

UMW Holdings

UMWH MK / UMWS.KL

2QFY14 RESULTS NOTE

Market Cap US\$4,560m RM14,347m	Avg Daily Turnover US\$7.62m RM24.30m	Free Float 34.2% 1,153 m shares
---	---	---

Current	RM12.28
Target	RM12.31
Prev. Target	RM11.81
Up/Downside	0.2%

STOCK RATING	
ADD	
HOLD	
REDUCE	

CIMB Analyst(s)



Lucius CHONG
 T (60) 3 2261 9070
 E lucius.chong@cimb.com

Share price info

Share price perf. (%)	1M	3M	12M
Relative	3.7	13.2	-11.9
Absolute	3.4	13.5	-1.8
Major shareholders		% held	
Permodalan Nasional Bhd			50.1
EPF			15.7

Improved overall performance

UMW's 1H14 core net profit made up 51% of our full year forecast and 50% of consensus. We deem this above expectation, as we expect a stronger 2H14. Automotive, O&G and M&E segments all recorded satisfactory growth in pre-tax earnings. We raise our FY14-16 EPS forecasts by 2-5% to reflect a better outlook for the equipment and M&E segments. We raise our RNAV-based target price to take into account the higher expected earnings contributions from these segments. However, we retain our Hold rating. Higher auto sales volumes and faster turnaround in its equipment segments are potential re-rating catalysts.

Driven by Vios and Altis

UMW's automotive segment registered a 10% yoy increase in net profit to RM375.1m on the back of 12% yoy growth in revenue. The better performance was driven by the improved sales of Toyota vehicles. Toyota vehicles' 1H14 sales volume rose 17% yoy to 51,122 units. The encouraging performance was driven mainly by Vios and Altis full model changes. As a result, Toyota's market share increased by 1.4%pt to 15.8% in 1H14. However, its associate Perodua's 1H14 sales volume declined 2% yoy to 94,480 units due to fierce competition. With the Perodua Axia set to be launched in Sep 14, we expect Perodua's sales volume to rebound in 2H14.

Brighter outlook for equipment segment

The group's equipment segment's 1H14 net profit dropped 5% yoy to RM82.8m on the back of a 4% yoy slide in revenue. This was mainly due to the continued drop in commodity prices in Papua New Guinea and the continued suspension of mining activities in Myanmar. However, with the Myanmar government recently announcing that the suspension of jade mining activities will be lifted from 1 Sep 2014, we expect the group to benefit from the resumption of mining activities and secure more orders for its Komatsu equipment in the country.

Manufacturing and engineering turning around

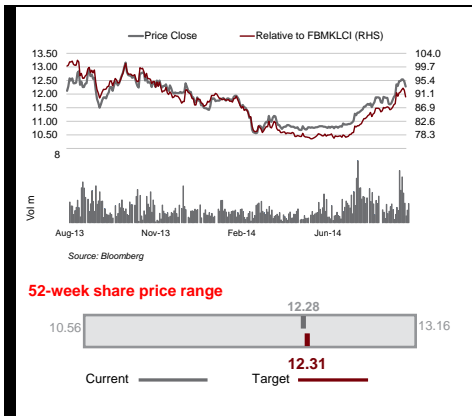
The M&E segment saw its 1H14 net profit surge 239% to RM10.1m partly due to the improved operating margin contribution from its lubricant business in China. This division has been steadily turning around; it recorded a loss of RM40.9m in FY13 due to its India operations. We expect this division to remain profitable throughout FY14.

The CIMB Stock Selection Tools (SST) are designed to complement and enhance the investment decision making process. The SST incorporate a range of analytical tools, providing ready access to key company and market data, valuation tools and charts. If you are interested in subscribing to the 'Stock Selection Tools', please contact your CIMB account manager.

Results Comparison

FYE Dec (RM m)	2QFY14	2QFY13	yoy %	qoq %	2QFY14	2QFY13	yoy%	Prev.	
			chg	chg	Cum	Cum	chg		FY14F Comments
Revenue	3,967	3,499	13.4	10.7	7,550	6,858	10.1	14,353	Higher revenue mainly from auto and O&G
Operating expenses	(3,584)	(3,083)	16.2	13.8	(6,734)	(6,048)	11.3	(12,826)	Consequently higher costs
EBIT	382.9	415.9	(7.9)	(11.6)	816.3	810.7	0.7	1,526.0	
EBIT margin (%)	9.7	11.9	(18.8)	(20.2)	10.8	11.8	(8.5)	10.6	Within expectation
Interest expense	(20.1)	(28.8)	(30.1)	(20.1)	(45.3)	(48.5)	(6.5)	(101.4)	
Associates' contrib	23.8	39.4	(39.5)	(41.4)	64.5	77.9	(17.2)	330.1	Lower Perodua sales
Investment income	35.4	16.6	112.6	15.9	65.9	35.7	84.5	90.0	
Exceptionals	(93.2)	(0.7)	>100.0	n.m.	(92.0)	(1.3)	>100.0	0.0	Provision for disposal of investment in India
Pretax profit	422.1	443.2	(4.8)	(12.0)	901.4	875.9	2.9	1,845.7	
Tax	(128.1)	(101.2)	26.6	46.7	(215.4)	(198.7)	8.4	(461.4)	Higher due to some expenses not tax deductible and higher
Tax rate (%)	32.2	25.1	28.3	61.7	25.7	24.9	3.3	30.4	tax rates for certain overseas subsidiaries
Minority interests	(152.0)	(91.0)	67.0	(2.9)	(308.6)	(206.5)	49.4	(468.5)	
Net profit	142.0	251.0	(43.4)	(39.7)	377.5	470.7	(19.8)	915.8	Made up 41% of our full-year forecast
EPS (sen)	12.15	21.48	(43.4)	(39.7)	32.31	40.29	(19.8)	78.39	Made up 41% of our full-year forecast
Core net profit	235.1	251.7	(6.6)	0.3	469.6	471.9	(0.5)	915.8	Made up 51% of our full year forecast
Core EPS (sen)	20.13	21.54	(6.6)	0.3	40.19	40.40	(0.5)	78.39	Made up 51% of our full year forecast

SOURCE: CIMB, COMPANY REPORTS



Financial Summary

	Dec-12A	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Revenue (RMm)	15,864	14,207	15,043	15,654	16,355
Operating EBITDA (RMm)	2,155	1,616	2,177	2,265	2,370
Net Profit (RMm)	994	681	934	1,050	1,144
Core EPS (RM)	0.91	0.59	0.81	0.91	0.99
Core EPS Growth	4.6%	(34.8%)	37.2%	12.4%	8.9%
FD Core P/E (x)	13.56	20.79	15.16	13.48	12.38
DPS (RM)	0.50	0.44	0.60	0.68	0.74
Dividend Yield	4.09%	3.58%	4.92%	5.53%	6.03%
EV/EBITDA (x)	7.39	10.67	7.59	7.26	6.90
P/FCFE (x)	22.81	16.95	14.57	31.81	26.03
Net Gearing	5.39%	5.30%	3.22%	(0.02%)	(3.59%)
P/BV (x)	2.95	2.23	2.15	2.08	2.00
ROE	23.0%	12.2%	14.4%	15.7%	16.5%
% Change In Core EPS Estimates			2.14%	2.93%	4.64%
CIMB/consensus EPS (x)			1.00	1.00	1.01

SOURCE: CIMB, COMPANY REPORTS

Figure 1: Segmental reporting

	2QFY14 Cum			2QFY13 Cum			revenue	PBT	Net profit
	Revenue	PBT	Net profit	Revenue	PBT	Net profit	chg	chg	chg
Automotive	5,561	815.1	375.1	4,963	726.2	340.1	12%	12%	10%
Equipment	888.7	94.2	82.8	923.6	111.0	87.2	-4%	-15%	-5%
Oil & Gas	434.3	124.5	62.9	325.3	96.4	88.0	34%	29%	-29%
Manufacturing & Engineering	370.8	21.5	10.1	365.0	6.9	3.0	2%	214%	239%
Others	335.6	(154.0)	(153.5)	329.9	(64.5)	(47.6)	2%	139%	223%
Inter-segment elim/exceptionals	(40.1)			(48.7)	0.0	0.0	-18%	n.m	n.m
Total	7,550	901.4	377.5	6,858	875.9	470.7	10%	3%	-20%

SOURCES: CIMB, COMPANY REPORTS

Figure 2: Segmental profitability

	Revenue	PBT	Net profit	Revenue	PBT	Net profit	PBT margin	Net profit margin	PBT margin	Net margin
Automotive	5,561	815.1	375.1	4,963	726.2	340.1	14.7%	6.7%	14.6%	6.9%
Equipment	888.7	94.2	82.8	923.6	111.0	87.2	10.6%	9.3%	12.0%	9.4%
Oil & Gas	434.3	124.5	62.9	325.3	96.4	88.0	28.7%	14.5%	29.6%	27.0%
Manufacturing & Engineering	370.8	21.5	10.1	365.0	6.9	3.0	5.8%	2.7%	1.9%	0.8%
Others	335.6	(154.0)	(153.5)	329.9	(64.5)	(47.6)	-45.9%	-45.7%	-19.6%	-14.4%
Inter-segment elim/exceptionals	(40.1)	0.0	0.0	(48.7)	0.0	0.0	0.0%	0.0%	0.0%	0.0%
Total	7,550	901.4	377.5	6,858	875.9	470.7	11.9%	5.0%	12.8%	6.9%

SOURCES: CIMB, COMPANY REPORTS

Figure 3: RNAV table

	FY15 Net profit (RM'm)	target P/E	RNAV (RM'm)
Automotive	731.78	11.00	8,049.55
Oil & gas	55% of UMW-OG market cap		4,732.64
Equipment & manufacturing	189.45	10.00	1,894.53
Others	(300.00)		(300.00)
Total RNAV			14,376.72
No of shares ('m)			1,168.29
RNAV/share (RM)			12.31

SOURCES: CIMB, COMPANY REPORTS

Profit & Loss

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Total Net Revenues	14,207	15,043	15,654	16,355
Gross Profit	1,616	2,177	2,265	2,370
Operating EBITDA	1,616	2,177	2,265	2,370
Depreciation And Amortisation	(315)	(326)	(355)	(382)
Operating EBIT	1,301	1,851	1,910	1,989
Financial Income/(Expense)	(20)	(11)	(5)	5
Pretax Income/(Loss) from Assoc.	174	131	282	349
Non-Operating Income/(Expense)	0	0	0	0
Profit Before Tax (pre-EI)	1,455	1,970	2,187	2,343
Exceptional Items	0			
Pre-tax Profit	1,455	1,970	2,187	2,343
Taxation	(369)	(453)	(547)	(586)
Exceptional Income - post-tax				
Profit After Tax	1,086	1,517	1,640	1,756
Minority Interests	(405)	(582)	(590)	(612)
Preferred Dividends	0	0	0	0
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Net Profit	681	934	1,050	1,144
Recurring Net Profit	681	934	1,050	1,144
Fully Diluted Recurring Net Profit	681	934	1,050	1,144

Balance Sheet

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Total Cash And Equivalents	2,544	2,445	2,460	2,564
Total Debtors	2,104	1,302	1,354	1,415
Inventories	1,752	1,638	1,705	1,781
Total Other Current Assets	2,331	2,226	2,090	1,988
Total Current Assets	8,731	7,611	7,609	7,748
Fixed Assets	3,893	4,267	4,612	4,930
Total Investments	2,143	2,262	2,381	2,500
Intangible Assets	39	39	39	39
Total Other Non-Current Assets	0	0	0	0
Total Non-current Assets	6,075	6,568	7,031	7,468
Short-term Debt	1,417	1,282	1,160	1,050
Current Portion of Long-Term Debt				
Total Creditors	2,220	1,890	1,966	2,054
Other Current Liabilities	418	727	937	1,146
Total Current Liabilities	4,055	3,899	4,063	4,251
Total Long-term Debt	1,602	1,442	1,298	1,168
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	138	138	138	138
Total Non-current Liabilities	1,741	1,580	1,436	1,306
Total Provisions	34	34	34	34
Total Liabilities	5,830	5,513	5,533	5,591
Shareholders' Equity	6,363	6,584	6,824	7,079
Minority Interests	2,614	2,082	2,283	2,546
Total Equity	8,977	8,665	9,107	9,625

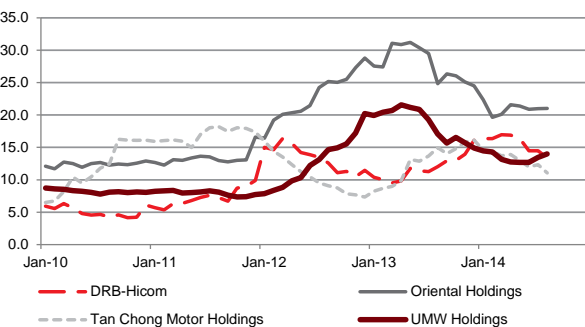
Cash Flow

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
EBITDA	1,616	2,177	2,265	2,370
Cash Flow from Inv. & Assoc.				
Change In Working Capital	(414)	586	(43)	(49)
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	(82)	2	(15)	(32)
Net Interest (Paid)/Received	(102)	(309)	(224)	(140)
Tax Paid	(381)	(369)	(453)	(547)
Cashflow From Operations	638	2,086	1,530	1,602
Capex	(950)	(700)	(700)	(700)
Disposals Of FAs/subsidiaries	0	0	0	0
Acq. Of Subsidiaries/investments	(119)	(119)	(119)	(119)
Other Investing Cashflow	957	0	0	0
Cash Flow From Investing	(111)	(819)	(819)	(819)
Debt Raised/(repaid)	308	(296)	(266)	(239)
Proceeds From Issue Of Shares	1	0	0	0
Shares Repurchased	0	0	0	0
Dividends Paid	(1,052)	(706)	(803)	(883)
Preferred Dividends				
Other Financing Cashflow	102	102	93	85
Cash Flow From Financing	(641)	(899)	(976)	(1,037)
Total Cash Generated	(113)	368	(264)	(253)
Free Cashflow To Equity	836	972	445	544
Free Cashflow To Firm	629	1,369	803	866

Key Ratios

	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Revenue Growth	(10.4%)	5.9%	4.1%	4.5%
Operating EBITDA Growth	(25.0%)	34.7%	4.0%	4.6%
Operating EBITDA Margin	11.4%	14.5%	14.5%	14.5%
Net Cash Per Share (RM)	(0.41)	(0.24)	0.00	0.30
BVPS (RM)	5.52	5.71	5.92	6.14
Gross Interest Cover	12.75	18.25	20.92	24.14
Effective Tax Rate	25.4%	23.0%	25.0%	25.0%
Net Dividend Payout Ratio	36.7%	51.5%	50.8%	51.5%
Accounts Receivables Days	29.63	26.50	22.73	22.74
Inventory Days	50.42	48.09	45.57	45.61
Accounts Payables Days	39.39	34.97	31.53	31.57
ROIC (%)	21.2%	18.6%	20.9%	21.6%
ROCE (%)	13.1%	16.5%	17.3%	17.7%

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



Key Drivers

	Dec-13A	Dec-14F	Dec-15F	Dec-16F
ASP (% chg, main prod./serv.)	0.0%	0.0%	0.0%	0.0%
Unit sales grth (% , main prod./serv.)	-9.1%	6.4%	4.4%	4.1%
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
ASP (% chg, tertiary prod/serv)	N/A	N/A	N/A	N/A
Unit sales grth (% ,tertiary prod/serv)	N/A	N/A	N/A	N/A
Util. rate (% , tertiary 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 August 27, 2014 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) DRB-Hicom, Tan Chong Motor Holdings, UMW Holdings

(ii) As of August 28, 2014, 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 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).

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 August 27, 2014, 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 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.

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.

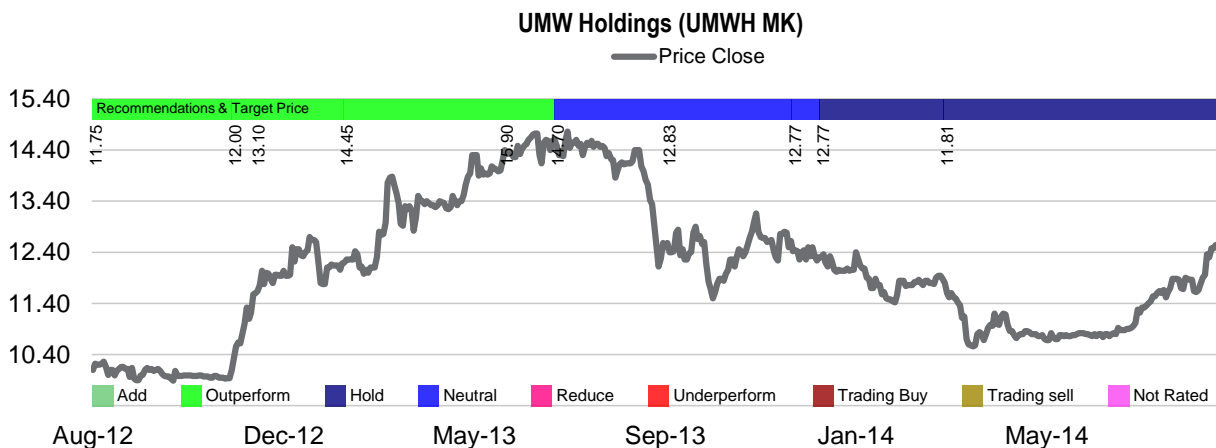
Only where this report is labelled as non-independent, it does not provide an impartial or objective assessment of the subject matter and does not constitute independent "investment research" under the applicable rules of the Financial Conduct Authority in the UK. Consequently, any such non-independent 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.

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 30 June 2014		
1467 companies under coverage for quarter ended on 30 June 2014		
	Rating Distribution (%)	Investment Banking clients (%)
Add	58.9%	7.2%
Hold	27.9%	3.9%
Reduce	13.2%	1.0%

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 (IOD) in 2013.

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

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.*