

Sunway Bhd

SWB MK / SWAY.KL

FLASH NOTE

Market Cap
US\$1,650m
RM5,942m

Avg Daily Turnover
US\$1.83m
RM6.66m

Free Float
33.1%
1,723 m shares

Current **RM3.40**
Target **RM4.04** 
Prev. Target **RM4.00**
Up/Downside **18.8%**

STOCK RATING

ADD

HOLD

REDUCE

CIMB Analyst(s)



Sharizan ROSELY

T (60) 3 2261 9077

E sharizan.rosely@cimb.com

Share price info

Share price perf. (%)	1M	3M	12M
Relative	-7.5	1.1	16.6
Absolute	-9.6	1.5	13.3

Major shareholders	% held
Tan Sri Jeffrey Cheah & family	55.4
JP Morgan Chase & Co.	5.8
EPF	5.7

Snaps up land in Kelana Jaya

Sunway's deal to acquire a 17-acre piece of land in Kelana Jaya was a positive surprise and we view the RM386 psf (RM286m) price tag as fair given its urban location, proximity to major highways and the new BRT line. The deal will be financed through a mix of borrowings and internal funds. First launch is targeted for 2H16, suggesting full-year earnings contribution only from 2017 onwards. Hence, we keep our EPS forecasts at this juncture. Based on a 20% pretax margin, we estimate that this venture will contribute RM40m (6%) to FY17 net profit. We raise our RNAV-based target price as we factor in the new land (unchanged 20% RNAV discount) and maintain our Add call. This land purchase and construction job wins are potential catalysts.

What Happened

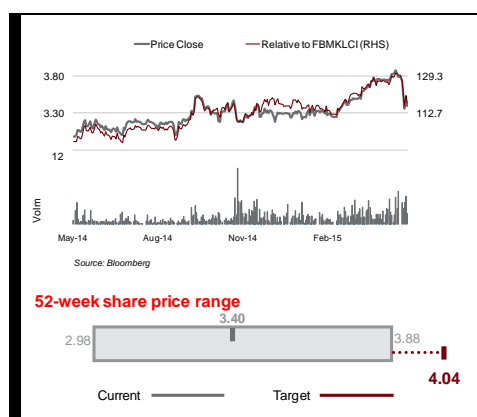
Sunway, through Sunway Dimension Stones Sdn Bhd, is acquiring a new 17-acre land bank in Kelana Jaya for RM286m (RM386 psf) from several private parties. Notable landmarks surrounding the land include Sunway Resort City, Kelab Golf Negara Subang (KGNS), Giant Hypermarket and Paradigm Mall (see site photos overleaf).

What We Think

The plot of land sits in a strategic and mature urban location, which is overall positive for Sunway's land bank expansion within Klang Valley. Its key features include access to four main highways - Federal Highway, LDP, NKVE and NPE - and a 10- to 15-minute distance to the Subang Airport. The land also includes a water retention pond, which will be beautified. On a plot ratio of 4x, the overall development will comprise a mixed development, with seven residential blocks plus a commercial podium. Transport links feature a 600-metre walking distance to the new Sunway Bus Rapid Transit (BRT) line, which provides easy access to Sunway Resort City. The RM1.8bn GDV over five years is based on the group's estimated selling price of RM800 psf. First launch is targeted for 2H16, suggesting earnings contribution only from 2017 onwards. Based on a 20% pretax margin, we estimate that this venture will contribute RM40m (6%) to net profit.

What You Should Do

Accumulate as the stock continues to offer longer-term value via its land bank. This latest land purchase increases the group's total domestic land bank to 3,380 acres, with an effective total GDV of RM32bn over 15 years. With this deal, the group's total land bank in Klang Valley makes up 24% of its overall land bank and 22% of total incoming GDV.



Financial Summary

	Dec-13A	Dec-14A	Dec-15F	Dec-16F	Dec-17F
Revenue (RMm)	4,721	4,842	4,962	5,029	5,183
Operating EBITDA (RMm)	664.4	588.8	479.2	541.2	564.4
Net Profit (RMm)	1,490	743	610	634	653
Core EPS (RM)	0.28	0.34	0.35	0.37	0.38
Core EPS Growth	31.2%	22.3%	3.0%	4.0%	3.0%
FD Core P/E (x)	12.62	10.24	9.94	9.40	8.97
DPS (RM)	0.10	0.11	0.11	0.12	0.13
Dividend Yield	2.94%	3.24%	3.24%	3.53%	3.82%
EV/EBITDA (x)	9.87	11.92	14.12	12.58	11.72
P/FCFE (x)	13.48	50.32	48.38	24.19	20.48
Net Gearing	31.5%	36.0%	35.0%	36.5%	33.3%
P/BV (x)	1.10	0.99	1.02	1.00	0.94
ROE	11.1%	10.5%	10.4%	11.0%	10.8%
% Change In Core EPS Estimates			0%	0%	0%
CIMB/consensus EPS (x)			1.12	1.15	1.12

SOURCE: CIMB, COMPANY REPORTS

Figure 1: Location of the land along LDP and Federal Highway



SOURCE: COMPANY

Figure 2: Site photo



SOURCE: COMPANY

Figure 3: Site photo



SOURCE: COMPANY

Figure 4: Key details of the new piece of land

Proposed Development	• Mixed development comprising 7 residential blocks with a commercial podium
GDV	• Approximately RM1.8 billion
Estimated Selling Price	• Average of RM800 psf
Total Built-up Area	• Approximately 3 million sq ft • Plot ratio: 4 times
Development Period	• Approximately 5 years
Target Launch Date	• By 2H 2016

SOURCE: COMPANY

Figure 5: RNAV

Type	Location	Size/units	Area (sq ft)	Price	Stake	Value
Completed buildings						
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
On going developments						
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	3.0	65%	63.7
Sunway Velocity	Kuala Lumpur	19.5 ac	984,456.0	150.0	50%	73.8
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	5.0	100%	86.7
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	350.0	60%	528.7
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	350.0	60%	28.6
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	Jiayin, China	3.7 ac	740,520.0	80.0	39%	23.1
Tianjin Eco City	Tianjin, China	90.9 ac	3,789,720.0	92.0	65%	226.6
Wonderland Business Park	Sydney, Australia	65.5 ac	3,971,800.8	95.0	31%	117.0
Bukit Lenang - new land	Johor	64.0 ac	2,787,840.0	40.0	80%	89.2
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	25.0	100%	177.5
Melawati 2	Selangor	2.0 ac	87,120.0	20.0	100%	1.7
Tampines	Singapore	5.0 ac	217,800.0	750.0	30%	49.0
Sembawang	Singapore	0.8 ac	34,848.0	975.0	100%	34.0
Yuan Ching Road	Singapore	5.0 ac	217,800.0	750.0	30%	49.0
Pasir Ris Rise	Singapore	4.3 ac	187,308.0	780.0	30%	43.8
Medini land	Iskandar	691.0 ac	30,099,960.0	35.0	38%	400.3
Pendas land	Iskandar	1,079.2 ac	47,009,952.0	35.0	60%	987.2
New Land Novena	Singapore	1.7 ac	71,874.0	500.0	30%	10.8
Penang Land (4 plots)	Penang	989.9 ac	43,118,737.2	25.0	100%	1078.0
New land - Kelana Jaya	Petaling Jaya	17.0 ac	739,039.0	54.0	100%	39.9
Total value of properties						5,424.2
		Market cap	Stake			
		Rm m				
Sunway REIT		4,990.0	37%	1,831.3		
		FY16 Net profit	Stake	P/E		
		RM m				
Construction		104.7	100%	15.0	1,569.9	
Quarry & Trading		70.8	100%	12.0	849.5	
Property investments (4Q14)					2,029.3	
Associates and JCE's					1,508.0	
Total borrowings (4Q14)					(3,784.4)	
FD RNAV (RM)						10,147.89
RNAV/share (RM)						5.05
Discount to RNAV						20%
Target price (RM)						4.04

SOURCES: CIMB, COMPANY REPORTS

Profit & Loss

(RMm)	Dec-14A	Dec-15F	Dec-16F	Dec-17F
Total Net Revenues	4,842	4,962	5,029	5,183
Gross Profit	4,842	4,962	5,029	5,183
Operating EBITDA	589	479	541	564
Depreciation And Amortisation	(114)	(113)	(112)	(118)
Operating EBIT	475	366	429	447
Financial Income/(Expense)	(30)	(65)	(43)	(20)
Pretax Income/(Loss) from Assoc.	260	273	279	284
Non-Operating Income/(Expense)	265	238	214	193
Profit Before Tax (pre-EI)	969	812	880	904
Exceptional Items	0	0	0	0
Pre-tax Profit	969	812	880	904
Taxation	(148)	(125)	(167)	(170)
Exceptional Income - post-tax				
Profit After Tax	821	687	712	733
Minority Interests	(78)	(77)	(78)	(81)
Preferred Dividends	0	0	0	0
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Net Profit	743	610	634	653
Recurring Net Profit	592	610	634	653
Fully Diluted Recurring Net Profit	592	610	634	653

Balance Sheet

(RMm)	Dec-14A	Dec-15F	Dec-16F	Dec-17F
Total Cash And Equivalents	2,022	2,042	1,842	1,824
Total Debtors	1,787	1,769	1,786	1,752
Inventories	598	716	726	748
Total Other Current Assets	1,772	1,282	1,329	1,386
Total Current Assets	6,179	5,810	5,684	5,711
Fixed Assets	1,047	990	1,011	1,036
Total Investments	1,510	1,943	2,152	2,365
Intangible Assets	319	319	319	319
Total Other Non-Current Assets	3,861	3,900	3,939	4,018
Total Non-current Assets	6,737	7,152	7,421	7,739
Short-term Debt	2,283	2,260	2,215	2,171
Current Portion of Long-Term Debt	0			
Total Creditors	2,172	2,237	2,215	2,170
Other Current Liabilities	21	21	21	21
Total Current Liabilities	4,476	4,518	4,450	4,362
Total Long-term Debt	1,502	1,487	1,501	1,471
Hybrid Debt - Debt Component	0			
Total Other Non-Current Liabilities	522	522	522	522
Total Non-current Liabilities	2,024	2,009	2,024	1,994
Total Provisions	83	81	81	81
Total Liabilities	6,583	6,608	6,555	6,436
Shareholders' Equity	5,945	5,727	5,843	6,226
Minority Interests	389	628	706	786
Total Equity	6,334	6,354	6,549	7,013

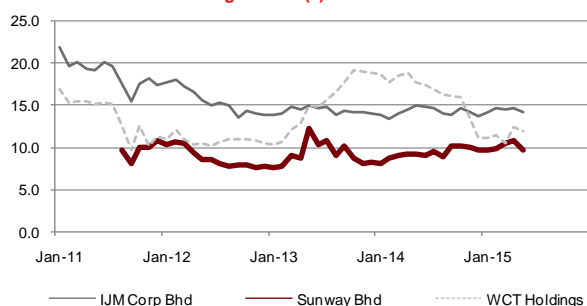
Cash Flow

(RMm)	Dec-14A	Dec-15F	Dec-16F	Dec-17F
EBITDA	588.8	479.2	541.2	564.4
Cash Flow from Inv. & Assoc.				
Change In Working Capital	(93.6)	(112.4)	(50.5)	(67.0)
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	0.0	0.0	0.0	0.0
Net Interest (Paid)/Received	(78.9)	(100.8)	(90.7)	(81.7)
Tax Paid	(121.7)	(125.5)	(167.5)	(170.5)
Cashflow From Operations	294.6	140.4	232.5	245.3
Capex	(20.0)	(20.0)	(20.0)	(20.0)
Disposals Of FAs/subsidiaries	160.9	237.3	243.0	248.9
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0
Other Investing Cashflow	0.0	0.0	0.0	0.0
Cash Flow From Investing	140.9	217.3	223.0	228.9
Debt Raised/(repaid)	(315.0)	(232.4)	(209.2)	(188.3)
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0
Dividends Paid	(125.6)	(125.6)	(125.6)	(125.6)
Preferred Dividends				
Other Financing Cashflow	534.6	20.2	(320.5)	(178.3)
Cash Flow From Financing	93.9	(337.9)	(655.4)	(492.2)
Total Cash Generated	529.4	19.8	(199.8)	(18.0)
Free Cashflow To Equity	120.5	125.3	246.4	286.0
Free Cashflow To Firm	514.3	458.5	546.3	555.9

Key Ratios

	Dec-14A	Dec-15F	Dec-16F	Dec-17F
Revenue Growth	2.6%	2.5%	1.3%	3.1%
Operating EBITDA Growth	(11%)	(19%)	13%	4%
Operating EBITDA Margin	12.2%	9.7%	10.8%	10.9%
Net Cash Per Share (RM)	(1.32)	(1.29)	(1.39)	(1.36)
BVPS (RM)	3.45	3.32	3.39	3.61
Gross Interest Cover	6.02	3.63	4.73	5.47
Effective Tax Rate	15.3%	15.5%	19.0%	18.9%
Net Dividend Payout Ratio	16.9%	20.6%	19.8%	19.2%
Accounts Receivables Days	119.7	125.9	124.5	119.9
Inventory Days	N/A	N/A	N/A	N/A
Accounts Payables Days	N/A	N/A	N/A	N/A
ROIC (%)	7.7%	5.1%	6.4%	6.5%
ROCE (%)	5.31%	3.75%	4.43%	4.60%

12-month Forward Rolling FD P/E (x)



Key Drivers

(RMm)	Dec-14A	Dec-15F	Dec-16F	Dec-17F
Outstanding Orderbook	3,000	2,700	2,900	2,600
Order Book Depletion	N/A	1,800	1,800	1,800
Orderbook Replenishment	1,500	2,000	1,500	1,500
ASP (% chg, main prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% , main prod./serv.)	N/A	N/A	N/A	N/A
Util. rate (% , main prod./serv.)	N/A	N/A	N/A	N/A
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% , 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Util. rate (% , 2ndary prod./serv.)	N/A	N/A	N/A	N/A

DISCLAIMER

#01

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 11, 2015 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) Sunway Bhd, WCT Holdings

(ii) As of May 12, 2015, the analyst(s) who prepared this report, and the associate(s), 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 Conduct 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).

CIMB Securities Limited does not make a market on the securities mentioned in the report.

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 Conduct 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 Conduct 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 Conduct 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 11, 2015, CIMBR does not have a proprietary position in the recommended securities in this report.

CIMB Securities Singapore Pte Ltd and/or CIMB Bank does not make a market on the securities mentioned in the 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 Conduct 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.

CIMB Securities (Thailand) Co., Ltd. may act or acts as Market Maker and issuer including offering of Derivative Warrants Underlying securities of the following securities. Investors should carefully read and study the details of the derivative warrants in the prospectus before making investment decisions.

AAV, ADVANC, AIT, AMATA, ANAN, AOT, AP, ASP, BANPU, BAY, BBL, BCH, BCP, BEC, BECL, BGH, BH, BIGC, BJC, BJCHI, BLAND, BMCL, BTS, CENTEL, CK, CPALL, CPF, CPN, DELTA, DEMCO, DTAC, EARTH, EGCO, ERW, GFPT, GLOBAL, GLOW, GUNKUL, HANA, HEMRAJ, HMPRO, ICHI, IFEC, INTUCH, IRPC, ITD, IVL, JAS, KBANK, KCE, KKP, KTB, KTC, KTIS, LH, LOXLEY, LPN, M, MAJOR, MC, MEGA, MINT, NOK, PS, PSL, PTG, PTT, PTTEP, PTTGC, QH, RATCH, RML, ROBINS, SMART, SAWAD, SCB, SCC, SCCC, SF, SGP, SIM, SIRI, SPALI, SPCG, SRICHA, STA, STEC, STPI, SVI, TCAP, THAI, THCOM, THREL, TICON, TISCO, TMB, TOP, TPIPL, TTA, TTCL, TTW, TUF, UV, VGI, TRUE.

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.

Score Range:	90 - 100	80 - 89	70 - 79	Below 70 or	No Survey Result
Description:	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 Conduct 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 Conduct 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 subject to any prohibition on dealing ahead of the dissemination of investment research.

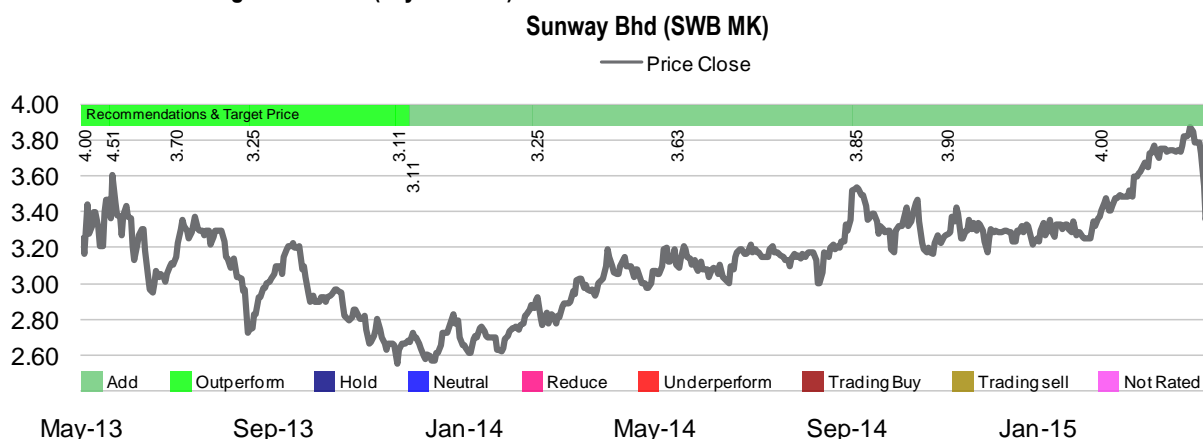
United States: This research report is distributed in the United States of America by CIMB Securities (USA) Inc, a U.S.-registered broker-dealer and a related company of CIMB Research Pte Ltd, CIMB Investment Bank Berhad, PT CIMB Securities Indonesia, CIMB Securities (Thailand) Co. Ltd, CIMB Securities 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.

CIMB Securities (USA) Inc does not make a market on the securities mentioned in the report.

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.

Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2015		
1420 companies under coverage for quarter ended on 31 March 2015		
	Rating Distribution (%)	Investment Banking clients (%)
Add	55.4%	6.6%
Hold	31.3%	3.8%
Reduce	13.2%	1.3%

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2014.

AAV – Very Good, **ADVANC** – Very Good, **AEONTS** – not available, **AMATA** - Good, **ANAN** – Very Good, **AOT** – Very Good, **AP** - Good, **ASK** – Very Good, **ASP** – Very Good, **BANPU** – Very Good, **BAY** – Very Good, **BBL** – Very Good, **BCH** – not available, **BCP** - Excellent, **BEAUTY** – Good, **BEC** - Good, **BECL** – Very Good, **BGH** - not available, **BH** - Good, **BIGC** - Very Good, **BJC** – Good, **BLA** – Very Good, **BMCL** - Very Good, **BTS** - Excellent, **CCET** – Good, **CENDEL** – Very Good, **CHG** – not available, **CK** – Very Good, **CPALL** – not available, **CPF** – Very Good, **CPN** - Excellent, **DELTA** - Very Good, **DEMCO** – Good, **DTAC** – Very Good, **EA** - Good, **ECL** – not available, **EGCO** - Excellent, **GFPT** - Very Good, **GLOBAL** - Good, **GLOW** - Good, **GRAMMY** - Excellent, **HANA** - Excellent, **HEMRAJ** – Very Good, **HMPRO** - Very Good, **ICHI** - not available, **INTUCH** - Excellent, **ITD** – Good, **IVL** - Excellent, **JAS** – not available, **JUBILE** – not available, **KAMART** – not available, **KBANK** - Excellent, **KCE** - Very Good, **KGI** – Good, **KKP** – Excellent, **KTB** - Excellent, **KTC** – Good, **LH** - Very Good, **LPN** – Very Good, **M** - not available, **MAJOR** - Good, **MAKRO** – Good, **MBKET** – Good, **MC** – Very Good, **MCOT** – Very Good, **MEGA** – Good, **MINT** - Excellent, **OFM** – Very Good, **OISHI** – Good, **PS** – Very Good, **PSL** - Excellent, **PTT** - Excellent, **PTTEP** - Excellent, **PTTGC** - Excellent, **QH** – Very Good, **RATCH** – Very Good, **ROBINS** – Very Good, **RS** – Very Good, **SAMART** - Excellent, **SAPPE** - not available, **SAT** – Excellent, **SAWAD** – not available, **SC** – Excellent, **SCB** - Excellent, **SCBLIF** – Good, **SCC** – Very Good, **SCCC** - Good, **SIM** - Excellent, **SIRI** - Good, **SPALI** - Excellent, **STA** – Very Good, **STEC** - Good, **SVI** – Very Good, **TASCO** – Good, **TCAP** – Very Good, **THAI** – Very Good, **THANI** – Very Good, **THCOM** – Very Good, **THRE** – not available, **THREL** – Good, **TICON** – Good, **TISCO** - Excellent, **TK** – Very Good, **TMB** - Excellent, **TOP** - Excellent, **TRUE** – Very Good, **TTW** – Very Good, **TUF** - Good, **VGI** – Very Good, **WORK** – not available.

CIMB Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

**Prior to December 2013 CIMB recommendation framework for 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 were based on a stock's total return relative to the relevant benchmarks total return. Outperform: expected to exceed by 5% or more over the next 12 months. Neutral: expected to be within +/-5% over the next 12 months. Underperform: expected to be below by 5% or more over the next 12 months. Trading Buy: expected to exceed by 3% or more over the next 3 months. Trading Sell: expected to be below by 3% or more over the next 3 months. For stocks listed on Korea Exchange, Hong Kong Stock Exchange and China listings on the Singapore Stock Exchange. 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.*