

# ComfortDelGro (CD SP)

## Potential Positive Developments

### Potential Grab-Uber merger & positive regulations

Potential acquisition of Uber by Grab, reported by Bloomberg, could be positive for Comfort if it happens in Singapore, as the consolidation could reduce competition for the taxi industry. However, regulatory hurdles could block the deal. Also, the Ministry of Transport raised two positive points in the budget debate on 7 Mar 2018: 1) the rail fare could increase; and 2) further regulation of private-hire car services. Maintain BUY and DCF-based TP of SGD2.35 (WACC 9%).

### Potential scenarios for Grab's acquisition of Uber

In Singapore, it might be difficult for Grab to acquire Uber, as the regulators are very much against market dominance by a single player. However, we think of several scenarios for Comfort if the deal goes through: 1) Comfort continues to acquire Uber's car-rental fleet and partners with Grab instead of Uber. As Comfort and Uber have not closed the deal, which is pending regulatory approval, they might renegotiate the terms; 2) Comfort calls off the deal and Grab acquires Uber's car-rental fleet along with Uber's booking app. This is less likely as Grab's current business model involves partnering with other vehicle-rental companies, instead of owning a large fleet of vehicles in-house; and 3) UberFlash should continue, as Uber's ride-booking app is likely to stay. Following the acquisition of Uber by Didi Chuxing in China in 2016, Uber's app has been retained.

### Fare hike and further regulation for Grab & Uber

Two potential positive points were raised by the Ministry of Transport in its budget debate yesterday. First, the rail fares could rise as commuters will be required to share the cost increase in improving the service standards. Operating costs have risen by around 60% over the past 5 years but fares have gone down by 2%. The key timeline is the conclusion of the fare formula review by PTC, targeted to be by 1Q18. Comfort should benefit if there is any hike in the rail fare, as it shares the fare revenue with the government. We estimate every 1% increase in rail fare will raise Comfort's FY19E EBIT by 0.05%. Second, further regulation in the private-hire car services, operated by Uber and Grab, could benefit Comfort's taxi unit as it could further level the playing field.

FYE Dec (SGD m)	FY16A	FY17A	FY18E	FY19E	FY20E
Revenue	4,060	3,971	4,019	3,850	3,847
EBITDA	858	818	796	798	783
Core net profit	317	302	304	311	312
Core EPS (cts)	14.6	13.9	14.0	14.3	14.4
Core EPS growth (%)	4.6	(4.9)	0.4	2.4	0.3
Net DPS (cts)	10.3	10.4	10.5	10.7	10.8
Core P/E (x)	14.1	14.8	14.7	14.4	14.3
P/BV (x)	1.8	1.7	1.7	1.6	1.6
Net dividend yield (%)	5.0	5.0	5.1	5.2	5.2
ROAE (%)	13.2	11.8	11.4	11.4	11.0
ROAA (%)	6.1	6.1	6.2	6.2	6.1
EV/EBITDA (x)	6.5	5.4	5.5	5.3	5.2
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	295	303	312
MKE vs. Consensus (%)	-	-	2.9	2.7	0.0

John Cheong, CFA  
johncheong@maybank-ke.com.sg  
(65) 6231 5845

# BUY

Share Price SGD 2.06  
12m Price Target SGD 2.35 (+14%)  
Previous Price Target SGD 2.35

### Company Description

ComfortDelGro is a land transport conglomerate. Its diversified business includes interests in taxi, bus and rail.

### Statistics

52w high/low (SGD)	2.77/1.90
3m avg turnover (USDm)	16.3
Free float (%)	98.9
Issued shares (m)	2,164
Market capitalisation	SGD4.5B
	USD3.4B

### Major shareholders:

BlackRock Fund Advisors	6.0%
The Vanguard Group, Inc.	2.3%
First Eagle Investment Management LLC	2.1%

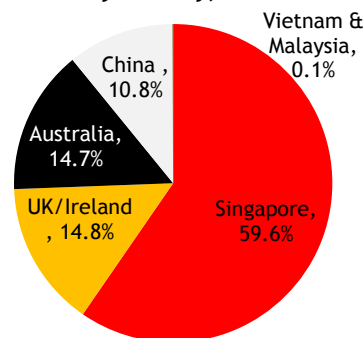
### Price Performance



	-1M	-3M	-12M
Absolute (%)	1	8	(18)
Relative to index (%)	0	7	(25)

Source: FactSet

### EBIT contribution by country, FY17

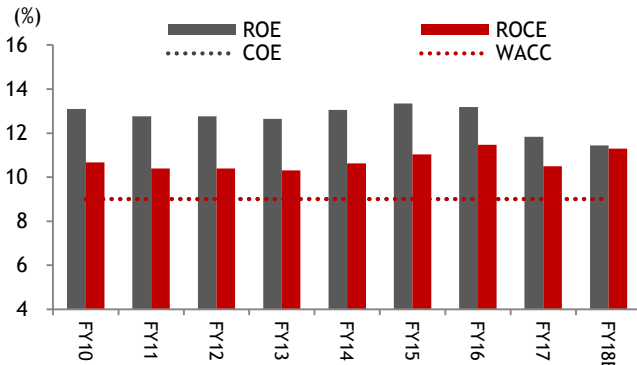


Source: Company

## Value Proposition

- Land-transport conglomerate with over 46,000 vehicles globally. Its public transport services (44%) and taxi (33%) businesses are the biggest EBIT contributors.
- Singapore (60%) is the largest EBIT contributor by geography. It also has significant operations in the UK/Ireland (15%), Australia (15%) and China (11%).
- Structural threats to core taxi business from private-hire car operators, Uber and Grab.
- Singapore bus earnings may benefit from the change to asset-light, fare-independent regime.

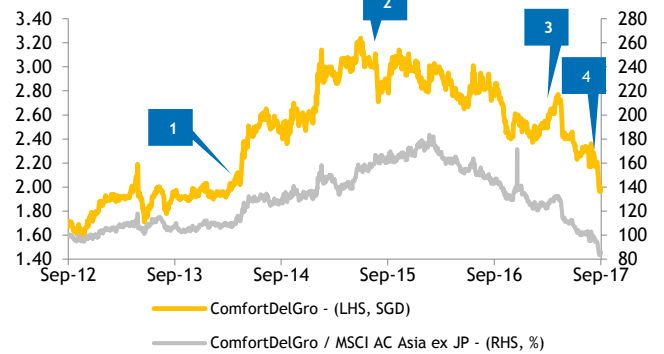
### Consistently delivers higher returns than its cost of capital



Source: Company, Maybank Kim Eng

## Price Drivers

### Historical share price trend



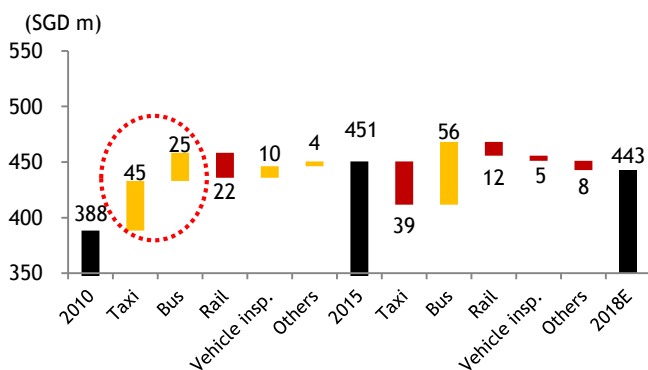
Source: FactSet, Maybank Kim Eng

1. Government announcement of a change in bus operating model seen as a positive for the sector.
2. Uber started a car-rental company. Aggressive expansion by the new entrant is seen as a competitive threat to its taxi business.
3. Taxi's EBIT started declining due to intensifying competition from the private-hire vehicles.
4. Lost the tender for Thomson East Coast Line.

## Financial Metrics

- Expect improving Singapore bus profits after a change in business model from Sep 2016. Profitability for rail should start to improve as the Downtown Line fully opened in 2017.
- This should drive margin expansion over the next three years.
- Taxis key to profit growth in past five years, but we project declining earnings given imminent threats. Increase in private-hire car drivers and its taxi utilisation are key indicators to watch.
- We expect rising FCF (recovery in FY18E, stable FY19E and FY20E) to support progressive dividend distributions.

### Operating profit progression from 2010 to 2018E



Source: Company, Maybank Kim Eng

## Swing Factors

### Upside

- Higher-than-expected bus profitability.
- Successful bids for new rail lines in Singapore.
- Value-enhancing acquisitions of overseas business.

### Downside

- Decline in taxi utilisation or rental rates.
- Overpaying for acquisitions.
- Higher labour and energy costs.

FYE 31 Dec	FY16A	FY17A	FY18E	FY19E	FY20E
<b>Key Metrics</b>					
P/E (reported) (x)	18.9	16.5	14.7	14.3	14.3
Core P/E (x)	14.1	14.8	14.7	14.4	14.3
P/BV (x)	1.8	1.7	1.7	1.6	1.6
P/NTA (x)	2.4	2.3	2.2	2.1	2.0
Net dividend yield (%)	5.0	5.0	5.1	5.2	5.2
FCF yield (%)	8.1	5.9	11.6	9.7	10.2
EV/EBITDA (x)	6.5	5.4	5.5	5.3	5.2
EV/EBIT (x)	12.1	10.8	9.9	9.3	8.9

**INCOME STATEMENT (SGD m)**

Revenue	4,059.5	3,970.9	4,019.2	3,849.6	3,847.2
Gross profit	3,663.5	3,562.1	3,665.5	3,504.9	3,516.5
EBITDA	858.2	818.0	796.5	797.9	783.1
Depreciation	(396.0)	(408.8)	(353.6)	(344.7)	(330.7)
EBIT	462.2	409.2	442.9	453.2	452.5
Net interest income / (exp)	(0.5)	11.6	0.5	4.7	7.5
Associates & JV	4.9	4.6	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	466.6	425.4	443.4	457.8	460.0
Income tax	(88.2)	(76.5)	(88.7)	(91.6)	(92.0)
Minorities	(61.3)	(47.4)	(50.9)	(55.2)	(56.1)
Reported net profit	317.1	301.5	303.8	311.0	311.9
Core net profit	317.1	301.5	303.8	311.0	311.9
Preferred Dividends	0.0	0.0	0.0	0.0	1.0

**BALANCE SHEET (SGD m)**

Cash & Short Term Investments	779.3	596.2	856.5	1,034.4	1,230.9
Accounts receivable	390.1	445.8	418.4	400.8	400.5
Inventory	81.7	113.6	97.1	92.0	92.3
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	2,887.4	2,722.6	2,674.1	2,584.5	2,498.8
Intangible assets	645.2	640.2	635.1	630.0	625.0
Investment in Associates & JVs	11.2	9.0	9.0	9.0	9.0
Other assets	327.1	300.3	300.3	300.3	300.3
<b>Total assets</b>	<b>5,122.0</b>	<b>4,827.7</b>	<b>4,990.5</b>	<b>5,050.9</b>	<b>5,156.9</b>
ST interest bearing debt	169.3	114.2	114.2	114.2	114.2
Accounts payable	904.4	810.8	874.1	827.7	831.1
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	175.8	208.1	208.1	208.1	208.1
Other liabilities	680.0	657.0	657.0	657.0	657.0
<b>Total Liabilities</b>	<b>1,929.9</b>	<b>1,789.9</b>	<b>1,853.2</b>	<b>1,806.8</b>	<b>1,810.2</b>
Shareholders Equity	2,475.5	2,618.2	2,694.8	2,776.8	2,854.1
Minority Interest	716.6	419.6	442.5	467.4	492.6
<b>Total shareholder equity</b>	<b>3,192.1</b>	<b>3,037.8</b>	<b>3,137.3</b>	<b>3,244.1</b>	<b>3,346.7</b>
Perpetual securities	0.0	0.0	0.0	0.0	1.0
<b>Total liabilities and equity</b>	<b>5,122.0</b>	<b>4,827.7</b>	<b>4,990.5</b>	<b>5,050.9</b>	<b>5,156.9</b>

**CASH FLOW (SGD m)**

Pretax profit	466.6	425.4	443.4	457.8	460.0
Depreciation & amortisation	396.0	408.8	353.6	344.7	330.7
Adj net interest (income)/exp	0.5	(11.6)	(0.5)	(4.7)	(7.5)
Change in working capital	(8.4)	(145.6)	107.1	(23.6)	3.2
Cash taxes paid	(63.4)	(72.0)	(88.7)	(91.6)	(92.0)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	825.0	626.8	815.0	682.7	694.4
Capex	(467.0)	(365.4)	(300.0)	(250.0)	(240.0)
Free cash flow	358.0	261.4	515.0	432.7	454.4
Dividends paid	(199.3)	(224.8)	(227.2)	(229.1)	(234.5)
Equity raised / (purchased)	10.3	10.4	0.0	0.0	0.0
Change in Debt	(209.4)	(51.5)	0.0	0.0	0.0
Other invest/financing cash flow	50.8	(176.3)	(26.5)	(22.7)	(18.3)
Effect of exch rate changes	(18.9)	(4.1)	0.0	0.0	0.0
Net cash flow	10.4	(180.8)	260.3	177.9	196.5

FYE 31 Dec	FY16A	FY17A	FY18E	FY19E	FY20E
<b>Key Ratios</b>					
<b>Growth ratios (%)</b>					
Revenue growth	(1.3)	(2.2)	1.2	(4.2)	(0.1)
EBITDA growth	2.2	(4.7)	(2.6)	0.2	(1.8)
EBIT growth	2.6	(11.5)	8.2	2.3	(0.2)
Pretax growth	3.2	(8.8)	4.2	3.3	0.5
Reported net profit growth	5.0	(4.9)	0.8	2.4	0.3
Core net profit growth	5.0	(4.9)	0.8	2.4	0.3
<b>Profitability ratios (%)</b>					
EBITDA margin	21.1	20.6	19.8	20.7	20.4
EBIT margin	11.4	10.3	11.0	11.8	11.8
Pretax profit margin	11.5	10.7	11.0	11.9	12.0
Payout ratio	70.0	74.3	74.7	74.7	74.7
<b>DuPont analysis</b>					
Net profit margin (%)	7.8	7.6	7.6	8.1	8.1
Revenue/Assets (x)	0.8	0.8	0.8	0.8	0.7
Assets/Equity (x)	2.1	1.8	1.9	1.8	1.8
ROAE (%)	13.2	11.8	11.4	11.4	11.0
ROAA (%)	6.1	6.1	6.2	6.2	6.1
<b>Liquidity &amp; Efficiency</b>					
Cash conversion cycle	(746.4)	(631.3)	(711.7)	(751.7)	(765.1)
Days receivable outstanding	35.8	37.9	38.7	38.3	37.5
Days inventory outstanding	71.3	86.0	107.3	98.7	100.3
Days payables outstanding	853.5	755.2	857.7	888.7	902.9
Dividend cover (x)	1.4	1.3	1.3	1.3	1.3
Current ratio (x)	1.1	1.2	1.4	1.6	1.8
<b>Leverage &amp; Expense Analysis</b>					
Asset/Liability (x)	2.7	2.7	2.7	2.8	2.8
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	nm	na	na	na	na
Debt/EBITDA (x)	0.4	0.4	0.4	0.4	0.4
Capex/revenue (%)	11.5	9.2	7.5	6.5	6.2
Net debt/ (net cash)	(434.2)	(273.9)	(534.2)	(712.1)	(908.6)

Source: Company; Maybank

## Research Offices

### REGIONAL

**Sadiq CURRIMBHOY**  
Regional Head, Research & Economics  
(65) 6231 5836  
sadiq@maybank-ke.com.sg

**WONG Chew Hann, CA**  
Regional Head of Institutional Research  
(603) 2297 8686  
wchewh@maybank-ib.com

**ONG Seng Yeow**  
Regional Head of Retail Research  
(65) 6231 5839  
ongsengyeow@maybank-ke.com.sg

**TAN Sin Mui**  
Director of Research  
(65) 6231 5849  
sinmui@kimeng.com.hk

### ECONOMICS

**Suhaimi ILIAS**  
Chief Economist  
Malaysia | Philippines | China  
(603) 2297 8682  
suhaimi\_ilias@maybank-ib.com

**CHUA Hak Bin**  
Regional Thematic Macroeconomist  
(65) 6231 5830  
chuahb@maybank-ke.com.sg

**LEE Ju Ye**  
Singapore  
(65) 6231 5844  
leejuye@maybank-ke.com.sg

**Dr Zamros DZULKAFLI**  
(603) 2297 8618  
zamros.d@maybank-ib.com

**Ramesh LANKANATHAN**  
(603) 2297 8685  
ramesh.l@maybank-ib.com

### FX

**Saktiandi SUPAAT**  
Head, FX Research  
(65) 6231 1379  
saktiandi@maybank.com.sg

**Christopher WONG**  
(65) 6320 1347  
wongkl@maybank.com.sg

**Leslie TANG**  
(65) 6320 1378  
leslietang@maybank.com.sg

**Fiona LIM**  
(65) 6320 1374  
fionalim@maybank.com.sg

### STRATEGY

**Sadiq CURRIMBHOY**  
Global Strategist  
(65) 6231 5836  
sadiq@maybank-ke.com.sg

**Willie CHAN**  
Hong Kong / Regional  
(852) 2268 0631  
williechan@kimeng.com.hk

### FIXED INCOME

**Winson Phoon, ACA**  
(65) 6231 5831  
winsonphoon@maybank-ke.com.sg

**Se Tho Mun Yi**  
(603) 2074 7606  
munyi.st@maybank-ib.com

### MALAYSIA

**WONG Chew Hann, CA** *Head of Research*  
(603) 2297 8686 wchewh@maybank-ib.com  
• Strategy

**Desmond CH'NG, ACA**  
(603) 2297 8680  
desmond.chng@maybank-ib.com  
• Banking & Finance

**LIAW Thong Jung**  
(603) 2297 8688 tjliaw@maybank-ib.com  
• Oil & Gas Services - Regional

**ONG Chee Ting, CA**  
(603) 2297 8678 ct.ong@maybank-ib.com  
• Plantations - Regional

**Mohshin AZIZ**  
(603) 2297 8692 mohshin.aziz@maybank-ib.com  
• Aviation - Regional • Petrochem

**YIN Shao Yang, CPA**  
(603) 2297 8916 samuel.y@maybank-ib.com  
• Gaming - Regional • Media

**TAN Chi Wei, CFA**  
(603) 2297 8690 chiwei.t@maybank-ib.com  
• Power • Telcos

**WONG Wei Sum, CFA**  
(603) 2297 8679 weisum@maybank-ib.com  
• Property

**LEE Yen Ling**  
(603) 2297 8691 lee.yl@maybank-ib.com  
• Building Materials • Glove • Ports • Shipping

**Ivan YAP**  
(603) 2297 8612 ivan.yap@maybank-ib.com  
• Automotive • Semiconductor • Technology

**Kevin WONG**  
(603) 2082 6824 kevin.wong@maybank-ib.com  
• REITs • Consumer Discretionary

**LIEW Wei Han**  
(603) 2297 8676 weihan.l@maybank-ib.com  
• Consumer Staples

**Adrian WONG**  
(603) 2297 8675 adrian.wkj@maybank-ib.com  
• Constructions • Healthcare

**Jade TAM**  
(603) 2297 8687 jade.tam@maybank-ib.com  
• Media • Building Materials

**Mohd Hafiz Hassan**  
(603) 2082 6819 mohdhafiz.ha@maybank-ib.com  
• Small & Mid Caps

**TEE Sze Chiah** *Head of Retail Research*  
(603) 2082 6858 szechiah.t@maybank-ib.com

**Nik Ihsan Raja Abdullah, MSTA, Cfte**  
(603) 2297 8694  
nikmohdihsan.ra@maybank-ib.com

### SINGAPORE

**Neel SINHA** *Head of Research*  
(65) 6231 5838 neelsinha@maybank-ke.com.sg  
• Strategy  
• SMID Caps - Regional

**CHUA Su Tye**  
(65) 6231 5842 chuasutye@maybank-ke.com.sg  
• REITs

**Derrick HENG, CFA**  
(65) 6231 5843 derrickheng@maybank-ke.com.sg  
• Property • REITs (Office)

**Luis HILADO**  
(65) 6231 5848 luishilado@maybank-ke.com.sg  
• Telcos

**John CHEONG, CFA**  
(65) 6231 5845 johncheong@maybank-ke.com.sg  
• Small & Mid Caps • Healthcare • Transport

**NG Li Hiang**  
(65) 6231 5840 nglhiang@maybank-ke.com.sg  
• Banks

**LAI Gene Lih**  
(65) 6231 5832 laigenetih@maybank-ke.com.sg  
• Technology

### HONG KONG / CHINA

**Christopher WONG**  
(852) 2268 0652  
christopherwong@kimeng.com.hk  
• HK & China Properties

**Jacqueline KO, CFA**  
(852) 2268 0633 jacquelineko@kimeng.com.hk  
• Consumer Staples & Durables

**Ka Leong LO, CFA**  
(852) 2268 0630 klllo@kimeng.com.hk  
• Consumer Discretionary & Auto

**Mitchell KIM**  
(852) 2268 0634 mitchellkim@kimeng.com.hk  
• Internet & Telcos

**Ricky NG, CFA**  
(852) 2268 0689 rickyng@kimeng.com.hk  
• Regional Renewables  
• HK & China Properties

**Sonija LI, CFA, FRM**  
(852) 2268 0641 sonijali@kimeng.com.hk  
• Gaming

**Stefan CHANG, CFA**  
(852) 2268 0675 stefanchang@kimeng.com.hk  
• Technology - Regional

**Bonny WENG**  
(852) 2268 0644 bonnyweng@kimeng.com.hk  
• Technology - Regional

**Tony REN, CFA**  
(852) 2268 0640 tonnyren@kimeng.com.hk  
• Healthcare & Pharmaceutical

### INDIA

**Jigar SHAH** *Head of Research*  
(91) 22 6623 2632 jigar@maybank-ke.co.in  
• Strategy • Oil & Gas • Automobile • Cement

**Vishal MODI**  
(91) 22 6623 2607 vishal@maybank-ke.co.in  
• Banking & Financials

**Neerav DALAL**  
(91) 22 6623 2606 neerav@maybank-ke.co.in  
• Software Technology • Telcos

**Vishal PERIWAL**  
(91) 22 6623 2605 vishalperiwa@maybank-ke.co.in  
• Infrastructure

### INDONESIA

**Isnaputra ISKANDAR** *Head of Research*  
(62) 21 8066 8680  
isnaputra.iskandar@maybank-ke.co.id  
• Strategy • Metals & Mining • Cement

**Rahmi MARINA**  
(62) 21 8066 8689  
rahmi.marina@maybank-ke.co.id  
• Banking & Finance

**Aurellia SETIABUDI**  
(62) 21 8066 8691  
aurellia.setiabudi@maybank-ke.co.id  
• Property

**Janni ASMAN**  
(62) 21 8066 8687  
janni.asman@maybank-ke.co.id  
• Cigarette • Healthcare • Retail

### PHILIPPINES

**Minda OLONAN** *Head of Research*  
(63) 2 849 8840  
minda\_olonan@maybank-atrke.com  
• Strategy

**Katherine TAN**  
(63) 2 849 8843  
kat\_tan@maybank-atrke.com  
• Banks • Construction

**Luis HILADO**  
(65) 6231 5848 luishilado@maybank-ke.com.sg  
• Telcos

### THAILAND

**Maria LAPIZ** *Head of Institutional Research*  
Dir (66) 2257 0250 | (66) 2658 6300 ext 1399  
Maria.L@maybank-ke.co.th  
• Strategy • Consumer • Materials • Ind. Estates  
• Oil & Gas • Telcos

**Sittichai DUANGRATTANACHAYA**  
(66) 2658 6300 ext 1393  
Sittichai.D@maybank-ke.co.th  
• Services Sector • Transport • Property • Telcos

**Tanawat RUENBANTERNG**  
(66) 2658 6300 ext 1394  
Tanawat.R@maybank-ke.co.th  
• Banks & Diversified Financials

**Ornmongkol TANTITANATORN**  
(66) 2658 6300 ext 1395  
ormmongkol.t@maybank-ke.co.th  
• Oil & Gas

**Sukit UDOMSIRIKUL** *Head of Retail Research*  
(66) 2658 5000 ext 5090  
Sukit.u@maybank-ke.co.th

**Ekachai TARAPORNITIP** *Deputy Head*  
(66) 2658 5000 ext 1530  
Ekachai.t@maybank-ke.co.th

**Surachai PRAMUALCHAROENKIT**  
(66) 2658 5000 ext 1470  
Surachai.p@maybank-ke.co.th  
• Auto • Conmat • Contractor • Steel

**Suttatip PEERASUB**  
(66) 2658 5000 ext 1430  
suttatip.p@maybank-ke.co.th  
• Media • Commerce

**Sutthichai KUMWORACHAI**  
(66) 2658 5000 ext 1400  
sutthichai.k@maybank-ke.co.th  
• Energy • Petrochem

**Termporn TANTIVIVAT**  
(66) 2658 5000 ext 1520  
termporn.t@maybank-ke.co.th  
• Property

**Jaroopan WATTANAWONG**  
(66) 2658 5000 ext 1404  
jaroopan.w@maybank-ke.co.th  
• Transportation • Small cap

**Sorabhol VIRAMTEEKUL** *Head of Digital Research*  
(66) 2658 5000 ext 1550  
sorabhol.v@maybank-ke.co.th  
• Food, Transportation

**Wijit ARAYAPISIT**  
(66) 2658 5000 ext 1450  
wijit.a@maybank-ke.co.th  
• Strategist

### VIETNAM

**LE Hong Lien, ACCA**  
*Head of Institutional Research*  
(84 28) 44 555 888 x 8181  
lien.le@maybank-kimeng.com.vn  
• Strategy • Consumer • Diversified

**THAI Quang Trung, CFA,**  
*Deputy Head, Institutional Research*  
(84 28) 44 555 888 x 8180  
trung.thai@maybank-kimeng.com.vn  
• Real Estate • Construction • Materials

**LE Nguyen Nhat Chuyen**  
(84 28) 44 555 888 x 8082  
chuyen.le@maybank-kimeng.com.vn  
• Oil & Gas

**NGUYEN Thi Ngan Tuyen,**  
*Head of Retail Research*  
(84 28) 44 555 888 x 8081  
tuyen.nguyen@maybank-kimeng.com.vn  
• Food & Beverage • Oil & Gas • Banking

**TRUONG Quang Binh,**  
*Deputy Head, Retail Research*  
(84 28) 44 555 888 x 8087  
binh.truong@maybank-kimeng.com.vn  
• Rubber Plantation • Tyres & Tubes • Oil & Gas

**TRINH Thi Ngoc Diep**  
(84 28) 44 555 888 x 8208  
diep.trinh@maybank-kimeng.com.vn  
• Technology • Utilities • Construction

**NGUYEN Thi Sony Tra Mi**  
(84 28) 44 555 888 x 8084  
mi.nguyen@maybank-kimeng.com.vn  
• Port Operation • Pharmaceutical  
• Food & Beverage

**NGUYEN Thanh Lam**  
(84 28) 44 555 888 x 8086  
thanhlam.nguyen@maybank-kimeng.com.vn  
• Technical Analysis

## APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

### DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be relied upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

#### Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

#### Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

#### Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Kim Eng Securities (Thailand) Public Company Limited. Maybank Kim Eng Securities (Thailand) Public Company Limited ("MBKET") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research reports of MBKET Institutional and Retail Research Department may differ in either recommendation or target price, or both. MBKET Retail Research is intended for retail investors (<http://kelive.maybank-ke.co.th>) while Maybank Kim Eng Institutional Research is intended only for institutional investors based outside Thailand only.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MBKET does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MBKET does not confirm, verify, or certify the accuracy and completeness of the assessment result.

#### US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Kim Eng Securities USA Inc. 777 Third Avenue 21st Floor New York, New York 1- (212) 688-8886 and not with, the issuer of this report.

**UK**

This document is being distributed by Maybank Kim Eng Securities (London) Ltd (“Maybank KESL”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

**DISCLOSURES****Legal Entities Disclosures**

**Malaysia:** This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by Maybank KERPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Kim Eng Securities (“PTMKES”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Kim Eng Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** Kim Eng Securities India Private Limited (“KESI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank KESUSA is a member of/ and is authorized and regulated by the FINRA - Broker ID 27861. **UK:** Maybank KESL (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

**Disclosure of Interest**

**Malaysia:** MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

**Singapore:** As of 9 March 2018, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

**Thailand:** MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

**Hong Kong:** As of 9 March 2018, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

**India:** As of 9 March 2018, and at the end of the month immediately preceding the date of publication of the research report, KESI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months KESI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

**OTHERS****Analyst Certification of Independence**

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

**Reminder**

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.

**Definition of Ratings**

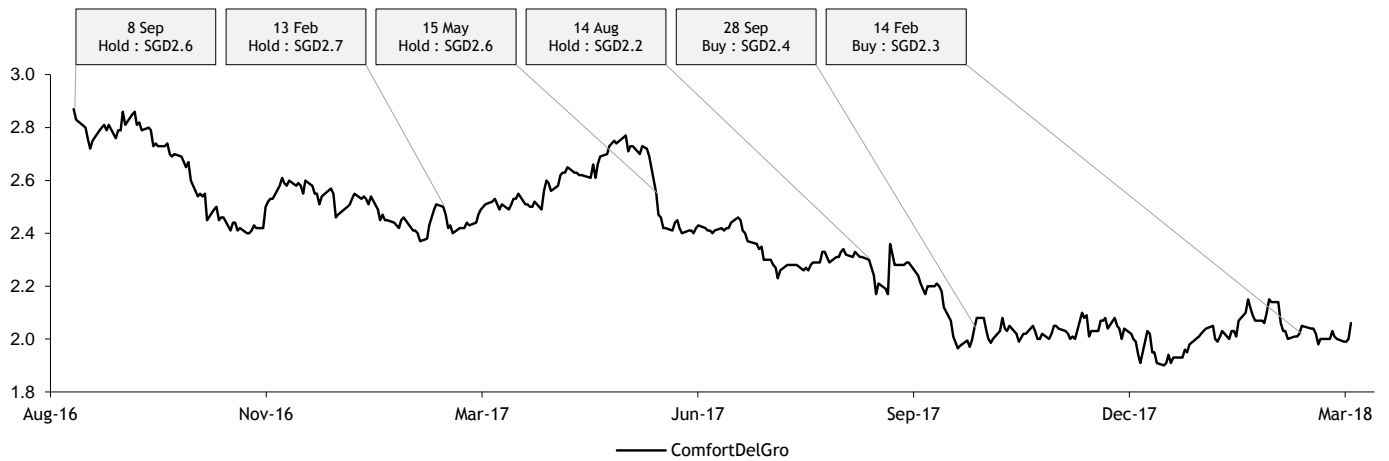
Maybank Kim Eng Research uses the following rating system

<b>BUY</b>	Return is expected to be above 10% in the next 12 months (excluding dividends)
<b>HOLD</b>	Return is expected to be between - 10% to +10% in the next 12 months (excluding dividends)
<b>SELL</b>	Return is expected to be below -10% in the next 12 months (excluding dividends)

**Applicability of Ratings**

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

**Historical recommendations and target price: ComfortDelGro (CD SP)**



**Definition of Ratings**

Maybank Kim Eng Research uses the following rating system

- BUY** Return is expected to be above 10% in the next 12 months (excluding dividends)
- HOLD** Return is expected to be between - 10% to +10% in the next 12 months (excluding dividends)
- SELL** Return is expected to be below -10% in the next 12 months (excluding dividends)

**Applicability of Ratings**

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.




**Malaysia**

Maybank Investment Bank Berhad  
(A Participating Organisation of  
Bursa Malaysia Securities Berhad)  
33rd Floor, Menara Maybank,  
100 Jalan Tun Perak,  
50050 Kuala Lumpur  
Tel: (603) 2059 1888;  
Fax: (603) 2078 4194

Stockbroking Business:  
Level 8, Tower C, Dataran Maybank,  
No.1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (603) 2297 8888  
Fax: (603) 2282 5136


**Philippines**

Maybank ATR Kim Eng Securities Inc.  
17/F, Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines 1200

Tel: (63) 2 849 8888  
Fax: (63) 2 848 5738


**South Asia Sales Trading**

Kevin Foy  
Regional Head Sales Trading  
kevinfoy@maybank-ke.com.sg  
Tel: (65) 6636-3620  
US Toll Free: 1-866-406-7447

**Malaysia**

Joann Lim  
joann.lim@maybank-ib.com  
Tel: (603) 2717 5166

**Indonesia**

Hariato Liong  
hariato.liong@maybank-ke.co.id  
Tel: (62) 21 2557 1177

**New York**

James Lynch  
jlynch@maybank-keusa.com  
Tel: (212) 688 8886

**Vietnam**

Patrick Mitchell  
patrick.mitchell@maybank-kimeng.com.vn  
Tel: (84)-8-44-555-888 x8080


**Singapore**

Maybank Kim Eng Securities Pte Ltd  
Maybank Kim Eng Research Pte Ltd  
50 North Canal Road  
Singapore 059304

Tel: (65) 6336 9090


**Hong Kong**

Kim Eng Securities (HK) Ltd  
28/F, Lee Garden Three,  
1 Sunning Road, Causeway Bay,  
Hong Kong

Tel: (852) 2268 0800  
Fax: (852) 2877 0104


**Thailand**

Maybank Kim Eng Securities  
(Thailand) Public Company Limited  
999/9 The Offices at Central World,  
20<sup>th</sup> - 21<sup>st</sup> Floor,  
Rama 1 Road Pathumwan,  
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)  
Tel: (66) 2 658 6801 (research)


**North Asia Sales Trading**

Andrew Lee  
andrewlee@kimeng.com.hk  
Tel: (852) 2268 0283  
US Toll Free: 1 877 837 7635

**Thailand**

Tanasak Krishnasreni  
Tanasak.K@maybank-ke.co.th  
Tel: (66)2 658 6820

**London**

Mark Howe  
mhowe@maybank-ke.co.uk  
Tel: (44) 207-332-0221

**India**

Sanjay Makhija  
sanjaymakhija@maybank-ke.co.in  
Tel: (91)-22-6623-2629

**Philippines**

Keith Roy  
keith\_roy@maybank-atrke.com  
Tel: (63) 2 848-5288


**London**

Maybank Kim Eng Securities  
(London) Ltd  
PNB House  
77 Queen Victoria Street  
London EC4V 4AY, UK

Tel: (44) 20 7332 0221  
Fax: (44) 20 7332 0302


**Indonesia**

PT Maybank Kim Eng Securities  
Sentral Senayan III, 22<sup>nd</sup> Floor  
Jl. Asia Afrika No. 8  
Gelora Bung Karno, Senayan  
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188  
Fax: (62) 21 2557 1189


**Vietnam**

Maybank Kim Eng Securities Limited  
4A-15+16 Floor Vincom Center Dong  
Khoi, 72 Le Thanh Ton St. District 1  
Ho Chi Minh City, Vietnam

Tel : (84) 844 555 888  
Fax : (84) 8 38 271 030


**New York**

Maybank Kim Eng Securities USA  
Inc  
777 Third Avenue, 21st Floor  
New York, NY 10017, U.S.A.

Tel: (212) 688 8886  
Fax: (212) 688 3500


**India**

Kim Eng Securities India Pvt Ltd  
2nd Floor, The International,  
16, Maharishi Karve Road,  
Churchgate Station,  
Mumbai City - 400 020, India

Tel: (91) 22 6623 2600  
Fax: (91) 22 6623 2604


**Saudi Arabia**

*In association with*  
**Anfaal Capital**  
Villa 47, Tujjar Jeddah  
Prince Mohammed bin Abdulaziz  
Street P.O. Box 126575  
Jeddah 21352

Tel: (966) 2 6068686  
Fax: (966) 26068787