

WCT Bhd (WCTHG MK)

Share Price: MYR2.15

Target Price: MYR2.55(+19%)

MCap (USD): 731M

ADTV (USD): 0.9M

Malaysia

Construction

BUY

(Unchanged)

Breaking the dry spell soon?

- WCT is actively tendering for construction jobs and expects the outcome to be announced soon.
- Gateway@KLIA2 mall has outperformed management's expectation.
- Major job wins would re-rate the stock. Maintain BUY.

What's New

During last Friday's analyst briefing, management was upbeat on the domestic construction sector with the upswing in tendering activities for mega projects including West Coast Expressway (WCE), RAPID and Kwasa Damansara land development.

Meanwhile, property sales locked-in was just MYR218m in 1Q14. WCT maintains its MYR1.2b property sales target for 2014 as it plans to gear up launches in 2H14. Management also believes that demand would pick up strongly before the implementation of GST.

As for its property investment division, the performance of the newly opened Gateway@KLIA2 mall has surprised positively. Management expects the mall to be profitable in 2014, contributing net profit of ~MYR10m.

What's Our View

WCT's prospect has improved after the opening of Gateway@KLIA2 mall and labour shortage issue has been resolved.

In the near term, WCT's current outstanding construction orderbook of MYR1.79b (excluding in-house jobs) and unbilled property sales of MYR533m would support its earnings. Clinching major construction contracts from the WCE or RAPID projects that could be awarded soon would re-rate the stock positively.

In the medium term, WCT would continue to beef up its recurring income from its property investments.

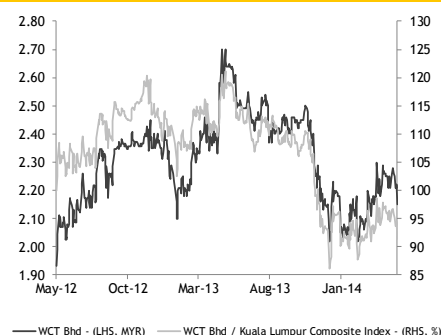
Maintain BUY at an unchanged SOP-based TP of MYR2.55.

FYE Dec (MYR m)	FY12A	FY13A	FY14E	FY15E	FY16E
Revenue	1,560.4	1,655.0	1,661.3	1,712.1	1,740.5
EBITDA	254.0	282.4	303.5	326.2	369.5
Core net profit	158.7	200.5	193.3	201.5	235.2
Core EPS (sen)	16.8	18.7	17.7	18.4	21.5
Core EPS growth (%)	6.8	11.1	(5.3)	4.2	16.7
Net DPS (sen)	6.5	6.8	6.8	6.8	6.8
Core P/E (x)	12.8	11.5	12.1	11.7	10.0
P/BV (x)	1.1	1.0	1.0	1.0	0.9
Net dividend yield (%)	3.0	3.1	3.1	3.1	3.1
ROAE (%)	8.8	9.7	8.3	8.2	9.0
ROAA (%)	3.2	3.7	3.4	3.5	4.1
EV/EBITDA (x)	11.9	11.1	9.8	8.8	7.5
Net debt/equity (%)	41.0	40.1	23.8	18.6	12.4

Key Data

52w high/low (MYR)	2.65/2.02
3m avg turnover (USDm)	0.9
Free float (%)	76.9
Issued shares (m)	1,092
Market capitalization	MYR2.3B
Major shareholders:	
-Cash Carat Sdn. Bhd.	19.0%
-Employees Provident Fund	10.9%
-Lembaga Tabung Haji	9.3%

Share Price Performance



	1 Mth	3 Mth	12 Mth
Absolute(%)	(4.9)	1.9	(18.6)
Relative to index (%)	(5.3)	(0.5)	(23.0)

Maybank vs Market

	Positive	Neutral	Negative
Market Recs	6	9	1
Maybank Consensus			
Target Price (MYR)	2.55	2.43	5.2
'14 PATMI (MYRm)	193	195	(1.1)
'15 PATMI (MYRm)	202	220	(8.3)

Source: FactSet; Maybank

Chai Li Shin
(603) 2297 8684
lishin.c@maybank-ib.com

Construction: Action packed

The long anticipated mega projects have finally kicked off in 2014. WCT has submitted tenders or in the midst of tendering for several projects and expects outcome of some of the tenders to be announced in the next few months. It targets to win MYR1b domestic jobs and MYR1b foreign contracts this year (2013: MYR670m job wins).

West Coast Expressway

The government has awarded a MYR5b EPC contract to IJM Corp (IJM MK, BUY) and Kumpulan Europlus (KEUR MK, Not Rated) recently. For the contractor role, IJM has clinched MYR2.8b worth of construction contracts from the WCE project. WCT is vying for the remaining MYR2.2b worth of contracts that are opened for tender. The groundbreaking ceremony for this project will be held this week.

Kwasa Damansara Land

WCT is eyeing infrastructure works worth e.MYR1b on the 2,000 acres Kwasa Land development at Sg Buloh, Selangor. It is also in the midst of submitting its Request for Proposal (RFP) for a property development project on the first parcel of 64 acres land. Management expects tenders to be announced in the near term.

RAPID project at Pengerang

WCT has submitted tenders for phase 2 of RAPID project's earthworks which has an estimated value of MYR400m. Its closest competitor for the job could be Gadang Holdings Bhd (GADG MK, Not Rated) which has won the first phase of earthworks. Phase 2 earthworks is expected to be awarded in the next few months. WCT also plans to partner with foreign players to tender for other infrastructure jobs in RAPID including a co-generation power plant.

Other projects

Aside of the mega projects, WCT has also tendered for Putrajaya buildings construction jobs and intends to tender for the construction of the Ikano Boustead project. In the Middle East, WCT is submitting a tender for a highway and tunnel project in Doha worth MYR1b next month. It is also at the pre-qualification stage for a zoo and themepark project in Qatar worth MYR2b-3b.

Property development: GST to boost sales

WCT's property sales in 1Q14 were slow with MYR218m sales achieved. The MYR218m also included the pre-sale bookings from Laman Greenville and Paradigm Residences, Kelana Jaya. WCT has just obtained the advertising and promotion permits (AP) for Laman Greenville@Klang South in May 2014. The project's official launch was delayed from 2013 but WCT has locked-in MYR100m during its pre-sale. Paradigm Kelana Jaya is the other project that has yet to obtain its AP and it is expected to be approved in 3Q14. Management guided that its landed property sales was stable but high rise properties sales were sluggish. It could be due to the uncertainties in the implementation of government tightening policies.

Management expects property sales to pick up in the coming quarters. This is because WCT plans to gear up property launches in 2H14 including properties at Bandar Bukit Tinggi, Bandar Parklands and the service apartment that is part of its Paradigm Johor Bahru mixed commercial development. The service apartment would leverage on the Paradigm JB mall that is expected to complete by mid-2016. Management also believes that property purchases would accelerate before the implementation of GST. Hence, management maintains its aggressive MYR1.2b property sales target in 2014 (2013: MYR499m sold). In the past, property sales were also lower during 1Q and usually picked up in the subsequent quarters.

Target new property launches in 2014

Property development	GDV (MYR m)	Target launch
BBT2 - Shop + Serviced apartment	394	3Q14
Bandar Parklands, Klang South	143	3Q14
Laman Greenville @ Klang South	439	Launched
Skyz Jelutong @ Bkt Jelutong	146	Launched
Paradigm Residences, Kelana Jaya	483	3Q14
A60, The Volt, Medini North	502	2Q14
Paradigm JB, Serviced Apartment	193	3Q14
One Medini Garden Villa	20	2Q14
	2,320	

Source: Company

Gateway@KLIA2 mall: Took off strongly

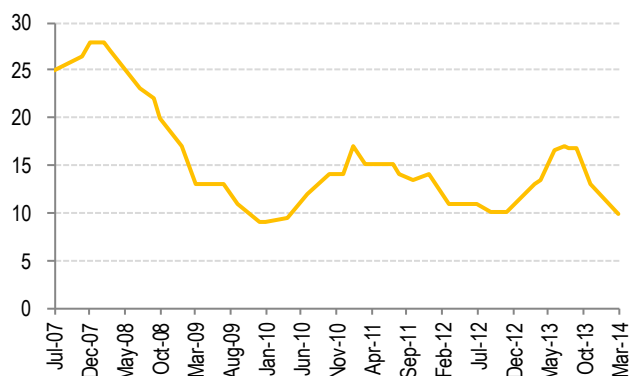
Management was positively surprised with the Gateway@KLIA2 mall's performance. WCT expects the mall to be profitable in 2014 leveraging on: i) high 80% occupancy rate, ii) strong footfalls of 80,000 per day and iii) decent rental rates of MYR23/sq ft average. The mall could contribute -MYR10m net profit in 2014 and -MYR20m net profit in 2015. WCT would also reap more profit from the profit sharing arrangement with tenants especially from F&B outlets. There would be upside to our net profit forecast of MYR8.5m/16m in 2014/15 from the mall.

WCT's Sum-Of-Parts valuation

	2015F net profit	PER target	WCT's stake	Value	
Construction	70.7	12.0	100.0%	848.4	12x 2015 PER
Property investment	31.5	12.0	100.0%	378.3	12x 2015 PER
		DCF value	WCT's stake	Value	
Property development		1,420.7	100.0%	1,420.7	40% discount on RNAV
Gateway@KLIA2 concession		398.7	70.0%	279.1	DCF
Total SOP				2,926.5	
Cash proceeds from warrants				688.5	
Fully Diluted (FD) SOP				3,615.0	
SOP/sh (MYR)				2.78	
FD SOP/sh (MYR)				2.56	
FD SOP/sh (MYR) - Rounded				2.55	
Number of shares				1,052.0	
FD number of shares				1,413.1	

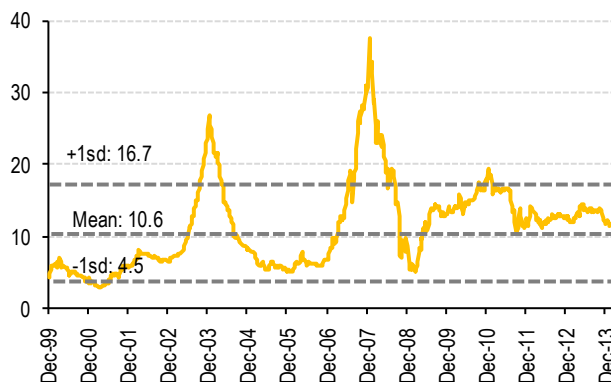
Source: Maybank KE

WCT: Foreign shareholding (9.9% @ Mar 2014)



Sources: Company, Maybank KE

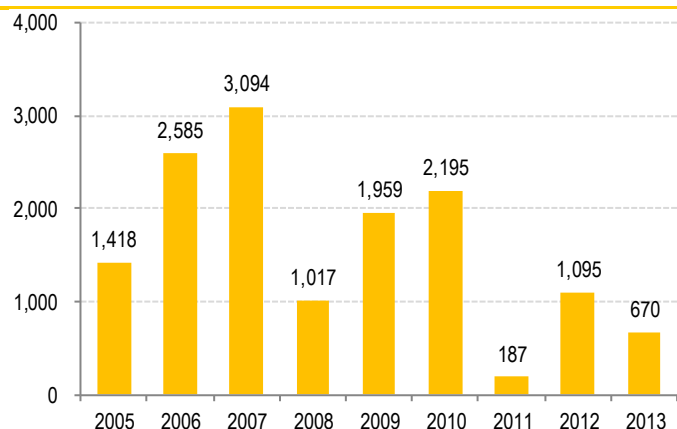
WCT: One-year forward rolling PER



Sources: Bloomberg, Maybank KE

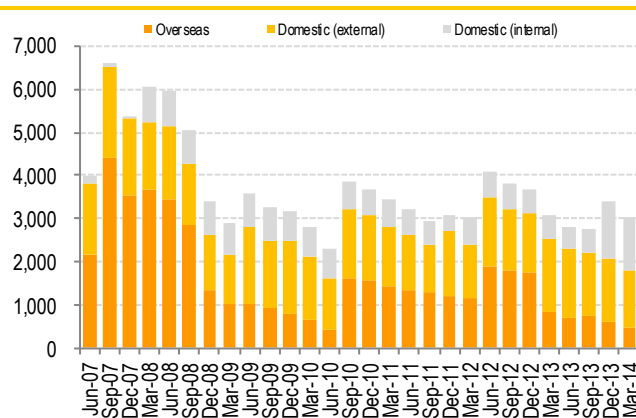
Highlights, in charts and tables...

WCT: Construction job win, MYR670m in 2013, nil 2014 YTD



Sources: Company, Maybank KE

WCT: Outstanding construction order book, MYR3.06b



Sources: Company, Maybank KE

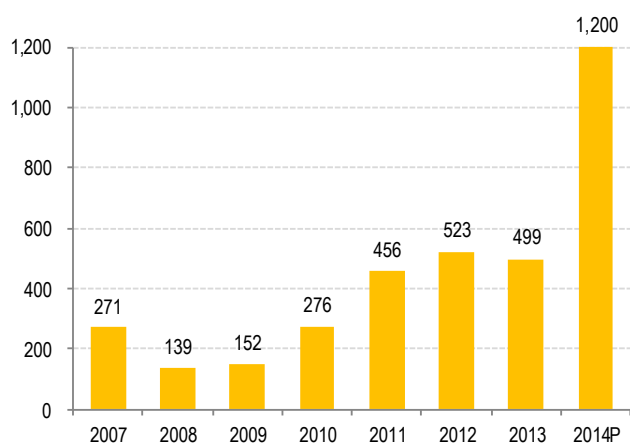
WCT: Outstanding construction order book, details

	Contract value (MYRm)		Outstanding (MYRm)			
	Total	WCT's shr	at Jun '13	at Sep '13	at Dec '13	at Mar '14
OVERSEAS						
Government Admin Office, Qatar *	1,360	1,360	704	727	628	479
New Doha Intl Airport, Qatar	3,270	1,600	12	2	2	2
Total overseas (A)			716	729	630	481
DOMESTIC (external)						
<u>Civil engineering & infrastructure</u>						
Vale industrial civil works, Perak @	73	73	7	6	23	4
PLUS widening (Nilai-Seremban) @	391	391	349	349	322	310
Tun Razak Exchange %	169	169	168	167	162	157
Others			55	54	67	15
			585	579	574	486
<u>Building</u>						
Tuaran Hospital, Sabah *	128	128	35	18	8	6
MITI HQ, Mukim Batu, KL @	300.5	300.5	261	251	237	231
KK Medical Centre & Riverson @	331	331	281	265	248	203
Putrajaya Commercial Office %	315	315	315	315	315	308
Others			68	67	75	70
			991	916	883	818
Total Domestic (external) (B)			1,576	1,495	1,457	1,304
TOTAL EXTERNAL (C=A+B)			2,292	2,224	2,087	1,785
INTERNAL: Paradigm & others (D)			538	519	1,322	1,270
TOTAL (C+D)			2,292	2,224	3,409	3,055

* New in 2010; # New in 2011; @ New in 2012; % New in 2013

Sources: Company, Maybank KE

WCT: Yearly property sales



Source: Company, Maybank KE

WCT: Land bank

Location	Total acres	Bal acres	GDV (MYRm)	Dev't type
BBT, Klang	1,336	126	5,228	Township
D'Laman, Klang #	56	56	450	Luxury homes
Paradigm, PJ	14	8	700	Mixed commercial
Medini Business Dist, Johor #	20.8	20.8	2600	Mixed commercial
Bkt Jelutong, Shah Alam *	2.3	2.3	120	Mixed commercial
Bdr Serendah, S'gor *	39	39	270	Industrial
Rawang, Selangor *	468	468	1,200	Township
OUG, OKR, KL @	57	57	4,900	Mixed
Lot A60, Zone A, Medini @	18	18	1,500	Mixed
Inanam, KK, Sabah @	22	22	200	Luxury homes
Jln Skudai, Johor @	12	12	1300	Mixed commercial
Total	2,045	829	18,468	

New in 2010; * New in 2011; @ New in 2012

Source: Company, Maybank KE

WCT: Property development projects

	GDV (MYR m)	Stake (%)	Total sales to date (MYR m)	Sales in 2010 (MYR m)	Sales in 2011 (MYR m)	Sales in 2012 (MYR m)	Sales in 2013 (MYR m)	Sales in 2014 YTD (MYR m)	Billings to date (MYR m)	Unrecognised @ Mar '14 (MYR m)
<u>Integrated township</u>										
Bandar Bukit Tinggi 1	2,196	100	1,120	30	26	4	12	0	1,120	0
Bandar Bukit Tinggi 2	2,671	100	1,490	5	38	14	120	3	1,411	82
Bandar Parklands	4,382	100	1,177	162	315	186	166	12	1109	68
Rawang, Selangor #	1,200	100	-	-	-	-	-	-	-	-
<u>Luxury homes</u>										
D'Banyan Residency	269	100	258	79	77	3	21	0	253	5
D'Laman, Klang *	450	100	-	-	-	-	-	-	-	-
Inanam, KK, Sabah @	200	100	-	-	-	-	-	-	-	-
<u>Retail & commercial</u>										
The Paradigm, Kelana J	700	70	-	-	-	-	-	-	-	-
Medini Business District *	2,600	100	-	-	-	-	-	-	-	-
Bkt Jelutong comm #	120	100	-	-	-	-	-	-	-	-
A60 - Medini North @	1,500	100	-	-	-	-	-	-	-	-
Jln Skudai, Johor @	1,300	100	-	-	-	-	-	-	-	-
<u>High-rise homes</u>										
1Medini	778	70	494	-	-	316	180	-2	116	378
DPN Land, HCMC	500	100	-	-	-	-	-	-	-	-
<u>Industrial</u>										
Bdr Serendah, Selangor #	270	100	-	-	-	-	-	-	-	-
<u>Mixed</u>										
OUG, Old Klang Rd @	4,900	100	-	-	-	-	-	-	-	-
<u>Vietnam</u>										
Platinum Plaza	1,000	67	-	-	-	-	-	-	-	-
Total			4,542	276	456	523	499	13	4,009	533

* New in 2010; # New in 2011; @ New in 2012; Sources: Company, Maybank KE

FYE 31 Dec	FY12A	FY13A	FY14E	FY15E	FY16E
Key Metrics					
P/E (reported) (x)	5.7	11.7	12.1	11.7	10.0
Core P/E (x)	12.8	11.5	12.1	11.7	10.0
P/BV (x)	1.1	1.0	1.0	1.0	0.9
P/NTA (x)	1.1	1.1	1.0	1.0	0.9
Net dividend yield (%)	3.0	3.1	3.1	3.1	3.1
FCF yield (%)	3.0	nm	20.0	10.3	11.6
EV/EBITDA (x)	11.9	11.1	9.8	8.8	7.5
EV/EBIT (x)	12.2	11.5	10.1	9.1	7.7

INCOME STATEMENT (MYR m)

Revenue	1,560.4	1,655.0	1,661.3	1,712.1	1,740.5
Gross profit	316.5	270.1	270.6	278.7	283.0
EBITDA	254.0	282.4	303.5	326.2	369.5
Depreciation	(6.5)	(9.9)	(10.4)	(11.0)	(11.5)
EBIT	247.5	272.4	293.1	315.2	358.0
Net interest income / (exp)	(48.8)	(34.5)	(46.8)	(51.9)	(49.0)
Associates & JV	16.0	19.2	20.2	21.2	22.2
Exceptionals	200.2	(2.9)	0.0	0.0	0.0
Pretax profit	414.9	254.2	266.4	284.5	331.2
Income tax	(69.2)	(64.5)	(66.6)	(71.1)	(82.8)
Minorities	13.2	7.8	(6.5)	(11.9)	(13.2)
Reported net profit	358.9	197.5	193.3	201.5	235.2
Core net profit	158.7	200.5	193.3	201.5	235.2

BALANCE SHEET (MYR m)

Cash & Short Term Investments	1,077.7	1,039.1	1,168.7	1,065.7	1,098.3
Accounts receivable	977.1	1,089.1	1,098.1	1,131.6	1,150.4
Inventory	73.9	75.6	76.7	79.0	80.3
Property, Plant & Equip (net)	276.2	271.7	291.2	310.3	328.8
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	207.2	443.3	463.4	484.6	506.8
Other assets	2,774.9	2,615.9	2,615.9	2,615.9	2,615.9
Total assets	5,387.0	5,534.6	5,714.0	5,687.1	5,780.5
ST interest bearing debt	930.7	369.1	269.1	169.1	69.1
Accounts payable	1,083.4	842.7	1,096.0	1,129.5	1,148.3
LT interest bearing debt	890.1	1,553.1	1,453.1	1,353.1	1,353.1
Other liabilities	615.4	513.4	513.4	513.4	513.4
Total Liabilities	3,519.6	3,278.3	3,331.5	3,165.0	3,083.8
Shareholders Equity	1,810.5	2,204.3	2,323.9	2,451.7	2,613.1
Minority Interest	57.0	52.1	58.6	70.4	83.7
Total shareholder equity	1,867.4	2,256.4	2,382.4	2,522.1	2,696.7

CASH FLOW (MYR m)

Pretax profit	414.9	254.2	266.4	284.5	331.2
Depreciation & amortisation	6.5	9.9	10.4	11.0	11.5
Adj net interest (income)/exp	48.8	34.5	46.8	51.9	49.0
Change in working capital	(311.2)	(944.3)	242.1	(5.4)	(6.3)
Cash taxes paid	(69.2)	(64.5)	(66.6)	(71.1)	(82.8)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	89.8	(710.1)	499.2	270.8	302.6
Capex	(28.3)	(23.1)	(30.0)	(30.0)	(30.0)
Free cash flow	61.6	(733.3)	469.2	240.8	272.6
Dividends paid	(61.8)	(72.9)	(73.7)	(73.7)	(73.7)
Equity raised / (purchased)	40.4	259.6	0.0	0.0	0.0
Change in Debt	424.5	406.6	(200.0)	(200.0)	(100.0)
Other invest/financing cash flow	(241.3)	3.2	(65.9)	(70.0)	(66.2)
Net cash flow	223.4	(136.7)	129.5	(102.9)	32.6

FYE 31 Dec	FY12A	FY13A	FY14E	FY15E	FY16E
Key Ratios					
Growth ratios (%)					
Revenue growth	1.4	6.1	0.4	3.1	1.7
EBITDA growth	14.6	11.2	7.5	7.5	13.3
EBIT growth	16.4	10.1	7.6	7.6	13.6
Pretax growth	99.9	(38.7)	4.8	6.8	16.4
Reported net profit growth	116.2	(45.0)	(2.1)	4.2	16.7
Core net profit growth	9.2	26.3	(3.6)	4.2	16.7
Profitability ratios (%)					
EBITDA margin	16.3	17.1	18.3	19.0	21.2
EBIT margin	15.9	16.5	17.6	18.4	20.6
Pretax profit margin	26.6	15.4	16.0	16.6	19.0
Payout ratio	17.1	36.7	38.1	36.6	31.4
DuPont analysis					
Net profit margin (%)	23.0	11.9	11.6	11.8	13.5
Revenue/Assets (x)	0.3	0.3	0.3	0.3	0.3
Assets/Equity (x)	3.0	2.5	2.5	2.3	2.2
ROAE (%)	8.8	9.7	8.3	8.2	9.0
ROAA (%)	3.2	3.7	3.4	3.5	4.1
Liquidity & Efficiency					
Cash conversion cycle	(19.8)	(6.2)	5.7	(25.5)	(25.6)
Days receivable outstanding	257.6	224.7	237.0	234.4	236.0
Days inventory outstanding	18.1	19.4	19.7	19.6	19.7
Days payables outstanding	295.5	250.3	250.9	279.5	281.3
Dividend cover (x)	5.8	2.7	2.6	2.7	3.2
Current ratio (x)	1.2	2.2	2.1	2.2	2.3
Leverage & Expense Analysis					
Asset/Liability (x)	1.5	1.7	1.7	1.8	1.9
Net debt/equity (%)	41.0	40.1	23.8	18.6	12.4
Net interest cover (x)	5.1	7.9	6.3	6.1	7.3
Debt/EBITDA (x)	7.2	6.8	5.7	4.7	3.8
Capex/revenue (%)	1.8	1.4	1.8	1.8	1.7
Net debt/ (net cash)	743.1	883.0	553.5	456.4	323.8

Research Offices

REGIONAL

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) 6432 1453
ongsengyeow@maybank-ke.com.sg

Alexander GARTHOFF
Institutional Product Manager
(852) 2268 0638
alexgarthoff@kimeng.com.hk

ECONOMICS

Suhaimi ILIAS
Chief Economist
Singapore | Malaysia
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

Luz LORENZO
Philippines
(63) 2 849 8836
luz_lorenzo@maybank-atrke.com

Tim LEELAHAPHAN
Thailand
(662) 658 1420 tim.l@maybank-ke.co.th

JUNIMAN
Chief Economist, BI
Indonesia
(62) 21 29228888 ext 29682
Juniman@bankbii.com

Josua PARDEDE
Economist / Industry Analyst, BI
Indonesia
(62) 21 29228888 ext 29695
JPardede@bankbii.com

MALAYSIA

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

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 - Regional • Shipping

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 & REITs

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

CHAI Li Shin
(603) 2297 8684 tishin.c@maybank-ib.com
• Plantation • Construction & Infrastructure

KANG Chun Ee
(603) 2297 8675 chunee@maybank-ib.com
• Consumer

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

LEE Cheng Hooi Regional Chartist
(603) 2297 8694
chenghooi.lee@maybank-ib.com

Tee Sze Chiah Head of Retail Research
(603) 2297 6858 szechiah.t@maybank-ib.com

HONG KONG / CHINA

Howard WONG Head of Research
(852) 2268 0648
howardwong@kimeng.com.hk
• Oil & Gas - Regional

Alexander LATZER
(852) 2268 0647
alexanderlatzer@kimeng.com.hk
• Metals & Mining - Regional

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

Karen KWAN
(852) 2268 0640 karenkwon@kimeng.com.hk
• Property & REITs

Osbert TK TANG, CFA
(86) 21 5096 8370
osberttang@kimeng.com.hk
• Transport & Industrials

Ricky WK NG, CFA
(852) 2268 0689 rickyng@kimeng.com.hk
• Utilities & Renewable Energy

Simon QIAN, CFA
(852) 2268 0634
simonqian@kimeng.com.hk
• Telecom & Internet

Steven ST CHAN
(852) 2268 0645 stevenchan@kimeng.com.hk
• Banking & Financials - Regional

Warren LAU
(852) 2268 0644
warrentau@kimeng.com.hk
• Technology - Regional

William YANG
(852) 2268 0675
williamyang@kimeng.com.hk
• Technology - Regional

INDIA

Jigar SHAH Head of Research
(91) 22 6623 2601
jigar@maybank-ke.co.in
• Oil & Gas • Automobile • Cement

Anubhav GUPTA
(91) 22 6623 2605
anubhav@maybank-ke.co.in
• Metal & Mining • Capital Goods • Property

Urmil SHAH
(91) 22 6623 2606 urmil@maybank-ke.co.in
• Technology • Media

SINGAPORE

NG Wee Siang Head of Research
(65) 6432 1467 ngweesiang@maybank-ke.com.sg
• Banking & Finance

Gregory YAP
(65) 6432 1450 gyap@maybank-ke.com.sg
• SMID Caps - Regional
• Technology & Manufacturing • Telcos

Wilson LIEW
(65) 6432 1454 wilsonliew@maybank-ke.com.sg
• Property Developers

ONG Kian Lin
(65) 6432 1470 ongkianlin@maybank-ke.com.sg
• S-REITs

James KOH
(65) 6432 1431 jameskoh@maybank-ke.com.sg
• Consumer - Regional

YEAK Chee Keong, CFA
(65) 6432 1460
yeakcheekeong@maybank-ke.com.sg
• Offshore & Marine

Derrick HENG
(65) 6432 1446 derrickheng@maybank-ke.com.sg
• Transport (Land, Shipping & Aviation)

WEI Bin
(65) 6432 1455 weibin@maybank-ke.com.sg
• Commodity • Logistics • S-chips

John CHEONG
(65) 6432 1461 johncheong@maybank-ke.com.sg
• Small & Mid Caps • Healthcare

TRUONG Thanh Hang
(65) 6432 1451 hang.truong@maybank-ke.com.sg
• Small & Mid Caps

INDONESIA

Wilianto IE Head of Research
(62) 21 2557 1125
wilianto.ie@maybank-ke.co.id
• Strategy

Rahmi MARINA
(62) 21 2557 1128
rahmi.marina@maybank-ke.co.id
• Banking & Finance

Aurellia SETIABUDI
(62) 21 2953 0785
aurellia.setiabudi@maybank-ke.co.id
• Property

Anthony YUNUS
(62) 21 2557 1136
anthony.yunus@maybank-ke.co.id
• Consumer • Poultry

Isnaputra ISKANDAR
(62) 21 2557 1129
isnaputra.iskandar@maybank-ke.co.id
• Metals & Mining • Cement

Pandu ANUGRAH
(62) 21 2557 1137
pandu.anugrah@maybank-ke.co.id
• Infrastructure • Construction • Transport

Janni ASMAN
(62) 21 2953 0784
janni.asman@maybank-ke.co.id
• Cigarette • Healthcare • Retail

PHILIPPINES

Luz LORENZO Head of Research
(63) 2 849 8836
luz_lorenzo@maybank-atrke.com
• Strategy

Laura Dy-LIACCO
(63) 2 849 8840
laura_dyliacco@maybank-atrke.com
• Utilities • Conglomerates • Telcos

Lovell SARREAL
(63) 2 849 8841
lovell_sarreal@maybank-atrke.com
• Consumer • Media • Cement

Rommel RODRIGO
(63) 2 849 8839
rommel_rodrigo@maybank-atrke.com
• Conglomerates • Property • Gaming
• Ports/ Logistics

Katherine TAN
(63) 2 849 8843
kat_tan@maybank-atrke.com
• Banks • Construction

Ramon ADVIENTO
(63) 2 849 8845
ramon_adviento@maybank-atrke.com
• Mining

THAILAND

Maria LAPIZ, Head of Institutional Research
Dir (66) 2257 0250 | (66) 2658 6300 ext 1399
Maria.L@maybank-ke.co.th
• Consumer / Materials

Jesada TECHAHUSDIN, CFA
(66) 2658 6300 ext 1394
Jesada.T@maybank-ke.co.th
• Financial Services

Kittisorn PRUITIPAT, CFA, FRM
(66) 2658 6300 ext 1395
Kittisorn.P@maybank-ke.co.th
• Real Estate

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

Sukit UDOMSIRIKUL Head of Retail Research
(66) 2658 6300 ext 5090
Sukit.u@maybank-ke.co.th

Mayuree CHOWVIKARN
(66) 2658 6300 ext 1440
mayuree.c@maybank-ke.co.th
• Strategy

Padon VANNARAT
(66) 2658 6300 ext 1450
Padon.v@maybank-ke.co.th
• Strategy

Surachai PRAMUALCHARONKIT
(66) 2658 6300 ext 1470
Surachai.p@maybank-ke.co.th
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 6300 ext 1430
suttatip.p@maybank-ke.co.th
• Media • Commerce

Sutthichai KUMWORACHAI
(66) 2658 6300 ext 1400
sutthichai.k@maybank-ke.co.th
• Energy • Petrochem

Termporn TANTIVIVAT
(66) 2658 6300 ext 1520
termporn.t@maybank-ke.co.th
• Property

Woraphon WIROONSRI
(66) 2658 6300 ext 1560
woraphon.w@maybank-ke.co.th
• Banking & Finance

Jaroonpan WATTANAWONG
(66) 2658 6300 ext 1404
jaroonpan.w@maybank-ke.co.th
• Transportation • Small cap

Chatchai JINDARAT
(66) 2658 6300 ext 1401
chatchai.j@maybank-ke.co.th
• Electronics

VIETNAM

LE Hong Lien, ACCA
Head of Institutional Research
(84) 844 55 58 88 x 8181
lien.le@maybank-kimeng.com.vn
• Strategy • Consumer • Diversified • Utilities

THAI Quang Trung, CFA, Deputy Manager,
Institutional Research
(84) 844 55 58 88 x 8180
trung.thai@maybank-kimeng.com.vn
• Real Estate • Construction • Materials

Le Nguyen Nhat Chuyen
(84) 844 55 58 88 x 8082
chuyen.le@maybank-kimeng.com.vn
• Oil & Gas

NGUYEN Thi Ngan Tuyen, Head of Retail Research
(84) 8 44 555 888 x 8081
tuyen.nguyen@maybank-kimeng.com.vn
• Food & Beverage • Oil&Gas • Banking

NGUYEN Trung Hoa, Dy Head of Retail Research
(84) 8 44 555 888 x 8088
hoa.nguyen@maybank-kimeng.com.vn
• Macro • Steel • Real estate

TRINH Thi Ngoc Diep
(84) 4 44 555 888 x 8208
diep.trinh@maybank-kimeng.com.vn
• Technology • Utilities • Construction

TRUONG Quang Binh
(84) 4 44 555 888 x 8087
binh.truong@maybank-kimeng.com.vn
• Rubber plantation • Tyres and Tubes • Oil&Gas

PHAM Nhat Bich
(84) 8 44 555 888 x 8083
bich.pham@maybank-kimeng.com.vn
• Consumer • Manufacturing • Fishery

NGUYEN Thi Sony Tra Mi
(84) 8 44 555 888 x 8084
mi.nguyen@maybank-kimeng.com.vn
• Port operation • Pharmaceutical
• Food & Beverage

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. MKE may, to the extent permitted by law, act upon or use the information presented herein, or the research or analysis on which they are based, before the material is published. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report.

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

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. Maybank Kim Eng Securities (Thailand) Public Company Limited ("MBKET") does not confirm nor certify the accuracy of such survey result.

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of MBKET. MBKET accepts no liability whatsoever for the actions of third parties in this respect.

US

This research report prepared by MKE 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. All resulting transactions by a US person or entity should be effected through a registered broker-dealer in the US. 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.

UK

This document is being distributed by Maybank Kim Eng Securities (London) Ltd ("Maybank KESL") which is authorized and regulated, by the Financial Services 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 material is issued and distributed in Singapore by Maybank KERPL (Co. Reg No 197201256N) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Kim Eng Securities (“PTKES”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the BAPEPAM LK. **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 JSC (License Number: 71/UBCK-GP) 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 (Reg No: INF/INB 231452435) and the Bombay Stock Exchange (Reg. No. INF/INB 011452431) and is regulated by Securities and Exchange Board of India. KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) **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 Services 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 8 January 2014, 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: KESHK may have financial interests in relation to an issuer or a new listing applicant referred to as defined by the requirements under Paragraph 16.5(a) of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

As of 8 January 2014, KESHK and the authoring analyst do not have any interest in any companies recommended in this 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

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
kevinfoy@maybank-ke.com.sg
Tel: (65) 6336-5157
US Toll Free: 1-866-406-7447

 **Singapore**

Maybank Kim Eng Securities Pte Ltd
Maybank Kim Eng Research Pte Ltd
9 Temasek Boulevard
#39-00 Suntec Tower 2
Singapore 038989

Tel: (65) 6336 9090
Fax: (65) 6339 6003

 **Hong Kong**

Kim Eng Securities (HK) Ltd
Level 30,
Three Pacific Place,
1 Queen's Road East,
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,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

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

 **North Asia Sales Trading**

Alex TSUN
alextsun@kimeng.com.hk
Tel: (852) 2268 0228
US Toll Free: 1 877 837 7635

 **London**

Maybank Kim Eng Securities
(London) Ltd
5th Floor, Aldermay House
10-15 Queen Street
London EC4N 1TX, UK

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

 **Indonesia**

PT Maybank Kim Eng Securities
Plaza Bapindo
Citibank Tower 17th Floor
Jl Jend. Sudirman Kav. 54-55
Jakarta 12190, 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