

### TRADING BUY (from buy)

#### CGR Scoring Rating



Share price: THB23.60  
 Target price: THB26.30 (unchanged)

Chatchai Jindarat

<http://www.maybank-ke.co.th>

(662) 658-6300

#### Stock Information

**Description** : The core business of the Company is the production and distribution of painted circuit boards (PCBs) manufactured from an epoxy glass copper lead laminate. The Company is now able to produce high quality and complex multilayer boards. The PCB is the foundation component of computers, automotive industry, telecommunication devices and most electronic equipment.

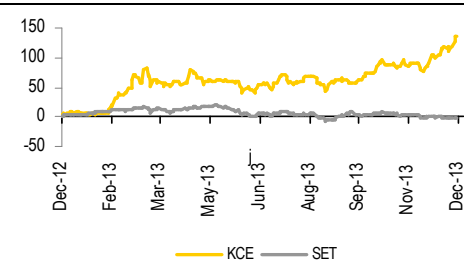
Ticker : KCE  
 Shares Issued (m): 480  
 Market Cap (THB m) 11,327  
 Market Cap (US\$ m) 346.19  
 3-mth Avg Daily Turnover (THB m) 69.48  
 SET INDEX 1,327.13  
 Free float (%) 55.57

**Major Shareholders** : %  
 Aongkosit Family 32.77  
 HSBC (SINGAPORE) NOMINEES PTE LTD 6.60

#### Key Indicators

ROE – annualised (%) 32.1  
 Net cash (THB m): -4,186  
 NTA/shr (THB): 8.5  
 Interest cover (x): 6.1

#### Historical Chart



#### Performance

52-week High/Low THB 24.10/THB 9.95

	1-mth	3-mth	6-mth	1-yrs	YTD
Absolute (%)	33.3	49.4	57.3	129.1	126.9
Relative (%)	35.9	59.6	68.9	137.5	138.0

## K.C.E. electronics (KCE)

### Fundamental not changed, but limited upside

Although 4Q13-2014 earnings tend to reach a new high again with earnings upgrade opportunity when the new plant starts contributing revenue in 4Q14, there are high risks in the next 12 months when compare with the upside gain, we thus recommend investors a Trading Buy recommendation on KCE with a TP of Bt26.30 (PER 13x).

**4Q13-1Q14 earnings to remain solid:** We estimate KCE 4Q13 norm profit at Bt248mn, dropping 18% QoQ from a seasonal impact but growing 136%. Although 1Q14 earnings are expected to grow both QoQ and YoY due to the low 1Q13 base and the greater customers' orders after the Jingle bell season. Earnings are expected to continuously grow and reach a new high in 3Q14 when the new plant is complete (starting contributing revenue in 4Q14). Earnings will reach a new high further in 2015. Yet, these things absorbed into market price.

**Earnings upgrade not coming soon:** We project 2014 norm profit at Bt1.072bn, growing 12%, excluding revenue from new plant. Despite an earnings upgrade possibility, it is too early for that as any risk can arise in the next 12 months; exchange rate, world economy, and volatile auto market, which will affect customers' orders. We have thus maintained our earnings projection unchanged.

**Price already reflecting 2014 growth...Trading Buy:** Although we maintain our positive view on KCE fundamentals in the medium-long term, we view that a surge in share price should much reflect the positive growth prospect. Now, there is only 11% upside. Risks in the next 12 months are not worth to take. We thus downgrade our recommendation from Buy to Trading Buy at a TP of Bt26.30. Note that our recommendation can be upgraded to Buy again when upside increases to above 20%.

#### KCE – Summary Earnings Table

FYE: Dec 31 (Btmn)	2011	2012	2013F	2014F	2015F
Revenue	7,201	6,478	9,399	9,952	10,262
EBITDA	751	887	1,827	1,992	2,273
Recurring Net Profit	46	57	956	1,072	1,143
Net profit	133	712	1,306	1,072	1,143
EPS (Bt)	0.28	1.54	2.63	2.02	1.98
EPS growth (%)	-75.3	449.0	70.5	-23.3	-1.8
DPS (Bt)	0.20	0.55	0.77	0.81	0.79
PER	243.7	192.6	12.3	11.7	11.9
EV/EBITDA (x)	16.5	15.2	6.8	6.4	5.2
Div Yield (%)	0.8	2.3	3.3	3.4	3.4
P/BV(x)	4.4	3.6	2.9	2.6	2.5
Net Gearing (%)	212.1	179.7	122.9	107.2	94.6
ROE (%)	5.3	23.1	32.1	22.6	20.9
ROA (%)	2.1	3.9	9.7	10.0	10.4
Cons. Net Profit (THB m)	-	-	1,190	1,091	1,234

Source: Company reports and MBKET.

**INCOME STATEMENT (THBmn)**

FY December	2012	2013F	2014F	2015F
Revenue	6,478	9,399	9,952	10,262
EBITDA	658	1,733	1,893	2,170
Depreciation & Amortisation	488	651	707	936
<b>Operating Profit (EBIT)</b>	<b>399</b>	<b>1,176</b>	<b>1,285</b>	<b>1,337</b>
Interest (Exp)/Inc	159	-193	-183	-161
Associates	(3)	-	-	-
One-offs	656	350	0	0
<b>Pre-Tax Profit</b>	<b>240</b>	<b>983</b>	<b>1,102</b>	<b>1,176</b>
Tax	20	-10	-11	-12
Minority Interest	4	-17	-19	-21
<b>Net Profit</b>	<b>712</b>	<b>1,306</b>	<b>1,072</b>	<b>1,143</b>
<b>Recurring Net Profit</b>	<b>57</b>	<b>956</b>	<b>1,072</b>	<b>1,143</b>
Revenue Growth %	-10.0	45.1	5.9	3.1
EBITDA Growth (%)	2.1	163.3	9.2	14.6
EBIT Growth (%)	101.0	194.8	9.3	4.0
Net Profit Growth (%)	436.6	83.3	-17.9	6.7
Recurring Net Profit Growth (%)	23.7	1,589.5	12.1	6.7
Tax Rate %	8.3	1.0	1.0	1.0

**BALANCE SHEET (THBmn)**

FY December	2012	2013F	2014F	2015F
Fixed Assets	5,398	5,937	6,325	5,984
Other LT Assets	163	83	84	84
Cash/ST Investments	400	808	916	2,326
Other Current Assets	4,295	5,332	5,531	4,434
<b>Total Assets</b>	<b>10,256</b>	<b>12,160</b>	<b>12,857</b>	<b>12,828</b>
ST Debt	5,771	6,820	7,019	6,598
Other Current Liabilities	13	368	390	402
LT Debt	1,327	844	644	292
Other LT Liabilities	67	66	64	62
Minority Interest	13	0	0	1
Shareholders' Equity	3,064	4,062	4,740	5,472
<b>Total Liabilities-Capital</b>	<b>10,256</b>	<b>12,160</b>	<b>12,857</b>	<b>12,828</b>
Share Capital (m)	462	496	531	577
Gross Debt/(Cash)	5,531	4,994	5,082	5,180
Net Debt/(Cash)	5,131	4,186	4,166	2,854
Working Capital	-1,089	-1,048	-961	-240
BVPS	6.51	8.19	8.93	9.49

**CASH FLOW (THBmn)**

FY December	2012	2013F	2014F	2015F
Profit before taxation	240	983	1,102	1,176
Depreciation	488	651	707	936
Net interest receipts/(payments)	-159	-193	-183	-161
Working capital change	-685	-1,561	-89	817
Cash tax paid	-20	-10	-11	-12
Others (incl'd exceptional items)	1,788	1,636	144	130
<b>Cash flow from operations</b>	<b>1,651</b>	<b>1,506</b>	<b>1,670</b>	<b>2,887</b>
Capex	-986	-1,190	-1,095	-595
Disposal/(purchase)	0	0	0	1
Others	-166	79	0	0
<b>Cash flow from investing</b>	<b>-1,152</b>	<b>-1,111</b>	<b>-1,095</b>	<b>-594</b>
Debt raised/(repaid)	212	253	-112	-492
Equity raised/(repaid)	109	24	35	47
Dividends (paid)	-142	-265	-389	-438
Interest payments	-159	-193	-183	-161
Others	-654	193	183	162
<b>Cash flow from financing</b>	<b>-634</b>	<b>12</b>	<b>-466</b>	<b>-882</b>
Change in cash	-135	407	109	1,411

**RATES & RATIOS**

FY December	2012	2013F	2014F	2015F
Gross margin %	19.2	25.0	25.3	25.4
EBITDA Margin %	10.2	18.4	19.0	21.1
Op. Profit Margin %	2.6	11.5	11.9	12.0
Net Profit Margin %	11.0	13.9	10.8	11.1
ROE %	23.1	32.1	22.6	20.9
ROA %	3.9	9.7	10.0	10.4
Net Margin Ex. EI %	0.9	10.2	10.8	11.1
Dividend Cover (x)	2.8	3.4	2.5	2.5
Interest Cover (x)	-2.5	6.1	7.0	8.3
Asset Turnover (x)	0.6	0.8	0.8	0.8
Asset/Debt (x)	1.4	1.5	1.6	1.7
Debtors Turn (days)	124.8	125.9	121.7	91.3
Creditors Turn (days)	88.3	73.0	73.0	60.8
Inventory Turn (days)	69.9	81.1	81.1	66.4
Net Gearing %	180.5	122.9	107.2	94.7
Debt/ EBITDA (x)	10.9	4.7	4.3	3.4
Debt/ Market Cap (x)	0.7	0.7	0.6	0.5

Source: Company reports and MBKET

## RESEARCH OFFICES

## REGIONAL

## WONG Chew Hann, CA

*Regional Head, Institutional Research*  
(603) 2297 8686 wchewh@maybank-ib.com

## Alexander GARTHOFF

*Institutional Product Manager*  
(852) 2268 0638 agarthoff@maybank-ke.com.sg

## ONG Seng Yeow

*Regional Head, Retail Research*  
(65) 6432 1453 ongsengyeow@maybank-ke.com.sg

## MALAYSIA

## WONG CHEW HANN, CA Head of Research

(603) 2297 8686 wchewh@maybank-ib.com

- Strategy

## DESMOND CH'NG, ACA

(603) 2297 8680 desmond.chng@maybank-ib.com

- Banking & Finance

## LIAW THONG JUNG

(603) 2297 8688 tjlaiw@maybank-ib.com

- Oil & Gas – Regional
- Shipping

## ONG CHEE TING, CA

(603) 2297 8678 ct.ong@maybank-ib.com

- Plantations – Regional

## MOHSHIN AZIZ

(603) 2297 8692 mohshin.aziz@maybank-ib.com

- Aviation – Regional
- Petrochem

## YIN SHAO YANG, CPA

(603) 2297 8916 samuel.y@maybank-ib.com

- Gaming – Regional
- Media

## TAN CHI WEI, CFA

(603) 2297 8690 chiwei.t@maybank-ib.com

- Power
- Telcos

## WONG WEI SUM, CFA

(603) 2297 8679 weisum@maybank-ib.com

- Property & REITs

## LEE YEN LING

(603) 2297 8691 lee.yl@maybank-ib.com

- Building Materials
- Glove producers

## CHAI LI SHIN

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

- Plantation
- Construction & Infrastructure

## KANG CHUN EE

(603) 2297 8675 chunee@maybank-ib.com

- Consumer

## IVAN YAP

(603) 2297 8612 ivan.yap@maybank-ib.com

- Automotive

## LEE Cheng Hooi, Regional Chartist

(603) 2297 8694 chenghooi.lee@maybank-ib.com

## Tee Sze Chiah, Head of Retail Research

(603) 2297 6858 szechiah.t@maybank-ib.com

## HONG KONG / CHINA

## Howard WONG Head of Research

(852) 2268 0648 howardwong@kimeng.com.hk

- Oil & Gas - Regional

## Alexander LATZER

(852) 2268 0647 alexanderlatzer@kimeng.com.hk

- Metals & Mining - Regional

## Jacqueline Ko, CFA

(852) 2268 0633 jacquelineko@kimeng.com.hk

- Consumer

## Karen KWAN

(852) 2268 0640 karenkwon@kimeng.com.hk

- HK & China Property

## Philip TSE

(852) 2268 0643 philiptse@kimeng.com.hk

- HK & China Property

## Simon QIAN

(852) 2268 0634 simonqian@kimeng.com.hk

- Telecom & Internet

## Steven CHAN

(852) 2268 0645 stevenchan@kimeng.com.hk

- Banking & Financials

## Warren LAU

(852) 2268 0644 warrenlau@kimeng.com.hk

- Technology – Regional

## INDIA

## Jigar SHAH Head of Research

(91) 22 6623 2601 jigar@maybank-ke.co.in

- Oil & Gas
- Automobile
- Cement

## Anubhav GUPTA

(91) 22 6623 2605 anubhav@maybank-ke.co.in

- Metal & Mining
- Capital goods
- Property

## Urmil SHAH

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

- Technology
- Media

## ECONOMICS

## JUNIMAN

*Chief Economist, BI*

- Indonesia

(62) 21 29228888 ext 29682 Juniman@bankbii.com

## Josua PARDEDE

*Economist / Industry Analyst, BI*

- Indonesia

(62) 21 29228888 ext 29695 JPardede@bankbii.com

## SINGAPORE

## Ng Wee Siang Head of Research

(65) 6432 1467 ngweesiang@maybank-ke.com.sg

- Banking & Finance

## Gregory YAP

(65) 6432 1450 gyap@maybank-ke.com.sg

- SMID Caps – Regional
- Technology & Manufacturing
- Telcos

## Wilson LIEW

(65) 6432 1454 wilsonliew@maybank-ke.com.sg

- Property Developers

## ONG Kian Lin

(65) 6432 1470 ongkianlin@maybank-ke.com.sg

- S-REITs

## James KOH

(65) 6432 1431 jameskoh@maybank-ke.com.sg

- Consumer - Regional

## YEAH Chee Keong, CFA

(65) 6432 1460 yeahcheekong@maybank-ke.com.sg

- Offshore & Marine

## Derrick HENG

(65) 6432 1446 derrickheng@maybank-ke.com.sg

- Transport (Land, Shipping & Aviation)

## Wei Bin

(65) 6432 1455 weibin@maybank-ke.com.sg

- Commodity
- Logistics
- S-chips

## Alison FOK

(65) 6432 1447 alisonfok@maybank-ke.com.sg

- Small & Mid Caps
- Construction

## John CHEONG

(65) 6432 1461 johncheong@maybank-ke.com.sg

- Small & Mid Caps
- Healthcare

## INDONESIA

## Lucky ARIESANDI, CFA

(62) 21 2557 1127 lucky.ariesandi@maybank-ke.co.id

- Base metals
- Mining
- Oil & Gas
- Wholesale

## Pandu ANUGRAH

(62) 21 2557 1137 pandu.anugrah@maybank-ke.co.id

- Automotive
- Heavy equipment
- Plantation
- Toll road

## Rahmi MARINA

(62) 21 2557 1128 rahmi.marina@maybank-ke.co.id

- Banking
- Multifinance

## Adi N. WICAKSONO

(62) 21 2557 1128 adi.wicaksono@maybank-ke.co.id

- Generalist

## Anthony YUNUS

(62) 21 2557 1139 anthony.yunus@maybank-ke.co.id

- Cement
- Infrastructure
- Property

## PHILIPPINES

## Luz LORENZO Head of Research

(63) 2 849 8836 luz\_lorenzo@maybank-atrke.com

- Strategy

## Laura DY-LIACCO

(63) 2 849 8840 laura\_dyliacco@maybank-atrke.com

- Utilities
- Conglomerates
- Telcos

## Lovell SARREAL

(63) 2 849 8841 lovell\_sarreal@maybank-atrke.com

- Consumer
- Media
- Cement

## Rommel RODRIGO

(63) 2 849 8839 rommel\_rodrigo@maybank-atrke.com

- Conglomerates
- Property
- Ports/Logistics
- Gaming

## Katherine TAN

(63) 2 849 8843 kat\_tan@maybank-atrke.com

- Banks
- Construction

## Ramon ADVIENTO

(63) 2 849 8845 ramon\_adviento@maybank-atrke.com

- Mining

## THAILAND

## Sukit UDOMSIRIKUL Head of Research

(66) 2658 6300 ext 5090

Sukit.u@maybank-ke.co.th

## Mayuree CHOWVIKARN

(66) 2658 6300 ext 1440 mayuree.c@maybank-ke.co.th

- Strategy

## Padon Vannarat

(66) 2658 6300 ext 1450 Padon.v@maybank-ke.co.th

- Strategy

## Surachai PRAMUALCHAROENKIT

(66) 2658 6300 ext 1470 Surachai.p@maybank-ke.co.th

- Auto
- Conmat
- Contractor
- Steel

## Suttatip PEERASUB

(66) 2658 6300 ext 1430 suttatip.p@maybank-ke.co.th

- Media
- Commerce

## Sutthichai KUMWORACHAI

(66) 2658 6300 ext 1400 sutthichai.k@maybank-ke.co.th

- Energy
- Petrochem

## Termporn TANTIVIVAT

(66) 2658 6300 ext 1520 termporn.t@maybank-ke.co.th

- Property

## Woraphon WIROONSRI

(66) 2658 6300 ext 1560 woraphon.w@maybank-ke.co.th

- Banking & Finance

## Jaroornpan WATTANAWONG

(66) 2658 6300 ext 1404 jaroornpan.w@maybank-ke.co.th

- Transportation
- Small cap.

## Chatchai JINDARAT

(66) 2658 6300 ext 1401 chatchai.j@maybank-ke.co.th

- Electronics

## Institutional Research

## Maria LAPIZ Head of Institutional Research

Dir (66) 2257 0250 | (66) 2658 6300 ext 1399

Maria.L@maybank-ke.co.th

- Consumer / Materials

## Jesada TECHAHUSDIN, CFA

(66) 2658 6300 ext 1394 Jesada.T@maybank-ke.co.th

- Financial Services

## Kittisorn PRUITIPAT, CFA, FRM

(66) 2658 6300 ext 1395 Kittisorn.P@maybank-ke.co.th

- Real Estate

## SITTICHAJ DUANGRATTANACHAYA

(66) 2658 6300 ext 1393 Sittichai.D@maybank-ke.co.th

- Services Sector

## VIETNAM

## Nguyen Thi Ngan Tuyen

(84) 844 55 58 88 x 8081 tuyen.nguyen@maybank-kimeng.com.vn

- Food and Beverage
- Oil and Gas

## Hang Vu

(84) 844 55 58 88 x 8087 hang.vu@maybank-kimeng.com.vn

- Banking

## Trinh Thi Ngoc Diep

(84) 844 55 58 88 x 8242 diep.trinh@maybank-kimeng.com.vn

- Technology
- Utilities
- Construction

## Dang Thi Kim Thoa

(84) 844 55 58 88 x 8083 thoa.dang@maybank-kimeng.com.vn

- Consumer

## Nguyen Trung Hoa

(84) 844 55 58 88 x 8088 hoa.nguyen@maybank-kimeng.com.vn

- Steel
- Sugar
- Resources

## APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

### DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be relied upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. MKE may, to the extent permitted by law, act upon or use the information presented herein, or the research or analysis on which they are based, before the material is published. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

#### Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

#### Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

#### Thailand

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. Maybank Kim Eng Securities (Thailand) Public Company Limited ("MBKET") does not confirm nor certify the accuracy of such survey result.

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of MBKET. MBKET accepts no liability whatsoever for the actions of third parties in this respect.

#### US

This research report prepared by MKE is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. All resulting transactions by a US person or entity should be effected through a registered broker-dealer in the US. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations.

#### UK

This document is being distributed by Maybank Kim Eng Securities (London) Ltd ("Maybank KESL") which is authorized and regulated, by the Financial Services Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.



## DISCLOSURES

### Legal Entities Disclosures

**Malaysia:** This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938-H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This material is issued and distributed in Singapore by Maybank KERPL (Co. Reg No 197201256N) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Kim Eng Securities ("PTKES") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the BAPEPAM LK. **Thailand:** MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Kim Eng Securities JSC (License Number: 71/UBCK-GP) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** Kim Eng Securities India Private Limited ("KESI") is a participant of the National Stock Exchange of India Limited (Reg No: INF/INB 231452435) and the Bombay Stock Exchange (Reg. No. INF/INB 011452431) and is regulated by Securities and Exchange Board of India. KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) **US:** Maybank KESUSA is a member of/ and is authorized and regulated by the FINRA – Broker ID 27861. **UK:** Maybank KESL (Reg No 2377538) is authorized and regulated by the Financial Services Authority.

### Disclosure of Interest

**Malaysia:** MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

**Singapore:** As of 25 December 2013, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

**Thailand:** MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

**Hong Kong:** KESHK may have financial interests in relation to an issuer or a new listing applicant referred to as defined by the requirements under Paragraph 16.5(a) of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

As of 25 December 2013, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

## OTHERS

### Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

### Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

**No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.**

### Definition of Ratings (For MayBank Kim Eng Thailand)

Maybank Kim Eng Research uses the following rating system:

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

### Applicability of Ratings

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

### Some common terms abbreviated in this report (where they appear):

Adex = Advertising Expenditure	FCF = Free Cashflow	PE = Price Earnings
BV = Book Value	FV = Fair Value	PEG = PE Ratio To Growth
CAGR = Compounded Annual Growth Rate	FY = Financial Year	PER = PE Ratio
Capex = Capital Expenditure	FYE = Financial Year End	QoQ = Quarter-On-Quarter
CY = Calendar Year	MoM = Month-On-Month	ROA = Return On Asset
DCF = Discounted Cashflow	NAV = Net Asset Value	ROE = Return On Equity
DPS = Dividend Per Share	NTA = Net Tangible Asset	ROSF = Return On Shareholders' Funds
EBIT = Earnings Before Interest And Tax	P = Price	WACC = Weighted Average Cost Of Capital
EBITDA = EBIT, Depreciation And Amortisation	P.A. = Per Annum	YoY = Year-On-Year
EPS = Earnings Per Share	PAT = Profit After Tax	YTD = Year-To-Date
EV = Enterprise Value	PBT = Profit Before Tax	

-  **Malaysia**  
**Maybank Investment Bank Berhad**  
 (A Participating Organisation of  
 Bursa Malaysia Securities Berhad)  
 33rd Floor, Menara Maybank,  
 100 Jalan Tun Perak,  
 50050 Kuala Lumpur  
 Tel: (603) 2059 1888;  
 Fax: (603) 2078 4194
- Stockbroking Business:  
 Level 8, Tower C, Dataran Maybank,  
 No.1, Jalan Maarof  
 59000 Kuala Lumpur  
 Tel: (603) 2297 8888  
 Fax: (603) 2282 5136
-  **Philippines**  
**Maybank ATR Kim Eng Securities  
 Inc.**  
 17/F, Tower One & Exchange Plaza  
 Ayala Triangle, Ayala Avenue  
 Makati City, Philippines 1200
- Tel: (63) 2 849 8888  
 Fax: (63) 2 848 5738
-  **South Asia Sales Trading**  
 Kevin FOY  
 kevinfoy@maybank-ke.com.sg  
 Tel: (65) 6336-5157  
 US Toll Free: 1-866-406-7447
-  **Singapore**  
**Maybank Kim Eng Securities Pte Ltd**  
**Maybank Kim Eng Research Pte Ltd**  
 9 Temasek Boulevard  
 #39-00 Suntec Tower 2  
 Singapore 038989
- Tel: (65) 6336 9090  
 Fax: (65) 6339 6003
-  **Hong Kong**  
**Kim Eng Securities (HK) Ltd**  
 Level 30,  
 Three Pacific Place,  
 1 Queen's Road East,  
 Hong Kong
- Tel: (852) 2268 0800  
 Fax: (852) 2877 0104
-  **Thailand**  
**Maybank Kim Eng Securities  
 (Thailand) Public Company  
 Limited**  
 999/9 The Offices at Central World,  
 20<sup>th</sup> - 21<sup>st</sup> Floor,  
 Rama 1 Road Pathumwan,  
 Bangkok 10330, Thailand
- Tel: (66) 2 658 6817 (sales)  
 Tel: (66) 2 658 6801 (research)
-  **North Asia Sales Trading**  
 Eddie LAU  
 eddielau@kimeng.com.hk  
 Tel: (852) 2268 0800  
 US Toll Free: 1 866 598 2267
-  **London**  
**Maybank Kim Eng Securities  
 (London) Ltd**  
 6/F, 20 St. Dunstan's Hill  
 London EC3R 8HY, UK
- Tel: (44) 20 7621 9298  
 Dealers' Tel: (44) 20 7626 2828  
 Fax: (44) 20 7283 6674
-  **Indonesia**  
**PT Kim Eng Securities**  
 Plaza Bapindo  
 Citibank Tower 17<sup>th</sup> Floor  
 Jl Jend. Sudirman Kav. 54-55  
 Jakarta 12190, Indonesia
- Tel: (62) 21 2557 1188  
 Fax: (62) 21 2557 1189
-  **Vietnam**  
*In association with*  
**Maybank Kim Eng Securities JSC**  
 1st Floor, 255 Tran Hung Dao St.  
 District 1  
 Ho Chi Minh City, Vietnam
- Tel : (84) 844 555 888  
 Fax : (84) 838 38 66 39
-  **New York**  
**Maybank Kim Eng Securities  
 USA Inc**  
 777 Third Avenue, 21st Floor  
 New York, NY 10017, U.S.A.
- Tel: (212) 688 8886  
 Fax: (212) 688 3500
-  **India**  
**Kim Eng Securities India Pvt Ltd**  
 2nd Floor, The International 16,  
 Maharishi Karve Road,  
 Churchgate Station,  
 Mumbai City - 400 020, India
- Tel: (91).22.6623.2600  
 Fax: (91).22.6623.2604
-  **Saudi Arabia**  
*In association with*  
**Anfaal Capital**  
 Villa 47, Tujjar Jeddah  
 Prince Mohammed bin Abdulaziz  
 Street P.O. Box 126575  
 Jeddah 21352
- Tel: (966) 2 6068686  
 Fax: (966) 26068787

[www.maybank-ke.com](http://www.maybank-ke.com) | [www.maybank-keresearch.com](http://www.maybank-keresearch.com)

Source: Thai Institute of Directors (IOD)

## Disclaimer

The disclosure of the survey result of the Thai Institute of Directors Association (IOD) regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. Maybank Kim Eng Securities (Thailand) does not confirm nor certify the accuracy of such survey result.