

## Sunway Bhd

SWB MK / SWAY.KL

➤ **Market Cap**  
**US\$1,632m**  
RM5,015m

➤ **Avg Daily Turnover**  
**US\$1.63m**  
RM4.97m

➤ **Free Float**  
**40.1%**  
1,289 m shares

Current **RM3.88**  
Target **RM4.51**  
Prev. Target **RM4.00**  
Up/Downside **16.2%**

## 1QFY13 RESULTS NOTE

**SHORT TERM (3 MTH)** **LONG TERM**

TRADING BUY **OUTPERFORM**

TRADING SELL NEUTRAL

UNDERPERFORM

### CIMB Analyst



#### Sharizan ROSELY

T (60) 3 2084 9864  
E sharizan.rosely@cimb.com

#### Share price info

Share price perf. (%)	1M	3M	12M
Relative	30.5	47.4	59
Absolute	33.8	55.8	71.7

#### Major shareholders

	% held
Tan Sri Jeffrey Cheah	47.7
Government of Singapore Investment Corp	12.2

# All fired up in 1Q

Sunway piled in a strong start to the year. Its annualised core 1Q13 earnings made up 91% of our full-year forecast but beat consensus by 12%. We deem the numbers in line as future quarters should perform better. Construction was the star performer, followed by property.

Despite an unchanged 20% RNAV discount, our target price rises as we update the balance sheet items and bake in the appreciation of land values in Iskandar into our RNAV. Maintain Outperform as the stock should continue to benefit from the "Iskandar play" with added catalysts from job wins. The stock's deep value comes from its huge land bank, coupled with its longer-term prospects in Iskandar.

### A strong start to FY13 ➤

Total revenue grew by 25% yoy in 1Q13, driven by property (RM202m sales in 1Q) and construction segments. These divisions chalked up double-digit growth (27-66%). Most key divisions posted EBIT margin gains of 2-9% pts, boosting group EBIT margin to 8.7% in 1Q13. Its core net profit surged 41% yoy. The absence of dividends was not a surprise.

### Iskandar for the long haul ➤

Property sales prospects remain bright, with RM1.3bn sales (70% local, 30% Singapore) targeted in FY13, backed by RM1.9bn unbilled sales. There has yet to be any maiden sales from Iskandar, but the bulk of the RM1.5bn targeted launch GDV in FY13 includes RM200m from Medini. In total, the group has planned developments in Iskandar worth over RM30bn in GDV over the longer term. Sunway owns three land parcels in Iskandar with a total size of 1,858 acres (48% of its land bank).

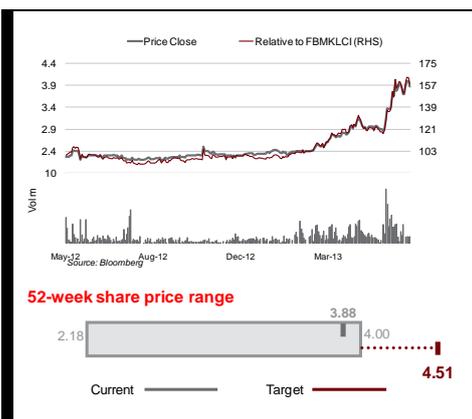
### Upside to order book ➤

Its outstanding order book stood at RM4.4bn. After winning RM1.5bn worth of new projects YTD, the group has set its sights on additional RM500m worth of new contracts in 2H13. Given its track record (it won one of the packages for the MRT SBK Line and clinched the BRT Sunway line project), we believe that Sunway has a fair chance of securing upcoming MRT packages.

### Results comparison

FYE Dec (RM m)	1QFY13	1QFY12	yoy %	4QFY12	qoq %	Prev.	
			chg		chg	FY13F	Comments
Revenue	1,021.0	814.8	25.3	1,198.9	(14.8)	4,106.1	Driven by all segments
Operating costs	(935.0)	(754.4)	23.9	(991.2)	(5.7)	(3,545.6)	In line
EBIT	86.1	60.4	42.5	207.7	(58.6)	560.6	Strong increase in construction EBIT
<b>EBIT margin (%)</b>	<b>8.4</b>	<b>7.4</b>	<b>13.7</b>	<b>17.3</b>	<b>(51.4)</b>	<b>13.7</b>	1Q13 is typically weak
Interest expense	(22.2)	(24.1)	(8.1)	(20.8)	6.4	(126.6)	Borrowings stood at RM2.9bn
Interest & invt inc	10.5	5.5	90.0	4.1	156.0	28.8	Cash stood at RM1.2bn
Associates' contrib	47.9	42.9	11.7	99.6	(51.9)	116.9	Strong property sales in Singapore
Exceptionals	0.3	0.2	3.2	25.7	(99.0)	-	None expected
<b>Pretax profit</b>	<b>122.5</b>	<b>84.9</b>	<b>44.3</b>	<b>316.3</b>	<b>(61.3)</b>	<b>579.7</b>	Broadly in line
Tax	(26.3)	(18.5)	42.4	(55.8)	(52.8)	(134.3)	Broadly in line
Tax rate (%)	21.5	21.8	(1.3)	17.6	21.9	23.2	Broadly in line
Minority interests	(5.6)	(2.0)	188.3	(41.2)	(86.3)	(446.3)	Lower than expected
<b>Net profit</b>	<b>90.6</b>	<b>64.4</b>	<b>40.5</b>	<b>219.3</b>	<b>(58.7)</b>	<b>399.1</b>	Annualised 1Q13 core net profit made up
Core net profit	90.3	64.2	40.7	114.1	(20.9)	399.1	91% of our full year forecast but was
EPS (sen)	7.0	5.0	40.5	17.0	(58.8)	31.0	12% above consensus

SOURCES: CIMB, COMPANY REPORTS



### Financial Summary

	Dec-11A	Dec-12A	Dec-13F	Dec-14F	Dec-15F
Revenue (RMm)	3,739	3,877	4,106	4,479	4,514
Operating EBITDA (RMm)	378.9	295.6	580.7	626.0	612.3
Net Profit (RMm)	369.7	532.3	399.1	444.2	438.3
Core EPS (RM)	0.29	0.29	0.31	0.34	0.34
Core EPS Growth	(46.3%)	(0.3%)	8.2%	11.3%	(1.3%)
FD Core P/E (x)	13.97	14.47	13.36	11.91	11.69
DPS (RM)	-	0.060	0.098	0.098	0.098
Dividend Yield	0.00%	1.55%	2.51%	2.51%	2.51%
EV/EBITDA (x)	16.01	19.52	9.66	8.35	7.73
P/FCFE (x)	5.86	NA	13.99	60.80	33.60
Net Gearing	65.8%	48.1%	39.5%	28.0%	17.2%
P/BV (x)	1.79	1.46	1.27	1.12	0.99
Recurring ROE	13.7%	11.8%	10.8%	10.6%	9.2%
% Change In Core EPS Estimates			0%	0%	0%
CIMB/consensus EPS (x)			1.09	1.11	1.03

SOURCES: CIMB, COMPANY REPORTS

Figure 1: Segmental breakdown (exclude eliminations)

	1Q13	1Q12	yoy Comments
<b>Revenue</b>			
Property development	202.7	160.1	27% Driven by Sunway South Quay, Damansara, Velocity and Montana
Property investment	138.8	130.5	6% Off peak season in 1Q13 for hotels and theme parks
Construction	429.4	259.0	66% Driven by Pinewood Studios, MRT and LRT jobs
Trading & Manufacturing	162.9	176.3	-8% Seasonal weakness in 1Q
Quarry	42.3	39.3	8% Benefitted from pick up in construction activities
Investment holdings	87.1	(13.5)	-743% Lumpy contributions
Others	85.8	90.0	-5% Relatively stable numbers
<b>Total</b>	<b>1,148.9</b>	<b>841.6</b>	<b>37%</b>
<b>Pretax profit</b>			
Property development	56.3	41.8	35% Boosted by contributions from Singapore
Property investment	26.1	21.1	24% Off peak season in 1Q13 for hotels and theme parks
Construction	27.9	7.7	262% Boosted by strong sales of precast products from new Senai plant
Trading & Manufacturing	8.3	11.5	-28% Greater mix of lower margin products
Quarry	4.8	0.9	442% Orders picking up
Investment holdings	(3.4)	(4.6)	-26% Lumpy contributions
Others	2.6	4.0	-34% Stable numbers
<b>Total</b>	<b>122.5</b>	<b>82.3</b>	<b>49%</b>
<b>Pretax margin</b>			
Property development	28%	26%	2% Boosted by contributions from Singapore
Property investment	19%	16%	3% Additional REIT management fees from SunMed acquisition
Construction	6%	3%	4% Margins should stabilise around 6-8%
Trading & Manufacturing	5%	7%	-1% Greater mix of lower margin products
Quarry	11%	2%	9% Orders picking up
Investment holdings	-4%	34%	-38% Lumpy contributions
Others	3%	4%	-1% Stable numbers
<b>Total</b>	<b>11%</b>	<b>10%</b>	<b>1%</b>

SOURCES: CIMB, COMPANY REPORTS

**Figure 2: RNAV**

Type	Location	Size/units	Area (sq ft)	Price	Stake	Value
<b>Completed buildings</b>						
<b>RM m</b>						
Sunway Lagoon Theme Park	Petaling, Selangor	59.9 ac	728,326	200.0	100%	145.7
Sunway Hotel Georgetown	Penang	240.0 units	0	150,000.0	100%	36.0
Monash University Sunway Campus	Petaling, Selangor	12.0 ac	754,000	220.0	100%	165.9
Sunway University College	Petaling, Selangor	12.4 ac	615,983	220.0	100%	135.5
Sunway Giza	Sunway Damansara, Selangor	1.4 ac	98,000	500.0	60%	29.4
Lost World of Tambun	Tambun, Perak	39.8 ac	728,326	80.0	65%	37.9
Sunway Hotel Phnom Penh	Phnom Penh, Cambodia	138.0 units	125,313	300,000.0	53%	21.7
Sunway Hotel Hanoi	Hanoi, Vietnam	142.0 units	9,365	300,000.0	100%	42.6
<b>On going developments</b>						
Sunway City Penang	Seberang Perai, Penang	15.8 ac	210,394.8	100.0	100%	21.0
Sunway Grand	Penang	3.8 ac	768,767.9	100.0	100%	76.9
Sg. Ara - new land	Penang	68.3 ac	3,484,800.0	13.0	100%	45.3
Bukit Mertajam - new land	Penang	17.8 ac	7,729,724.0	12.0	100%	92.8
Sunway Damansara	Petaling, Selangor	18.2 ac	1,048,489.2	120.0	60%	75.5
Sunway City Ipoh	Ipoh, Perak	899.2 ac	32,666,515.2	6.0	65%	127.4
Sunway Velocity	Kuala Lumpur	19.5 ac	984,456.0	200.0	50%	98.4
Sunway Tower KL 1	Kuala Lumpur	1.0 ac	43,560.0	1,000.0	100%	43.6
Sunway Kayangan	Bukit Raja, Selangor	5.4 ac	367,646.4	40.0	100%	14.7
Sunway Integrated Resort	Petaling, Selangor	18.5 ac	845,064.0	100.0	100%	84.5
Sunway Semenyih	Ulu Langat, Selangor	398.1 ac	17,341,671.6	6.0	100%	104.1
Sunway Cheras	Selangor	6.9 ac	301,870.8	25.0	100%	7.5
Sunway South Quay	Bandar Sunway, Selangor	52.4 ac	2,517,768.0	300.0	60%	453.2
Casa Kiara III	Sri Hartamas, KL	2.8 ac	130,680.0	180.0	80%	18.8
Sunway Duta	Kuala Lumpur	3.2 ac	136,342.8	300.0	60%	24.5
Sunway Melawati	Setapak, KL	30.6 ac	1,427,896.8	35.0	100%	50.0
Sunway Alam Suria	Shah Alam, Selangor	14.1 ac	1,045,440.0	40.0	50%	20.9
Sunway OPUS Grand India	Hyderabad, India	23.8 ac	1,524,600.0	20.0	50%	15.2
Sunway MAK Signature Residence	Hyderabad, India	14.0 ac	609,840.0	20.0	60%	7.3
Sunway Guanghao	Jianyin, China	3.7 ac	740,520.0	80.0	39%	23.1
Tianjin Eco City	Tianjin, China	90.9 ac	3,789,720.0	90.0	65%	221.7
Wonderland Business Park	Sydney, Australia	65.5 ac	3,971,800.8	90.0	31%	110.8
Bukit Lenang - new land	Johor	64.0 ac	2,787,840.0	30.0	80%	66.9
Taman Equine	Selangor	33.0 ac	1,437,480.0	20.0	100%	28.7
Bangi	Selangor	3.0 ac	130,680.0	10.0	100%	1.3
Sg. Long	Balakong	111.0 ac	4,835,160.0	25.0	80%	96.7
Mont Putra	Selangor	163.0 ac	7,100,280.0	35.0	100%	248.5
Melawati 2	Selangor	2.0 ac	87,120.0	20.0	100%	1.7
Tampines	Singapore	5.0 ac	217,800.0	780.8	30%	51.0
Sembawang	Singapore	0.8 ac	34,848.0	951.6	100%	33.2
Yuan Ching Road	Singapore	5.0 ac	217,800.0	780.8	30%	51.0
Pasir Ris Rise	Singapore	4.3 ac	187,308.0	630.0	30%	35.4
Medini land	Iskandar	691.0 ac	30,099,960.0	45.0	38%	514.7
Pendas land	Iskandar	1,079.2 ac	47,009,952.0	45.0	60%	1269.3
New Land Novena	Singapore	1.7 ac	71,874.0	536.8	30%	11.6
<b>Total value of properties</b>						<b>4,762.0</b>
		<b>Market cap</b>	<b>Stake</b>			
		<b>Rm m</b>				
Sunway REIT		4,638.6	37%			1,702.4
		<b>FY14 Net profit</b>	<b>Stake</b>	<b>P/E</b>		
		<b>RM m</b>				
Construction		87.6	100%	15.6		1,365.8
Quarry & Trading		65.9	100%	12.5		822.4
Property investments						1,150.3
Net current asset less dev. Properties (1Q13)						(88.7)
Total borrowings (1Q13)						(2,893.1)
Cash (1Q13)						1,195.2
Total RNAV						8,016.2
<b>FD RNAV (RM)</b>						<b>8,738.62</b>
<b>RNAV/share (RM)</b>						<b>5.64</b>
Discount to RNAV						20%
<b>Target price (RM)</b>						<b>4.51</b>

SOURCES: CIMB, COMPANY REPORTS

**Figure 3: Sector Comparisons**

Company	Bloomberg Ticker	Recom.	Price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)		Dividend Yield (%)	
						CY2013	CY2014		CY2013	CY2014	CY2013	CY2014	CY2013	CY2014
Gamuda	GAM MK	Outperform	4.94	5.60	3,578	17.7	15.9	15.0%	4.95	4.47	28.9%	29.5%	2.3%	2.3%
IJM Corp Bhd	IJM MK	Outperform	5.79	6.80	2,624	17.8	15.0	14.7%	3.01	2.96	17.4%	19.8%	2.2%	2.4%
Malaysian Resources Corp	MRC MK	Outperform	1.75	1.98	791	39.7	38.9	4.3%	2.63	2.47	6.8%	6.5%	3.0%	1.4%
Muhibbah Engineering	MUHI MK	Outperform	1.43	1.56	190	na	7.8	11.2%	0.93	0.90	-16.0%	11.8%	1.7%	2.1%
Mudajaya Group	MDJ MK	Outperform	2.68	3.25	473	6.2	6.8	8.0%	1.17	0.95	21.3%	15.4%	3.4%	3.7%
Sunway Bhd	SWB MK	Outperform	3.88	4.51	1,632	13.6	12.5	6.1%	1.46	1.27	11.7%	10.9%	1.5%	2.5%
WCT Bhd	WCT MK	Outperform	2.64	3.11	939	13.6	12.1	14.6%	1.69	1.44	12.9%	12.8%	2.7%	3.1%
<b>Malaysia average</b>						<b>21.5</b>	<b>16.2</b>	<b>13.9%</b>	<b>3.39</b>	<b>3.20</b>	<b>16.2%</b>	<b>20.3%</b>	<b>2.3%</b>	<b>2.3%</b>
Adhi Karya	ADHI IJ	Neutral	3,775	3,300	693	32.1	18.7	36.8%	5.79	4.60	20.5%	27.3%	0.7%	0.9%
Pembangunan Perumahan	PTPP IJ	Outperform	1,660	1,800	820	26.0	17.7	30.2%	4.85	3.99	21.0%	24.7%	0.9%	1.2%
Total Bangun Persada	TOTL IJ	Outperform	1,580	1,350	549	30.7	24.9	29.0%	8.18	7.00	28.4%	30.2%	2.8%	2.0%
Wijaya Karya	WIKA IJ	Outperform	2,875	2,850	1,796	37.8	27.5	37.8%	6.73	6.17	20.6%	24.7%	0.8%	1.1%
<b>Indonesia average</b>						<b>32.5</b>	<b>22.8</b>	<b>34.5%</b>	<b>6.19</b>	<b>5.35</b>	<b>21.6%</b>	<b>25.8%</b>	<b>1.1%</b>	<b>1.2%</b>
CH. Karnchang	CK TB	Outperform	27.00	35.00	1,477	78.5	39.3	na	5.21	2.66	7.5%	8.9%	0.9%	3.3%
Italian-Thai Development	ITD TB	Underperform	8.40	8.00	1,166	127.4	42.0	na	4.03	3.76	3.2%	9.1%	0.0%	0.6%
Sino-Thai Eng & Construction	STEC TB	Outperform	24.90	34.00	1,257	25.3	21.4	28.6%	4.80	4.73	19.5%	22.0%	2.2%	0.1%
<b>Thailand average</b>						<b>54.4</b>	<b>32.0</b>	<b>na</b>	<b>4.67</b>	<b>3.45</b>	<b>9.1%</b>	<b>12.2%</b>	<b>1.0%</b>	<b>1.5%</b>
Yongnam Holdings	YNH SP	Outperform	0.34	0.36	335	9.7	6.4	6.7%	1.31	1.12	13.8%	19.0%	3.0%	3.0%
<b>Singapore average</b>						<b>9.7</b>	<b>6.4</b>	<b>6.7%</b>	<b>1.31</b>	<b>1.12</b>	<b>13.8%</b>	<b>19.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Average (all)</b>						<b>22.7</b>	<b>17.8</b>	<b>29.6%</b>	<b>3.17</b>	<b>2.77</b>	<b>15.0%</b>	<b>16.7%</b>	<b>1.7%</b>	<b>1.9%</b>

SOURCES: CIMB, COMPANY REPORTS

## DISCLAIMER

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.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CIMB.

Unless otherwise specified, this report is based upon sources which CIMB considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CIMB or its affiliates to any person to buy or sell any investments.

CIMB, its affiliates and related companies, their directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CIMB, its affiliates and its related companies do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report. CIMB or its affiliates may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CIMB may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. CIMB prohibits the analyst(s) who prepared this research report from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CIMB entity as listed in the table below. The term "CIMB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case, CIMB Group Holdings Berhad ("CIMBGH") and its affiliates, subsidiaries and related companies.

Country	CIMB Entity	Regulated by
Australia	CIMB Securities (Australia) Limited	Australian Securities & Investments Commission
Hong Kong	CIMB Securities Limited	Securities and Futures Commission Hong Kong
Indonesia	PT CIMB Securities Indonesia	Financial Services Authority of Indonesia
India	CIMB Securities (India) Private Limited	Securities and Exchange Board of India (SEBI)
Malaysia	CIMB Investment Bank Berhad	Securities Commission Malaysia
Singapore	CIMB Research Pte. Ltd.	Monetary Authority of Singapore
South Korea	CIMB Securities Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Taiwan	CIMB Securities Limited, Taiwan Branch	Financial Supervisory Commission
Thailand	CIMB Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

(i) As of May 30, 2013 CIMB has a proprietary position in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) Gamuda, IJM Corp Bhd, Italian-Thai Development, Malaysian Resources Corp, Mudajaya Group, Muhibbah Engineering, Sunway Bhd, WCT Bhd, Yongnam Holdings

(ii) As of May 31, 2013, the analyst(s) who prepared this report, has / have an interest in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CIMB may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CIMB is under no obligation to update this report in the event of a material change to the information contained in this report. This report does not purport to contain all the information that a prospective investor may require. CIMB or any of its affiliates does not make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CIMB nor any of its affiliates nor its related persons shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CIMB and its affiliates' clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments thereof.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report. The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

**Australia:** Despite anything in this report to the contrary, this research is provided in Australia by CIMB Securities (Australia) Limited ("CSAL") (ABN 84 002 768 701, AFS Licence number 240 530). CSAL is a Market Participant of ASX Ltd, a Clearing Participant of ASX Clear Pty Ltd, a Settlement Participant of ASX Settlement Pty Ltd, and, a participant of Chi X Australia Pty Ltd. This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth)) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. This research has been prepared without taking into account the objectives, financial situation or needs of the individual recipient.

**France:** Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

**Hong Kong:** This report is issued and distributed in Hong Kong by CIMB Securities Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CIMB Securities Limited. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Services Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CHK has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CHK. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this material may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CHK. Unless permitted to do so by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the securities covered in this report, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

**India:** This report is issued and distributed in India by CIMB Securities (India) Private Limited ("CIMB India") which is registered with SEBI as a stock-broker under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and in accordance with the provisions of Regulation 4 (g) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, CIMB India is not required to seek registration with SEBI as an Investment Adviser.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of CIMB India and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by CIMB India or its affiliates.

**Indonesia:** This report is issued and distributed by PT CIMB Securities Indonesia ("CIMBI"). The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Services Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CIMBI has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CIMBI. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this material may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CIMBI. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesia residents except in compliance with applicable Indonesian capital market laws and regulations.

**Malaysia:** This report is issued and distributed by CIMB Investment Bank Berhad ("CIMB"). The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Services Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CIMB has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CIMB. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this material may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CIMB.

**New Zealand:** In New Zealand, this report is for distribution only to persons whose principal business is the investment of money or who, in the course of, and for the purposes of their business, habitually invest money pursuant to Section 3(2)(a)(ii) of the Securities Act 1978.

**Singapore:** This report is issued and distributed by CIMB Research Pte Ltd ("CIMBR"). Recipients of this report are to contact CIMBR in Singapore in respect of any matters arising from, or in connection with, this report. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Services Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CIMBR has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only. If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CIMBR accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this material may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CIMBR.

As of May 30, 2013, CIMBR does not have a proprietary position in the recommended securities in this report.

**South Korea:** This report is issued and distributed in South Korea by CIMB Securities Limited, Korea Branch ("CIMB Korea") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea.

The views and opinions in this research report are our own as of the date hereof and are subject to change, and this report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial investment instruments and it is not intended as a solicitation for the purchase of any financial investment instrument.

This publication is strictly confidential and is for private circulation only, and no part of this material may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CIMB Korea.

**Sweden:** This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

**Taiwan:** This research report is not an offer or marketing of foreign securities in Taiwan. The securities as referred to in this research report have not been and will not be registered with the Financial Supervisory Commission of the Republic of China pursuant to relevant securities laws and regulations and may not be offered or sold within the Republic of China through a public offering or in circumstances which constitutes an offer or a placement within the meaning of the Securities and Exchange Law of the Republic of China that requires a registration or approval of the Financial Supervisory Commission of the Republic of China.

**Thailand:** This report is issued and distributed by CIMB Securities (Thailand) Company Limited (CIMBS). The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Services Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CIMBS has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CIMBS. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this material may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CIMBS.

#### Corporate Governance Report:

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 result may be changed after that date. CIMBS does not confirm nor certify the accuracy of such survey result.

<b>Score Range:</b>	90 – 100	80 – 89	70 – 79	Below 70 or	No Survey Result
<b>Description:</b>		Excellent	Very Good	Good	N/A

**United Arab Emirates:** The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

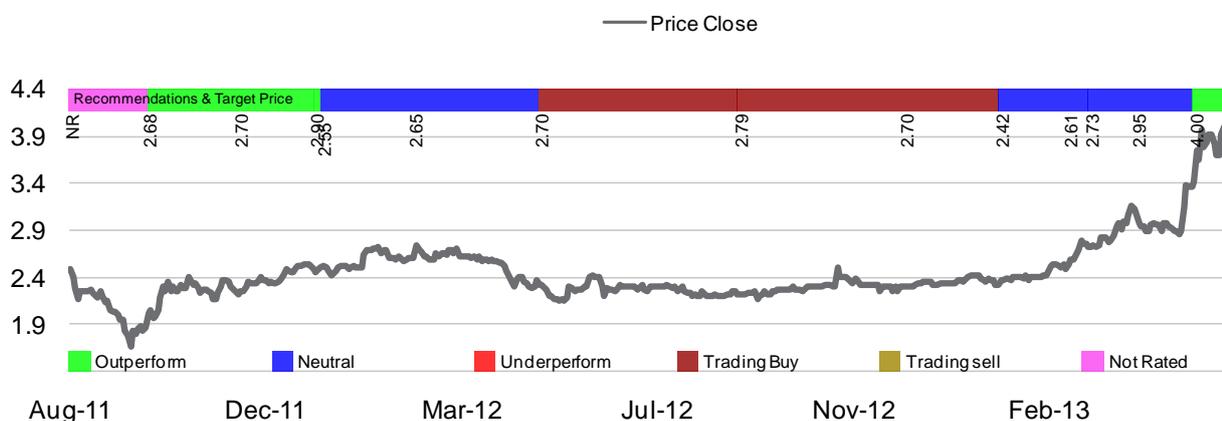
**United Kingdom and Europe:** In the United Kingdom and European Economic Area, this report is being disseminated by CIMB Securities (UK) Limited ("CIMB UK"). CIMB UK is authorised and regulated by the Financial Services Authority and its registered office is at 27 Knightsbridge, London, SW1X 7YB. This report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are persons that are eligible counterparties and professional clients of CIMB UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"); (c) are persons falling within Article 49 (2) (a) to (d) ("high net worth companies, unincorporated associations etc") of the Order; (d) are outside the United Kingdom; or (e) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with any investments to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Only where this report is labelled as non-independent, it does not provide an impartial or objective assessment of the subject matter and does not constitute independent "investment research" under the applicable rules of the Financial Services Authority in the UK. Consequently, any such non-independent report will not have been prepared in accordance with legal requirements designed to promote the independence of investment research and will not be subject to any prohibition on dealing ahead of the dissemination of investment research.

**United States:** This research report is distributed in the United States of America by CIMB Securities (USA) Inc, a U.S.-registered broker-dealer and a related company of CIMB Research Pte Ltd, CIMB Investment Bank Berhad, PT CIMB Securities Indonesia, CIMB Securities (Thailand) Co. Ltd, CIMB Securities Limited, CIMB Securities (Australia) Limited, CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as "U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CIMB Securities (USA) Inc.

**Other jurisdictions:** In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

**Spitzer Chart for stock being researched ( 2 year data )**



Distribution of stock ratings and investment banking clients for quarter ended on 30 April 2013		
1002 companies under coverage		
	Rating Distribution (%)	Investment Banking clients (%)
Outperform/Buy/Trading Buy	51.4%	7.8%
Neutral	35.1%	4.7%
Underperform/Sell/Trading Sell	13.5%	4.9%

**Recommendation Framework #1 \***

**Stock**

**OUTPERFORM:** The stock's total return is expected to exceed a relevant benchmark's total return by 5% or more over the next 12 months.

**NEUTRAL:** The stock's total return is expected to be within +/-5% of a relevant benchmark's total return.

**UNDERPERFORM:** The stock's total return is expected to be below a relevant benchmark's total return by 5% or more over the next 12 months.

**TRADING BUY:** The stock's total return is expected to exceed a relevant benchmark's total return by 5% or more over the next 3 months.

**TRADING SELL:** The stock's total return is expected to be below a relevant benchmark's total return by 5% or more over the next 3 months.

**Sector**

**OVERWEIGHT:** The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months.

**NEUTRAL:** The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

**UNDERWEIGHT:** The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months.

**TRADING BUY:** The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 3 months.

**TRADING SELL:** The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 3 months.

\* This framework only applies to stocks listed on the Singapore Stock Exchange, Bursa Malaysia, Stock Exchange of Thailand, Jakarta Stock Exchange, Australian Securities Exchange, Taiwan Stock Exchange and National Stock Exchange of India/Bombay Stock Exchange. Occasionally, it is permitted for the total expected returns to be temporarily outside the prescribed ranges due to extreme market volatility or other justifiable company or industry-specific reasons.

**Recommendation Framework #2 \*\***

**Stock**

**Sector**

**OUTPERFORM:** Expected positive total returns of 10% or more over the next 12 months.

**NEUTRAL:** Expected total returns of between -10% and +10% over the next 12 months.

**UNDERPERFORM:** Expected negative total returns of 10% or more over the next 12 months.

**TRADING BUY:** Expected positive total returns of 10% or more over the next 3 months.

**TRADING SELL:** Expected negative total returns of 10% or more over the next 3 months.

**OVERWEIGHT:** The industry, as defined by the analyst's coverage universe, has a high number of stocks that are expected to have total returns of +10% or better over the next 12 months.

**NEUTRAL:** The industry, as defined by the analyst's coverage universe, has either (i) an equal number of stocks that are expected to have total returns of +10% (or better) or -10% (or worse), or (ii) stocks that are predominantly expected to have total returns that will range from +10% to -10%; both over the next 12 months.

**UNDERWEIGHT:** The industry, as defined by the analyst's coverage universe, has a high number of stocks that are expected to have total returns of -10% or worse over the next 12 months.

**TRADING BUY:** The industry, as defined by the analyst's coverage universe, has a high number of stocks that are expected to have total returns of +10% or better over the next 3 months.

**TRADING SELL:** The industry, as defined by the analyst's coverage universe, has a high number of stocks that are expected to have total returns of -10% or worse over the next 3 months.

*\*\* This framework only applies to stocks listed on the Korea Exchange, Hong Kong Stock Exchange and China listings on the Singapore Stock Exchange. Occasionally, it is permitted for the total expected returns to be temporarily outside the prescribed ranges due to extreme market volatility or other justifiable company or industry-specific reasons.*

**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (IOD) in 2012.**

**AAV** – not available, **ADVANC** - Excellent, **AEONTS** – Good, **AMATA** - Very Good, **ANAN** – not available, **AOT** - Excellent, **AP** - Very Good, **BANPU** - Excellent, **BAY** - Excellent, **BBL** - Excellent, **BCH** – not available, **BCP** - Excellent, **BEC** - Very Good, **BGH** - not available, **BJC** – Very Good, **BH** - Very Good, **BIGC** - Very Good, **BTS** - Excellent, **CCET** - Good, **CENDEL** – Very Good, **CK** - Very Good, **CPALL** - Very Good, **CPF** - Very Good, **CPN** - Excellent, **DELTA** - Very Good, **DTAC** - Very Good, **EGCO** – Excellent, **ERW** – Excellent, **GLOBAL** - Good, **GLOW** - Very Good, **GRAMMY** – Excellent, **HANA** - Very Good, **HEMRAJ** - Excellent, **HMPRO** - Very Good, **INTUCH** – Very Good, **ITD** – Very Good, **IVL** - Very Good, **JAS** – Very Good, **KAMART** – not available, **KBANK** - Excellent, **KK** – Excellent, **KTB** - Excellent, **LH** - Very Good, **LPN** - Excellent, **MAJOR** - Good, **MAKRO** – Very Good, **MCOT** - Excellent, **MINT** - Very Good, **PS** - Excellent, **PSL** - Excellent, **PTT** - Excellent, **PTTGC** - Excellent, **PTTEP** - Excellent, **QH** - Excellent, **RATCH** - Excellent, **ROBINS** - Excellent, **RS** – Excellent, **SAMART** – Excellent, **SC** – Excellent, **SCB** - Excellent, **SCC** - Excellent, **SCCC** - Very Good, **SIRI** - Good, **SPALI** - Very Good, **SRICHA** – not available, **SSI** – not available, **STA** - Good, **STEC** - Very Good, **TCAP** - Very Good, **THAI** - Excellent, **THCOM** – Very Good, **TICON** – Very Good, **TISCO** - Excellent, **TMB** - Excellent, **TOP** - Excellent, **TRUE** - Very Good, **TTW** – Very Good, **TUF** - Very Good, **VGI** – not available, **WORK** – Good.