

Asia Media Group Bhd

AMGB MK / ASMG.KL

NOT RATED

➤ **Market Cap**
US\$26.02m
 RM85.27m

➤ **Avg Daily Turnover**
US\$0.28m
 RM0.89m

➤ **Free Float**
70.0%
 501.6 m shares

Current	RM0.17
Target	N/A
Prev. Target	N/A
Up/Downside	N/A

CIMB Analyst(s)



YEOH Yung-Juen CFA
 T (60) 3 2084 9911
 E yungjuen.yeoh@cimb.com

Company Visit ☒ Expert Opinion ☐
 Channel Check ☐ Customer Views ☐

Share price info

Share price perf. (%)	1M	3M	12M
Relative	13.2	-4.1	-68.9
Absolute	13.3	-2.9	-60.5

Major shareholders	% held
Wong SK Holdings Sdn Bhd	30.0
Koh Siew Kong	4.5
Koh Siew Boon	3.0

The bus stops here

Asia Media is a stock with deep value that is on the cusp of a successful business transformation that could dramatically alter its growth prospects. It owns rights to three blocks of spectrum and broadcasting licences that enable it to broadcast live content to over 1,500 buses.

If successful, its FY14 core net profit could double yoy after the commercialisation of its Live transit TV network by 1Q14. Asia Media trades at 2.9x CY14 P/E, providing a sufficient margin of safety for investors, in our view. We value it at 28.4sen (fully diluted, ex-rights) for 72.5% upside, based on 10.1x CY14 P/E or 35% below our market target P/E of 15.6x. This is within the trading range since its 2011 listing.

Unique model ➤

Asia Media owns rights to three blocks of spectrum and three 10-year communication licences, which combined would enable the company to broadcast live content to 4,300 LCD screens on over 1,550 buses running through the Klang Valley and Johor Bahru. Its current Transit TV Network is a static one where content is pre-recorded and shown on a loop throughout the day. Once commercialised, Asia Media's Live transit TV network would enable the company to broadcast real-time infotainment content and TV programmes such as news, public

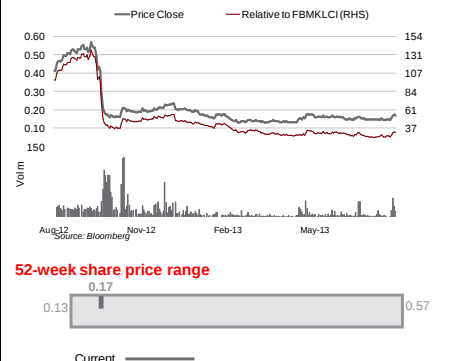
announcements, interviews and sports events.

Transformation ➤

Successful commercialisation would allow Asia Media to diversify revenue by selling more airtime and interactive advertising services. Also, Asia Media can increase its channel streams from one to 12, enabling it to broadcast unique content to different types of consumers segmented by location and demographics. To fund growth, Asia Media is in the midst of raising up to RM82.8m via a 1:1 rights issue (plus 1:4 free warrants), which goes ex on 23 Aug, this Friday.

Deep value ➤

We believe Asia Media is under appreciated and misunderstood. Its share price has underperformed due to the long development period for its Live transit TV network. As a result, trading metrics do not reflect the company's stable of spectrum rights and this is a unique opportunity to capitalise on Asia Media's aggressive growth plans.



Financial Summary

	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12
Revenue (RMm)	6.5	13.2	16.6	36.5	44.8
Operating EBITDA (RMm)	2.2	4.2	11.3	17.2	21.7
Pretax profit (RMm)	1.4	3.4	10.3	15.0	15.9
Net Profit (RMm)	1.4	3.4	10.3	15.0	11.8
Core EPS (sen)	1.1	2.6	6.0	6.6	2.4
Core EPS growth (%)	-	137%	131%	11%	-64%
Core P/E (x)	15.1	6.4	2.8	2.5	6.9
DPS (sen)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
EV/EBITDA (x)	36.1	18.6	7.0	4.5	4.1
P/FCFE (x)	-	-	5.2	(3.1)	(4.2)
Net gearing (%)	-	-	5%	3%	6%
P/BV (x)	-	-	0.4	0.7	1.1
ROE (%)	-	-	44%	25%	15%
Net debt (RMm)	-	-	1.2	1.7	4.6
FCFE (RMm)	-	-	4.1	(12.2)	(19.2)

SOURCE: CIMB, COMPANY REPORTS

1. BACKGROUND

1.1 History and management

Asia Media started operations in 2007, with headquarters in Puchong after it was awarded a concession to operate a transit TV system on 1,050 RapidKL stage buses. The same year, Asia Media was awarded MSC status by the Malaysia Development Corporation (MDEC). The company continued to grow and in 2008, was awarded a concession to operate the transit TV system for 250 causeway link stage buses in Johor Bahru owned by Handal Indah Sdn Bhd.

In Jan 11, Asia Media was listed on the ACE Market of Bursa Malaysia and two years later in Feb 13, it was transferred to the main market of Bursa Malaysia. Day-to-day operations are led by Dato' Ricky Wong, who is the CEO and appointed to the board in 2009. He is also the single largest shareholder of Asia Media with a 30% equity interest.

1.2 Business model

Asia Media is a key player in Malaysia's digital out-of-home (DOOH) advertising industry, focusing on transit media advertising. The company generates advertising revenue from over 4,300 LCD screens installed on 1,550 buses in the Klang Valley and Johor where monthly ridership tops 16.3m (Figure 1).

The company has exclusive agreements with RapidKL, Handal Indah (Causeway Link buses plying Singapore-Johor Bahru), and Malaysian intercity express coaches such as Plusliner and Nice (Figure 2,3). It is now in negotiations with Rapid-Penang to install 640 LCD screens on 320 buses by mid-2014.

Figure 1: Asia Media's transit-TV bus network

Fleet owner	Promoter	Geography	Buses	% total	Screens	% total	Monthly ridership	Unique ridership
Rapid-KL	Prasanara	Klang Valley	1,050	68%	3,000	70%	12,000,000	1,240,000
Handal Indah	Johor sultan	JB to S'pore	250	16%	900	21%	4,000,000	500,000
Nice++, Plusliner	Private	Nationwide	250	16%	400	9%	300,000	300,000
			1,550	100%	4,300	100%	16,300,000	2,040,000

SOURCES: CIMB, COMPANY REPORTS

Figure 2: RapidKL's bus network



SOURCES: CIMB, COMPANY REPORTS

Figure 3: Causeway Link's bus fleet



SOURCES: CIMB, COMPANY REPORTS

In addition to its LCD screen operations, Asia Media

i) owns rights to use three blocks of the L-band spectrum in the 1,542-1,592 Mhz band; and

ii) holds three broadcasting licences: Content Application Services Provider (CASP), Network Service Provider (NSP) and Network Facilities Provider (NFP) licences.

Asia Media's L-band spectrum rights are renewed each year for 12 months to 31 Dec while its three communication licences are valid for 10 years from 21 Mar 10 to 20 Mar 20 and are subject to further renewal after the 10th year.

A description of Asia Media's spectrum rights and broadcasting licenses are described in Figure 4.

Figure 4: Asia Media's spectrum rights and licenses

Spectrum right	Function	Holders of the spectrum rights
3 blocks of 1MHz each in the 1,542-1,592MHz band; (renewed annually for one year on 31 Dec)	Enables Asia Media to broadcast live content to its TV transit network	Asia Media, the Malaysian military
Licenses	Description	Holders of the license
Content Application Services Provider (CASP)	For owners of satellite earth stations, broadband fiber optic cables, telecom lines and exchanges, radio-communications transmission equipment, mobile communications base stations and broadcasting transmission towers.	Asia Media, TM Net, BFM Media, Asiaspace , YTL Comm, Measat Radio Comm (Astro subsidiary), Measat Broadcast Network Systems (Astro subsidiary)
Network Service Provider (NSP)	To provide connectivity and bandwidth support between different networks.	Asia Media, DiGi, TM, Celcom, Maxis, Asiaspace, Y Max Networks, YTL Comm, U Mobile, Puncak Semangat, Malaysia Airports, MEASAT Broadcast Network Systems (Astro subsidiary), MEASAT Satellite Systems
Network Facilities Provider (NFP)	To provide local content programmes, those that promote Malaysian culture, national identity and public announcements by the government.	Asia Media, DiGi, TM, Celcom, Asiaspace, Maxis, Y Max Networks, YTL Comm, U Mobile, Malaysia Airports, Puncak Semangat, MEASAT Broadcast Network Systems (Astro subsidiary), MEASAT Satellite Systems

SOURCES: CIMB, COMPANY REPORTS

1.3 Unique set of assets and unique opportunities ►

The spectrum rights and broadcasting licences would enable Asia Media to broadcast live content to the LCD screens installed on buses in the Klang Valley and Johor. At the moment, content is pre-recorded and played on these buses.

If content can be broadcast to the buses, Asia Media's TV transit system can be transformed into a dynamic and live broadcasting network. For example, instead of showing only one type of content on all the busses (one channel), access to spectrum would enable Asia Media to show multiple content streams (up to 12 channels) to different buses plying different routes.

Advertising and airtime can then be sold based on different social, economic, and demographic profiles. Overall, this would give Asia Media the opportunity to enhance its revenue streams by selling more airtime, various types of interactive advertisements and also raise the prices it charges for advertising.

1.4 Timing is right ►

Asia Media's aim to distribute live content is not new. Plans have been in the works for almost two years, during which time management has enhanced its network by improving signal coverage, performing rigorous field tests and installing gap-fillers to minimise blind spots.

Management has since installed repeaters to fill the blind spots, which would enhance Asia Media's communications network and enable the company to launch a high-quality live transit TV network on the Klang Valley and Johor bus routes.

Asia Media is now doing live trials on about 100 buses in the Klang Valley. Based on existing results, management is optimistic that it can commercialise its live system by 1Q14.

2. OUTLOOK

2.1 Live TV transit network to come online 1Q14 ►

Under its current system, Asia Media is only able to show pre-recorded content whereby content is recorded beforehand and repeated on a 60-min loop throughout the day (buses operate 18 hours/day). Asia Media's operating team swaps the tapes on all the buses at the relevant depots on a weekly basis.

However, once its live TV transit network is commercialised, Asia Media will be able to broadcast real-time infotainment content and TV programming such as news, public announcements, interviews and sports events. This would drastically enhance the attractiveness of Asia Media's transit TV channel offerings and air-time slots.

Asia Media's access to the L-band spectrum will also enable it to expand its content channels from just one to 12 (four digital channels per spectrum block). This would allow Asia Media to deliver targeted and specialised content to different bus routes and charge higher advertisement rates as content is broadcast live. We illustrate Asia Media's service offering before and after the commercialisation of its Live transit TV network in Figure 5.

Figure 5: Difference between Asia Media's existing and live TV networks

Variable	Existing recorded network	Live TV transit network
Technology	Pre-recorded content	Live broadcast of content
Content repetition	Repeats every 60mins	No repetition
Content : advertising mix	50% : 50%	50% : 50%
Advertising air-time capacity	30mins per day	540mins per day
Content channels	1 channel (single stream)	12 channels (multi streams)

SOURCES: CIMB, COMPANY REPORTS

2.2 Rights issue to fund expansion ►

Asia Media could raise up to RM190.6m from the conversion of 250.8m existing warrants, issuance of 752.4m new shares and exercise of 188.1m additional free warrants tagged to its rights issue (Figure 6).

Figure 6: Maximum proceeds Asia Media could raise (RMm)

Instrument / exercise	Proceeds	Comments
Existing warrants	62.7	250.8m warrants at a strike of RM0.25/warrant
Rights issue	82.8	752.4m new shares at RM0.11/share
New warrants	45.1	188.1m new warrants at a strike of RM0.24/warrant
	<u>190.6</u>	

SOURCES: CIMB, COMPANY REPORTS

Maximum proceeds from the rights issue of RM82.8m will be used to enhance its live TV transit network, repay bank borrowings and pay creditors.

Figure 7: Rights issue's key dates (name and stock number: AMEDIA-OR, 0159OR)

Event	Date
Ex-date	23-Aug-13
Entitlement date	27-Aug-13
Rights shares start to trade	28-Aug-13
Despatch of prospectus	29-Aug-13
Rights shares cease to trade	4-Sep-13
Transfer of rights	6-Sep-13
Last day for payment	11-Sep-13
Subscription results	17-Sep-13
Listing date of rights shares	26-Sep-13

SOURCES: CIMB, COMPANY REPORTS

Figure 8: Sources and uses of funds, in a maximum scenario (RMm)

Sources of funds	Uses of funds
Rights issue	82.8 1) Capex
- Rights issue ratio 1 : 1	a) Klang Valley - Five units of gap fillers 16.9
- 752.4m new shares at RM0.11/share	b) Johor Bahru - One transmission tower 6.8
	c) Johor Bahru - Four units of gap fillers 13.5
	d) Penang - One transmission tower 6.8
	e) Penang - Four units of gap fillers 13.5
	57.5
	2) Repayment of bank borrowings 4.2
	3) Working capital 20.5
	4) Expenses in relation to the rights issue 0.5
	82.8

SOURCES: CIMB, COMPANY REPORTS

The rights issue will also lower the company's gearing and prepare it for its next phase of growth. Based on the maximum cash raised after the repayment of borrowings (i.e. RM82.8m less RM4.2m or RM78.5m), its gross gearing could fall from 5.7% to 0.1% (Figure 9).

Figure 9: Leverage ratios before and after rights issue

FY12	Pre-rights	Rights	Ex-rights
Gross debt (RMm)	4.6	4.2	0.4
Cash and equivalents (RMm)	12.6	78.5	91.2
Shareholders equity (RMm)	79.9	159.8	239.7
Gross gearing (%)	5.7%	n.a.	0.1%
Net gearing (%)	-10.1%	n.a.	-37.9%

SOURCES: CIMB, COMPANY REPORTS

2.3 FY14 could be a landmark year ►

During our recent visit, we sensed that the company is confident of its operating and financial performance for FY14. After three years developing the infrastructure and system for its live broadcasting network, the company believes it has overcome major technical and operational hurdles to a launch of its live TV network. Management is carrying out commercialisation trials for its Live transit TV network, which are proceeding as planned.

Based on the successful trials, Asia Media expects to launch its Live transit TV network by 1Q14. The company will continue to keep its pre-recorded system on the buses as a contingency, which will serve as a backup system for its live transit TV system.

Based on improvements to its live TV transit network, management believes Asia Media can increase its FY14 net profit by 94-289% yoy from an estimated RM14.7m in FY13 to some RM28.5m-57.1m (Figure 10).

Figure 10: Asia Media's management forecast (RMm)

	FY12A	FY12A	FY12A	FY13E	FY14F		FY14 yoy growth	
					Base	Stretch	Base	Stretch
Net profit	10.3	15.0	11.8	14.7	28.5	57.1	94%	289%
EPS (sen)	2.1	3.0	2.3	2.9	5.7	11.4	n.a.	n.a.
P/E (x)	8.0	5.5	7.0	5.6	2.9	1.4	n.a.	n.a.
Current price (sen)	16.5							

SOURCES: CIMB, COMPANY REPORTS

2.4 Since our last report ►

We last wrote about Asia Media's potential in Jun 11, highlighting the prospects of its Live transit TV network. This did not materialise as management had needed more time to enhance its network. While it has taken management some time to roll out its network fully, we believe its new launch date by 1Q14 can be achieved as live trials have been successful so far. Also, over the past two years, Asia Media had spent time upgrading its broadcasting network by installing gap-fillers, improving coverage signals and subjecting its network to rigorous field tests.

3. RISKS

3.1 Regulations and regulators ►

Asia Media's aim to create a live TV transit network is highly dependent on its access to the L-band spectrum and broadcasting licences to deliver content.

Changes in Malaysia's communication regulatory framework could be negative for Asia Media if the company's spectrum rights are not renewed or if the spectrum rights are taken back and auctioned off by the regulator.

The CASP, NSP and NFP licences that Asia Media has are also crucial to its future expansion. These licences would enable the company to broadcast content and own communication base stations. If they are revoked or not renewed, Asia Media's management could be forced to rethink its business strategy.

3.2 Execution of business plans ►

Asia Media's live TV transit network is new to Malaysia and while the commercialisation of the system is likely by 1Q14, it may be challenging for Asia Media to sell all its advertising and air-time slots.

Advertisers and corporates with a long history of advertising on more conventional media platforms such as TV, print and the Internet may prefer to wait and see and evaluate the live TV transit network's efficacy before committing their advertising budgets to this new method of delivery.

4. VALUATION

4.1 Our methodology explained ►

We believe valuing Asia Media using P/Es is most appropriate as the company is in the midst of a business transformation and expects a significant boost to its earnings from FY14 onwards.

Figure 11 lists the small caps under our coverage, our respective valuation methodologies and their implied discounts to our KLCI target of 15.6x P/E. Their average discount is 16% (13.1x P/E), ranging from a 69.2% discount (4.8x P/E) to a 34.6% premium (21.0x P/E).

Our valuation is also based on Asia Media's fully-diluted theoretical ex-rights price, assuming full conversion of its warrants, which in our view, presents the most conservative valuation case.

Figure 11: Small-cap valuation metrics

Sector	Company	Method	vs. 15.6x KLCI target market P/E (Implied)	Valuation basis
<u>vs. Sector</u>				
Retail	Asia File Corporation	7.2x P/E	54% below	40% below 12.0x sector P/E
Retail	Xingquan International	0.6x P/BV	n.a.	20% below 0.75x sector P/BV
Packaging	Tomypak Holdings	9.5x P/E	39% below	30% below Daibochi's CY14 target P/E
Packaging	Daibochi Plastics	13.0x P/E	17% below	In line with 13.0 sector P/E
Timber	Eksons Corporation	4.8x P/E	69% below	40% below 8.0x sector P/E
Oil & Gas	Perisai Petroleum	15.6x P/E	In line	30% below 22.3x O&G big cap P/E
Industrial	Wellcall Holdings	12.8x P/E	18% below	10% below 14.2x Top Glove target P/E
Education	Prestariang	12.5x P/E	20% below	15% below 14.7x sector P/E
<u>vs. Market</u>				
Tech	Cuscapi	21.0x P/E	35% above	37.2% premium to 15.6x market P/E
Tech	Uchi Technologies	10.1x P/E	35% below	35% below 15.6x market P/E
Tech	MY E.G. Services	18.7x P/E	20% above	20% premium to 15.6x market P/E
Tech	JobStreet Corp	19.0x P/E	22% above	In line with 19.0x sector P/E
<u>RNAV method</u>				
Education	HELP International Corp	RNAV	n.a.	10% discount to RNAV
Construction	Muhibbah Engineering	RNAV	n.a.	30% discount to RNAV
Average		12.5x P/E	-16.0%	
Minimum		4.8x P/E	-69.2%	
Maximum		21.0x P/E	34.6%	

SOURCES: CIMB, COMPANY REPORTS

4.2 Equity valuation ►

Assuming full take-up of its rights and full conversion of its warrants, we value Asia Media at 28.4sen, based on:

- a net profit base of RM28.5m; and
- 10.1x P/E or 35% below our market P/E target of 15.6x.

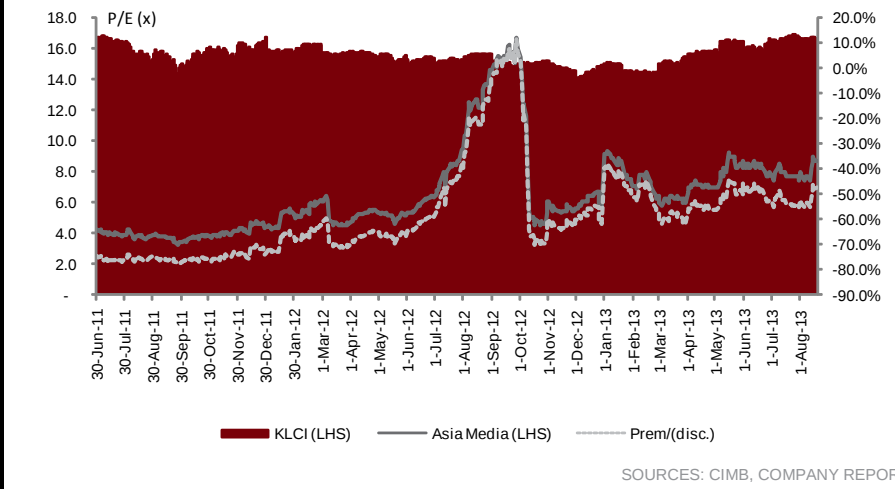
Figure 12: Asia Media - Theoretical ex-rights price and equity valuation

1) Current market cap (RMm)	87.8	501.6m shares at 16.5sen/share
Proceeds from existing warrants (RMm)	62.7	250.8m warrants at a strike of RM0.25/warrant
Proceeds from rights issue (RMm)	82.8	752.4m new shares at RM0.11/share
Proceeds from new warrants (RMm)	45.1	188.1m new warrants at a strike of RM0.24/warrant
	278.4	
Fully diluted shares outstanding after rights issue (m)	1,692.9	Total = 501.6m+250.8m+752.4m+188.1m
Fully diluted theoretical ex-rights price (sen/share)	16.4	
2) FY14 proforma net profit, base case (RMm)	28.5	Asia Media's earnings guidance
3) Equity valuation (RMm)	10.1x	289.5 35% discount to 15.6x target market P/E
Cash from existing warrants (RMm)	62.7	250.8m warrants at a strike of RM0.25/warrant
Cash from rights issue (RMm)	82.8	752.4m new shares at RM0.11/share
Cash from new warrants (RMm)	45.1	188.1m new warrants at a strike of RM0.24/warrant
	480.1	
Fully diluted shares outstanding after rights issue (m)	1,692.9	
Fully diluted equity valuation per share (sen/share)	28.4	Implies 72.5% upside

SOURCES: CIMB, COMPANY REPORTS

We believe this P/E discount is fair and conservative as it is: 1) within the range of Asia Media's average P/E discount of 77.2% to a 11.5% premium (average 58.4% discount) to the KLCI since its listing; 2) within the range of discounts for our small-cap universe; and 3) equal to Uchi Tech's target valuation, which is the lowest of all the small-cap tech stocks under our coverage (Figures 11, 12, 13).

Figure 13: Asia Media vs. the KLCI: historical P/E valuations



This valuation implies 72.5% upside based on a fully-diluted theoretical ex-rights price of 16.4sen (Figure 12). This is significant due to Asia Media's small size and the market's lack of appreciation for its business model and growth prospects.

Figure 14: Sector comparisons

Company	Bloomberg Ticker	Recom.	Price	Target Price	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
			(local curr)	(local curr)		CY13	CY14		CY13	CY14	CY13	CY14	CY13	CY14	CY13	CY14
Astro Malaysia	ASTRO MK	Outperform	2.98	3.44	4,727	32.3	29.9	17.3%	6.91	6.88	22.8%	23.1%	38.11	33.49	2.3%	3.3%
Media Chinese Int'l	MCIL MK	Underperform	1.14	1.20	587	11.9	13.0	-9.3%	2.61	2.79	21.5%	22.3%	8.02	7.57	13.7%	4.6%
Media Prima Bhd	MPR MK	Neutral	2.69	3.05	900	13.2	12.4	2.9%	4.09	3.74	32.1%	31.5%	6.27	5.87	6.4%	6.8%
Star Publications	STAR MK	Neutral	2.66	2.76	599	13.6	12.0	1.7%	1.68	1.60	12.7%	13.7%	6.74	5.96	6.8%	6.8%
Malaysia average						22.3	21.0	7.8%	4.58	4.50	21.4%	21.9%	26.93	24.26	4.2%	4.2%

SOURCES: CIMB, COMPANY REPORTS, BLOOMBERG

DISCLAIMER

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

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

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

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

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

CIMB or its affiliates may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CIMB may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. CIMB prohibits the analyst(s) who prepared this research report from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/her coverage of company(ies) in the performance of his/her duties or the performance of his/her 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 16, 2013 CIMB has a proprietary position in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) Astro Malaysia, Media Prima Bhd, Star Publications

(ii) As of August 19, 2013, the analyst(s) who prepared this report, has / have an interest in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

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

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CIMB and its affiliates' clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments thereof. Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report. The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

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

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

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

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

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

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

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

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

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

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

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

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

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

As of August 16, 2013, CIMBR does not have a proprietary position in the recommended securities in this report.

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

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

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

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

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

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

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

Corporate Governance Report:

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

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

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

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

Recommendation Framework #1 *

Stock

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

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

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

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

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

Sector

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

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

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

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

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

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

CIMB Research Pte Ltd (Co. Reg. No. 198701620M)

Recommendation Framework #2 **

Stock

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.

Sector

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

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

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

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

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

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

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

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

