CapitaLand Mall Trust

Version 11 | Bloomberg: CT SP | Reuters: CMLT.SI

DBS Group Research . Equity

10 Sep 2018

BUY

Last Traded Price (7 Sep 2018): S$2.15 (STI : 3,134.39)
Price Target 12-mth: S$2.45 (14% upside) (Prev S$2.30)

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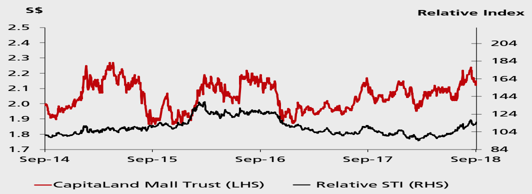
What's New

- Proposed acquisition of remaining 70% stake in Westgate for S$805.5m (post-transaction cost yield of 4.3%) a sweet deal for CMT
- Coupled with the relaunch of Funan, CMT is set to take a multi-year growth path
- Offering stability with growth, the prospects of record DPUs in FY19F-20F could trigger a re-rating of its share price
- TP raised to S$2.45; Maintain BUY

Price Relative



Forecasts and Valuation

FY Dec (S$m)	2017A	2018F	2019F	2020F
Gross Revenue	682	679	777	816
Net Property Inc	478	473	541	566
Total Return	658	416	442	459
Distribution Inc	413	420	446	463
EPU (S cts)	11.4	11.7	12.3	12.7
EPU Gth (%)	1	3	5	3
DPU (S cts)	11.2	11.2	11.7	12.1
DPU Gth (%)	0	1	4	4
NAV per shr (S cts)	195	196	197	197
PE (X)	18.8	18.4	17.4	17.0
Distribution Yield (%)	5.2	5.2	5.4	5.6
P/NAV (x)	1.1	1.1	1.1	1.1
Aggregate Leverage (%)	31.2	30.2	34.4	34.3
ROAE (%)	5.9	6.0	6.3	6.4

Distn. Inc Chng (%):	(1)	4	5
Consensus DPU (S cts):	11.1	11.3	12.2
Other Broker Recs:	B: 12	S: 2	H: 9

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

Soaring above the competition

TP raised to S$2.45 as CMT returns to growth! Anchored by resilient yields, CapitaLand Mall Trust (CMT) has been a safe harbour for investors and is starting to emerge as a growth play. As the retail sector bottoms out, 2019 could be a chance for CMT to shine as full contributions from Westgate and the return of Funan takes DPU back on a multi-year growth path. CMT's share price should re-rate as earnings growth returns to an upward trajectory of c.4% p.a. (vs SREIT's average of c.2%).

We have raised our TP for CMT to S$2.45 to reflect the higher growth outlook and earnings base. Maintain BUY!

Where we differ: Deep dive into micro-markets gives us confidence that CMT can surprise on the upside. While the street remains divided on the stock given the uncertainties over the impact of the surge in new retail supply over 2018-2019, we believe the new supply is not a big threat to CMT given strong pre-commitments ahead of completion. Meanwhile, higher contributions from Westgate and Funan will help drive up DPUs in a sustained manner. Our deep dive into Westgate also gives us confidence that the worst is over for the mall – rents appear to be bottoming out, offering upside to reversions as they fall due.

Potential catalyst: Better-than-expected reversions or acquisitions. Expectations for CMT are low, as investors are barely anticipating any rental reversion growth, in our view. The recent uptick in retail sales, if sustained, could mean that downside to rental reversions is likely to be minimal and may trigger a re-rating of its share price. The utilisation of its balance sheet to fund further acquisitions also offers an upside surprise to our estimates.

Valuation:

Maintain BUY with higher TP of S$2.45 after raising estimates to reflect the higher growth outlook. At current price, the stock offers FY19F DPU yield of 5.5% and total potential return in excess of 20%.

Key Risks to Our View:

More aggressive rate hikes than consensus expectations may cause ripples in the market. Being a proxy for interest-rate investment, CMT may then suffer from selling pressure.

At A Glance

Issued Capital (m shrs)	3,549
Mkt. Cap (Sm/USm)	7,630 / 5,534
Major Shareholders (%)	
Capitaland Limited	28.2
Blackrock Inc	7.1
National Trades Union	5.0
Free Float (%)	59.7
3m Avg. Daily Val (US$m)	17.2
ICB Industry : Financials / Real Estate Investment Trust	

WHAT'S NEW

Ushering a new era of growth, starting with Westgate

A new leader emerging in the West. On 27 Aug 2018, CMT proposed the acquisition of the remaining 70% stake in Westgate - an iconic retail development which enjoys direct connectivity to both Jurong East MRT Station and bus interchange - from the Sponsor for S$789.6m (or S$805.5m including acquisition-related expenses).

With the merits of the proposed acquisition extending beyond immediate DPU accretion, we believe the timing (just as rents are showing signs of bottoming) is right and price is fair. If the deal goes ahead, it would solidify CMT's leadership position within the Jurong Regional Centre subzone with a 56% share vs 41% previously:

Market Share by Landlord

Market Share	NLA (sqft)	Landlord	Market Share by NLA	
			Pre	Post
Breakdown by Mall:				
IMM*	423,657	CMT	23%	23%
JEM	818,000	Lendlease	44%	44%
Westgate	411,614	CMT, CapitaLand	22%	22%
JCube	210,237	CMT	11%	11%
Total:	1,863,508		100%	100%
Breakdown by Landlord:				
CapitaLand	288,130		15%	-
CMT	757,378		41%	56%
Lendlease	818,000		44%	44%
Total:	1,863,508		100%	100%

**includes retail space only*
Source: Companies, DBS Bank

The post-transaction cost yield of 4.3% also reflects CMT's strength in capital recycling, as it redeploys capital from the sale of Sembawang Shopping Centre which we estimate was divested at an exit yield of less than 3%.

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Tighter yield at the outset but strong growth potential awaits. In April 2017, Jurong Point was sold to Mercatus Co-operative for S$2.2 bn. On a NLA basis, the consideration for Westgate works out to S$2,746 psf, which represents an c.18% discount to the S$3,343 psf for Jurong Point.

Key Deal Metrics: Westgate vs Jurong Point

Market Transactions	NLA (sqft)	Consideration		NPI Yield	Implied Rent* (S$ psf)
		(S$ bn)	(S$ psf)		
Jurong Point	658,000	$2.20	$3,343	4.2%	$16.70
Westgate (70% share)	288,130	$0.79	$2,746	4.3%	$14.10

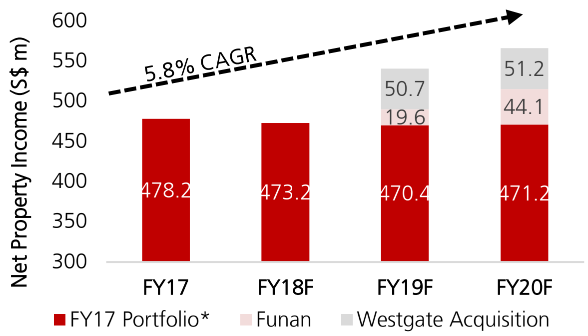
**assuming 70% NPI margin*
Source: Companies, DBS Bank

While NPI yield of 4.3% appears tight at first glance, we believe that it is reflective of current market transactions and offers upside if strategies to increase rents and extract further synergies are executed successfully. Additionally, we note that Westgate is a relatively young mall offering greater long-term growth potential supported by company-specific drivers and positive demographic trends. We discuss this in a later section.

Good things come in pairs; Westgate acquisition and Funan re-launch to lead resurgence of growth. After flattish NPI and DPU growth profiles over the last two years, an exciting 2019 awaits. Apart from incremental contributions from the Westgate acquisition in 1H19, Funan, which has been closed for redevelopment since 2H16, is set to return in 2H19 (ahead of initial expectations). To date, CMT has achieved a respectable commitment rate of 50% for Funan's retail wing and aims to achieve 80% by end-2018.

With full contributions from Westgate and a revitalised Funan coming back onboard, CMT is set on a firm growth path. We see NPI growing at 5.8% CAGR to S$566.4m by FY20F.

Westgate Acquisition, Re-launch of Funan to Spur Growth

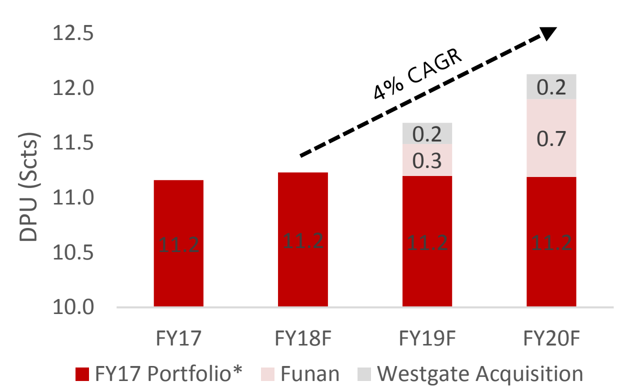


**including Sembawang Shopping Centre*
Source: CMT, DBS Bank

DPUs to reach new highs in FY19F-20F? Our base case assumes that the Westgate acquisition will be 80% debt-funded and estimate that the deal will be DPU-accretive – boosting FY19F DPU by 0.2 Scts (+1.8% vs FY17).

The re-launch of Funan could add an additional 0.3 Scts and 0.7 Scts to DPU in FY19F and FY20F, respectively, anchoring robust DPU growth of 2.8% CAGR over FY17-20F.

CMT Poised to Deliver Record DPUs in FY19F-20F

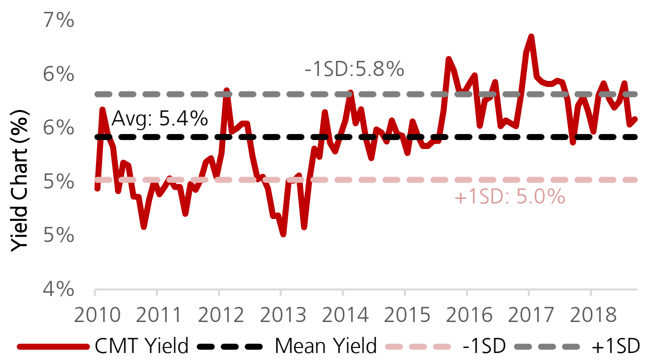


**including Sembawang Shopping Centre*
Source: CMT, DBS Bank

Maintain BUY; TP raised to S$2.45 as we lift our FY19F-20F NPI projections for CMT to capture the immediate accretion from the remaining 70% share of Westgate and higher contributions from Funan, which has been enjoying good take-up rates and poised for an earlier relaunch. This translates into 4%/5% boost in DPU in FY19F/20F to 11.7 Scts and 12.1 Scts respectively.

Our TP implies FY20F yield of c.5% (+1SD of its historical range since 2010), which seems fair in our opinion given (i) the bottoming out of the retail sector, and (ii) clear company-specific growth catalysts over F18F-20F which could allow CMT to outperform peers.

CMT's Yield Chart (Since 2010)



Source: CMT, DBS Bank

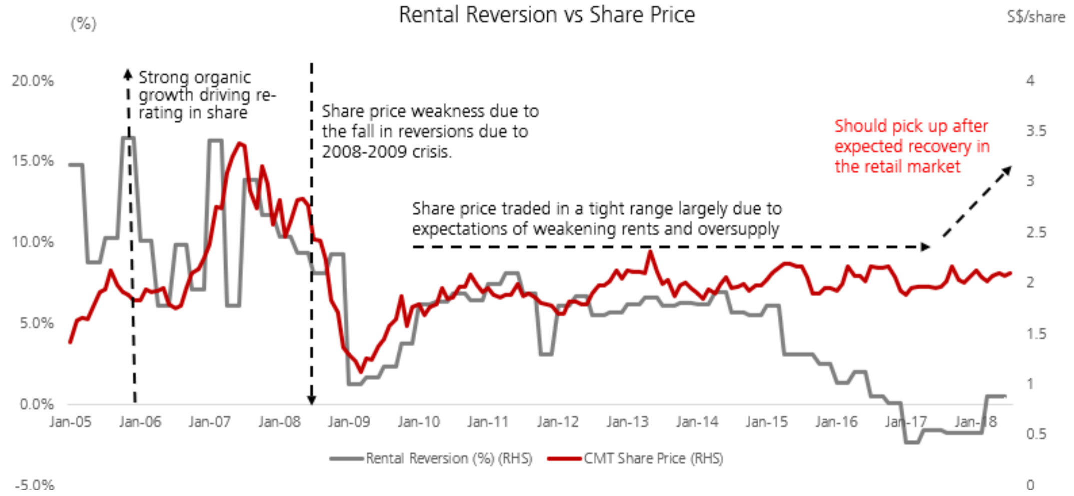
Sensitivity Analysis: Impact of Funding Mix on Gearing and DPU

Financing		Gearing		DPU (S cts)			%Chg	
Debt (%)	Equity (%)	2Q18	FY19F	FY17	FY19F	FY20F	FY17-19F	FY17-20F
100%	0%	31.5%	35.8%	11.2	11.8	12.3	5.7%	9.8%
90%	10%	31.5%	35.1%	11.2	11.7	12.2	5.2%	9.2%
80%	20%	31.5%	34.4%	11.2	11.7	12.1	4.7%	8.7%
70%	30%	31.5%	33.7%	11.2	11.6	12.1	4.2%	8.1%

Source: CMT, DBS Bank

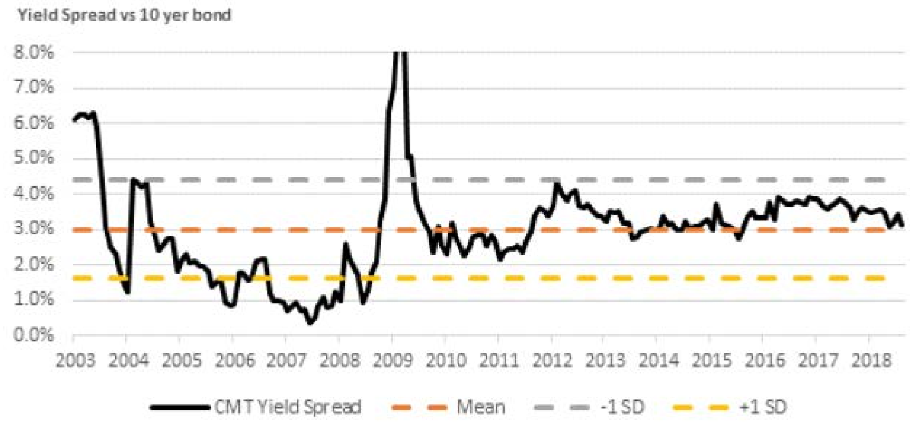
THE STARS ARE ALIGNED FOR A RE-RATING

Share Price and Rental Reversions



Source: CMT, DBS Bank

Share Price and Yield Spread

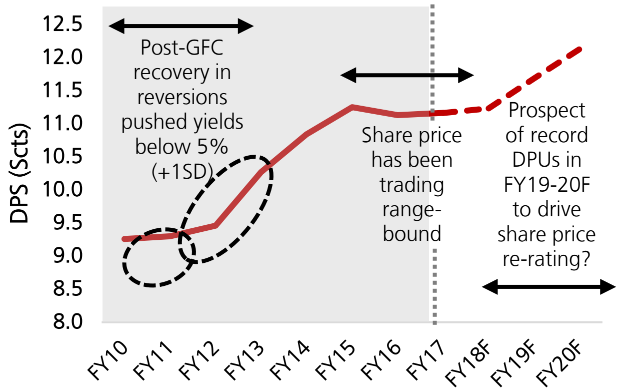


Source: CMT, DBS Bank

On the cusp to break out of its trading range. Rent reversions, a primary factor impacting DPU and yield spreads and key driver of CMT's share price performance historically, have remained weak on the back of supply and consumption-related challenges over the last few years but are starting to turn positive.

CMT's share price has since been trading range-bound, between S$2 to S$2.20. With the full acquisition of Westgate and earlier than expected completion of a revitalised Funan set to take DPUs back on a multi-year growth path, CMT's share price could soon break out of its historical trading range and reach new heights as earnings are delivered.

Resumption of DPU Growth Could Drive a Share Price Re-rating



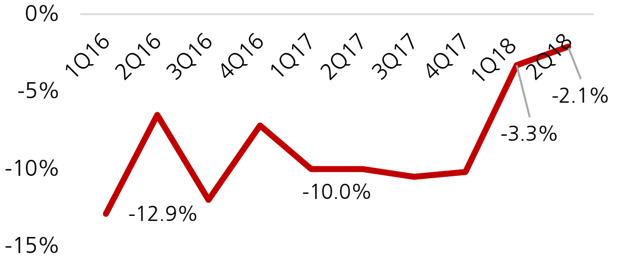
Source: CMT, DBS Bank

DEEP DIVE ON WESTGATE: A TIMELY ACQUISITION

The worst may be over for Westgate. While Westgate has been the weaker performer within CMT's portfolio in the Jurong East Regional Centre subzone, various data points suggest that this may soon change.

Rental reversions are still negative but have narrowed substantially over the past few years - from -12.9% in 1Q16 and -10% in 1Q17 to -2.1% in the most recent quarter (2Q18) and showing signs of bottoming.

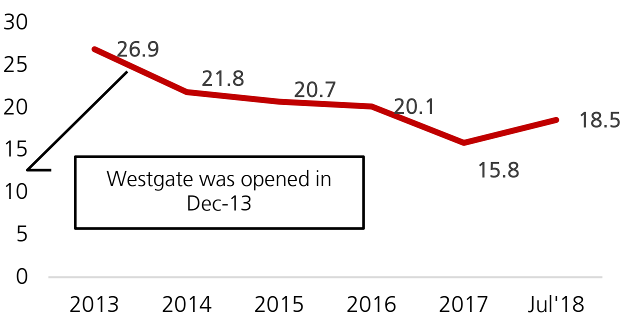
Rent Reversionary Trends for Westgate



Source: CMT, DBS Bank

Median rents for Westgate have also rebounded from a low of S$15.8 psf per month in FY17 to S$18.5 for the first seven months of FY18, which further affirms our view that the worst may be over for the asset.

Median Rents at Westgate (S$ psf per month)



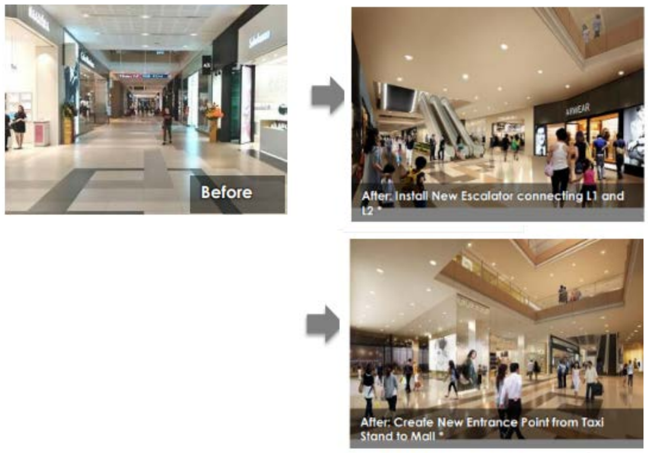
Source: REALIS, DBS Bank

Strategies to close discount gap between Westgate and Jem taking shape. Owing to its prime location and direct connectivity to both the Jurong East MRT Station and Bus Interchange, Westgate enjoys high footfall of c.49.4m shoppers p.a.. However, not all translate into actual sales. The recent recovery at Westgate is a result of a multi-year effort by the Asset Manager to optimise the tenant mix and create synergies within its various sub-segments. Despite good traction thus far, this remains a key focus for the group going forward.

Ongoing Asset Enhancement Initiatives (AEI)

(i) Enclosure of Selected Alfresco F&B Outlets with Air-conditioning

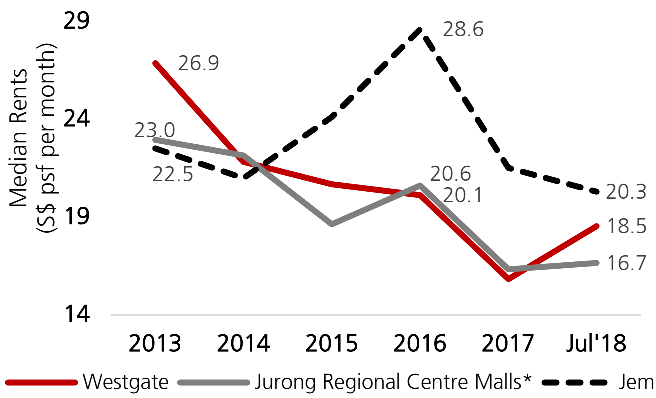
(ii) Improving Shopper Accessibility into and Within the Mall



Source: CMT

In addition to ongoing AEI, efforts to further enhance shopper experience and cultivate new, differentiated offerings at Westgate should further cement the mall's position as a destination mall in the West – which should allow Westgate to soon close the discount gap to JEM's current median rent of S$20.3 psf per month, and potentially command premium rents over the medium term.

Narrowing Discount Gap Between Westgate and JEM



**includes Big Box*
Source: REALIS, DBS Bank

Can CMT replicate its success in the East? The performance of the three malls in the Tampines cluster (particularly Tampines Mall, which is also owned by CMT) offers a glimpse into Westgate's longer-term potential, in our view.

When the Jurong malls were first launched in 2013, we note that they were able to fetch rents that were similar to that of Tampines despite differences in their underlying demographic and supply profiles.

Salient differences between Jurong and Tampines

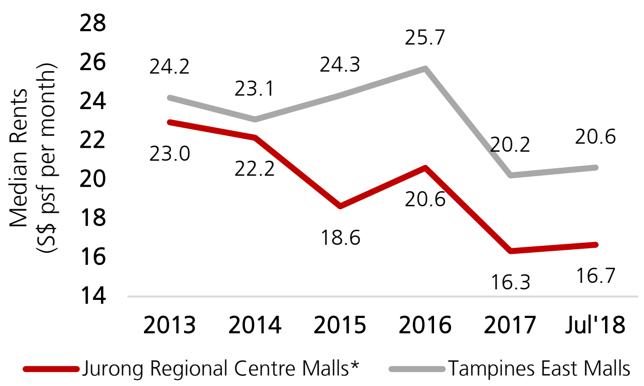
Key Segments	Jurong Catchment Area (Jurong East + Jurong West)	Tampines Catchment Area (Simei, Tampines and Pasir Ris)
Residential Population (2010)	355,640	395,600
Average Household Income (2010)	$5,914/ month	$6,354/ month
Retail Space by NLA (2013)	1,863,508 sqft	1,064,172 sqft
Retail Space per Capita	5.2 sqft	2.7 sqft

Source: Companies, Singstat, DBS Bank

Median rents across the three malls in the Tampines cluster (Tampines Mall, Century Square and Tampines1) have remained relatively resilient since – even in the face of new supply in the broader market over the last few years, and currently command a premium of 23.8% (or average of 18.8% since 2013) to its Jurong counterparts.

We attribute this mainly to the complementary nature of malls within the Tampines East region, which promotes stability.

Jurong Malls Trading at 23.8% Discount to Peers in Tampines



**includes Big Box*
Source: REALIS, DBS Bank

Having successfully established Tampines Mall as a dominant player in the East with consistently higher rents vs peers (i.e. Tampines1), CMT could replicate its success by a larger scale in Jurong.

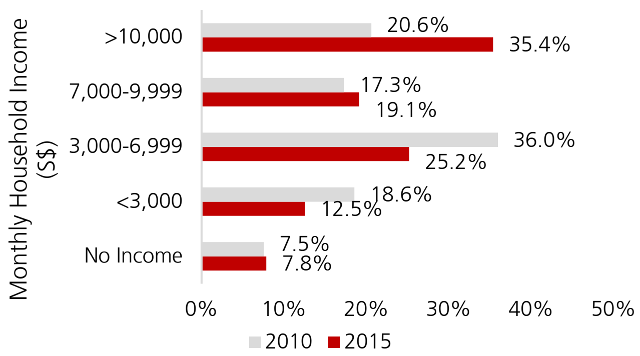
Demographic trends are also supportive, but execution remains key, and will take time. In Sep-16, the Housing & Development Board unveiled its Masterplan for Tengah, a 700ha new estate which is expected to accommodate 42,000 new homes. When completed, could boost the residential population for the Jurong Catchment Area by c.39.4% to c.490,000 vs 351,430 currently.

A new Jurong Region MRT Line, which will open in three phases starting from 2026, will also boost connectivity to Jurong East MRT Station, benefitting surrounding malls. Rising household income in the Jurong region further adds to its attractiveness.

We estimate that average monthly household income in Jurong has risen by c.42.4% from c.S$5,914 (2010) to c.S$8,420/month (2015) – and should continue on its uptrend alongside the development of the Jurong Lake District (2nd CBD) and Jurong Innovation District, which should draw talent and spur new demand for homes in the Jurong region.

While demographic outlook is positive and points to longer-term potential, the onus is on CMT to position its Jurong assets ahead to fully capture opportunities presented by these favourable trends.

Average Household Income in Jurong +42% over 2010-2015



Source: Singstat, DBS Bank

Timely acquisition of Westgate offers immediate DPU boost with organic growth potential over the medium-to-long term. Overall, we are positive on the acquisition as it allows CMT to enjoy immediate DPU accretion and enjoy the potential turn in tide for Westgate, which as data suggests, may just be around the corner.

CRITICAL DATA POINTS TO WATCH

Critical Factors

A bellwether for REITs. CMT, being the first and longest-running REIT in Singapore which has gone through different growth phases at a market cap of close to S$7.0bn and an asset base of over S$10bn, remains a bellwether for the REIT industry. While CMT has seen better growth days back in 2003-2009 and saw increased challenges disrupting the retail sector over the past few years, we believe that the worst could be over, given the REIT's improving rental reversionary prospects in recent times. Most importantly, we believe that given the REIT's track record and having positioned its exposure towards more non-discretionary spending, we remain confident on the REIT's ability to continue paying steady distributions across market cycles.

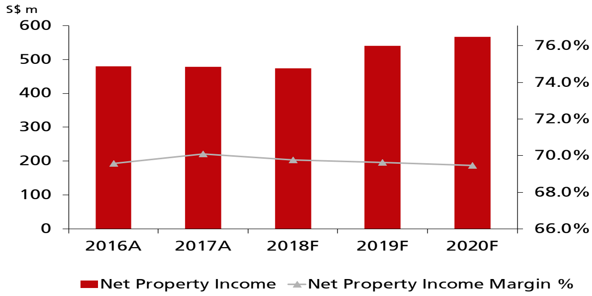
Supply risk dissipating, rental reversions a key driver for further outperformance. While supply in retail remains high in 2018-2019, we note that pre-commitment rates for upcoming malls have been strong (Paya Lebar Quarter has pre-leased c.90% of its retail mall) with strong anchors. Apart from Paya Lebar Quarter Mall, we believe most of the other major retail assets coming onstream do not pose a direct competition to the catchment areas of CMT's malls. We expect consensus to gradually converge to our view over time.

As such, with supply risk dissipating and ongoing tenant remixing, we believe that CMTs' mall will continue to achieve stable rental reversions with the possibility of seeing a sustained improvement from 2019 onwards.

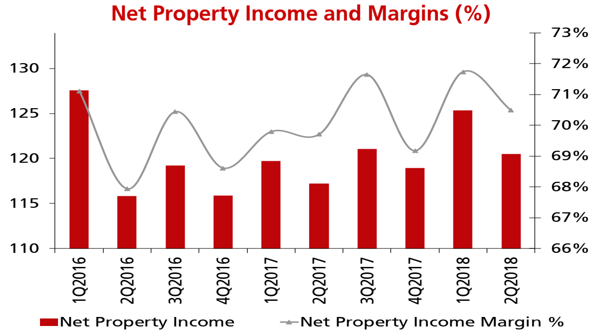
Re-introducing inorganic growth; Westgate stake from sponsor could be an opportunity. In the medium term, we believe CMT will look to re-introduce growth engines to stimulate its portfolio earnings growth in order to drive share price performance. The proposed acquisition of the remaining 70% stake in Westgate mall from the Sponsor and redevelopment of Funan are prime examples, which are projected to start contributing from 1H19 and 2H19 onwards, respectively.

Supported by a low gearing of <35% (assuming the Westgate acquisition is 20% debt-funded), the manager remains on the lookout for inorganic opportunities across the region.

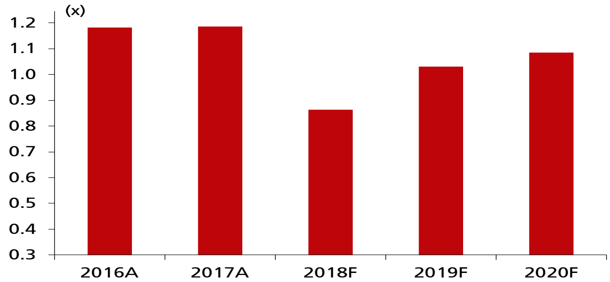
Net Property Income and Margins (%)



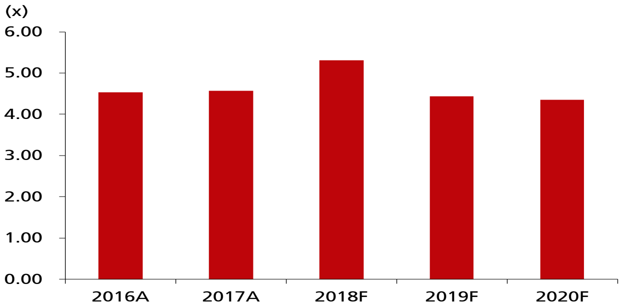
Net Property Income and Margins (%)



Distribution Paid / Net Operating CF



Interest Cover (x)



Source: Company, DBS Bank

Balance Sheet:

Gearing to remain stable. Post the sale of Sembawang Shopping Centre, CMT's gearing ratio is forecast to remain fairly stable at <35% over FY18-19F. This is after assuming 100% and 20% debt financing for the redevelopment of Funan and acquisition of Westgate, respectively. Gearing level is within management's comfortable level of between 35% and 40%.

Cost of debt to remain stable. The average debt cost is 3.2%, which should remain stable in the immediate term. With interest rates on the rise, we have priced in a 20-bp increase in average interest cost once hedges are rolled over in the coming two years.

Share Price Drivers:

Acquisitions to drive earnings. CMT has the right of first refusal to acquire its Sponsor's retail assets in Singapore. Beyond Westgate, we note that CapitaLand has several other retail assets in its portfolio which could be injected into the REIT, including Star Vista.

Better-than-expected operational results. We believe that CMT's portfolio will remain resilient despite headwinds. The trust's ability to maintain a steady growth in top line while holding occupancies will be a strong testament to the manager's capability to stand out among its peers.

Key Risks:

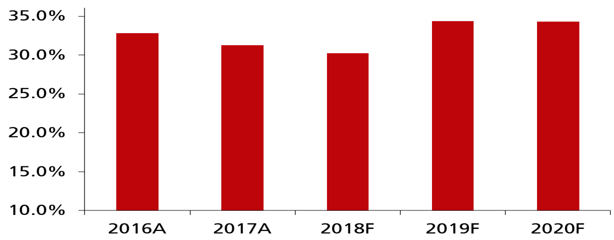
Downside risk to rental reversions. A worse-than-expected slowdown in consumer sentiment and consumption outlook may result in lower reversionary potential (vs our 1.5% estimate) for leases expiring in FY18/19. The relaunch of Funan is a catalyst in the medium term as the mall comes to completion towards the end of 1H19.

Upside from interest savings. Further upside risk is from interest savings. The trust has been proactive in extending its debt profile, locking in long-tenure MTNs at lower rates than previously achieved. Further interest savings from refinancing associate debt would offer upside to our estimates.

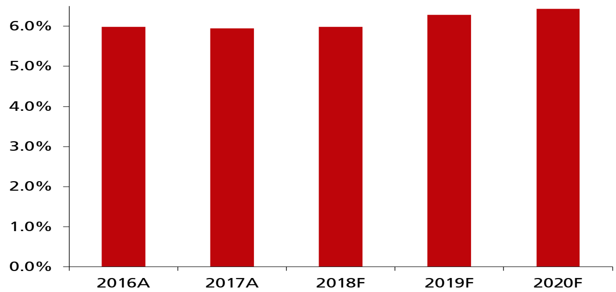
Company Background

CapitaLand Mall Trust (CMT) is a real estate investment trust which owns and invests in retail properties in the suburban areas and downtown core of Singapore.

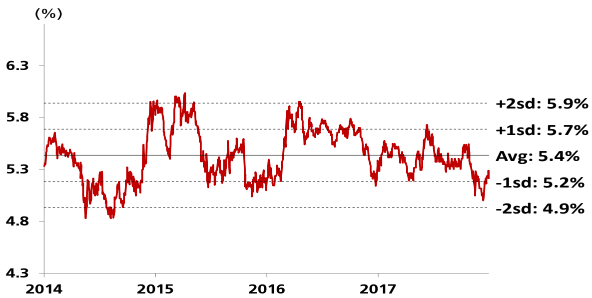
Aggregate Leverage (%)



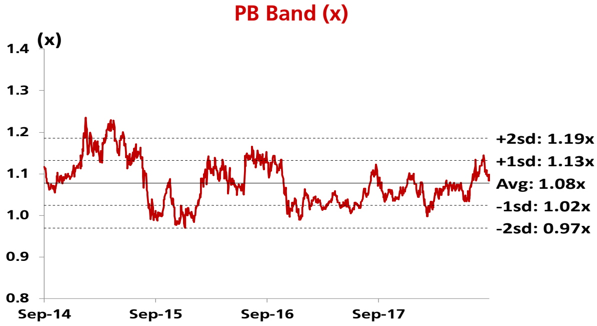
ROE (%)



Distribution Yield (%)



PB Band (x)



Source: Company, DBS Bank

Income Statement (S$m)

FY Dec	2016A	2017A	2018F	2019F	2020F
Gross revenue	690	682	679	777	816
Property expenses	(210)	(204)	(205)	(236)	(249)
Net Property Income	**480**	**478**	**473**	**541**	**566**
Other Operating expenses	(49.0)	(48.9)	(51.3)	(55.4)	(58.0)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(95.0)	(94.0)	(79.4)	(109)	(117)
Exceptional Gain/(Loss)	(0.6)	(0.6)	0.0	0.0	0.0
Net Income	**402**	**405**	**416**	**442**	**459**
Tax	(1.0)	(0.2)	0.0	0.0	0.0
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	**401**	**405**	**416**	**442**	**459**
Total Return	469	658	416	442	459
Non-tax deductible Items	23.5	8.05	3.89	3.91	3.94
Net Inc available for Dist.	424	413	420	446	463
Growth & Ratio					
Revenue Gth (%)	3.1	(1.1)	(0.6)	14.5	5.0
N Property Inc Gth (%)	2.9	(0.3)	(1.1)	14.3	4.8
Net Inc Gth (%)	(15.2)	1.0	2.6	6.4	3.9
Dist. Payout Ratio (%)	92.9	95.8	95.0	95.0	95.0
Net Prop Inc Margins (%)	69.5	70.1	69.7	69.6	69.5
Net Income Margins (%)	58.1	59.3	61.2	56.9	56.3
Dist to revenue (%)	61.5	60.5	61.8	57.4	56.8
Managers & Trustee's fees	7.1	7.2	7.6	7.1	7.1
ROAE (%)	6.0	5.9	6.0	6.3	6.4
ROA (%)	3.9	3.9	3.9	4.0	4.0
ROCE (%)	4.2	4.2	4.1	4.5	4.5
Int. Cover (x)	4.5	4.6	5.3	4.4	4.3

Source: Company, DBS Bank

Driven by the acquisition of Westgate and full-year contribution from Funan

Resumption of DPU growth from FY19F

Quarterly / Interim Income Statement (S$m)

FY Dec	2Q2017	3Q2017	4Q2017	1Q2018	2Q2018
Gross revenue	169	169	172	175	171
Property expenses	(51.1)	(48.0)	(53.1)	(49.5)	(50.6)
Net Property Income	118	121	119	126	121
Other Operating expenses	(12.4)	(12.1)	(12.3)	(12.0)	(11.9)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(23.8)	(23.9)	(22.9)	(22.3)	(21.8)
Exceptional Gain/(Loss)	0.07	0.03	(0.5)	0.36	120
Net Income	**95.0**	**104**	**102**	**110**	**240**
Tax	0.0	0.0	(0.2)	0.0	0.0
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Income after Tax	**95.0**	**104**	**102**	**110**	**240**
Total Return	303	104	127	110	296
Non-tax deductible Items	2.41	(2.8)	(5.7)	1.96	3.00
Net Inc available for Dist.	99.8	105	100	109	105
Growth & Ratio					
Revenue Gth (%)	(2)	0	2	2	(2)
N Property Inc Gth (%)	(2)	3	(2)	5	(4)
Net Inc Gth (%)	(8)	10	(3)	9	118
Net Prop Inc Margin (%)	69.7	71.6	69.2	71.7	70.5
Dist. Payout Ratio (%)	97.4	93.8	102.8	90.7	95.6

Balance Sheet (S$m)

FY Dec	2016A	2017A	2018F	2019F	2020F
Investment Properties	8,509	8,770	8,678	9,622	9,632
Other LT Assets	1,301	1,149	1,149	1,149	1,149
Cash & ST Invts	483	523	661	716	751
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	33.7	32.4	32.1	36.7	38.5
Other Current Assets	0.0	29.4	29.4	29.4	29.4
Total Assets	**10,327**	**10,504**	**10,550**	**11,553**	**11,600**
ST Debt	250	535	287	287	287
Creditor	160	156	274	314	330
Other Current Liab	55.9	57.9	57.6	57.6	57.6
LT Debt	3,038	2,648	2,804	3,587	3,597
Other LT Liabilities	130	180	180	180	180
Unit holders' funds	6,692	6,928	6,947	7,128	7,149
Minority Interests	0.0	0.0	0.0	0.0	0.0
Total Funds & Liabilities	**10,327**	**10,504**	**10,550**	**11,553**	**11,600**
Non-Cash Wkg. Capital	(183)	(152)	(271)	(306)	(319)
Net Cash/(Debt)	(2,805)	(2,660)	(2,431)	(3,158)	(3,133)
Ratio					
Current Ratio (x)	1.1	0.8	1.2	1.2	1.2
Quick Ratio (x)	1.1	0.7	1.1	1.1	1.2
Aggregate Leverage (%)	32.8	31.2	30.2	34.4	34.3
Z-Score (X)	5.6	5.6	5.4	5.3	5.3

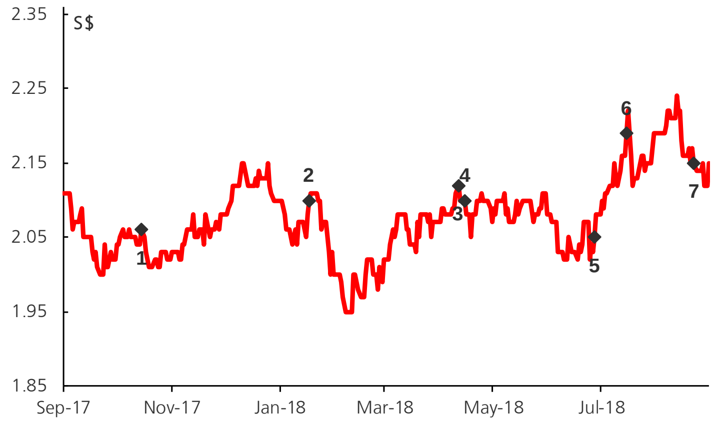
Source: Company, DBS Bank

Cash Flow Statement (S$m)

FY Dec	2016A	2017A	2018F	2019F	2020F
Pre-Tax Income	402	405	416	442	459
Dep. & Amort.	1.11	0.70	0.0	0.0	0.0
Tax Paid	(3.6)	0.0	0.0	0.0	0.0
Associates &JV Inc/(Loss)	(66.9)	(70.4)	(73.1)	(66.3)	(67.8)
Chg in Wkg.Cap.	1.01	(2.3)	119	35.1	13.8
Other Operating CF	0.0	0.0	0.0	0.0	0.0
Net Operating CF	**334**	**333**	**461**	**411**	**405**
Net Invt in Properties	(76.0)	(99.0)	91.9	(943)	(10.0)
Other Invts (net)	0.0	0.0	0.0	0.0	0.0
Invts in Assoc. & JV	0.0	98.5	0.0	0.0	0.0
Div from Assoc. & JVs	92.1	80.9	73.1	66.3	67.8
Other Investing CF	11.3	8.77	0.0	0.0	0.0
Net Investing CF	**27.3**	**89.2**	**165**	**(877)**	**57.8**
Distribution Paid	(394)	(395)	(399)	(424)	(440)
Chg in Gross Debt	(85.6)	21.6	(91.9)	782	10.0
New units issued	3.88	6.50	1.85	163	1.88
Other Financing CF	(105)	(111)	0.0	0.0	0.0
Net Financing CF	**(581)**	**(478)**	**(489)**	**521**	**(428)**
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	(220)	(55.3)	138	55.3	34.9
Operating CFPS (S cts)	9.39	9.46	9.66	10.5	10.8
Free CFPS (S cts)	7.27	6.61	15.6	(14.8)	10.9

Source: Company, DBS Bank

Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	23 Oct 17	2.06	2.19	BUY
2:	25 Jan 18	2.10	2.19	BUY
3:	19 Apr 18	2.12	2.19	BUY
4:	23 Apr 18	2.10	2.19	BUY
5:	05 Jul 18	2.05	2.19	BUY
6:	23 Jul 18	2.19	2.19	BUY
7:	30 Aug 18	2.15	2.30	BUY

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

Source: DBS Bank
Analyst: Carmen Tay
Derek TAN

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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 Sep 2018 14:08:59 (SGT)
Dissemination Date: 10 Sep 2018 14:35:57 (SGT)

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