage	23.9	32.2	46.6	53.2	57.7
Non-brokerage	7.33	7.66	8.29	9.90	10.9
Total	31.3	39.9	54.9	63.1	68.5
Gross profit Margins (%)					
Brokerage	10.7	11.5	11.9	12.0	12.0
Non-brokerage	88.5	88.9	88.4	90.0	90.0
Total	13.4	13.9	13.7	13.9	13.9

Growth driven by higher growth assumptions for sales transactions

Income Statement (\$m)

FY Dec	2015A	2016A	2017A	2018F	2019F
Revenue	233	288	401	454	492
Cost of Goods Sold	(201)	(248)	(346)	(391)	(424)
Gross Profit	31.3	39.9	54.9	63.1	68.5
Other Opng (Exp)/Inc	(19.8)	(20.7)	(25.2)	(28.4)	(31.2)
Operating Profit	11.5	19.2	29.7	34.7	37.3
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.01	0.0	0.0
Net Interest (Exp)/Inc	(1.2)	(1.1)	(0.3)	(0.4)	(0.4)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	10.3	18.1	29.5	34.3	37.0
Tax	(1.8)	(2.2)	(3.5)	(4.1)	(4.4)
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 Profit	8.49	15.9	25.9	30.2	32.5
Net Profit before Except.	8.49	15.9	25.9	30.2	32.5
EBITDA	13.0	20.8	31.2	35.6	38.3
Growth					
Revenue Gth (%)	6.6	23.7	39.2	13.4	8.4
EBITDA Gth (%)	(23.7)	59.6	49.7	14.3	7.4
Opg Profit Gth (%)	(27.4)	67.3	54.7	16.8	7.6
Net Profit Gth (Pre-ex) (%)	(30.7)	87.2	63.1	16.7	7.7
Margins & Ratio					
Gross Margins (%)	13.4	13.9	13.7	13.9	13.9
Opg Profit Margin (%)	4.9	6.7	7.4	7.6	7.6
Net Profit Margin (%)	3.6	5.5	6.5	6.7	6.6
ROAE (%)	11.9	22.4	24.4	21.7	21.5
ROA (%)	5.6	9.8	12.8	12.7	13.0
ROCE (%)	6.9	14.3	21.5	20.8	20.6
Div Payout Ratio (%)	0.0	0.0	27.4	60.0	60.0
Net Interest Cover (x)	9.8	17.1	111.6	94.8	102.0

Assume 60% payout. APAC paid a 2-Sct DPS in 4QFY17 which translates into 90% payout post IPO and based on 4Q17 earnings

Source: Company, DBS Bank

Quarterly / Interim Income Statement (\$m)

FY Dec	1Q2017	2Q2017	3Q2017	4Q2017	1Q2018
Revenue	67.2	91.2	106	130	105
Cost of Goods Sold	(57.0)	(83.2)	(91.9)	(114)	(92.4)
Gross Profit	10.2	7.94	13.7	16.0	12.9
Other Oper. (Exp)/Inc	(5.3)	1.83	(7.1)	(7.6)	(5.8)
Operating Profit	4.89	9.78	6.59	8.43	7.13
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(0.1)	(0.1)	0.0	0.0	0.0
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	4.75	9.69	6.55	8.43	7.13
Tax	(0.7)	(1.2)	(1.0)	(0.6)	(1.2)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	4.03	8.49	5.51	7.88	5.92
Net profit bef Except.	4.03	8.49	5.51	7.88	5.92
EBITDA	5.25	10.1	6.95	8.79	7.49

Growth

Revenue Gth (%)	(15.9)	35.7	15.8	22.9	(18.9)
EBITDA Gth (%)	(10.0)	92.9	(31.5)	26.5	(14.8)
Opg Profit Gth (%)	(10.2)	99.8	(32.6)	27.9	(15.4)
Net Profit Gth (Pre-ex) (%)	(18.3)	110.5	(35.1)	43.0	(24.9)

Margins

Gross Margins (%)	15.1	8.7	13.0	12.3	12.2
Opg Profit Margins (%)	7.3	10.7	6.2	6.5	6.8
Net Profit Margins (%)	6.0	9.3	5.2	6.1	5.6

Balance Sheet (\$m)

FY Dec	2015A	2016A	2017A	2018F	2019F
Net Fixed Assets	2.14	1.44	1.22	2.22	3.22
Invt in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other LT Assets	103	102	101	99.9	98.9
Cash & ST Invt	14.2	17.8	62.0	71.6	85.7
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	33.6	47.8	70.1	64.3	69.7
Other Current Assets	2.04	1.63	1.92	1.92	1.92
Total Assets	155	170	236	240	259
ST Debt	6.00	6.00	0.0	0.0	0.0
Creditor	39.0	55.6	82.0	74.7	80.9
Other Current Liab	10.5	13.2	16.4	15.6	15.9
LT Debt	31.0	12.0	0.0	0.0	0.0
Other LT Liabilities	5.14	4.67	4.49	4.49	4.49
Shareholder's Equity	63.0	78.9	133	145	158
Minority Interests	0.0	0.0	0.0	0.0	0.0
Total Cap. & Liab.	155	170	236	240	259
Non-Cash Wkg. Capital	(13.9)	(19.4)	(26.5)	(24.1)	(25.2)
Net Cash/(Debt)	(22.8)	(0.3)	62.0	71.6	85.7
Debtors Turn (avg days)	46.6	51.6	53.7	54.0	49.6
Creditors Turn (avg days)	67.6	70.1	73.0	73.3	67.1
Inventory Turn (avg days)	N/A	N/A	N/A	N/A	N/A
Asset Turnover (x)	1.5	1.8	2.0	1.9	2.0
Current Ratio (x)	0.9	0.9	1.4	1.5	1.6
Quick Ratio (x)	0.9	0.9	1.3	1.5	1.6
Net Debt/Equity (X)	0.4	0.0	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	0.4	0.0	CASH	CASH	CASH
Capex to Debt (%)	4.9	0.8	N/A	N/A	N/A
Z-Score (X)	4.7	5.1	5.2	5.2	5.8

Fully pared down debts from IPO proceeds

Balance sheet remains strong with zero debt

Source: Company, DBS Bank

Cash Flow Statement (\$\$m)

FY Dec	2015A	2016A	2017A	2018F	2019F
Pre-Tax Profit	10.3	18.1	29.4	34.3	37.0
Dep. & Amort.	1.56	1.62	1.44	0.93	0.93
Tax Paid	(2.6)	(1.6)	(3.2)	(5.0)	(4.1)
Assoc. & JV Inc/(loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	(3.8)	3.35	4.16	(1.6)	0.85
Other Operating CF	1.58	1.22	2.80	0.0	0.0
Net Operating CF	7.12	22.7	34.6	28.7	34.6
Capital Exp.(net)	(1.8)	(0.1)	(0.5)	(1.0)	(1.0)
Other Invt.(net)	0.0	0.0	0.0	0.0	0.0
Invt in Assoc. & JV	0.0	0.0	(0.2)	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	(0.3)	0.0	0.0	0.0	0.0
Net Investing CF	(2.1)	(0.1)	(0.7)	(1.0)	(1.0)
Div Paid	0.0	0.0	0.0	(18.1)	(19.5)
Chg in Gross Debt	16.0	(19.0)	(18.0)	0.0	0.0
Capital Issues	0.0	0.0	28.3	0.0	0.0
Other Financing CF	(25.0)	0.0	0.0	0.0	0.0
Net Financing CF	(9.0)	(19.0)	10.3	(18.1)	(19.5)
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	(4.0)	3.53	44.2	9.60	14.1
Opg CFPS (S cts)	3.06	5.44	8.58	8.53	9.51
Free CFPS (S cts)	1.50	6.34	9.62	7.81	9.47

Minimal capex needs

IPO proceeds

Source: Company, DBS Bank

Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	09 Nov 17	0.92	1.03	BUY
2:	13 Nov 17	0.96	1.12	BUY
3:	19 Feb 18	1.06	1.12	BUY
4:	26 Feb 18	1.16	1.25	BUY
5:	19 Mar 18	1.19	1.42	BUY

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

Source: DBS Bank

Analyst: Lee Keng LING
Derek TAN

DBS Bank recommendations are based on 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: 10 May 2018 08:20:56 (SGT)

Dissemination Date: 10 May 2018 08:36:53 (SGT)

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DBS Regional Research Offices

HONG KONG

DBS Vickers (Hong Kong) Ltd

Contact: Paul Yong
18th Floor Man Yee Building
68 Des Voeux Road Central
Central, Hong Kong
Tel: 65 6878 8888
Fax: 65 65353 418
e-mail: equityresearch@dbs.com
Participant of the Stock Exchange of Hong Kong

MALAYSIA

AllianceDBS Research Sdn Bhd

Contact: Wong Ming Tek (128540 U)
19th Floor, Menara Multi-Purpose,
Capital Square,
8 Jalan Munshi Abdullah 50100
Kuala Lumpur, Malaysia.
Tel.: 603 2604 3333
Fax: 603 2604 3921
e-mail: general@alliancedbs.com

SINGAPORE

DBS Bank Ltd

Contact: Janice Chua
12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: 65 6878 8888
Fax: 65 65353 418
e-mail: equityresearch@dbs.com
Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif
DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel: 62 21 3003 4900
Fax: 6221 3003 4943
e-mail: research@id.dbsvickers.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul
989 Siam Piwat Tower Building,
9th, 14th-15th Floor
Rama 1 Road, Pathumwan,
Bangkok Thailand 10330
Tel. 66 2 857 7831
Fax: 66 2 658 1269
e-mail: research@th.dbs.com
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