March 31, 2014

Tropicana Corporation

TRCB MK / TROP.KL

NOT RATED

Market Cap	Avg Daily Turnover	Free Float
US$580.2m	US$0.69m	29.5%
RM1,899m	RM2.27m	1,366 m shares

Current	RM1.39
Target	N/A
Prev. Target	N/A
Up/Downside	N/A

CIMB Analyst(s)

Terence WONG, CFA
T (60) 3 2261 9088
E terence.wong@cimb.com

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

Share price info

Share price perf. (%)	1M	3M	12M
Relative	1.4	13.6	-20.4
Absolute	2.2	13	-9.8

Major shareholders	% held
Tan Sri Dato' Danny Tan	70.5
Berjaya Corporation	3.0

A developer to be reckoned with

Tropicana has gone through some ups and downs in the past few years as it sought to stamp its mark on the property sector. It has grown rapidly and aggressively while beefing up its management team. With a massive GDV landbank of RM77bn, it is becoming too big to ignore.

Valuations are very attractive due to the share price selldown on perceived conflict of interest issues. Applying a 30-40% discount to its fully diluted RNAV of RM5.11, the lower end of our discount range and in line with discounts accorded to smaller-cap property stocks, we get a valuation range of RM3.07-3.58 for Tropicana. This would offer investors substantial upside of 121-158%.

Tropicana has come a long way

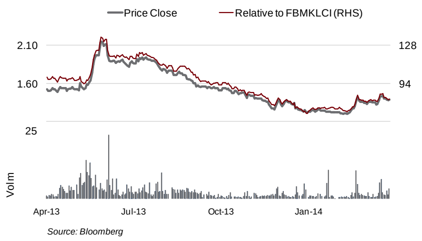
In just 3-4 years, Tropicana has accumulated landbank with a massive GDV of RM77bn including sizeable strategic landbank in the Klang Valley, Iskandar Malaysia and Penang. Its GDV puts it second only to UEM Sunrise. Tropicana has also boosted its new sales from a mere RM429m in 2011 to RM2.17bn in 2013, in the process lifting its net profit from RM77m to RM378m. However, its market cap of only RM1.9bn puts its GDV to market cap ratio at 41x, the highest in the property sector.

Management beefed up

To sustain its strong sales and profitability growth, Tropicana has added several key management personnel with vast experience in property development and corporate strategy. Its transformation blueprint includes 1) unlocking value through development and land sales, 2) de-gearing and 3) strategic partnerships, which are potential significant re-rating catalysts.

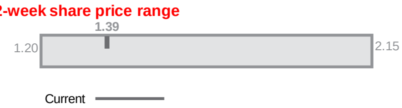
Conflict of interest concerns to be addressed?

Tropicana's emergence as a developer to be reckoned with was interrupted by the surprise move by its major shareholder Tan Sri Danny Tan to inject private landbank in Iskandar Malaysia into Singapore-listed Albedo. As a result, its share price took a big hit, falling 44% from its highs last year. We believe management will endeavour to address any corporate governance concerns and implement industry best practices to regain investor confidence. Any move to eliminate conflict of interest concerns would be viewed very positively by investors.



Source: Bloomberg

52-week share price range



Financial Summary

FY Dec	2009	2010	2011	2012	2013
Revenue (RM m)	311.8	282.3	375.2	630.4	1,475.5
EBITDA (RM m)	72.3	54.5	109.6	252.2	462.2
EBITDA margins (%)	23.2	19.3	81.6	40.0	31.3
Pretax profit (RM m)	72.1	53.4	99.2	224.9	503.6
Net profit (RM m)	50.5	43.2	77.0	171.1	378.4
EPS (sen)	18.8	9.5	16.4	32.5	34.3
EPS growth (%)	41.4	(49.5)	72.8	97.8	5.6
P/E (x)	7.7	15.3	8.8	4.5	4.2
Net DPS (sen)	-	3.8	2.3	4.8	4.5
Dividend yield (%)	-	2.6	1.6	3.3	3.1
P/NTA (x)	0.8	0.7	0.6	0.5	0.6
ROE (%)	6.0	4.4	7.4	8.2	14.7
Net gearing (%)	(17.9)	(3.0)	83.9	77.1	55.3

SOURCE: CIMB, COMPANY REPORTS

1. BACKGROUND

1.1 Very aggressive expansion

We first met Tropicana's major shareholder and Group Executive Vice Chairman Tan Sri Danny Tan in 2011 when the company embarked on a landbanking spree. We were keen to find out then why the company had suddenly become so active in the property scene and why it was willing to pay top dollar for large tracts of land. Tan Sri said that there was no point doing things half-heartedly and that if Tropicana wanted to be serious about property development, it should go all out. At that time, we had reservations about whether Tropicana could pull off the aggressive expansion plan as it was not in the same league as the SP Setias and Mah Sings of this world which had steadily built up their landbank and reputations over many years.

Figure 1: Major landbanking efforts since 2010

		Location	Development type	Size	Cost	Cost	Original GDV
				(acres)	(RM m)	(RM psf)	(RM m)
1	Aug-10	Danga Bay, Iskandar	Mixed development	37.0	308.0	190.00	3,800
2	Jun-11	Subang, Selangor	Mixed development	88.5	385.5	100.00	2,500
3	Aug-11	Pulai, Johor	Mixed development	227.0	220.0	22.25	2,800
4	Sep-11	Kajang, Selangor	Mixed development	198.5	228.0	26.37	2,000
5	Nov-11	Penang island*	Mixed development	102.6	1,072.2	240.00	10,000
6	Jun-12	Pulai, Johor	Mixed development	55.1	105.1	43.80	NA
7	Feb-13	Johor Bahru	Hotel & residence	6.0	85.9	330.00	3,700
8	Apr-13	Canal City, Selangor*	Mixed development	1,172.0	1,297.3	25.41	8,600
9	Sep-13	Pulai, Johor	Mixed development	256.5	366.6	32.80	6,400
10	Dec-13	Senibong, Johor	Mixed development	60.0	444.3	170.00	3,700
Total				**2,203.2**	**4,512.8**	**47.02**	**43,500**

*Note * Penang and Canal City land is staggered payment*

SOURCES: CIMB, COMPANY REPORTS

Three years on, these are our views of the company 1) its aggressive landbanking has paid off in spades as land prices in Malaysia over the past 2-3 years have surged due to strong appreciation of physical property prices during that period, 2) the company has managed to beef up its management team to meet its staffing requirements and has brought on board professionals with much experience in property development and corporate strategy, and 3) its share price has been very volatile as its big ambitions and successful push for new sales have boosted investor interest but investors have also fretted over corporate governance issues due to the perceived conflict of interest on the landbanking front with Tan Sri Danny's private side.

1.2 Landbank with big potential

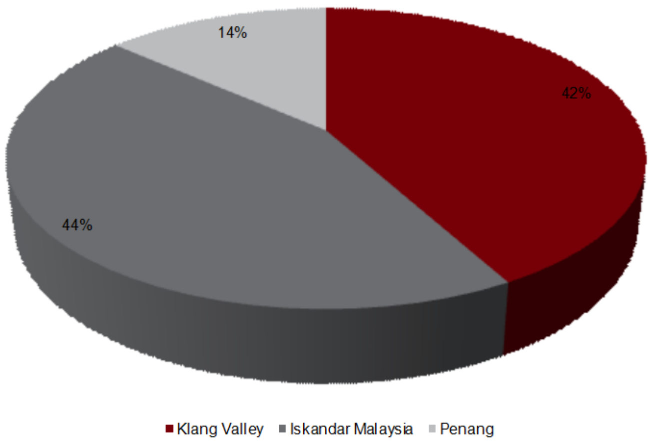
Tropicana has 1,710 acres of landbank in Malaysia with undeveloped GDV of a massive RM77bn. This places the group second only to UEM Sunrise for companies under our coverage. The bulk of its landbank was acquired only in the last 3-4 years. At the time of acquisition, Tropicana paid market prices or even premiums to secure the land. However, in retrospect, the prices paid for the land can be considered cheap. Take for example the group's 37 acres in Danga Bay. The land was acquired for RM190 psf in 2010 while the most recent transaction reached close to RM1,000 psf. Tropicana was right in being aggressive in landbanking over the past few years. Location-wise, Tropicana's landbank in terms of GDV is almost evenly spread between the Klang Valley and Iskandar Malaysia, with Penang at a much lower 14%.

Figure 2: Landbank and GDV

Type	Location	Acres	GDV (RM m)
Tropicana Aman	Canal City, Selangor	440.0	13,000
Tropicana Cove	Iskandar Malaysia	227.0	12,140
Penang World City	Penang island	102.6	10,086
Tropicana Danga Bay	Iskandar Malaysia	37.3	8,370
Tropicana Metropark	Subang, Selangor	88.5	7,165
Gelang Patah (Pulai) - Parcel 2	Iskandar Malaysia	256.6	6,440
Senibong Waterfront	Iskandar Malaysia	60.0	3,673
Tropicana City Centre	Jln Tun Razak, JB	21.9	3,602
Tropicana Gardens	Kota Damansara, Selangor	19.3	2,744
Tropicana Danga Lagoon	Iskandar Malaysia	62.2	2,500
Tropicana Heights	Kajang, Selangor	198.5	1,726
TDB Hotel & Residences	Iskandar Malaysia	6.0	1,336
W KL Hotel & Residences	Kuala Lumpur	1.3	1,150
Tropicana Bukit Bintang	Kuala Lumpur	3.1	1,140
Other land bank	Malaysia	186.2	2,555
Total		**1,710.46**	**77,627**

SOURCES: CIMB, COMPANY REPORTS

Figure 3: Undeveloped GDV by location



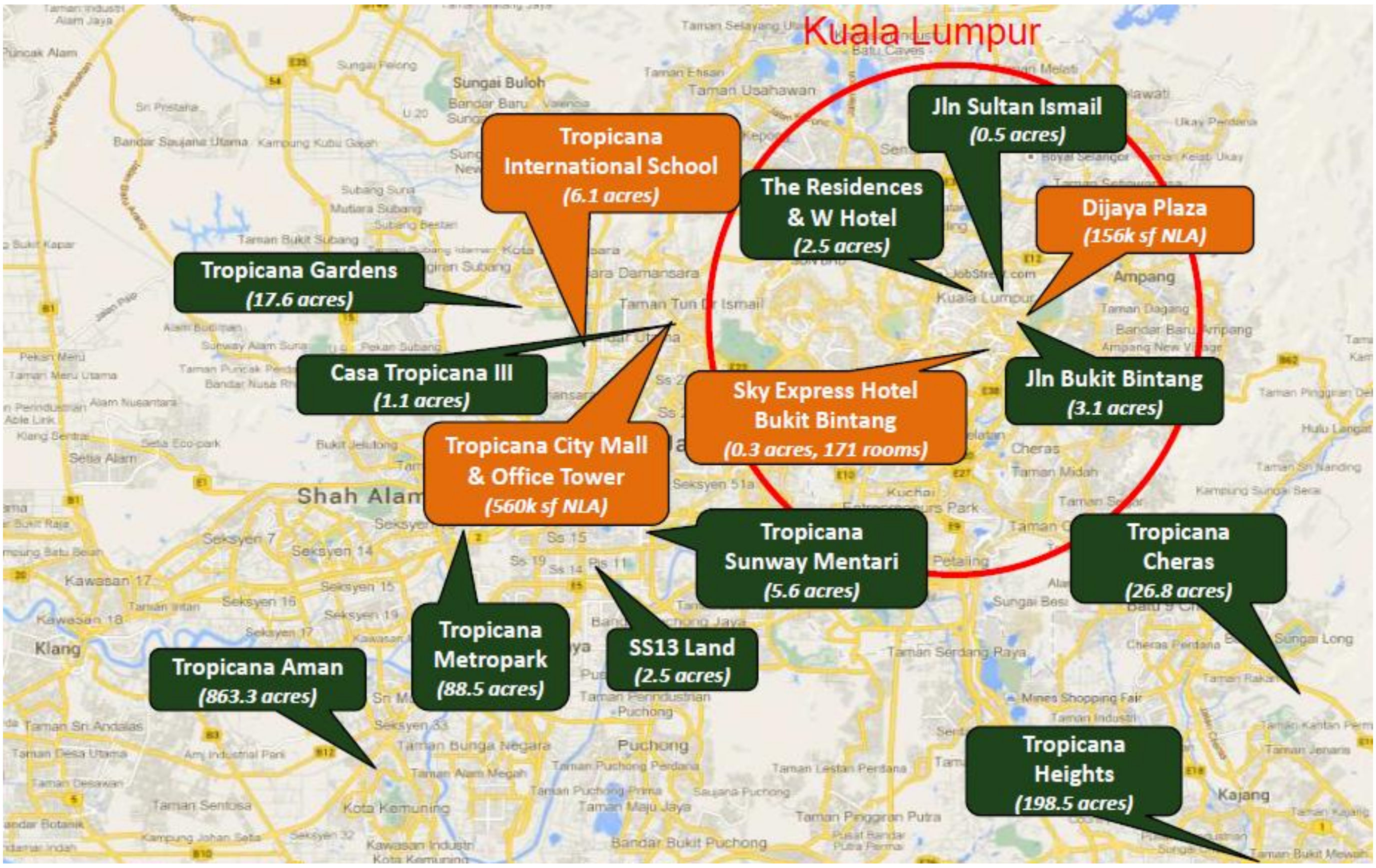
SOURCES: CIMB, COMPANY REPORTS

Figure 4: Developers compared

	Sales (RM m)		GDV	Landbank	2013 Unbilled sales
Sales	**2012**	**2013**	**(RM bn)**	**(acres)**	**(RM m)**
E&O	790	530	40	1,471	720
Mah Sing	2,500	3,000	27	1,588	4,400
SP Setia	4,230	8,240	75	5,329	9,640
UEM Sunrise	2,460	3,000	80	11,728	4,100
UOA Dev	1,710	2,000	18	114	1,300
Tropicana	968	2,167	77	1,710	2,180

SOURCES: CIMB, COMPANY REPORTS

Figure 5: Klang Valley landbank



SOURCE: CIMB RESEARCH, COMPANY

Figure 6: Johor landbank

SOURCE: CIMB RESEARCH, COMPANY

Figure 7: Penang landbank

SOURCE: CIMB RESEARCH, COMPANY

We would consider most of the group's landbank to be strategically located. Its largest project with the highest GDV (RM13bn) is Tropicana Aman, which is adjacent to IJM Land's hugely popular 1,879-acre Bandar Rimbayu township. Tropicana recently sold 308 acres out of the 748 acres of net land available for development there to Eco World Development, an up-and-coming developer with some of the most capable property people (mostly ex-SP Setia) behind it. Eco World's presence will add value and enhance the attractiveness of the location to buyers. Tropicana's major landbank in Penang, the 103-acre Penang World City with a GDV of RM10bn, is located south of the Penang Bridge and in a new growth corridor due to the opening of the Second Penang Bridge.

Figure 8: Tropicana Metropark (Subang)

SOURCE: CIMB RESEARCH, COMPANY

Figure 9: Tropicana Heights (Kajang)

SOURCE: CIMB RESEARCH, COMPANY

Figure 10: Tropicana Danga Bay

SOURCE: CIMB RESEARCH, COMPANY

Figure 11: Tropicana Danga Cove

SOURCE: CIMB RESEARCH, COMPANY

1.3 Professional management beefed up

In Mar 2011, Edmund Kong Woon Jun was appointed to the board as executive director and was recently promoted to group managing director in charge of operations. Mr Kong has over 20 years experience in property development and was the director of project and product planning of the incredibly successful Desa ParkCity project in 2003-08. In Jan 2013, Dato' Yau Kok Seng was brought on board as Group CEO. Dato' Yau, a chartered accountant, was with the diversified Sunway Group for nearly 20 years. In Mar 2014, KC Kok joined Tropicana as group managing director, in charge of corporate and strategy. Mr. Kok was with the CIMB Group for 10 years in various senior roles. Tropicana's strategy of hiring experienced people and rewarding them well is necessary to build capacity and knowhow quickly in order to unlock the value of the group and ensure sustainable growth.

Tropicana's transformation blueprint was established in 2013 and involves five key initiatives 1) unlocking value through development, 2) unlocking value through land sales, 3) de-gearing, 4) strategic partnerships, and 5) enhancing corporate identity via rebranding. We view the strategy of the blueprint positively as we agree the company needs to de-gear its balance sheet and can do so now that much of the landbank it has acquired over the past few years has gone up significantly in value. The relatively cheap landbank also gives the group an advantage in terms of competitive pricing and higher margins for property development and quick cash inflow for outright land sales. Also, we welcome the potential sale of investment properties as that would not only help pare down borrowings but also boost ROA and create a more asset-light structure.

Figure 12: Transformation blueprint

Unlocking Value Through Development

- Realising value of our sizeable landbank
- Accelerating inventory sales and fast tracking new launches
- Enhancement of profit margin through value engineering; and harnessing synergies via centralised procurement and shared services

Unlocking Value Through Land Sales

- Pursue land sale opportunities to accelerate and enhance returns to shareholders
- Target sustainable disposal strategy to generate recurring income stream

De-Gearing Initiatives

- Accelerate de-gearing via disposal of land parcels and none-core investment assets
- Target to achieve long term net gearing of < 0.5x

Strategic Partnerships

- Forming strategic partnerships at projects level to accelerate growth

Enhance Corporate Identity Via Re-Branding Exercise

- Official name change to Tropicana Corporation Berhad
- Current & future projects to carry common Tropicana brandname
- Improve brand equity to command premium product pricing
- Concurrent IR rebranding to institutionalize shareholders base

SOURCES: CIMB, COMPANY REPORTS

The assets that Tropicana is considering disposing include the Tropicana City Mall and the adjacent office tower as well as Plaza Dijaya in Kuala Lumpur worth over RM700m. It is also negotiating for the en bloc sale of W Hotel near to KLCC worth over RM1bn in GDV and a dozen parcels of land in the Klang Valley, Negeri Sembilan and Sabah worth RM265m. These disposals could raise a total of more than RM1bn and cut total borrowings from RM1.92bn to around RM800-900m.

Figure 13: Land for sale

Landbank	Region	Location	Stake	Acres	sq.ft.	Mkt value (RM m)	Mkt Value (RM psf)	NBV (RM m)
Tropicana Mentari	Central	Klang Valley	100%	5.6	242,651	97.1	400.0	19.4
Jalan Harapan, PJ	Central	Klang Valley	100%	2.8	122,945	40.6	330.0	18.8
SS13, Subang Jaya	Central	Klang Valley	100%	2.5	107,295	48.3	450.0	31.0
Lot 2480, Jln Kepong Besar	Central	Klang Valley	100%	0.8	36,592	10.7	292.7	10.2
Rahang land, Seremban	Southern	Negeri Sembilan	100%	2.4	105,303	5.1	48.5	4.8
Pekan Bukit Kepayang, Neg. Sembilan	Southern	Negeri Sembilan	100%	2.0	87,112	9.5	108.5	8.5
Double Up, Off Jalan Lintas, KK	Northern	Sabah	100%	1.2	50,267	5.5	110.0	5.0
Sadong Jaya, KK	Northern	Sabah	100%	1.0	43,604	9.2	211.9	8.4
Jalan Albert Kwok, KK	Northern	Sabah	100%	0.9	39,840	18.5	465.0	16.9
Lido Junction, Penampang	Northern	Sabah	100%	1.7	72,947	6.9	95.0	6.6
Jalan Segama, Lahad Datu	Northern	Sabah	100%	1.3	54,450	3.2	58.6	3.0
Tawau City land	Northern	Sabah	100%	0.8	34,950	6.3	180.8	5.7
Taman Tshun Ngen, Sandakan	Northern	Sabah	100%	1.5	66,214	3.8	57.1	3.5
Total						**264.7**		**141.8**

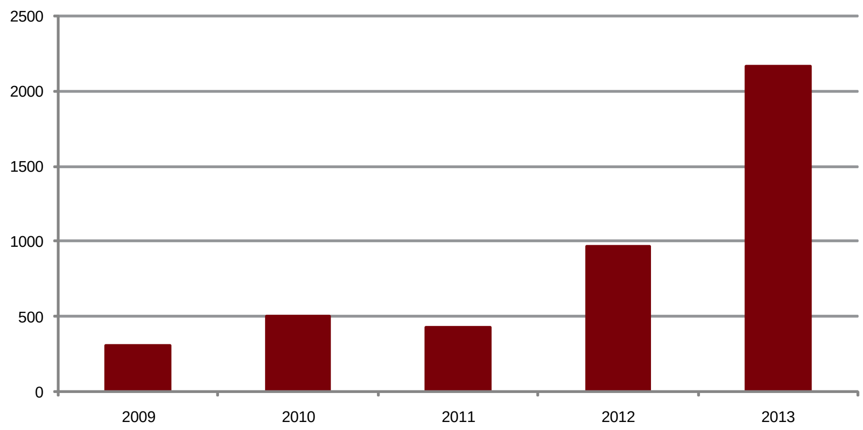
SOURCES: CIMB, COMPANY REPORTS

2. OUTLOOK

2.1 Property development doing fine

Tropicana has shown a knack for acquiring sizeable and strategically located landbank and having the foresight to spot locations where land values subsequently appreciated rapidly. But more important than being a good landbanker is the ability to unlock the value of the land via launches and sales. On this front, Tropicana has been able to deliver strong sales last year, with new sales more than doubling from RM968m in 2012 to RM2.17bn. But last year was an outstanding year for most developers and it is uncertain if Tropicana's sales performance is sustainable. This year will be more crucial as property market sentiment has been dampened somewhat by measures taken by the government to curb speculation. We believe this is the year that will separate the boys from the men.

Figure 14: New sales (RM m)



SOURCES: CIMB, COMPANY REPORTS

Tropicana is targeting to launch more than RM3bn worth of properties in 2014 and to achieve sales of more than RM2bn. Its launches are focused in the Klang Valley as the three projects to be launched there make up 61% of total group launches. Penang is the second highest with two projects making up 28% of total launches. Tropicana is more cautious about Iskandar Malaysia and rightly so given the flood of supply, especially by Country Garden in Danga Bay. Tropicana's two projects to be launched there make up only 11% of group launches. We are most comfortable with the two new landed projects in the Klang Valley, i.e. Tropicana Heights in Kajang and Tropicana Aman given the strong demand for landed properties in general. Combined, the launches from the two projects make up 47% of group launches.

Figure 15: FY14 launches

Project	Location	RM m	
Tropicana Danga Bay	Iskandar Malaysia	217	7.2%
Tropicana Danga Cove	Iskandar Malaysia	122	4.0%
Tropicana Heights	Kajang, Selangor	646	21.3%
Tropicana Aman	Canal City, Selangor	771	25.5%
Tropicana Gardens	Kota Damansara, Selangor	429	14.2%
Penang World City	Penang Island	528	17.4%
Tropicana Macalister	Penang Island	314	10.4%
Total		**3,027**	**100.0%**

SOURCES: CIMB, COMPANY REPORTS

2.2 Corporate governance issues

Last Sep, investors and analysts were taken aback by Tan Sri Danny Tan's proposal to inject 762 acres of landbank in Iskandar Malaysia into Singapore-listed Albedo Ltd for S$774m. This was because he had earlier injected RM943m worth of privately owned assets into Tropicana in order to consolidate all his property holdings into a single entity. Investors were surprised that he had managed to accumulate so much additional landbank within a short period of time and that he had chosen to inject it into another vehicle. With two vehicles, the question of which projects by which company would take precedence and which company would be the preferred acquisition vehicle surfaced. From a high of RM2.15 in May 2013, Tropicana shares were sold down to a low of RM1.20 in Feb 14, a steep fall of 44%.

Figure 16: Tropicana's share price performance (RM)

SOURCES: CIMB, COMPANY REPORTS

Recent press reports, however, indicate that the deal to inject landbank into Albedo may be terminated. We believe any move to make Tropicana the key property vehicle would be positive for the company. Another positive would be any step by Tan Sri to use Tropicana for future landbank acquisitions instead of going through his private side. Tropicana's senior management has voiced the intention to make sure that questions about conflict of interest and corporate governance would be a thing of the past. Any move in this direction would be a big catalyst for the share price.

3. RISKS

3.1 Measures to cool property demand

The government has taken a series of measures since last year to curb rising household debt and property speculation. The state governments of Johor and Penang have also imposed additional measures of their own to tax foreign purchases of properties. This has resulted in a dampening of sentiment for properties that will affect all developers. But we believe the measures will only have a relatively short-term impact on residential property demand and that buying will normalise by mid-2014 before picking up strongly in 2H as potential buyers realise that property prices may rise ahead of the implementation of 6% GST in Apr 2015.

Figure 17: Policies to curb speculation

Date	Policy
Oct-09	Reintroduction of RPGT at 5% for first five years
Nov-11	Loan-to-value ratio for 3rd property capped at 70%
Oct-11	RPGT raised to 10% for first two years
Jan-12	Loan eligibility based on net pay and not gross pay
Oct-12	RPGT raised by 5%pts for all five years
Jul-13	Housing loan tenure capped at 35 years from 45 previously
Oct-13	RPGT raised to 30% for first 3 years and declining thereafter
	Foreign purchase minimum price raised from RM500k to RM1m
	Increase transparency in property sale price quoted to banks
	Developers interest bearing scheme abolished
Feb-14	Bulk sales by developers to persons or group to be curbed?

SOURCES: CIMB, COMPANY REPORTS

3.2 Conflict of interest not addressed

Should there be further landbank acquisitions by Tan Sri on his private side and more asset injections into Albedo or other listed companies, it would exacerbate the uncertainties over the importance of Tropicana. Reassurances from Tropicana's senior management must be backed by action or investors would assign even wider discounts to factor in the risks.

3.3 Sustainability and execution

Tropicana may have the "hardware" in terms of landbank and projects to be launched but the most important factor for property developers is management. This is best reflected by the share price fallout for SP Setia following the exodus of its staff to Eco World. Tropicana must have sufficient management and staffing "software" to ensure that customer satisfaction and product quality can keep up with its strong growth. Management and staffing stability is also crucial in making sure that the transformation blueprint is executed well.

3.4 Relatively high gearing

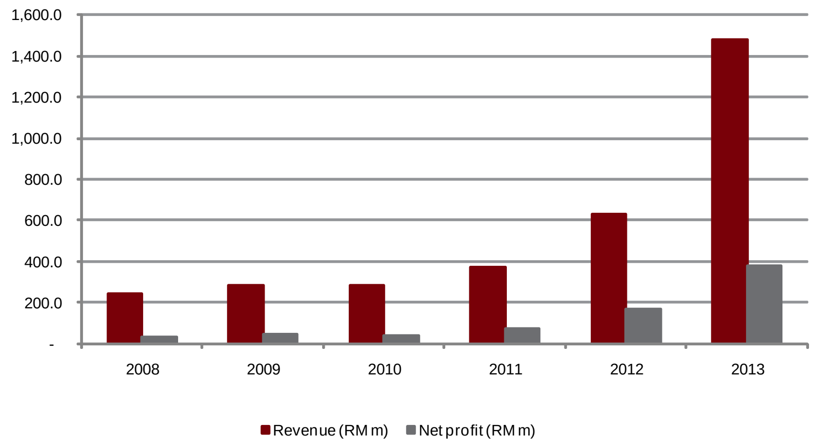
Tropicana's gross gearing stands at 0.75x while net gearing is 0.55x. This is relatively high as most developers try to keep net gearing at 0.3-0.4x. Tropicana is making a concerted effort to de-gear but attractive landbanking opportunities are sometimes too good to miss and that pushes gearing back up. Tropicana has lined up over RM1bn worth of investment properties and landbank for sale which could bring down net gearing to around 0.4x even after factoring RM500m-600m of land acquisitions to be paid this year.

4. FINANCIALS

4.1 Strong earnings growth

2013 was Tropicana's best-ever year in terms of sales, revenues and profits. 2014 should be even better if new sales can continue to exceed RM2bn annually and the group manages to secure another big land sale. This is despite 2013's profits being boosted by RM218m in fair valued adjustments. As for net gearing, the recent sale of 308 acres to Eco World Development Group will bring in RM471m cash and RM170m in net profits, and should keep gearing around the 0.5x level as it will help to pay for landbanking obligations for the Senibong and and Gelang Patah land.

Figure 18: Revenues and profits



SOURCES: CIMB, COMPANY REPORTS

5. VALUATION

5.1 The desire to be big

Tropicana has been keen to grow big rapidly, either through organic means (aggressively buying landbank and hiring professionals to execute property development projects) or the quicker route of M&A. It has been reported that Tropicana was interested in a merger with Mah Sing Group or other reputable developers but the stumbling block was whether a merged firm with two large shareholders could work well together.

5.2 Staying with the plan

We believe the first route of buying landbank and executing well may take longer and involve more hard work but it holds strong promise for shareholders as long as the incentive structure is in place to build the human resources to achieve this aim. This was achieved in SP Setia when founder and CEO Tan Sri Liew Kee Sin built the company from a small developer into the behemoth it is today. He instituted a meritocratic work environment that rewarded excellence handsomely. SP Setia staffers are fiercely loyal to him and give their best to the firm. SP Setia's share price has also been a stellar performer over the years.

5.3 A deeply undervalued stock

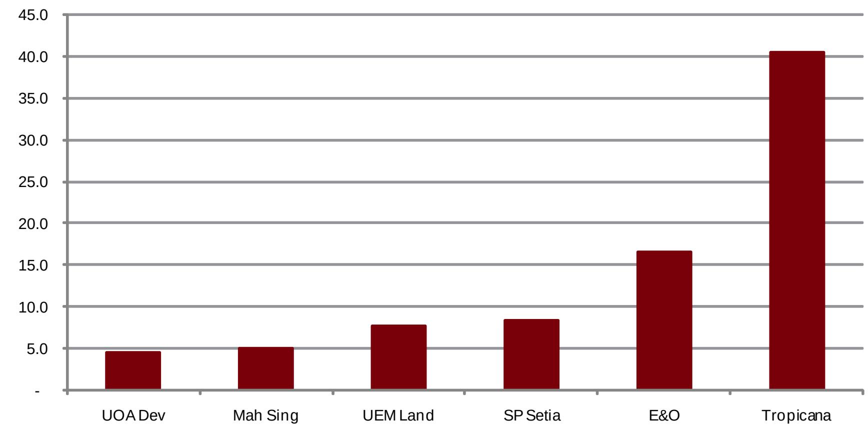
Credibility issues are holding back Tropicana's share price. Valuation-wise, Tropicana is extremely attractive. The stock is trading at a steep discount of 73% to its fully diluted RNAV and a historical P/E of only around 4x. We estimate the group has close to RM10bn worth of assets (landbank and property investments), over 5x its market cap. The stock is even trading at a steep discount of 40% to its NTA of RM2.32. Its GDV/market cap ratio of 41x is much higher than stocks under our coverage and shows the potential impact of the unlocking of its hidden value.

Figure 19: GDV/market cap ratio

	Outstanding shares (m)	Price (RM)	Market cap (RM m)	GDV (RM bn)	GDV/mkt cap (x)
E&O	1,136	2.12	2,407.5	40	16.6
Mah Sing	1,357	2.15	2,918.0	15	5.1
SP Setia	2,459	2.93	7,204.0	60	8.3
UEM Sunrise	4,537	2.19	9,936.9	76	7.6
UOA Dev	1,340	2.09	2,800.2	13	4.5
Tropicana	1,366	1.39	1,898.2	77	40.6

SOURCES: CIMB, COMPANY REPORTS

Figure 20: GDV to market cap compared



SOURCES: CIMB, COMPANY REPORTS

5.4 Tropicana shares valued at RM3.07-3.58

As Tropicana is still at the early stages of its transformation and hiccups are yet to be fully addressed, we would value the stock at the low end of the discount range assigned to the developers under our coverage. The discount ranges from zero for the new market proxy, Mah Sing Group to 30% for developers with poorer execution. For smaller-cap developers, the discount is wider at 30-40%. Assigning the low end of the discount range and in line with smaller developers' discount of 30-40%, Tropicana would still be valued at a high range of RM3.07-3.58 as its fully diluted RNAV is much higher at RM5.11. This would provide investors significant upside of 121-158%.

Tropicana's RNAV has a good chance of being unlocked by the transformation blueprint and therefore, the wide discount of over 70% attached to the stock currently should narrow over time. The key catalysts to drive such a re-rating would be 1) continued strong sales and earnings growth, 2) disposals of property investments and excess landbank, and 3) elimination of corporate governance concerns. Investors with a higher appetite for risks have an option in the warrants which have an exercise price of RM1 and expire in Dec 2019. Based on the RM3.07-3.58 value for the parent share, the warrants would have intrinsic values of RM2.07-2.58 at those levels, which provide investors even higher upside of 209-285%.

Figure 21: Tropicana Corp's RNAV

Type	Location	Size/units		Area (sq. ft.)	Price (RM psf)	Stake	Value (RM m)
Tropicana Gardens	Kota Damansara, Selangor	19.3	ac	840,708	450.00	70%	264.8
Tropicana Metropark	Subang, Selangor	88.5	ac	3,855,060	300.00	100%	1,156.5
Tropicana Heights	Kajang, Selangor	198.5	ac	8,646,660	50.00	100%	432.3
Tropicana Aman	Canal City, Selangor	440.0	ac	19,166,400	55.00	100%	1,054.2
W KL Hotel & Residences	Kuala Lumpur	1.3	ac	55,757	3,700.00	100%	206.3
Tropicana Bukit Bintang	Kuala Lumpur	3.1	ac	136,778	2,800.00	100%	383.0
TDB Hotel & Residences	Iskandar Malaysia	6.0	ac	260,053	850.00	60%	132.6
Tropicana Danga Bay	Iskandar Malaysia	37.3	ac	1,624,788	850.00	60%	828.6
Tropicana Cove	Iskandar Malaysia	227.0	ac	9,888,120	200.00	50%	988.8
Tropicana Danga Lagoon	Iskandar Malaysia	62.2	ac	2,709,432	250.00	100%	677.4
Tropicana City Centre	Jln Tun Razak, JB	21.9	ac	955,388	500.00	100%	477.7
Gelang Patah (Pulai) - Parcel 2	Iskandar Malaysia	256.6	ac	11,175,318	38.00	100%	424.7
Senibong Waterfront	Iskandar Malaysia	60.0	ac	2,613,600	250.00	70%	457.4
Penang World City	Penang island	102.6	ac	4,469,256	350.00	55%	860.3
Other land bank	Malaysia	186.2	ac	8,110,319	50.00	100%	405.5
Landbanking obligations							(1,758.8)
Proceeds from land sale							469.6
Fixed assets							554.3
Investment properties							1,299.4
Other long term assets							55.0
Net current assets less dev. prop.							316.6
Long term liabilities							(1,808.6)
Total RNAV							**7,877.6**
No. of shares (m)							1,365.6
RNAV per share (RM)							**5.77**
Warrants @RM1							154.0
RCULS @RM1.50							76.3
Fully diluted shares (m)							1,570.5
Fully diluted RNAV per share (RM)							**5.11**

SOURCES: CIMB, COMPANY REPORTS

CIMB

Figure 22: Sector Comparison

Company	Bloomberg Ticker	Recom.	Price (local curr)	Tgt Px (local curr)	Mkt Cap (US$ m)	Core P/E (x) CY2014	Core P/E (x) CY2015	RNAV CY2014	Prem./(Disc.) to RNAV (%)	P/BV (x) CY2014	Div. Yield (%) CY2014
Bukit Sembawang Estates	BS SP	Add	5.40	7.41	1,109	5.7	5.4	10.58	-49%	0.93	3.2%
CapitaLand	CAPL SP	Add	2.82	3.51	9,525	17.1	13.6	4.67	-40%	0.73	2.3%
CapitaMalls Asia	CMA SP	Add	1.77	2.22	5,457	21.6	18.0	2.61	-32%	0.89	2.0%
City Developments	CIT SP	Hold	10.02	9.65	7,228	17.8	15.6	12.87	-22%	1.11	1.7%
Frasers Centrepoint Ltd	FCL SP	Add	1.53	2.06	3,496	9.1	8.7	2.94	-48%	0.67	2.6%
Global Logistic Properties	GLP SP	Add	2.62	3.48	9,893	33.3	27.7	3.48	-25%	1.10	1.9%
Ho Bee Land	HOBEE SP	Add	2.18	2.64	1,154	20.8	20.1	3.77	-42%	0.62	2.9%
Hongkong Land	HKL SP	Reduce	6.49	5.54	15,270	19.4	20.4	9.17	-29%	0.57	2.6%
Keppel Land	KPLD SP	Hold	3.35	3.51	4,108	13.0	10.0	4.68	-28%	0.69	2.3%
Overseas Union Enterprise	OUE SP	Add	2.24	3.32	1,617	27.4	22.5	4.15	-46%	0.87	1.8%
Singapore Land	SL SP	Add	9.43	8.52	3,086	15.1	12.7	14.20	-34%	0.71	2.1%
United Engineers	UEM SP	Hold	2.07	1.81	1,042	6.8	5.7	3.01	-31%	0.70	3.4%
UOL Group	UOL SP	Add	6.22	8.44	3,804	13.2	11.7	10.54	-41%	0.68	2.3%
Wheelock Properties (S)	WP SP	Hold	1.65	1.95	1,566	13.0	11.3	2.60	-37%	0.61	3.6%
Wing Tai Holdings	WINGT SP	Hold	1.83	1.88	1,141	7.3	7.3	2.69	-32%	0.48	4.1%
Singapore average						**16.0**	**14.0**		**-36%**	**0.76**	**2.6%**
Alam Sutera	ASRI IJ	Add	595	570	1,029	7.3	6.1	2,150	-72%	1.84	3.3%
Bekasi Fajar	BEST IJ	Reduce	565	375	479	7.4	5.5	796	-29%	1.81	6.9%
Bumi Serpong Damai	BSDE IJ	Reduce	1,635	1,100	2,518	14.1	13.2	2,668	-39%	2.45	1.7%
Ciputra Development	CTRA IJ	Add	1,160	950	1,548	16.0	10.2	2,136	-46%	2.51	1.7%
Ciputra Property	CTRP IJ	Hold	830	670	449	12.1	7.0	2,449	-66%	1.14	2.6%
Lippo Karawaci	LPKR IJ	Hold	1,085	920	2,204	11.7	11.3	2,230	-51%	1.84	2.4%
Metropolitan Land	MTLA IJ	Add	490	550	327	10.4	7.7	1,198	-59%	1.83	1.3%
Summarecon Agung	SMRA IJ	Add	1,065	1,160	1,352	11.0	8.9	2,057	-48%	2.73	2.3%
Surya Semesta Internusa	SSIA IJ	Add	955	980	396	5.0	4.0	1,157	-17%	1.54	3.6%
Indonesia average						**11.0**	**9.0**		**-54%**	**2.07**	**2.4%**
Eastern & Oriental	EAST MK	Add	2.12	2.37	717	19.1	12.2	3.38	-37%	1.59	2.1%
KLCC Property Holdings	KLCCSS MK	Hold	6.35	5.90	3,503	18.1	17.2	6.42	-1%	1.54	5.1%
Mah Sing Group	MSGB MK	Add	2.15	3.03	932	8.8	7.5	3.03	-29%	1.40	4.2%
SP Setia	SPSB MK	Hold	2.93	3.09	2,201	12.6	8.4	4.32	-32%	1.24	3.8%
UEM Sunrise Bhd	UEMS MK	Add	2.19	3.30	3,037	15.8	15.5	3.67	-40%	1.55	2.3%
UOA Development	UOAD MK	Add	2.09	2.45	855	7.4	6.6	3.06	-32%	1.09	6.7%
Malaysia average						**13.7**	**11.5**		**-29%**	**1.42**	**3.9%**
Amata Corporation	AMATA TB	Reduce	14.40	10.51	473	13.4	10.3	21.77	-34%	1.71	3.0%
Ananda Development	ANAN TB	Reduce	1.99	1.46	204	8.1	5.5	2.26	-12%	1.00	0.0%
AP (Thailand) PCL	AP TB	Reduce	5.25	4.52	462	6.8	5.8	7.00	-25%	0.91	5.9%
Hemaraj	HEMRAJ TB	Add	3.08	4.15	920	9.0	8.2	2.80	10%	2.21	5.1%
Land And Houses	LH TB	Reduce	9.60	8.39	2,962	14.8	13.7	6.00	60%	2.97	5.4%
LPN Development	LPN TB	Add	15.50	17.95	704	9.5	6.9	7.40	109%	2.12	5.3%
Pruksa Real Estate	PS TB	Add	20.00	22.81	1,369	8.0	6.6	14.82	35%	1.55	3.8%
Quality Houses	QH TB	Add	3.06	3.67	865	8.4	7.1	3.60	-15%	1.48	5.9%
Sansiri Public Co	SIRI TB	Hold	1.90	1.75	559	5.8	4.9	2.48	-23%	0.95	8.7%
SC Asset Corporation	SC TB	Add	3.18	4.91	363	6.3	5.2	na	na	0.85	6.4%
Supalai PCL	SPALI TB	Add	17.70	21.13	935	7.5	6.3	9.05	96%	1.73	5.3%
Thailand average						**9.2**	**7.8**		**na**	**1.70**	**5.2%**
Ayala Land Inc.	ALI PM	Add	29.60	38.80	9,347	27.1	24.1	43.14	-31%	3.88	1.4%
Megaworld Corporation	MEG PM	Add	4.13	4.40	2,943	14.2	11.8	na	na	1.51	0.8%
Philippine average						**22.2**	**19.2**		**na**	**2.80**	**1.2%**
Agile Property	3383 HK	Add	6.28	9.95	2,819	3.4	2.9	19.92	-68%	0.46	6.7%
China Overseas Grand Oceans	81 HK	Add	4.98	11.00	1,465	3.3	2.5	15.67	-68%	0.79	2.8%
China Overseas Land	688 HK	Add	19.82	27.60	20,880	6.9	5.7	30.73	-35%	1.25	2.6%
China Resources Land	1109 HK	Add	16.90	24.20	12,702	8.2	7.1	30.31	-44%	1.05	3.4%
Evergrande Real Estate	3333 HK	Hold	3.60	3.32	6,757	4.6	3.9	8.30	-57%	0.72	3.4%
Franshion Properties	817 HK	Add	2.49	3.35	2,941	6.2	5.2	5.61	-56%	0.63	3.4%
Guangzhou R&F	2777 HK	Add	10.42	13.55	4,328	3.8	3.3	22.66	-54%	0.72	6.8%
Hydoo International	1396 HK	Add	3.34	4.20	1,735	5.4	4.0	6.01	-44%	1.86	7.1%
KWG Property Holding	1813 HK	Add	4.18	7.00	1,559	3.5	3.0	11.82	-65%	0.49	8.7%
Longfor Properties	960 HK	Add	10.40	15.60	7,295	6.4	5.2	22.19	-53%	1.06	3.1%
Poly Property	119 HK	Hold	3.37	3.60	1,583	5.4	4.8	10.55	-68%	0.39	7.1%
Shimao Property	813 HK	Add	16.26	23.40	7,278	4.6	3.8	29.38	-45%	0.93	6.6%
Shui On Land	272 HK	Reduce	2.12	1.66	2,187	13.4	12.0	5.54	-62%	0.34	3.0%
Sino-Ocean Land	3377 HK	Hold	4.14	4.00	3,887	6.5	5.6	10.15	-59%	0.46	5.8%
SOHO China	410 HK	Hold	6.24	6.40	4,245	12.1	20.4	10.50	-41%	0.65	5.1%
Yuexiu Property	123 HK	Hold	1.55	1.65	1,863	6.8	5.7	4.59	-66%	0.46	5.9%
China average						**5.9**	**5.0**		**-57%**	**0.80**	**4.2%**
Cheung Kong (Holdings)	1 HK	Hold	127.5	118.0	38,066	10.3	10.3	161.3	-21%	0.77	2.5%
Henderson Land Development	12 HK	Reduce	44.00	40.93	15,308	12.3	13.8	68.44	-36%	0.49	2.4%
Hysan Development	14 HK	Reduce	33.30	30.20	4,566	17.5	16.9	53.01	-37%	0.59	3.4%
New World Development	17 HK	Reduce	7.52	8.85	8,328	6.0	5.9	17.70	-58%	0.32	4.8%
Sino Land Co	83 HK	Reduce	11.14	9.16	8,589	15.0	17.6	14.89	-25%	0.61	3.7%
Sun Hung Kai Properties	16 HK	Hold	93.65	94.22	32,648	12.9	14.0	145.0	-35%	0.61	3.4%
Swire Properties	1972 HK	Reduce	21.65	18.76	16,326	20.2	18.2	30.02	-28%	0.64	2.7%
Hong Kong average						**12.0**	**12.3**		**-32%**	**0.61**	**3.0%**
DLF Ltd	DLFU IN	Reduce	175.9	140.0	5,231	26.9	19.4	na	na	1.03	1.1%
Oberoi Realty Ltd	OBER IN	Add	219.3	250.0	1,202	15.6	12.6	na	na	1.53	1.5%
Sobha Developers Ltd	SOBHA IN	Add	349.4	333.0	572	13.0	10.8	na	na	1.18	1.0%
Unitech Ltd	UT IN	Reduce	12.10	10.00	528	9.9	7.3	na	na	0.27	0.0%
India average						**20.4**	**15.4**		**na**	**0.90**	**1.1%**
Huaku Construction Corp	2548 TT	Reduce	73.50	80.00	667	8.3	9.3	na	na	1.38	6.6%
Farglory Land	5522 TT	Reduce	51.20	47.00	1,401	6.7	5.6	na	na	1.02	9.0%
Prince Housing	2511 TT	Add	14.55	23.00	769	6.4	4.4	na	na	0.96	6.2%
Taiwan average						**7.0**	**5.8**		**na**	**1.08**	**7.8%**
Average (all)						**10.0**	**9.0**		**na**	**0.76**	**3.2%**

SOURCES: CIMB, BLOOMBERG, COMPANY REPORTS

DISCLAIMER

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

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

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

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

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

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

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

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

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

(i) As of March 28, 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) ARA Asset Management, Bukit Sembawang Estates, CapitaLand, CapitaMalls Asia, City Developments, Eastern & Oriental, Frasers Centrepoint Ltd, IOI Properties Group Bhd, Keppel Land, Mah Sing Group, Sansiri Public Co, Singapore Land, SP Setia, Sun Hung Kai Properties, Tropicana Corporation, UEM Sunrise Bhd, United Engineers, UOA Development, UOL Group, Wheelock Properties (S), Wing Tai Holdings

(ii) As of March 31, 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 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 March 28, 2014, CIMBR does not have a proprietary position in the recommended securities in this report.

CIMB Securities Singapore Pte Ltd and/or CIMB Bank Berhad have/has had an investment banking relationship with Overseas Union Enterprise within the preceding 12 months.

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.

As at the time of publishing this report CIMB is phasing in an absolute recommendation structure for stocks (Framework #1). Please refer to all frameworks for a definition of any recommendations stated in this report.

CIMB Recommendation Framework #1

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.

CIMB Stock Recommendation Framework #2 *

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 3% 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 3% or more 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)

CIMB Stock Recommendation Framework #3 **

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.

*** 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 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, **BEC** - Very Good, **BGH** - not available, **BJC** – Very Good, **BH** - Very Good, **BIGC** - Very Good, **BTS** - Excellent, **CCET** – Very Good, **CENTEL** – Very Good, **CK** - Excellent, **CPALL** - Very Good, **CPF** – Excellent, **CPN** - Excellent, **DELTA** - Very Good, **DTAC** - Excellent, **EGCO** – Excellent, **GLOBAL** - Good, **GLOW** - Very Good, **GRAMMY** – Excellent, **HANA** - Excellent, **HEMRAJ** - Excellent, **HMPRO** - Very Good, **INTUCH** – Excellent, **ITD** – Very Good, **IVL** - Excellent, **JAS** – Very Good, **KAMART** – not available, **KBANK** - Excellent, **KKP** – Excellent, **KTB** - Excellent, **LH** - Very Good, **LPN** - Excellent, **MAJOR** – Very Good, **MAKRO** – Very Good, **MCOT** - Excellent, **MINT** - Excellent, **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** – Very Good, **SPALI** - Excellent, **STA** - Good, **STEC** - 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.