

UOL Group Ltd (UOL SP)

Well-Positioned to Weather the Storm

Maintain BUY; Top sector pick

While 1H18 EBIT of SGD310m made up just 33% of our full-year estimate, we expect stronger development earnings in 2H18 will help achieve our forecast. With competitive land costs and manageable inventory levels, we believe UOL is well-positioned to weather the residential headwinds. Asset enhancements for its commercial properties are medium-term value drivers. We lower our RNAV by 1% to SGD11.75 to reflect the latest market value of its stake in UIC. Consequently, we trim our TP 2% to SGD8.80 based on an unchanged RNAV discount of 25%. Maintain BUY.

Expect a stronger 2H18

The 4Q18 launch of phase 2 of Park Eleven in Shanghai and its impending completion will drive a meaningful earnings rebound in 2H18. The launch of The Tre Ver (former Raintree Gardens) will also lift contributions from the local projects. Despite the policy tightening, management is sticking to its launch plans and will continue to drive sales by offering discounts to early buyers. It is also giving small 3-5% discounts at previously launched Amber 45 to drive sales.

Defensive residential land bank

While the recently implemented policy tightening has dampened the outlook for Singapore's residential market, we believe UOL is well-positioned to weather the storm. Competitive land rates for Amber 45, The Tre Ver and Silat Avenue, which collectively account for over 90% of its unsold stock implies a bigger margin of safety over its peers.

Control over UIC a key milestone

UOL has gained statutory control of UIC (UIC SP, Not Rated) after patiently building up its stake in the open market to 50.1%. This cements its control over a sizeable pool of prime commercial properties at attractive prices. By buying UIC shares at 0.7x P/BV, it is effectively acquiring prime commercial assets at a 30% discount below their carrying value, which is already fairly conservative. For example, at SGD2,500 psf, the carrying value of SingLand Tower is conservative relative to recent market transactions of SGD3,000 psf. Despite a strong investment market, management does not intend to sell them, but will look to improve their underlying performance.

FYE Dec (SGD m)	FY16A	FY17A	FY18E	FY19E	FY20E
Revenue	1,441	2,103	3,668	3,128	2,375
EBITDA	337	534	1,095	1,027	804
Core net profit	304	351	389	444	380
Core EPS (cts)	37.9	42.6	46.2	52.7	45.2
Core EPS growth (%)	(27.3)	12.5	8.3	14.2	(14.3)
Net DPS (cts)	15.0	17.5	17.5	17.5	17.5
Core P/E (x)	15.2	17.9	15.2	13.3	15.5
P/BV (x)	0.6	0.7	0.6	0.6	0.6
Net dividend yield (%)	2.6	2.3	2.5	2.5	2.5
ROAE (%)	3.6	10.1	4.1	4.5	3.8
ROAA (%)	2.6	2.3	2.0	2.3	1.9
EV/EBITDA (x)	22.0	28.2	11.9	11.4	13.5
Net gearing (%) (incl perps)	24.4	21.4	14.5	4.7	net cash
Consensus net profit	-	-	413	406	407
MKE vs. Consensus (%)	-	-	(5.8)	9.5	(6.5)

Derrick Heng, CFA
derrickheng@maybank-ke.com.sg
(65) 6231 5843

BUY

Share Price	SGD 7.00
12m Price Target	SGD 8.80 (+26%)
Previous Price Target	SGD 8.95

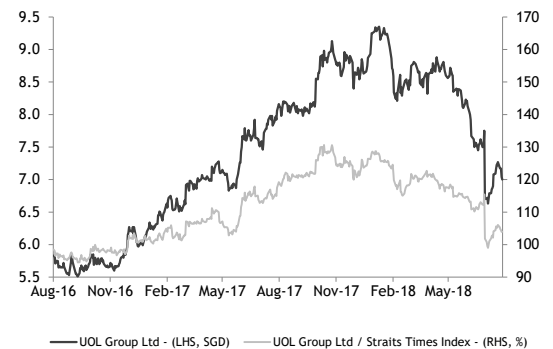
Statistics

52w high/low (SGD)	9.35/6.63
3m avg turnover (USDm)	11.5
Free float (%)	59.1
Issued shares (m)	842
Market capitalisation	SGD5.9B
	USD4.3B

Major shareholders:

WEE FAMILY	26.8%
United Overseas Bank Ltd. (Singapore)	7.0%
Haw Par Corp. Ltd.	5.1%

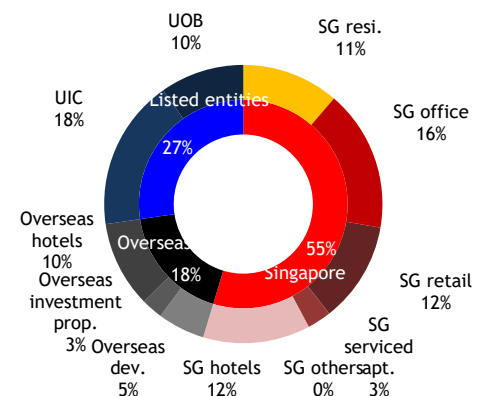
Price Performance



	-1M	-3M	-12M
Absolute (%)	(7)	(19)	(12)
Relative to index (%)	(8)	(11)	(10)

Source: FactSet

Exposure summary (% of GAV)



Source: Company, Maybank Kim Eng

Figure 1: Quarterly profit and loss

FYE 31 Dec	2Q17	1Q18	2Q18	Change		YTD18 (SGD m)	% of FY18E	FY18E (SGD m)
	(SGD m)	(SGD m)	(SGD m)	(QoQ %)	(YoY %)			
Revenue	399	661	635	(3.9)	59.2	1,296	35.3	3,668
EBITDA	98	193	196	1.2	>100	389	35.5	1,095
D&A	(17)	(46)	(33)	(27.2)	98.2	(79)	48.6	(163)
EBIT	81	147	162	10.0	>100	310	33.2	932
Net interest income/(expense)	(8)	(10)	(10)	(4.7)	21.8	(20)	59.0	(34)
Other items (recurring)	12	0	64	n.m.	>100	64	n.m.	0
Other items (exceptionals)	2	0	0	n.m.	n.m.	0	n.m.	0
Associates & JVs	45	1	0	(80.1)	(99.5)	1	n.m.	0
PBT	132	139	217	56.8	64.0	356	39.6	898
Taxation	(11)	(27)	(24)	(9.8)	>100	(51)	31.8	(162)
MI	(12)	(38)	(60)	59.9	>100	(98)	28.1	(348)
Net income	109	74	133	79.7	21.3	206	53.1	389
Less: exceptional items	(2)	0	0	n.m.	n.m.	0	n.m.	0
Core net profit	108	74	133	79.7	23.4	206	53.1	389

Source: Company, Maybank Kim Eng

Fig 2: RNAV and TP for UOL

Valuation	2018E	% of total	per share	Remarks
	(SGD m)	(%)	(SGD)	
Singapore developments	1,454	11.3	1.73	Mass- to mid-range homes.
Singapore investment properties	3,991	31.0	4.74	
Office	2,113	16.4	2.51	Cap-rate assumptions of 3.50%-3.75%.
Retail	1,506	11.7	1.79	Cap-rate assumptions of 4.75%-5.00%.
Serviced apartments	359	2.8	0.43	
Others	12	0.1	0.01	
Singapore hotels	1,593	12.4	1.89	
Overseas developments	706	5.5	0.84	
China	226	1.8	0.27	Projects in Tianjin and Shanghai.
UK	480	3.7	0.57	Projects in London.
Overseas investment properties	325	2.5	0.39	
China	70	0.5	0.08	Commercial property in Tianjin.
Malaysia	77	0.6	0.09	Serviced apartments in Kuala Lumpur.
UK	178	1.4	0.21	Commercial properties in London.
Overseas hotels	1,290	10.0	1.53	Directly owned hotels at latest market value.
Australia	759	5.9	0.90	Hotels in Melbourne, Perth and Sydney.
China	204	1.6	0.24	Hotels in Xiamen, Suzhou and Tianjin.
Malaysia	137	1.1	0.16	Hotels in Kuala Lumpur and Penang.
Vietnam	120	0.9	0.14	Hotels in Hanoi and Ho Chi Minh City.
Myanmar	70	0.5	0.08	Hotel in Yangon.
UIC	2,259	17.5	2.68	Market value of 50% stake in UIC at SGD3.15/share. (0.7x P/BV, BVPS SGD4.65)
UOB	1,257	9.8	1.49	Maybank KE's TP of SGD32.88.
Gross asset value	12,876	100.0	15.30	
Less: adjusted net liabilities	(2,988)			
RNAV	9,888			
Outstanding no. of shares (m)	842			
RNAV per share	11.75			
TP	8.80			Rounded.
RNAV discount (%)	(25)			

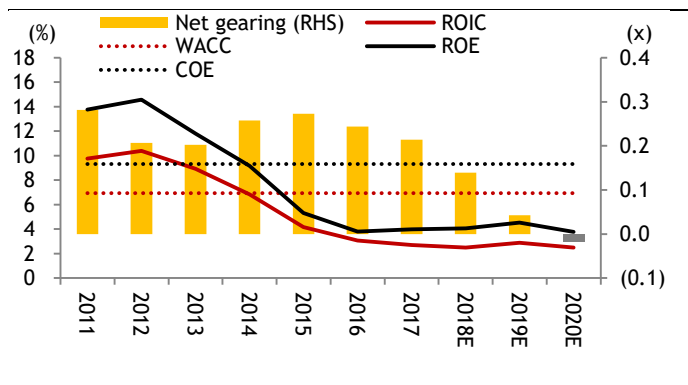
Note: RNAV = SGD11.46 if we use the SGD26.50 market price (instead of MBKE TP of SGD32.88) for UOB.

Source: Maybank Kim Eng

Value Proposition

- Fifth-largest developer on the SGX with a diversified property exposure. Strong in mass-to-mid-range residential projects.
- Major office landlord with a 5% market share in Singapore.
- Owns a chain of hotels and serviced apartments under “Pan Pacific” and “PARKROYAL” brands.
- Good record of repositioning and redevelopment. Conversion of UOL Building into Pan Pacific Serviced Suites Orchard in 2008 led to a better use of the property.
- Near-term returns appear low due to large base of lower yielding stabilized assets and under-leveraged balance sheet.

Returns vs cost of capital

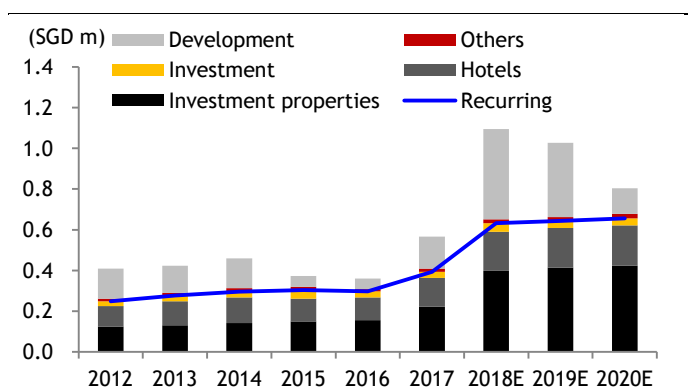


Source: Company, Maybank Kim Eng

Financial Metrics

- Post-consolidation of UIC, UOL has a stronger recurring earnings base with over SGD600m of EBITDA from its investment properties, hotels and investments.
- Cash generated by these stabilised businesses cushions more cyclical property sales.
- We expect sales to surge in 2018. This will be driven by SGD1.4b of sales in Singapore and another SGD0.9b in China, underpinned by the completion of Park Eleven.
- Hotel earnings could start to pick up in 2018 as the sub-sector bottoms out.
- We value its investment properties by adopting cap rate assumptions of 3.50%-3.75% for office and 4.75%-5.00% for retail.

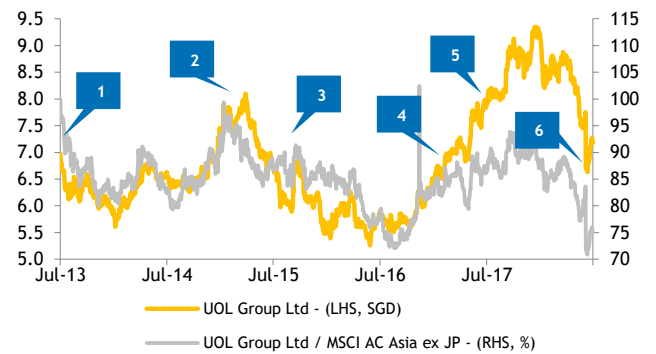
EBITDA breakdown



Source: Company, Maybank Kim Eng

Price Drivers

Historical share price trend



Source: FactSet, Company, Maybank Kim Eng

1. Eighth round of cooling measures in Singapore in Jun 2013. Home sales weakened for three years before a 2017 rebound.
2. Positive sector sentiment on privatisation of Keppel Land by Keppel Corp in early 2015.
3. Renewed interest after joining FSSTI in Sep 2015.
4. Singapore government relaxes cooling measures in Mar 2017 for the first time since GFC.
5. Raises UIC stake to 48.9% via a share swap deal with Haw Par in Aug 2017.
6. Surprise policy tightening.

Swing Factors

Upside

- Monetisation of property assets.
- Rebound in home sales.
- Unwinding or restructuring of cross-holdings in related parties like UOB, UIC and Haw Par.

Downside

- Overpaying for land.
- Poor execution of development projects.
- Sharp increase in interest rates, which could dampen demand for properties and drive down asset prices.

FYE 31 Dec	FY16A	FY17A	FY18E	FY19E	FY20E
Key Metrics					
P/E (reported) (x)	16.1	7.0	15.1	13.3	15.5
Core P/E (x)	15.2	17.9	15.2	13.3	15.5
P/BV (x)	0.6	0.7	0.6	0.6	0.6
P/NTA (x)	0.6	0.7	0.6	0.6	0.6
Net dividend yield (%)	2.6	2.3	2.5	2.5	2.5
FCF yield (%)	6.8	34.9	7.2	17.5	17.3
EV/EBITDA (x)	22.0	28.2	11.9	11.4	13.5
EV/EBIT (x)	27.5	37.4	13.9	13.5	16.8

INCOME STATEMENT (SGD m)

Revenue	1,440.7	2,103.2	3,667.7	3,127.8	2,375.1
EBITDA	336.6	533.6	1,094.9	1,027.1	804.3
Depreciation	(66.6)	(131.3)	(162.8)	(159.2)	(155.8)
EBIT	270.0	402.3	932.1	867.8	648.5
Net interest income / (exp)	(24.9)	(26.3)	(33.7)	(25.9)	(5.9)
Associates & JV	136.2	118.7	0.0	1.5	1.0
Exceptionals	(16.6)	539.8	0.0	0.0	0.0
Other pretax income	(10.8)	14.5	0.0	0.0	0.0
Pretax profit	353.9	1,049.0	898.4	843.5	643.6
Income tax	(48.3)	(62.0)	(161.7)	(151.6)	(115.7)
Minorities	(18.6)	(96.0)	(347.8)	(247.9)	(147.4)
Reported net profit	287.0	891.0	388.9	444.1	380.5
Core net profit	303.6	351.2	388.9	444.1	380.5
Preferred Dividends	0.0	0.0	0.0	0.0	0.0

BALANCE SHEET (SGD m)

Cash & Short Term Investments	301.5	816.4	1,180.8	2,086.4	2,999.7
Accounts receivable	99.6	395.3	407.2	419.4	432.0
Inventory	1,174.9	2,877.2	2,533.8	1,617.5	1,071.7
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	1,165.5	2,856.2	2,793.4	2,734.1	2,678.3
Intangible assets	24.4	181.0	181.0	181.0	181.0
Investment in Associates & JVs	3,487.6	286.5	286.5	287.7	288.5
Other assets	5,304.7	12,210.9	12,249.7	12,289.7	12,330.9
Total assets	11,558.1	19,623.4	19,632.3	19,615.8	19,981.9
ST interest bearing debt	728.7	972.8	1,500.0	1,300.0	1,300.0
Accounts payable	203.1	927.6	955.4	984.1	1,013.6
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	1,680.8	2,874.2	1,800.0	1,500.0	1,500.0
Other liabilities	310.0	703.0	724.0	745.0	768.0
Total Liabilities	2,922.8	5,477.2	4,979.1	4,529.4	4,581.3
Shareholders Equity	8,127.2	9,445.1	9,686.7	9,983.5	10,216.7
Minority Interest	508.2	4,701.2	4,966.5	5,102.8	5,183.9
Total shareholder equity	8,635.4	14,146.3	14,653.2	15,086.3	15,400.6
Perpetual securities	0.0	0.0	0.0	0.0	0.0
Total liabilities and equity	11,558.1	19,623.4	19,632.3	19,615.8	19,981.9

CASH FLOW (SGD m)

Pretax profit	353.9	1,049.0	898.4	843.5	643.6
Depreciation & amortisation	66.6	131.3	162.8	159.2	155.8
Adj net interest (income)/exp	24.9	26.3	33.7	25.9	5.9
Change in working capital	260.0	479.7	341.6	914.5	543.9
Cash taxes paid	(33.5)	(61.3)	(161.7)	(151.6)	(115.7)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	538.5	936.3	1,274.8	1,790.0	1,232.6
Capex	(68.4)	(125.0)	(100.0)	(100.0)	(100.0)
Free cash flow	313.3	2,243.9	421.3	1,029.2	1,018.8
Dividends paid	(64.3)	(71.9)	(147.3)	(147.3)	(147.3)
Equity raised / (purchased)	(7.8)	12.1	0.0	0.0	0.0
Change in Debt	(107.3)	(255.1)	(547.0)	(500.0)	0.0
Perpetual securities distribution	0.0	0.0	0.0	0.0	0.0
Other invest/financing cash flow	(198.1)	(268.9)	(45.3)	(137.1)	(72.0)
Effect of exch rate changes	(2.2)	(0.1)	0.0	0.0	0.0
Net cash flow	31.0	515.3	364.4	905.6	913.3

FYE 31 Dec	FY16A	FY17A	FY18E	FY19E	FY20E
Key Ratios					
Growth ratios (%)					
Revenue growth	12.7	46.0	74.4	(14.7)	(24.1)
EBITDA growth	(6.2)	58.5	105.2	(6.2)	(21.7)
EBIT growth	(7.4)	49.0	131.7	(6.9)	(25.3)
Pretax growth	(23.1)	196.4	(14.4)	(6.1)	(23.7)
Reported net profit growth	(26.7)	210.4	(56.4)	14.2	(14.3)
Core net profit growth	(26.6)	15.7	10.7	14.2	(14.3)
Profitability ratios (%)					
EBITDA margin	23.4	25.4	29.9	32.8	33.9
EBIT margin	18.7	19.1	25.4	27.7	27.3
Pretax profit margin	24.6	49.9	24.5	27.0	27.1
Payout ratio	41.9	16.1	37.9	33.2	38.7
DuPont analysis					
Net profit margin (%)	19.9	42.4	10.6	14.2	16.0
Revenue/Assets (x)	0.1	0.1	0.2	0.2	0.1
Assets/Equity (x)	1.4	2.1	2.0	2.0	2.0
ROAE (%)	3.6	10.1	4.1	4.5	3.8
ROAA (%)	2.6	2.3	2.0	2.3	1.9
Leverage & Expense Analysis					
Asset/Liability (x)	4.0	3.6	3.9	4.3	4.4
Net gearing (%) (incl perps)	24.4	21.4	14.5	4.7	net cash
Net gearing (%) (excl. perps)	24.4	21.4	14.5	4.7	net cash
Net interest cover (x)	10.8	15.3	27.7	33.5	110.4
Debt/EBITDA (x)	7.2	7.2	3.0	2.7	3.5
Capex/revenue (%)	4.7	5.9	2.7	3.2	4.2
Net debt/ (net cash)	2,107.9	3,030.5	2,119.2	713.6	(199.7)

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) 2082 6818
zamros.d@maybank-ib.com

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

FX

Saktiandi SUPAAT
Head, FX Research
(65) 6320 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 • Industrials
• 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

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

HONG KONG / CHINA

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

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

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

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

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

Wendy LI
(852) 2268 0647 wendyli@kimeng.com.hk
• Consumer & Auto

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 • Conglomerates • Ports

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

Romel LIBO-ON
(63) 2 849 8844
romel_libo-on@maybank-atrke.com
• Property

Kayzer Llanda
(63) 2 849 8838
Kayzer_Llanda@maybank-atrke.com
• Utilities

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 • Services

Amornrat CHEEVAVICHAWALKUL
(66) 2658 6300 ext 1393
Amornrat.C@maybank-ke.co.th
• Oil & Gas

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
• Power & Utilities • Infrastructure

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

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

Suthichai KUMWORACHAI *Deputy Head*
(66) 2658 5000 ext 1400
suthichai.k@maybank-ke.co.th
• Energy • Petrochem

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

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

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

Sorabhol VIRAMETEEKUL
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. 400 Park Avenue, 11th Floor, New York, New York 10022, 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 6 August 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 6 August 2018, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 6 August 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

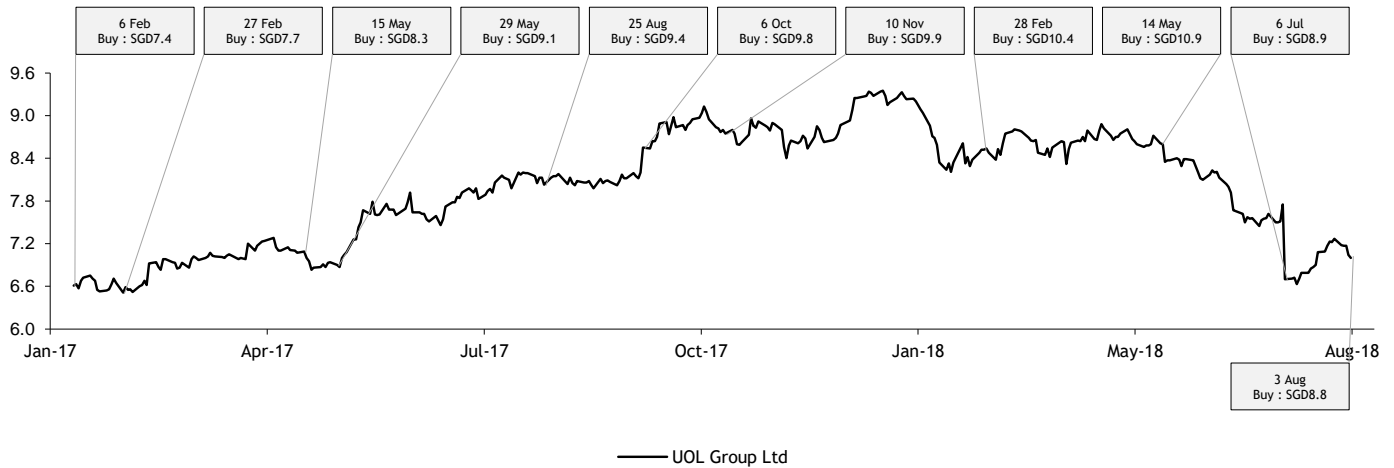
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed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

Historical recommendations and target price: UOL Group Ltd (UOL 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


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


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, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188

Fax: (62) 21 2557 1189


New York

Maybank Kim Eng Securities USA
Inc
400 Park Avenue, 11th Floor
New York, New York 10022,
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


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


Thailand

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

Tel: (66) 2 658 6817 (sales)

Tel: (66) 2 658 6801 (research)


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


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


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


North Asia Sales Trading

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

Malaysia

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

Indonesia

Hariato Liong
harianto.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

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

www.maybank-ke.com | www.maybank-keresearch.com