

# WCT Holdings (WCTHG MK)

Share Price: MYR2.26

Target Price: MYR2.55(+13%)

MCap (USD): 755M

ADTV (USD): 1M

Malaysia

Construction

**BUY**

(Unchanged)

## Third mall taking off soon

- Gateway@klia2 to open on 2 May, earlier than expected.
- klia2's highly integrated design would boost footfalls at the mall.
- Reiterate BUY at an unchanged TP of MYR2.55.

### What's New

During our visit to Gateway@klia2 on 25 Apr, some tenants are ready to open while some are still in the midst of completing their fittings. Management expects 56% (118) of the over 200 shops to open on 2<sup>nd</sup> May. We also observed that the mall is well integrated with the main terminal, transportation hub and car park. This will maximise footfalls at the mall to drive the tenants' sales.

### What's Our View

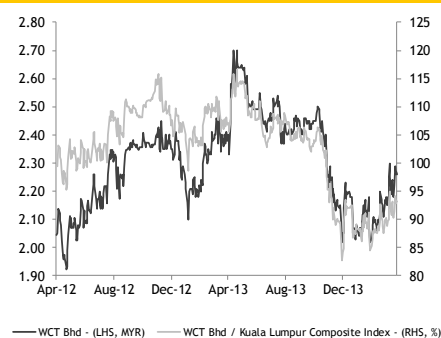
We are upbeat as the mall will open five months earlier than we expected and it is well integrated with the airport. We lift our 2014 net profit estimate by 2.4% after reflecting the mall's new opening date. Although the incremental net profit is marginal, the opening of the mall should lift positive sentiment on WCT. Going forward, the mall is expected to contribute 8%/7% of the group's 2014/15 total net profit, raising recurring income contribution.

On the construction side, WCT is targeting to clinch earthworks from a few major projects including RAPID at Pengerang and Rubber Research Institute Land property development in Sg Buloh at Greater KL. After the approval of RAPID early this month by PETRONAS, we expect job tenders to start soon. WCT is also bidding for two infrastructure jobs in Qatar. These would bode well for its construction orderbook replenishment in 2014. Reiterate BUY at an unchanged SOP-based TP of MYR2.55.

### Key Data

Shariah status	Yes
52w high/low (MYR)	2.70/2.02
3m avg turnover (USDm)	1.0
Free float (%)	76.9
Issued shares (m)	1,092
Market capitalization	MYR2.5B
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(%)	4.6	9.2	(4.6)
Relative to index (%)	3.3	5.8	(12.6)

### Maybank vs Market

	Positive	Neutral	Negative
Market Recs	6	9	1
	Maybank Consensus		% +/-
Target Price (MYR)	2.55	2.33	9.7
'14 PATMI (MYRm)	193	200	(3.1)
'15 PATMI (MYRm)	202	222	(9.2)

Source: FactSet; Maybank

FYE Dec (MYR m)	FY12A	FY13A	FY14E	FY15E	FY16E
Revenue	1,560.4	1,672.4	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)	4.7	4.9	4.9	4.9	4.9
Core P/E (x)	13.4	12.1	12.8	12.3	10.5
P/BV (x)	1.2	1.1	1.1	1.0	0.9
Net dividend yield (%)	2.1	2.2	2.2	2.2	2.2
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	10.2	9.2	7.9
Net debt/equity (%)	41.0	40.1	24.2	19.3	13.6

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

## Airport-within-a-mall

The Gateway@klia2 is managed by Segi Astana S/B which is 70:30 owned by WCT Holdings (WCT MK, BUY) and MAHB (MAHB MK, SELL) under a 60-year concession. Gateway@klia2 entails: i) a shopping mall; ii) a transport hub; and iii) 6,000 car park bays. Based on the “airport-within-a-mall” concept, Gateway@klia2 is well integrated with the main terminal as a connection between the drop-off point to the main terminal. Regardless of the transportation methods used to get to klia2, all passengers that are departing or arriving at klia2 would walk through the Gateway@klia2. This should boost footfalls at the shopping mall.

### Layout of klia2



Sources: Company

### Layout of Gateway@klia2



Sources: Company

## Ample of shopping

There is 350,000 sq ft of net lettable space (209 shops) in the mall. Currently, 80% of the retail space has been leased out with average rental of MYR22-23 per sq ft. During our visit, a few shops were already open while other tenants were in the midst of fitting out their shops in preparation for the opening. Upon the official opening on 2 May, 2014, 118 shops are expected to be open for business. The ratio of F&B against non-F&B shops is 43:67.

Gateway@klia2 was designed not just to be part of an airport, but a full-fledged mall. It is not just for flyers but also for meeters, greeters and shopper-residents from surrounding districts like Sepang, Putrajaya and Nilai. Hence, the mall will feature a supermarket under *Jaya Grocer* and bakery shops. The mall also offers a wide variety of F&B outlets including fast-food, cafes, and restaurants serving local and international cuisine.

There are also a good mixture of retail shops selling different products including clothing, accessories, footwear, watches, books, toys, optical, health and beauty products. The fashion brands are mostly catered to the middle-end customers. Besides, there are also banking centers and mobile services stores. Based on the Gateway@klia2's website, excluding a few F&B, retail shops and banks, most of the shops will operate 24 hours. Among the tenants, we notice that OldTown, Padini, its Vincci brand, and Maybank are prominently present at the mall.

### Plenty of car parks, beautiful transportation hub

In addition to the mall, the WCT-MAHB JV also manages the car park and the transport hub. The 8-storey car park will provide 5,600 covered parking bays. There will also be an outdoor car park that will be built later, providing an additional 400 parking bays. The car park charges are similar to KLIA which start from MYR4 per hour for the first three hours and MYR3 each subsequently up to a maximum of MYR46 per day. Meanwhile, the transportation hub will accommodate the public transportation with 20 bus lots and 50 taxi bays. An automated charging system will be implemented to charge busses parked at the transport hub. The transport hub would also include car rental services.

Customer service counter at level 2 entrance



Sources: Maybank KE

Toys'R'us



Source: Maybank KE

Burger King



Sources: Maybank KE

Pandora



Source: Maybank KE

Original Classic



Sources: Maybank KE

Polo Haus



Source: Maybank KE

Uncle K



Sources: Maybank KE

Texas Chicken



Source: Maybank KE

## Ticketing booths for bus companies



Sources: Maybank KE

## Bus parking spaces



Source: Maybank KE

## Example of tenants in Gateway@klia2

<b>Fast food</b>	<b>Cafes</b>	<b>Fashion</b>	<b>Books, Toys, gadgets</b>
Mcdonald's	Starbucks	Polo Haus	MPH
KFC	The Coffee Bean & Tea Leaf	Original Classic	Toys'R'Us
Burger King	Austin Chase Coffee	FILA	Nikon
Texas Chicken	Gloria Jean's	F.O.S.	
Wendy's	Pacific Coffee	Giordano	<b>Health and Beauty</b>
Marry Brown	San Francisco Coffee	Hush Puppies	Shizens
		Voir Gallery	Skin Food
<b>Restaurants</b>	<b>Desserts</b>	<b>Shoes, Bags, Accessories</b>	Puswari Pharmacy
Oldtown White Coffee	Baskin Robbins	Crocs	Royal Bird's nest
Howntown Hainan Coffee	Auntie Anne's	Vincci	
Kluang Café	Gong Cha	Sembonia	<b>Banks</b>
Noodle Bar		Flipper	Maybank
Nanny's Pavillion	<b>Bakery</b>	Obermain	Ambank
Pastamania	Bread Story	Cuero Empire	
Ramenten	Komuji		<b>Currency Exchange</b>
Shihlin Taiwan		<b>Optical, Timepiece, Jewelry</b>	CIMB
Burgerlicious	<b>Supermarket</b>	Pandora	RHB
Causeway Bay Exprezzz	Jaya Grocer	Tissot	Maybank
Dapur Nusantara		City Chain	
Nando's		American Watch	<b>Mobile services</b>
Kenny Rogers Roasters		Lazo Diamond	Digi Store Express
Ficelle Boulangerie & Patisserie		A-Look Eyewear	Umobile

Source: Gateway@klia2 website

FYE 31 Dec	FY12A	FY13A	FY14E	FY15E	FY16E
<b>Key Metrics</b>					
P/E (reported) (x)	5.9	12.3	12.8	12.3	10.5
Core P/E (x)	13.4	12.1	12.8	12.3	10.5
P/BV (x)	1.2	1.1	1.1	1.0	0.9
P/NTA (x)	1.2	1.1	1.1	1.0	0.9
Net dividend yield (%)	2.1	2.2	2.2	2.2	2.2
FCF yield (%)	nm	nm	15.9	6.7	7.7
EV/EBITDA (x)	11.9	11.1	10.2	9.2	7.9
EV/EBIT (x)	12.2	11.5	10.5	9.6	8.1

**INCOME STATEMENT (MYR m)**

Revenue	1,560.4	1,672.4	1,661.3	1,712.1	1,740.5
Gross profit	247.5	272.4	293.1	315.2	358.0
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	1,158.9	1,049.7	1,065.5
Accounts receivable	977.1	1,089.1	1,098.1	1,131.6	1,150.4
Inventory	73.9	75.6	75.4	77.0	76.2
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
<b>Total assets</b>	<b>5,387.0</b>	<b>5,534.6</b>	<b>5,702.9</b>	<b>5,669.1</b>	<b>5,743.5</b>
ST interest bearing debt	930.7	369.1	269.1	169.1	69.1
Accounts payable	1,083.4	842.7	1,084.9	1,111.5	1,111.2
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
<b>Total Liabilities</b>	<b>3,519.6</b>	<b>3,278.3</b>	<b>3,320.5</b>	<b>3,147.0</b>	<b>3,046.8</b>
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
<b>Total shareholder equity</b>	<b>1,867.4</b>	<b>2,256.4</b>	<b>2,382.4</b>	<b>2,522.1</b>	<b>2,696.7</b>

**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	(480.2)	(275.8)	186.6	(60.4)	(67.2)
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	(95.3)	(60.8)	423.5	194.6	219.5
Capex	(12.5)	(5.4)	(30.0)	(30.0)	(30.0)
Free cash flow	(107.8)	(66.2)	393.5	164.6	189.5
Dividends paid	(46.2)	(73.7)	(73.7)	(73.7)	(73.7)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	441.7	101.3	(200.0)	(200.0)	(100.0)
Other invest/financing cash flow	0.0	0.0	0.0	0.0	0.0
Net cash flow	287.7	(38.6)	119.7	(109.1)	15.7

FYE 31 Dec	FY12A	FY13A	FY14E	FY15E	FY16E
<b>Key Ratios</b>					
<b>Growth ratios (%)</b>					
Revenue growth	1.4	7.2	(0.7)	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
<b>Profitability ratios (%)</b>					
EBITDA margin	16.3	16.9	18.3	19.0	21.2
EBIT margin	15.9	16.3	17.6	18.4	20.6
Pretax profit margin	26.6	15.2	16.0	16.6	19.0
Payout ratio	12.3	26.4	27.5	26.3	22.6
<b>DuPont analysis</b>					
Net profit margin (%)	23.0	11.8	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
<b>Liquidity &amp; Efficiency</b>					
Cash conversion cycle	(5.2)	(6.0)	3.2	(29.0)	(33.5)
Days receivable outstanding	257.6	222.4	237.0	234.4	236.0
Days inventory outstanding	17.2	19.2	19.9	19.6	19.9
Days payables outstanding	280.0	247.7	253.6	283.0	289.4
Dividend cover (x)	8.1	3.8	3.6	3.8	4.4
Current ratio (x)	1.2	2.2	2.1	2.2	2.4
<b>Leverage &amp; Expense Analysis</b>					
Asset/Liability (x)	1.5	1.7	1.7	1.8	1.9
Net debt/equity (%)	41.0	40.1	24.2	19.3	13.6
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 (%)	0.8	0.3	1.8	1.8	1.7
Net debt/ (net cash)	743.1	883.0	563.3	472.4	356.7

## 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 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

**Warren LAU**  
(852) 2268 0644  
warrenlau@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\_dyliaccco@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 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

**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

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

### Applicability of Ratings

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

 **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,  
20<sup>th</sup> - 21<sup>st</sup> Floor,  
Rama 1 Road Pathumwan,  
Bangkok 10330, Thailand

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

 **North Asia Sales Trading**

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

 **London**

Maybank Kim Eng Securities  
(London) Ltd  
5<sup>th</sup> 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 17<sup>th</sup> 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