

Singapore Company Guide

Yangzijiang Shipbuilding

Version 13 | Bloomberg: YZJSGD SP | Reuters: YAZG.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

3 Jul 2018

BUY

Last Traded Price (2 Jul 2018): S\$0.885 (STI : 3,238.94)

Price Target 12-mth: S\$1.82 (106% upside)

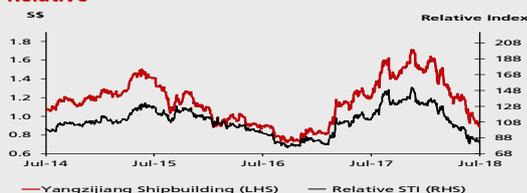
Analyst

Pei Hwa HO +65 6682 3714 peihwa@dbs.com

What's New

- Share price has unjustifiably halved from its high in Nov-17 due to overblown concerns on forex and steel cost as well as US-China trade war
- Strengthening USD to above Rmb6.65 bolster profits in FY18-19
- Share buyback exercise reaffirms confidence
- Attractive entry point at 7x PE, 0.6x PB and 5% yield; generating 8-9% ROE; reiterate BUY with S\$1.82 TP

Price Relative



Forecasts and Valuation

FY Dec (RMBm)	2016A	2017A	2018F	2019F
Revenue	15,089	19,206	17,664	17,504
EBITDA	4,122	3,655	3,305	3,635
Pre-tax Profit	2,773	3,487	3,139	3,225
Net Profit	1,752	2,931	2,366	2,386
Net Pft (Pre Ex.)	2,284	2,642	2,118	2,386
Net Pft Gth (Pre-ex) (%)	20.0	15.7	(19.8)	12.7
EPS (S cts)	9.39	15.2	12.2	12.3
EPS Pre Ex. (S cts)	12.2	13.7	11.0	12.3
EPS Gth Pre Ex (%)	20	12	(20)	13
Diluted EPS (S cts)	9.39	15.2	12.2	12.3
Net DPS (S cts)	4.07	4.57	4.57	4.57
BV Per Share (S cts)	122	134	142	149
PE (X)	9.4	5.8	7.2	7.2
PE Pre Ex. (X)	7.2	6.5	8.1	7.2
P/Cash Flow (X)	4.0	11.8	33.2	10.8
EV/EBITDA (X)	2.3	1.9	2.3	2.2
Net Div Yield (%)	4.6	5.2	5.2	5.2
P/Book Value (X)	0.7	0.7	0.6	0.6
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	7.9	12.1	8.9	8.5

Earnings Rev (%)	-	-	-	-
Consensus EPS (S cts):			12.3	12.4
Other Broker Recs:	B: 10	S: 1	H: 1	

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

Beneficiary of strengthening USD

Poised for rebound; Reiterate BUY; TP unchanged at S\$1.82.

Yangzijiang's share price is set to stage a rebound, after falling 50% YTD, due to overblown concerns on forex and steel cost as well as trade war. Recent strengthening of USD will benefit Yangzijiang with every Rmb0.10 leading to Rmb300m writeback. There is a window of opportunity to buy the quality shipyard at a rock bottom valuation of 0.6x P/BV, which is at a ~30% discount to global peers' average P/BV of 0.9x, notwithstanding its attractive 5% yield and higher ROE of 8-9% vs peers' 4-5%. Yangzijiang also has a solid balance sheet, sitting on net cash of 76 Scts/share (including financial assets), representing ~52% of NTA as opposed to shipyard peers that are mostly heavily indebted.

One of the world's best-managed and profitable shipyards. Core shipbuilding revenue is backed by its healthy order backlog of US\$4.5bn (~2x revenue coverage) as at end-Mar 2018. Better returns from the investment segment provides a cushion to its recurring income stream. It is the largest and most cost-efficient private shipbuilder in China, Yangzijiang is well positioned to ride sector consolidation and shipbuilding recovery. Its strategy to move up into the LNG/LPG vessel segment with a Japanese partner strengthens the longer-term prospects of the company.

Where we differ: We have been more bullish on the sector's recovery and believe Yangzijiang deserves to re-rate, catalysed by order wins and newbuild price increases eventually. The shipping demand growth could outstrip supply growth in 2018-2019. Profitability improvement of shipping companies should drive demand for newbuild vessels and higher newbuild prices.

Valuation:

We value Yangzijiang based on sum-of-parts (SOP) methodology. We arrive at a target price of S\$1.82, after applying 14x FY18F PE on shipbuilding earnings, 1.5x P/BV for bulk carriers and 1.3x P/BV for investments. Our TP translates into 1.25x P/BV, which is approximately 0.45D below historical mean (2.0x) since listing.

Key Risks to Our View:

USD depreciation and hike in steel cost. Revenue is denominated mainly in USD, and only half is naturally hedged. If the net exposure is unhedged, every 1% USD depreciation could lead to a 2% decline in earnings. Every 1% rise in steel costs, which accounts for about 20% of COGS, could result in 0.8% drop in earnings.

At A Glance

Issued Capital (m shrs)	3,960
Mkt. Cap (S\$m/US\$m)	3,504 / 2,554
Major Shareholders (%)	
Yangzi International	25.4
Lido Point Investments Ltd	10.0
Hongkong Hengyuan Investment Ltd	7.7
Free Float (%)	57.1
3m Avg. Daily Val (US\$m)	17.4

ICB Industry : Industrials / Industrial Engineering

Yangzijiang Shipbuilding

WHAT'S NEW

Opportunity to bottom fish

Price continues to fall alongside broad market weakness.

Subsequent to our report dated 28-May-2018: [Yangzijiang Shipbuilding: Unwarranted sell-off](#), Yangzijiang's share price fell by another ~8%, affected by broad market weakness amid US-China trade war fears.

Bottom-fishing opportunity. While the hit on sentiment from trade war fears might linger, the sell-off on quality shipyard names like Yangzijiang, halved from its high of S\$1.74 in Nov-2017, to a 16-month low seems overdone.

The stock is now trading at a rock bottom valuation of 0.6x P/BV, which is at a ~30% discount to global peers' average P/BV of 0.9x, notwithstanding its attractive 5% yield and higher ROE of 8-9% vs peers' 4-5%.

It also has a solid balance sheet, sitting on net cash of 76 Scts/share (including financial assets), representing ~52% of NTA as opposed to shipyard peers that are mostly heavily indebted.

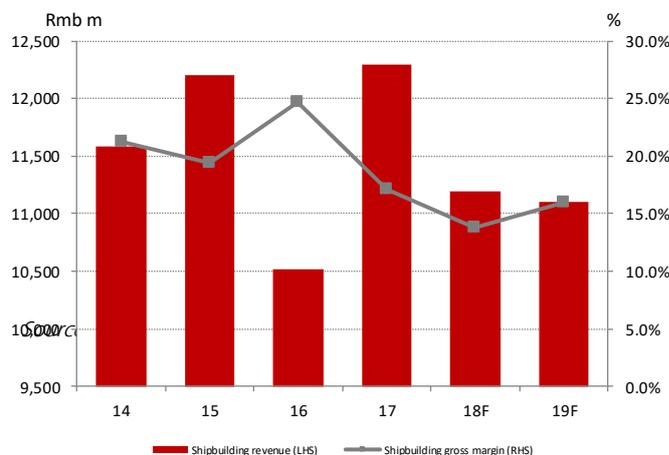
Stronger USD is positive for Yangzijiang. To recap, Yangzijiang prudently made provisions for its existing orderbook in 4Q17, taking into account the lower USD at 6.15 Rmb and higher steel cost of Rmb4,800/t. With the strengthening USD to 6.65 Rmb, every Rmb0.10 increase is expected to result in Rmb300m writebacks upon delivery of vessels.

Steel cost unlikely to surge further. Our steel analyst had expected steel prices to bottom out in 2Q, following a demand recovery and inventory drawdown ahead, but prices are unlikely to surge as steel demand growth is unlikely to exceed expectations, and there is ample inventory of steel and iron ore.

Expect decent 2Q18 results. The stronger USD is in line with our expectations. Our economists had expected USD to hover around 6.5-6.6 Rmb in 2018-2019. As such, we believe Yangzijiang is on track to achieve our core shipbuilding gross margin assumption of 14-16% and profit forecast in FY18-19.

For 2Q18, we expect Yangzijiang to deliver core shipbuilding margins of 17%, similar to 1Q18, bolstered by a stronger USD and deliveries of higher margin mega containerships. As such, net profit will likely be steady q-o-q at ~Rmb600m. This should reignite confidence into the stock, in our view.

Core shipbuilding revenue and gross margins:



Source: Yangzijiang, DBS Bank

Share buyback signals management's confidence. Yangzijiang activated its share buyback mandate on 30 May. As at end June, it has repurchased 13.2m shares or approx. 3.3% of outstanding shares at an average cost of S\$0.93. The move signals management's confidence in company and should bolster stock prices to certain extent.

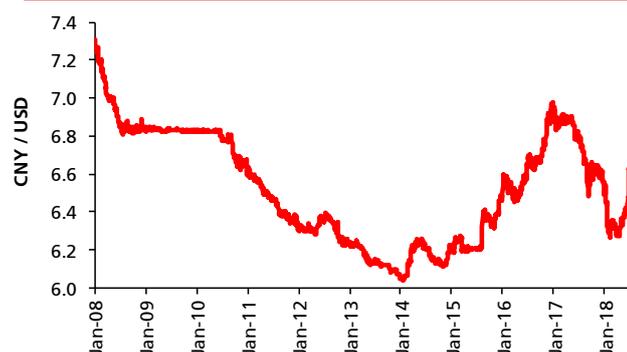
Yangzijiang's share buyback summary

Date	Shares (m)	Average Px (S\$)	Consideration (S\$)
30-May-18	5.0	0.91	4,526,645.2
11-Jun-18	1.0	0.98	976,199.7
13-Jun-18	2.2	0.98	2,111,135.5
19-Jun-18	1.0	0.92	921,132.1
27-Jun-18	2.0	0.92	1,842,264.1
28-Jun-18	2.0	0.90	1,802,214.9
Total	13.2	0.93	12,179,591.6

Source: Yangzijiang, DBS Bank

Potential collaboration with Japanese partner is another catalyst. Yangzijiang's strategy to move up into the LNG/LPG vessel segment propels the longer-term prospects of company. Management shared their vision to collaborate with Japanese partner to expand into the clean energy vessel space in a bigger way.

Strengthening USD benefits Yangzijiang



Steel cost seems stabilizing at ~Rmb4000-4500/t level



Baltic Dry Index has rebounded while Containerized Freight Index gradually inching up



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

Global shipyard peer comparisons

Company	Last Px (LC)	Market cap (US\$m)	P/E		P/B Current	ROE (%)		Net D/E Current
			FY18F	FY19F		FY18F	FY19F	
Singapore								
Yangzijiang	0.905	2,624	7.4	7.3	0.66	9.0%	8.4%	CASH
Keppel Corp	7.18	9,544	13.0	12.3	1.12	8.7%	8.9%	0.44
Sembcorp Industries	2.75	3,603	13.2	10.4	0.82	5.5%	6.6%	0.86
Sembcorp Marine	2.03	3,107	119.4	45.1	1.75	1.1%	3.5%	1.11
China								
China Shipbuilding Industry Co (CSIC)	4.04	13,937	55.3	40.4	1.10	2.7%	3.5%	CASH
Shanghai Zhenhua Heavy Industrie	4.19	2,513	34.1	26.2	1.22	3.2%	4.6%	1.81
China CSSC	9.69	2,014	38.1	24.0	0.91	1.9%	2.8%	0.27
Korea								
Hyundai Heavy Industries	102,000	6,323	nm	53.0	0.57	-1.1%	1.3%	0.09
Samsung Heavy Industries	7,240	4,088	nm	59.9	0.46	-2.8%	1.3%	0.52
Daewoo Shipbuilding	26,400	2,537	7.9	11.5	0.76	10.9%	6.8%	1.12
Average:			33.3	27.7	0.9	4.0%	4.9%	0.78
Median:			13.2	24.0	0.8	3.2%	4.6%	0.69

Closing as of 29 Jun 2018

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

Yangzijiang Shipbuilding

Yangzijiang's SOTP valuation

Components	% stake	FY18 PATMI (\$ m)	Est. market value (\$ m)	Value per share (\$)	Basis	Remark
Shipbuilding	100%	231	3,240	0.82	14x FY18 PE	1SD above historical mean since listing
Shipping & related	100%	12	239	0.06	1.5x P/Bv	Book value of the 10 vessels has been marked down by 50%.
Investment	100%	183	3,482	0.88	1.3x P/Bv	SG & HK banks' mean of 1.3x
		428	6,962	1.75		
Add: Net Cash			270	0.07		
Target price (\$)				1.82		
Share capital (m shares)				3,968.8		
Implied FY18 P/B				1.3		Implied 0.4SD below mean (2.1x)
Implied FY18 PE				15.1		Implied 1.7SD above mean (9.2x)

Source of all data: Company, DBS Bank

CRITICAL DATA POINTS TO WATCH**Critical Factors**

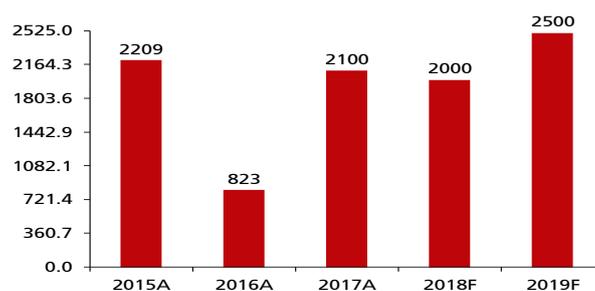
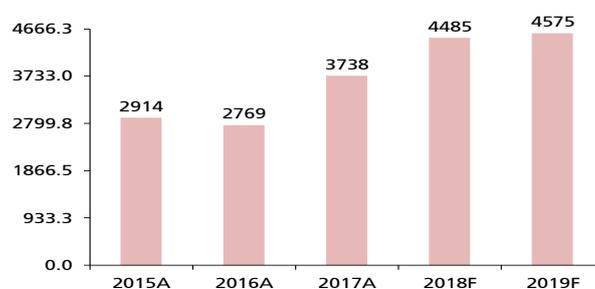
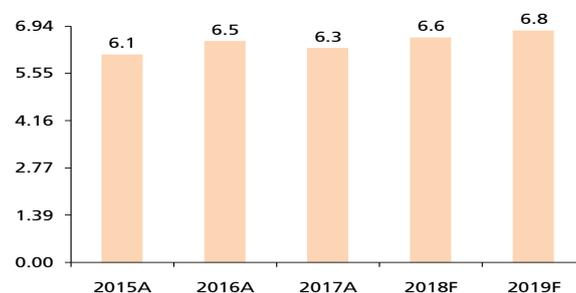
Healthy order backlog offers revenue visibility. Orderbook stood at US\$4.5bn as at end-March 2018, implying a healthy book-to-bill ratio of c.2x, providing revenue visibility for the next two years. Yangzijiang is now ranked no.1 in China and no.3 in the world by orderbook. Contract wins grew 155% y-o-y to US\$2.1bn in 2017. Management targets to secure new orders of ~US\$1.8bn this year to maintain a revenue coverage of c.2x, a healthy level for orderbook replenishment and optimisation of operational activities. YTD, Yangzijiang has clinched US\$268m worth of new contracts.

Shipping recovery. Global orderbook-to-fleet ratio has dropped to ~10% from the peak of ~55% in 2008, implying low-to-mid single-digit new supply these two years. On the scrapping side, the new Ballast Water Management Convention rule, that came into force in September 2017, would encourage the demolition of old vessels in the medium term as shipowners are granted a 2-year extension for compliance. This is expected to drive the recovery of shipping market, led by dry bulk segment, thus boosting newbuild demand.

Recognition of deferred income cushions downturn. Post financial crisis, Yangzijiang has adopted more prudent provision and accounting policies. For instance, it extended the warranty provision (2% of sales in 2012-2015; 1% from 2016 onwards) from one year to three. The reversal of the warranty provision will be captured under COGS and boost margins. We also expect the recognition of the remaining Rmb158m exceptional gains for the old yard's relocation fee in FY18 (in the form of government subsidies, Rmb557m out of total of Rmb715m was recognised in FY15). The remaining ~Rmb600m of forfeited deposits from terminated vessels would also be recognised in 2018-2020. In addition, given the improving secondhand prices, Yangzijiang could potentially dispose the 13 terminated newbuild vessels at a gain. It recorded Rmb61m profit for the disposal of two bulk carriers in 3Q17.

Exploring M&A opportunities for long-term growth. The Chinese shipbuilding industry has shrunk from over 3,000 yards to less than 100 currently. Further consolidation is underway, probably ending with 20-30 survivors, and Yangzijiang will surely make the list. It has emerged stronger in the past few cycles with Executive Chairman, Mr Ren Yuanlin at the helm. Mr Ren, ranked 82 in Lloyd's List of Top 100 most influential people in shipping, is highly respected for his great foresight, strategic sense, and cost and cash management.

Production efficiency and cost control. Yangzijiang enjoys 5-ppt higher margins vis-à-vis peers. This is achievable through its premium newbuild prices and better payment terms among Chinese yards, as well as production efficiency and cost control.

Order wins (US\$ m)**Steel cost (RMB/t)****RMB / USD**

Source: Company, DBS Bank

Yangzijiang Shipbuilding

Balance Sheet:

Sound balance sheet. As at March 2018, including held-to-maturity (HTM) investments, Yangzijiang is in net cash, equivalent to 76 Scts per share or ~52% of its NTA. It is expected to churn positive free cash flow in the light of its minimal capex requirements.

Share Price Drivers:

Contract win is traditionally the leading indicator of shipbuilders' share price performance and earnings. In particular, Yangzijiang is gaining a good foothold in the "high-specs" vessel space, which has long been dominated by its Korean peers.

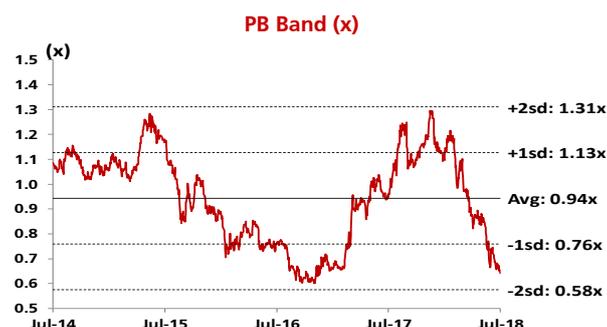
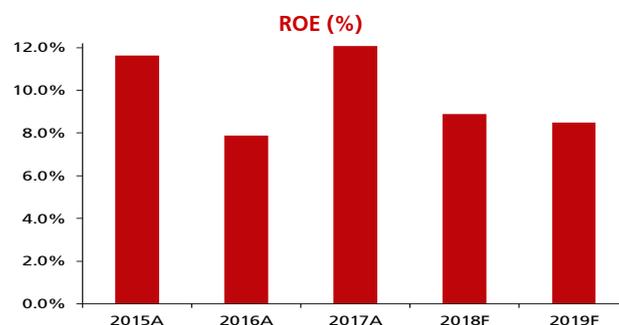
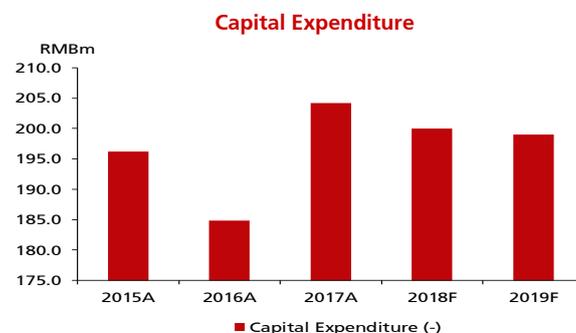
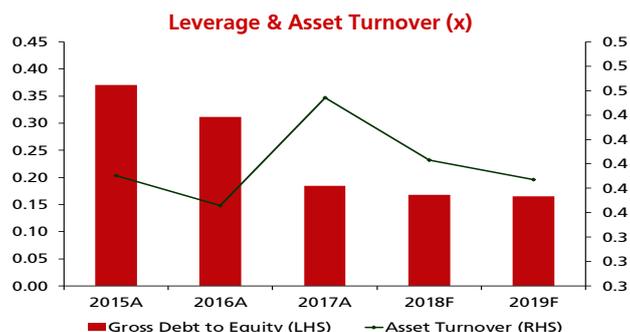
Key Risks:

Prolonged industry downturn. The shipping market of bulk carriers and containerships remains challenging in view of the influx of new capacity and slower-than-expected demand growth amid China's economic slowdown. The prolonged downturn could affect Yangzijiang's order wins and share price.

USD depreciation and hike in steel cost. Revenue is denominated mainly in USD, and only half is naturally hedged. Assuming the net exposure is unhedged, every 1% USD depreciation could lead to a 2% earnings decline. Every 1% rise in steel costs, which account for about 20% of COGS, could result in a 0.8% drop in bottom line.

Company Background

Yangzijiang is one of the largest, most efficient and most profitable shipbuilders in China. It has moved up the value chain to produce mega containerships and very large bulk carriers, as well as LNG vessels.



Source: Company, DBS Bank

Key Assumptions

FY Dec	2015A	2016A	2017A	2018F	2019F
Order wins (US\$ m)	2,209	823	2,100	2,000	2,500
Steel cost (RMB/t)	2,914	2,769	3,738	4,485	4,575
RMB / USD	6.10	6.50	6.30	6.60	6.80

Segmental Breakdown

FY Dec	2015A	2016A	2017A	2018F	2019F
Revenues (RMBm)					
Shipbuilding	12,209	10,515	12,301	11,190	11,107
Investment	1,326	1,067	1,111	1,229	1,238
Others	2,480	3,507	5,794	5,245	5,159
Total	16,014	15,089	19,206	17,664	17,504
Gross profit (RMBm)					
Shipbuilding	2,375	2,594	2,100	1,549	1,768
Investment	1,253	1,002	1,056	1,167	1,176
Others	91.5	40.9	156	166	137
Total	3,719	3,637	3,312	2,882	3,081
Gross profit Margins (%)					
Shipbuilding	19.5	24.7	17.1	13.8	15.9
Investment	94.5	93.9	95.1	95.0	95.0
Others	3.7	1.2	2.7	3.2	2.7
Total	23.2	24.1	17.2	16.3	17.6

Income Statement (RMBm)

FY Dec	2015A	2016A	2017A	2018F	2019F
Revenue	16,014	15,089	19,206	17,664	17,504
Cost of Goods Sold	(12,295)	(11,453)	(15,894)	(14,782)	(14,423)
Gross Profit	3,719	3,637	3,312	2,882	3,081
Other Opng (Exp)/Inc	(757)	3.56	(139)	(5.5)	145
Operating Profit	2,963	3,640	3,173	2,876	3,226
Other Non Opng (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	(59.7)	0.0	0.0	0.0
Net Interest (Exp)/Inc	(335)	(276)	25.2	14.7	(1.3)
Exceptional Gain/(Loss)	557	(531)	290	248	0.0
Pre-tax Profit	3,185	2,773	3,487	3,139	3,225
Tax	(731)	(927)	(395)	(642)	(709)
Minority Interest	5.36	(93.5)	(160)	(131)	(129)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	2,460	1,752	2,931	2,366	2,386
Net Profit before Except.	1,903	2,284	2,642	2,118	2,386
EBITDA	3,506	4,122	3,655	3,305	3,635
Growth					
Revenue Gth (%)	4.3	(5.8)	27.3	(8.0)	(0.9)
EBITDA Gth (%)	(19.1)	17.6	(11.3)	(9.6)	10.0
Opg Profit Gth (%)	(24.1)	22.9	(12.8)	(9.3)	12.2
Net Profit Gth (Pre-ex) (%)	(45.3)	20.0	15.7	(19.8)	12.7
Margins & Ratio					
Gross Margins (%)	23.2	24.1	17.2	16.3	17.6
Opg Profit Margin (%)	18.5	24.1	16.5	16.3	18.4
Net Profit Margin (%)	15.4	11.6	15.3	13.4	13.6
ROAE (%)	11.6	7.9	12.1	8.9	8.5
ROA (%)	6.0	4.2	6.9	5.4	5.3
ROCE (%)	7.2	7.5	8.7	6.9	7.3
Div Payout Ratio (%)	31.5	43.3	30.2	37.4	37.0
Net Interest Cover (x)	8.8	13.2	NM	NM	2,524.7

Source: Company, DBS Bank

Yangzijiang Shipbuilding

Quarterly / Interim Income Statement (RMBm)

FY Dec	1Q2017	2Q2017	3Q2017	4Q2017	1Q2018
Revenue	4,682	3,791	4,378	6,355	4,963
Cost of Goods Sold	(3,792)	(2,986)	(3,705)	(5,410)	(4,104)
Gross Profit	889	805	674	944	860
Other Oper. (Exp)/Inc	(14.7)	(29.7)	75.3	(170)	(55.0)
Operating Profit	875	775	749	774	805
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(1.0)	(25.9)	31.3	(4.5)	(5.5)
Net Interest (Exp)/Inc	(6.3)	19.4	21.8	(9.6)	14.7
Exceptional Gain/(Loss)	0.0	134	156	0.0	0.0
Pre-tax Profit	867	902	958	760	814
Tax	(175)	(148)	(38.6)	(34.0)	(182)
Minority Interest	(24.9)	(34.2)	(53.3)	(48.0)	(36.2)
Net Profit	668	720	866	678	595
Net profit bef Except.	668	586	710	678	595
EBITDA	1,018	887	916	834	943

Growth

Revenue Gth (%)	(15.0)	(19.0)	15.5	45.1	(21.9)
EBITDA Gth (%)	(41.2)	(12.9)	3.3	(9.0)	13.2
Opg Profit Gth (%)	(40.9)	(11.4)	(3.4)	3.4	4.0
Net Profit Gth (Pre-ex) (%)	(35.9)	(12.2)	21.1	(4.5)	(12.2)

Margins

Gross Margins (%)	19.0	21.2	15.4	14.9	17.3
Opg Profit Margins (%)	18.7	20.4	17.1	12.2	16.2
Net Profit Margins (%)	14.3	19.0	19.8	10.7	12.0

Balance Sheet (RMBm)

FY Dec	2015A	2016A	2017A	2018F	2019F
Net Fixed Assets	6,402	5,477	4,821	4,592	4,382
Invt in Associates & JVs	1,423	887	1,395	1,395	1,395
Other LT Assets	7,614	8,668	7,704	7,745	8,229
Cash & ST Invt	12,241	14,856	15,574	14,794	15,018
Inventory	1,613	2,032	2,628	2,717	2,693
Debtors	6,197	5,347	5,290	5,888	5,835
Other Current Assets	5,756	3,966	5,960	7,152	8,583
Total Assets	41,246	41,234	43,373	44,283	46,134
ST Debt	2,209	2,579	2,532	1,772	1,241
Creditor	5,042	4,906	5,859	5,888	5,835
Other Current Liab	3,689	4,165	5,185	4,623	4,691
LT Debt	6,074	4,645	2,359	2,948	3,686
Other LT Liabilities	1,874	1,739	922	922	922
Shareholder's Equity	21,799	22,692	25,885	27,367	28,869
Minority Interests	560	507	632	763	892
Total Cap. & Liab.	41,246	41,234	43,373	44,283	46,134
Non-Cash Wkg. Capital	4,835	2,274	2,835	5,247	6,585
Net Cash/(Debt)	3,959	7,632	10,684	10,073	10,092
Debtors Turn (avg days)	147.2	139.6	101.1	115.5	122.2
Creditors Turn (avg days)	167.2	166.4	127.5	149.4	152.7
Inventory Turn (avg days)	56.3	61.0	55.2	68.0	70.5
Asset Turnover (x)	0.4	0.4	0.5	0.4	0.4
Current Ratio (x)	2.4	2.2	2.2	2.5	2.7
Quick Ratio (x)	1.7	1.7	1.5	1.7	1.8
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	2.4	2.6	(4.2)	4.2	4.0
Z-Score (X)	2.1	2.2	2.4	2.4	2.4

Source: Company, DBS Bank

Cash Flow Statement (RMBm)

FY Dec	2015A	2016A	2017A	2018F	2019F
Pre-Tax Profit	3,185	2,773	3,487	3,139	3,225
Dep. & Amort.	543	542	483	429	410
Tax Paid	(606)	(670)	(584)	(1,203)	(642)
Assoc. & JV Inc/(loss)	0.0	59.7	0.0	0.0	0.0
Chg in Wkg.Cap.	260	191	(1,131)	(1,850)	(1,406)
Other Operating CF	353	1,181	(811)	0.0	0.0
Net Operating CF	3,735	4,076	1,445	514	1,587
Capital Exp.(net)	(196)	(185)	204	(200)	(199)
Other Invts.(net)	0.0	0.0	0.0	0.0	0.0
Invts in Assoc. & JV	(554)	166	(545)	0.0	0.0
Div from Assoc & JV	28.7	341	71.5	0.0	0.0
Other Investing CF	784	(1,428)	(377)	894	(63.9)
Net Investing CF	63.3	(1,107)	(646)	694	(263)
Div Paid	(958)	(818)	(754)	(884)	(884)
Chg in Gross Debt	516	(1,058)	(1,943)	(170)	205
Capital Issues	0.0	0.0	1,008	0.0	0.0
Other Financing CF	(16.4)	0.0	0.0	0.0	0.0
Net Financing CF	(458)	(1,876)	(1,690)	(1,054)	(679)
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	3,340	1,093	(890)	155	645
Opg CFPS (S cts)	18.6	20.8	13.3	12.2	15.5
Free CFPS (S cts)	19.0	20.9	8.53	1.63	7.18

Source: Company, DBS Bank

Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	03 Jul 17	1.22	1.35	BUY
2:	10 Aug 17	1.60	1.70	BUY
3:	31 Aug 17	1.50	1.70	BUY
4:	20 Sep 17	1.42	1.70	BUY
5:	09 Oct 17	1.49	1.70	BUY
6:	13 Nov 17	1.67	1.82	BUY
7:	02 Mar 18	1.41	1.82	BUY
8:	30 Apr 18	1.17	1.82	BUY
9:	28 May 18	0.95	1.82	BUY

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

Source: DBS Bank

Analyst: Pei Hwa HO

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: 3 Jul 2018 08:27:14 (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
Company Regn. No 0105539127012
Securities and Exchange Commission, Thailand