

WCT Holdings (WCTHG MK)

Share Price: MYR1.83 MCap (USD): 596M Malaysia
Target Price: MYR2.20 (+20%) ADTV (USD): 0.5M Construction

BUY

(Upgrade)

Unlocking values; uplift to BUY

- Accelerating the REIT-ing of its malls with MYR2b asset value; positive in unlocking the values of its property investments.
- Negatives on property and construction priced in after the share price fell 17% since Aug 2014.
- Lowering earnings forecasts, but upgrade the stock to BUY with a shaved TP of MYR2.20 (-2%).

What's New

During the analyst briefing yesterday, management indicated that it intends to bring forward, to 2015, the REIT-ing of its three existing malls which have an estimated total asset value of MYR2b.

Property sales have picked up in 2H14 and 2015 property sales would be supported by the GST implementation in Apr 2015. Management believes its property margins should recover in FY15 but would still be lower than FY13 property margins due to a challenging property market. Elsewhere, its construction margins would be lower due to higher proportion of building works.

What's Our View

We are positive on the REIT exercise as it would enable WCT to unlock values of its matured retail malls and its Gateway@KLIA2 mall's concession. Proceeds from the REIT would also ease the financing of its new shopping malls. In addition, shareholders could benefit via a distribution of shares in the REIT.

After reflecting the lower property and construction margins, our FY15/16 net profit forecasts are lower by 10%/8%. Our new SOP-based TP is MYR2.20 (-2%).

WCT' share price has fallen 17% since we downgraded the stock to a HOLD in Aug 2014. We believe the slow property sales and lackluster construction job wins have been priced in. WCT is tendering for MYR4b worth of jobs and its orderbook would also be supported by internal construction works. WCT is also restrategising its future property launches to tailor to the current market demand. We upgrade WCT to a BUY (from HOLD).

FYE Dec (MYR m)	FY12A	FY13A	FY14E	FY15E	FY16E
Revenue	1,560.4	1,655.0	1,614.1	1,597.2	1,597.5
EBITDA	254.0	282.4	228.1	238.8	263.8
Core net profit	158.7	200.5	140.4	141.1	161.4
Core EPS (sen)	16.8	18.7	12.8	12.9	14.8
Core EPS growth (%)	6.8	11.1	(31.2)	0.6	14.3
Net DPS (sen)	6.5	6.8	6.8	6.8	6.8
Core P/E (x)	10.9	9.8	14.2	14.2	12.4
P/BV (x)	1.0	0.9	0.9	0.9	0.8
Net dividend yield (%)	3.6	3.7	3.7	3.7	3.7
ROAE (%)	9.7	10.0	6.3	6.1	6.8
ROAA (%)	3.2	3.7	2.5	2.5	2.9
EV/EBITDA (x)	11.8	11.0	11.7	11.0	9.8
Net debt/equity (%)	41.0	40.1	26.8	24.5	21.4

Key Data	
•	V
Shariah status	Yes
52w high/low (MYR)	2.34/1.83
3m avg turnover (USDm)	0.5
Free float (%)	76.9
Issued shares (m)	1,092
Market capitalization	MYR2.0B
Major shareholders:	
-Cash Carat Sdn. Bhd.	19.0%
-Employees Provident Fund	10.9%
-Lembaga Tabung Haji	9.3%

nare Price Pe	rformance
2.70	_ 110
2.60	105
2.50 -	100 LA
2.40	95
2.30	- 90
2.20	1
2.10	80
2.00	75
1.90	- 70
1.80	65
Nov-12 Mar-13	Jul-13 Nov-13 Mar-14 Jul-14

WCT Bhd - (LHS, MYR) WCT Bhd / Kuala Lumpur Composite Index - (RHS, %)

	1 Mth	3 Mth	12 Mth
Absolute(%)	(12.4)	(16.0)	(23.0)
Relative to index (%)	(13.2)	(14.7)	(24.5)

Maybank vs Market							
	Positive	Neutral 1	Negative				
Market Recs	5	7	2				
	Maybank (Consensus	% +/-				
Target Price (MYR)	2.20	2.31	(4.7)				
'14 PATMI (MYRm)	140	164	(14.4)				
'15 PATMI (MYRm)	141	196	(27.9)				

Source: FactSet; Maybank

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

Key takeaways

Property: Sales picked up in 2H14

Management guided that property sales have picked up in 2H14, mainly from its landed properties in the Klang Valley including BBT2 shop houses and Laman Greenville. Meanwhile, its high rise properties sales especially in Iskandar Malaysia, Johor remain slow. As for 2015, management believes that property sales will be supported as buyers purchase ahead of the implementation of the GST in Apr 2015.

Elsewhere, its lower property EBIT margin of 17.3% in 9M14 (-2.6ppt YoY) was mainly due to the OneMedini project at Iskandar which has a low margin of ~12%; this project accounted for 45% of its 9M14 progress billings. OneMedini's exceptionally low margin was because of low selling prices to attract buyers for WCT's first property launch in Iskandar. However, the project would be completed by early 2015. Hence, management expects property margins to recover in FY15 but would still be slightly lower than FY13 property margins of 21.2% due to the challenging property market.

WCT's property sales YTD amounted to MYR497m which includes MYR120m worth of sales by option from The Lead Residences that is located near its Aeon Bandar Bukit Tinggi mall in Klang. It is still in the midst of applying for advertising permit to launch the project. Its unbilled property sales were at MYR589m as of end-Sep 2014.

Construction: Actively tendering

WCT has tendered for MYR2b worth of construction contracts locally and MYR2b overseas jobs. Separately, it is preparing tenders for MYR1.76b worth of local jobs and MYR1.3b overseas projects. WCT is eyeing MYR1b worth of civil and building works from RAPID, Pengerang and MYR300-400m of earthworks from TRX. WCT is also pre-qualified to tender for the Warisan Merdeka project worth MYR2b-3b. Its foreign partner is its Middle Eastern partner in construction jobs there - Arabtec Construction LLC, with a track record of building the Burj Khalifa, the world's tallest building.

WCT has clinched MYR994m new construction contracts YTD while outstanding orderbook stood at MYR3.48b as of end-Sep 2014.

REIT-ing retail malls

WCT intends to bring forward the REIT-ing of its three existing malls comprising the Aeon Bandar Bukit Tinggi Mall, Paradigm Mall Kelana Jaya and Gateway Mall@KLIA2, which have an estimated total asset value of MYR2b, to 2015. Thereafter, WCT plans to inject the Paradigm Mall Johor Bahru (under construction) and Paradigm Mall OUG (construction to start in 2015/16) when the assets are mature. Initially, the REIT was planned after its two other new malls - Paradigm JB and Paradigm OUG - are completed after 2016.

Since Gateway Mall is a concession, the 3 assets would be listed via a stapled REIT structure. Nevertheless, the REIT exercise is dependent upon the extension of Malaysia Airports' (MAHB MK, HOLD) KLIA concession which is expected to be approved by early 2015.

Financials & valuations

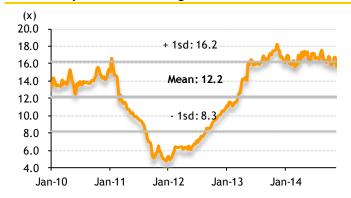
We revise our FY15/16 net profit forecasts by -10%/-8% after we reflect: i) lower property margins due to the challenging property market and ii) lower construction margins to reflect the lower margin building construction jobs won in FY14. Our new SOP-based TP is MYR2.20 (-2%).

WCT's Sum-Of-Parts valuation

	2015F net profit (MYR m)	PER target (x)	WCT's stake	Value (MYR m)	
Construction	67.8	12.0	100.0%	813.0	12x 2015 PER
Property investment	30.4	12.0	100.0%	364.6	12x 2015 PER
		DCF value	WCT's stake	Value	
Property development		999.1	100.0%	999.1	50% discount on RNAV
Gateway@KLIA2 concession		396.4	70.0%	277.5	DCF
Total SOP				2,454.2	
Cash proceeds from warrants				688.5	
Fully Diluted (FD) SOP				3,142.6	
				======	
SOP/sh (MYR)				2.23	
FD SOP/sh (MYR)				2.21	
FD SOP/sh (MYR) - Rounded				2.20	
Number of shares				1,102.5	
FD number of shares				1,423.2	

Source: Maybank KE

WCT: One-year forward rolling PER



Sources: Company, Maybank KE

WCT: P/B



Sources: Bloomberg, Maybank KE

November 26, 2014

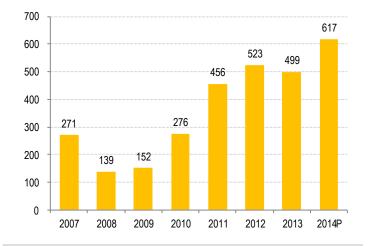
Highlights, in charts and tables

WCT: Property development projects

	GDV	Stake	Total sales to date	Sales in 2010	Sales in 2011	Sales in 2012	Sales in 2013	Sales in 2014 YTD	Billings to date	Unrecognised @ Sep '14
	(MYR m)	(%)	(MYR m)	(MYR m)	(MYR m)	(MYR m)	(MYR m)	(MYR m)	(MYR m)	(MYR m)
Integrated township										
Bandar Bukit Tinggi 1	2,196	100	1,120	30	26	4	12	4	1,121	3
Bandar Bukit Tinggi 2	2,671	100	1,499	5	38	14	120	17	1,430	77
Bandar Parklands	4,382	100	1,196	162	315	186	166	38	1172	31
Rawang, Selangor #	1,200	100	-	-	-	-	-			
Luxury homes										
D'Banyan Residency	269	100	258	79	77	3	21	5	258	5
D'Laman, Klang *	450	100	86	-	-	-	-	114	31	83
Inanam, KK, Sabah @	200	100	-	-	-	-	-			-
Retail & commercial										
The Paradigm, Kelana J	700	70	-	-	-	-	-	31	3	28
Medini Business District *	2,600	100	-	-	-	-	-			
Bkt Jelutong comm #	120	100	11	-	-	-	-	14	2	12
A60 - Medini North @	1,500	100	-	-	-	-	-			
Jln Skudai, Johor @	1,300	100	-	-	-	-	-			
High-rise homes										
1Medini	778	70	496	-	-	316	180	5	151	350
DPN Land, HCMC	500	100	-	-	-	-	-			-
<u>Industrial</u>										
Bdr Serendah, Selangor #	270	100	-	-	-	-	-			-
Mixed										
OUG, Old Klang Rd @	4,900	100	-	-	-	-	-			-
<u>Vietnam</u>										
Platinum Plaza	1,000	67	-	-	-	-	-			-
Total		-	4,666	276	456	523	499	228	4,168	589

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

WCT: Yearly property sales



Source: Company, Maybank KE

WCT: Land bank

Location	Total acres	Bal acres	GDV (MYRm)	Devt type
BBT, Klang	1,336	122	5,249	Township
Medini Business Dist, Johor #	20.8	20.8	3000	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	1,973	759	17,619	
# New in 2010; * New ii	n 2011; @	New in .	2012	

Source: Company, Maybank KE

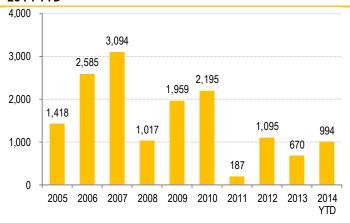
WCT: Outstanding construction order book, details

	Contract v	alue (MYRm)		Outstandi	ng (MYRm)	
	Total	WCT's shr	at Dec '13	at Mar '14	at Jun '14	at Sep '14
OVERSEAS						
Government Admin Office, Qatar *	1,360	1,360	628	479	354	395
New Doha Intl Airport, Qatar	3,270	1,600	2	2	2	2
Total overseas (A)			630	481	356	397
DOMESTIC (external)						
Civil engineering & infrastructure						
Vale industrial civil works, Perak @	73	73	23	4	0	0
PLUS widening (Nilai-Seremban) @	391	391	322	310	290	175
Tun Razak Exchange %	169	169	162	157	152	101
RAPID infra works ^					342	342
Others			67	15	4	2
			574	486	788	620
Building						
Tuaran Hospital, Sabah *	128	128	8	6	0	0
MITI HQ, Mukim Batu, KL @	300	300	237	231	215	180
KK Medical Centre & Riverson @	331	331	248	203	147	101
Putrajaya Commercial Office %	315	315	315	308	291	287
IKEA shopping mall Jalan Cochrane^	652	652			652	652
Others			75	70	79	44
			883	818	1384	1264
Total Domestic (external) (B)			1,457	1,304	2,172	1,884
TOTAL EXTERNAL (C=A+B)			2,087	1,785	2,528	2,281
INTERNAL: Paradigm & others (D)			1,322	1,270	1,153	1,197
TOTAL (C+D)			3,409	3,055	3,681	3,478

^{*} New in 2010; # New in 2011; @ New in 2012; % New in 2013; ^ New in 2014

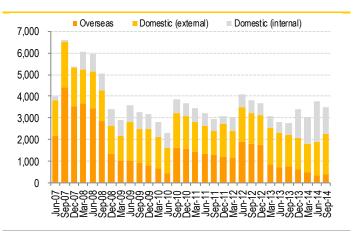
Sources: Company, Maybank KE

WCT: Construction job win, MYR670m in 2013, MYR994m 2014 YTD



Sources: Company, Maybank KE

 $\begin{tabular}{ll} WCT: Outstanding construction order book, MYR3.48b \end{tabular}$



Sources: Company, Maybank KE

FYE 31 Dec	FY12A	FY13A	FY14E	FY15E	FY16E
Key Metrics					
P/E (reported) (x)	4.8	9.9	14.2	14.2	12.4
Core P/E (x)	10.9	9.8	14.2	14.2	12.4
P/BV (x)	1.0	0.9	0.9	0.9	0.8
P/NTA (x)	1.0	0.9	0.9	0.9	0.8
Net dividend yield (%)	3.6	3.7	3.7	3.7	3.7
FCF yield (%)	3.6	nm	20.8	8.9	9.7
EV/EBITDA (x) EV/EBIT (x)	11.8 12.1	11.0 11.4	11.7 12.2	11.0 11.6	9.8 10.3
INCOME STATEMENT (MVP)					
INCOME STATEMENT (MYR m) Revenue	1,560.4	1,655.0	1,614.1	1,597.2	1,597.5
Gross profit	316.5	270.1	262.7	259.3	258.8
EBITDA	254.0	282.4	228.1	238.8	263.8
Depreciation	(6.5)	(9.9)	(10.4)	(11.0)	(11.5)
EBIT	247.5	272.4	217.7	227.8	252.3
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	191.1	197.1	225.5
Income tax	(69.2)	(64.5)	(47.8)	(49.3)	(56.4)
Minorities	13.2	7.8			
Discontinued operations	0.0	0.0	(2.9) 0.0	(6.7) 0.0	(7.8) 0.0
Reported net profit	358.9	197.5	140.4	141.1	161.4
Core net profit	158.7	200.5	140.4	141.1	161.4
core net pront	130.7	200.3	140.4	141.1	101.4
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	1,077.7	1,039.1	1,114.4	949.1	903.8
Accounts receivable	977.1	1,089.1	1,066.9	1,055.7	1,055.9
Inventory	73.9	75.6	74.5	73.7	73.7
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	5,626.3	5,489.3	5,484.9
ST interest bearing debt	930.7	369.1	269.1	169.1	69.1
Accounts payable	1,083.4	842.7	1,064.9	1,053.7	1,053.9
LT interest bearing debt	890.1	1,553.1	1,453.1	1,353.1	1,353.1
Other liabilities	615.0	513.0	513.0	513.0	513.0
Total Liabilities	3,519.6	3,278.3	3,300.4	3,089.2	2,989.4
Shareholders Equity	1,810.5	2,204.3	2,270.9	2,338.3	2,425.9
Minority Interest	57.0	52.1	55.0	61.7	69.5
Total shareholder equity	1,867.4	2,256.4	2,325.9	2,400.0	2,495.4
Total liabilities and equity	5,387.0	5,534.6	5,626.3	5,489.3	5,484.9
CASH FLOW (MYR m)					
Pretax profit	414.9	254.2	191.1	197.1	225.5
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)	244.3	(2.2)	(5.0)
Cash taxes paid	(69.2)	(64.5)	(47.8)	(49.3)	(56.4)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	89.8	(710.1)	444.9	208.5	224.7
Capex	(28.3)	(23.1)	(30.0)	(30.0)	(30.0)
Free cash flow	61.6	(733.3)	414.9	178.5	194.7
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)
	223.4		75.3	(165.3)	, · - /

FYE 31 Dec	FY12A	FY13A	FY14E	FY15E	FY16E
Key Ratios					
Growth ratios (%)					
Revenue growth	1.4	6.1	(2.5)	(1.0)	0.0
EBITDA growth	14.6	11.2	(19.2)	4.7	10.5
EBIT growth	16.4	10.1	(20.1)	4.7	10.7
Pretax growth	99.9	(38.7)	(24.8)	3.2	14.4
Reported net profit growth	116.2	(45.0)	(29.0)	0.6	14.3
Core net profit growth	9.2	26.3	(30.0)	0.6	14.3
Profitability ratios (%)					
EBITDA margin	16.3	17.1	14.1	15.0	16.5
EBIT margin	15.9	16.5	13.5	14.3	15.8
Pretax profit margin	26.6	15.4	11.8	12.3	14.1
Payout ratio	17.1	36.7	52.5	52.3	45.7
DuPont analysis					
Net profit margin (%)	23.0	11.9	8.7	8.8	10.1
Revenue/Assets (x)	0.3	0.3	0.3	0.3	0.3
Assets/Equity (x)	3.0	2.5	2.5	2.3	2.3
ROAE (%)	9.7	10.0	6.3	6.1	6.8
ROAA (%)	3.2	3.7	2.5	2.5	2.9
Liquidity & Efficiency					
Cash conversion cycle	(19.8)	(6.2)	6.3	(25.9)	(25.6)
Days receivable outstanding	257.6	224.7	240.4	239.2	237.9
Days inventory outstanding	18.1	19.4	20.0	19.9	19.8
Days payables outstanding	295.5	250.3	254.1	285.0	283.4
Dividend cover (x)	5.8	2.7	1.9	1.9	2.2
Current ratio (x)	1.2	2.2	2.1	2.1	2.3
Leverage & Expense Analysis					
Asset/Liability (x)	1.5	1.7	1.7	1.8	1.8
Net debt/equity (%)	41.0	40.1	26.8	24.5	21.4
Net interest cover (x)	5.1	7.9	4.7	4.4	5.1
Debt/EBITDA (x)	7.2	6.8	7.5	6.4	5.4
Capex/revenue (%)	1.8	1.4	1.9	1.9	1.9
Net debt/ (net cash)	743.1	883.0	607.7	573.0	518.4

Source: Company; Maybank



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 I FFI ΔΗΔΡΗΔΝ

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

JUNIMAN

Chief Economist, BII Indonesia

(62) 21 29228888 ext 29682 Juniman@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 A7I7

(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, CFA (603) 2297 8684 lishin.c@maybank-ib.com

Plantation • Construction & Infrastructure

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 I AT7FR

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

Jacqueline KO. CFA

(852) 2268 0633 jacquelineko@kimeng.com.hk
• Consumer Staples & Durables

Ka Leong LO, CFA

(852) 2268 0630 kllo@kimeng.com.hk * Consumer Discretionary & Auto

Karen KWAN

(852) 2268 0640 karenkwan@kimeng.com.hk Property & REITs

Osbert 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

Steven ST CHAN (852) 2268 0645 stevenchan@kimeng.com.hk

Banking & Financials - Regional

Warren LAU

(852) 2268 0644 warrenlau@kimeng.com.hk • Technology - *Regional*

INDIA

Jigar SHAH Head of Research

(91) 22 6632 2632

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

(91) 22 6623 2606 urmil@maybank-ke.co.in

Technology • Media

Vishal MODI

(91) 22 6623 2607 vishal@maybank-ke.co.in

Banking & Financials

SINGAPORE

NG Wee Siang Head of Research (65) 6231 5838 ngweesiang@maybank-ke.com.sg • Banking & Finance

Gregory YAP (65) 6231 5848 gyap@maybank-ke.com.sg • SMID Caps - *Regional* • Technology & Manufacturing • Telcos

YEAK Chee Keong, CFA

(65) 6231 5842

(65) 6231 5842 yeakcheekeong@maybank-ke.com.sg • Offshore & Marine

Derrick HENG (65) 6231 5843 derrickheng@maybank-ke.com.sg • Transport (Land, Shipping & Aviation)

(65) 6231 5844 weibin@maybank-ke.com.sg • Commodity • Logistics • S-chips

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

TRUONG Thanh Hang (65) 6231 5847 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

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

(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 • 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

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 CHOWVIKRAN (66) 2658 6300 ext 1440

Padon.v@maybank-ke.co.th

mayuree.c@maybank-ke.co.th • Strategy

Padon VANNARAT (66) 2658 6300 ext 1450

Surachai PRAMUALCHAROENKIT (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

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) 8 44 555 888 x 8181

lien.le@maybank-kimeng.com.vn
• Strategy • Consumer • Diversified • Utilities

THAI Quang Trung, CFA, Deputy Manager,

Institutional Research (84) 8 44 555 888 x 8180 trung.thai@maybank-kimeng.com.vn

· Real Estate · Construction · Materials

Le Nguyen Nhat Chuyen (84) 8 44 555 888 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

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

(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 • 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.

November 26, 2014



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: MRKET (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.

WCT Holdings



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

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

Fax: (603) 2282 5136

South Asia Sales Trading

Kevin Foy Regional Head Sales Trading kevinfoy@maybank-ke.com.sg Tel: (65) 6336-5157 US Toll Free: 1-866-406-7447

Malavsia Rommel Jacob rommeljacob@maybank-ib.com

Tel: (603) 2717 5152

Indonesia Harianto Liong harianto.liong@maybank-ke.co.id Tel: (62) 21 2557 1177

New York

adacey@maybank-keusa.com Tel: (212) 688 2956

Andrew Dacey

Vietnam Tien Nguyen thuytien.nguyen@maybank-kimeng.com.vn Tel: (84) 44 555 888 x8079

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 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

Thailand

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

Simon Lovekin

simonl@maybank-ke.co.uk Tel: (44)-207-626-2828

India Manish Modi

manish@maybank-ke.co.in Tel: (91)-22-6623-2601

Philippines

Keith Roy keith_roy@maybank-atrke.com

Tel: (63) 2 848-5288

London

Maybank Kim Eng Securities (London) Ltd 5th Floor, Aldermary 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 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

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

November 26, 2014 11