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BROKERS' TAKE

Wilmar International > Hold

OCBC Investment Research, Aug 11

Aug 11 close: S\$3.20

Target price: S\$3.66

WILMAR'S Q2 17 revenue increased 13.2 per cent YOY (year-on-year) to US\$10.6 billion, driven by stronger commodity prices as well as higher sales volume from oilseeds & grains and sugar. Net profit was US\$60.2 million versus a loss of US\$220.1 million in Q2 16 due to one-off losses, while core net profit was US\$37.3 million. Despite better production volume, tropical oils segment's merchandising and processing businesses faced a challenging environment, which resulted in lower profits and profit-before-tax margin at a low.

Cityneon Holdings > Reject offer

UOB Kay Hian, Aug 11

Aug 11 close: S\$0.94

Target price: S\$1.28

CITYNEON'S board of directors despatched the mandatory unconditional general cash offer document for all shares of Cityneon at S\$0.90/share on Friday. We recommend that minority shareholders reject the offer as it is at a deep discount to our target price of S\$1.28. We are of the opinion that the offeror (Lucrum 1) intends to keep the public listing status of Cityneon as it

would allow Cityneon easier access into capital markets in the event of any M&A opportunities. Furthermore, the offer price of S\$0.90 represents a 4.3 per cent discount to Cityneon's last traded price. It does not adequately reflect the fair value of Cityneon given the explosive 2016-19 earnings growth potential of the company.

Centurion Corp > Hold

Maybank Kim Eng Research, Aug 10

Aug 11 close: S\$0.545

Target price: S\$0.55

H1 17 core EPS (earnings per share) beat our estimate, at 71 per cent of our FY17E. This was thanks to a nine-month lease extension for Westlite Tuas, which contributes a chunky 20 per cent to revenue. We have not factored in this. Occupancy for a newer Singapore asset, Westlite Papan, also hit 99 per cent. Despite a 2 per cent YOY decline in foreign workers with work permits in Singapore for 2016, Centurion's five worker-accommodation assets kept their occupancy at around 92 per cent.

Compiled by Stephanie Luo

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MEDIA MONITORING – Cityneon Holdings

CITYNEON HOLDINGS | REJECT OFFER

AUG 11 CLOSE: \$0.94

TARGET PRICE: \$1.28

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