



Selamat Sempurna

SMSM IJ / SMSM.JK

COMPANY NOTE

Market Cap
US\$362.3m
Rp3,491,197m

Avg Daily Turnover
US\$0.09m
Rp869.6m

Free Float
41.9%
1,440 m shares

Current Target **Rp2,425**
Previous Target **Rp2,750**
Up/downside **13.4%**

SHORT TERM (3 MTH) LONG TERM
TRADING BUY OUTPERFORM
TRADING SELL **NEUTRAL**
UNDERPERFORM

Notes from the Field



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Company Visit Expert Opinion
Channel Check Customer Views

“We are more positive on 2013 growth prospects compared to 2012.”

– Ang Andri Pribadi, CFO

Firm but modest prospects

The improving global sentiment and a weak rupiah favour SMSM. However, much like the global economic outlook, SMSM’s recovery is likely to be muted as it faces challenges from slow domestic heavy equipment parts demand and a more saturated export market.

Although risks have dissipated, the modest growth outlook does not support much upside. Our FY12-14 EPS forecasts are lifted by 2-5%, increasing our DCF-based target price to Rp2,750 (WACC: 12.7%, LTG: 5%). We upgrade our rating to Neutral from Underperform.

Improving global sentiment

A generally improving economic outlook in US (13% of revenue) and China (2% of revenue) has reduced some of the risk for Selamat Sempurna’s export recovery, which we previously expected not to come until 2H13. A persistently-weaker rupiah also benefits SMSM in two ways: increasing competitiveness and lifting the bottom line in rupiah terms, as 70% of SMSM’s sales are exports.

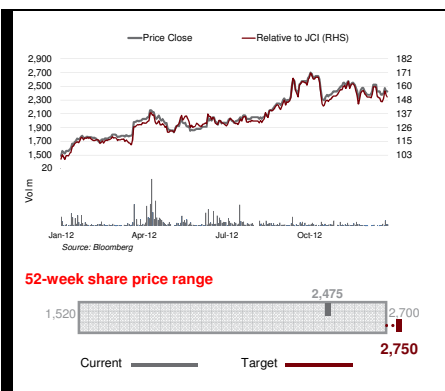
While we have yet to turn bullish on the tough European markets (9% of total sales), SMSM has started talks on new manufacturing contracts with new European partners, with some already signed only two weeks into 2013. Though the immediate impact is small, the talks signal real demand from its European markets.

Domestic heavy equipment segment still a drag

After a significant industry slowdown from June to November, Indonesia’s heavy equipment industry (55% of SMSM’s domestic market) seems to have stabilised, limiting further downside risks. Despite that, the industry growth is likely to be slow in 2013, as customers limit their expansion plans. On a more positive note, prospects on domestic auto are looking positive as car sales carve new highs. SMSM should benefit from the expanding replacement parts market pie and increasing OEM orders, despite LCGC.

Better prospects but recovery at measured pace

SMSM has underperformed the market since our last downgrade. Although recovery is looking more certain, the pace could be more modest compared to that experienced in the past. Moreover, the current lofty valuations against regional peers could limit further share price upside at the current pace of growth.



Financial Summary

	Dec-10A	Dec-11A	Dec-12F	Dec-13F	Dec-14F
Revenue (Rpb)	1,562	1,808	2,165	2,476	2,889
Operating EBITDA (Rpb)	232.5	302.1	334.6	374.7	435.1
Net Profit (Rpb)	150.4	200.9	223.9	248.4	292.5
Core EPS (Rp)	105.9	135.2	148.3	172.6	203.2
Core EPS Growth	12.2%	27.6%	9.7%	16.3%	17.7%
FD Core P/E (x)	22.90	17.94	16.35	14.05	11.94
DPS (Rp)	90.0	80.0	100.0	125.1	153.5
Dividend Yield	3.71%	3.30%	4.12%	5.16%	6.33%
EV/EBITDA (x)	16.33	12.56	11.82	10.48	9.05
P/FCFE (x)	23.77	29.23	25.37	19.70	13.31
Net Gearing	46.6%	36.7%	37.7%	28.7%	25.9%
P/BV (x)	6.72	5.76	5.08	4.61	4.25
Recurring ROE	30.0%	34.6%	33.0%	34.4%	37.0%
% Change In Core EPS Estimates			2.21%	4.65%	2.17%
CIMB/consensus EPS (x)			0.97	0.91	0.91

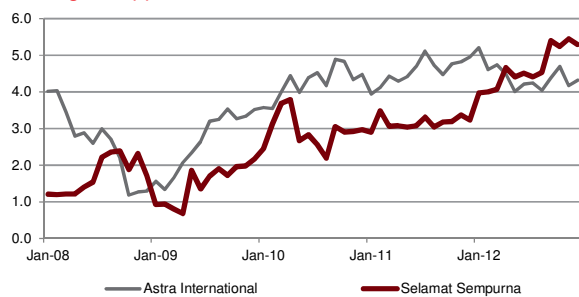
SOURCE: CIMB, COMPANY REPORTS

PEER COMPARISON

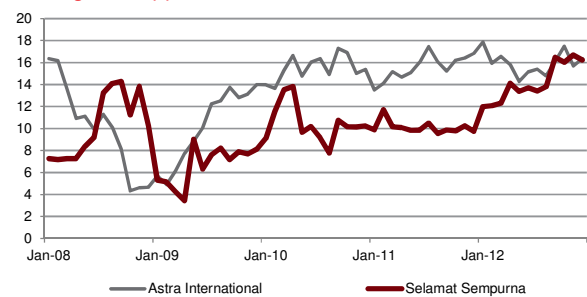
Research Coverage

	Bloomberg Code	Market	Recommendation	Mkt Cap US\$m	Price	Target Price	Upside
Astra International	ASII IJ	ID	OUTPERFORM	31,933	7,600	9,000	18.4%
Selamat Sempurna	SMSM IJ	ID	NEUTRAL	370	2,475	2,750	11.1%

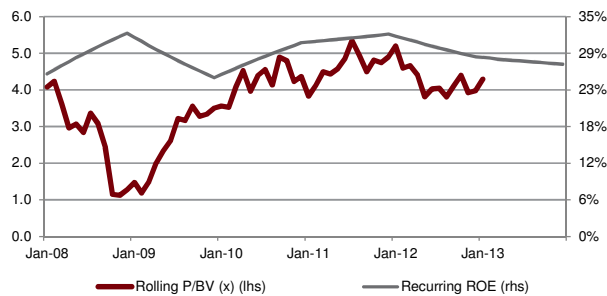
Rolling P/BV (x)



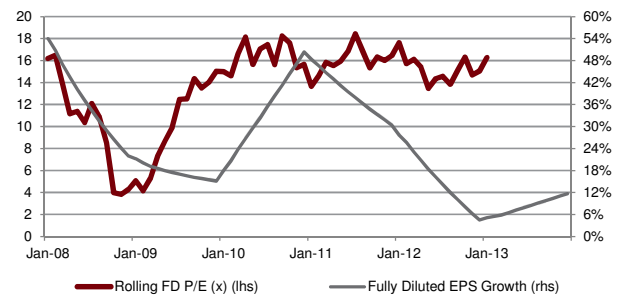
Rolling FD P/E (x)



Peer Aggregate: P/BV vs Recurring ROE



Peer Aggregate: FD P/E vs FD EPS Growth



Valuation

	P/E (FD) (x)			P/BV (x)			EV/EBITDA (x)		
	Dec-11	Dec-12	Dec-13	Dec-11	Dec-12	Dec-13	Dec-11	Dec-12	Dec-13
Astra International	17.07	16.15	14.28	5.02	4.26	3.61	14.80	12.91	11.31
Selamat Sempurna	17.38	15.59	14.05	5.76	5.08	4.61	12.56	11.82	10.48

Growth and Returns

	Fully Diluted EPS Growth			Recurring ROE			Dividend Yield		
	Dec-11	Dec-12	Dec-13	Dec-11	Dec-12	Dec-13	Dec-11	Dec-12	Dec-13
Astra International	23.8%	5.7%	13.1%	31.8%	28.6%	27.4%	2.70%	2.64%	2.79%
Selamat Sempurna	33.5%	11.5%	10.9%	34.6%	33.0%	34.4%	3.30%	4.12%	5.16%

SOURCE: CIMB, COMPANY REPORTS

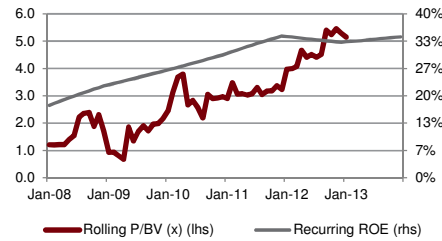
Calculations are performed using EFA™ Monthly Interpolated Annualisation and Aggregation algorithms to December year ends

BY THE NUMBERS

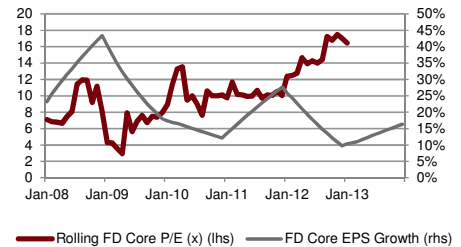
Share price info

Share px perf. (%)	1M	3M	12M
Relative	-2.7	-7.4	59.4
Absolute	-1	-5.8	70.8
Major shareholders			% held
Adrindo Inti Perkasa			58.1

P/BV vs Recurring ROE



FD Core P/E vs FD Core EPS Growth



Improving US sales is a key driver, though weak domestic heavy equipment parts demand remains a drag

Profit & Loss

(Rpb)	Dec-10A	Dec-11A	Dec-12F	Dec-13F	Dec-14F
Total Net Revenues	1,562	1,808	2,165	2,476	2,889
Gross Profit	369	461	517	593	695
Operating EBITDA	232	302	335	375	435
Depreciation And Amortisation	(5)	(6)	(8)	(9)	(10)
Operating EBIT	228	297	327	366	425
Total Financial Income/(Expense)	(22)	(27)	(27)	(24)	(22)
Total Pretax Income/(Loss) from Assoc.	0	0	10	11	12
Total Non-Operating Income/(Expense)	(1)	10	13	0	0
Profit Before Tax (pre-EI)	205	280	322	353	415
Exceptional Items	0	0	0	0	0
Pre-tax Profit	205	280	322	353	415
Taxation	(40)	(60)	(62)	(68)	(81)
Exceptional Income - post-tax	0	0	0	0	0
Profit After Tax	165	219	260	284	335
Minority Interests	(14)	(18)	(36)	(36)	(42)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax	0	0	0	0	0
Other Adjustments - post-tax	0	0	0	0	0
Net Profit	150	201	224	248	293
Recurring Net Profit	152	195	214	248	293
Fully Diluted Recurring Net Profit	152	195	214	248	293

Diversified business continues to provide ample cash inflows, though with ups and downs

Cash Flow

(Rpb)	Dec-10A	Dec-11A	Dec-12F	Dec-13F	Dec-14F
EBITDA	232.5	302.1	334.6	374.7	435.1
Cash Flow from Inv. & Assoc.	0.0	0.0	0.0	0.0	0.0
Change In Working Capital	(84.0)	(68.7)	(117.3)	(148.1)	(29.4)
(Incr)/Decr in Total Provisions	0.0	0.0	0.0	0.0	0.0
Other Non-Cash (Income)/Expense	0.0	0.0	0.0	0.0	0.0
Other Operating Cashflow	64.9	90.9	226.7	140.2	145.0
Net Interest (Paid)/Received	(22.2)	(26.6)	(27.3)	(24.1)	(22.1)
Tax Paid	(39.9)	(60.3)	(62.4)	(68.3)	(80.7)
Cashflow From Operations	151.3	237.4	354.3	274.5	447.9
Capex	(103.9)	(96.3)	(103.3)	(101.4)	(100.7)
Disposals Of FAs/subsidiaries	0.9	1.9	3.5	2.9	3.4
Acq. Of Subsidiaries/investments	(1.9)	0.0	(33.0)	(3.1)	(9.0)
Other Investing Cashflow	(14.7)	(6.1)	(4.0)	4.4	0.0
Cash Flow From Investing	(119.6)	(100.4)	(136.8)	(97.3)	(106.3)
Debt Raised/(repaid)	115.2	(17.5)	(79.9)	0.0	(79.4)
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(141.3)	(117.1)	(144.0)	(178.6)	(228.6)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Cashflow	0.0	0.0	0.0	0.0	0.0
Cash Flow From Financing	(26.1)	(134.6)	(223.9)	(178.6)	(307.9)

BY THE NUMBERS

Production capacity is still ample, and the management aims to maintain its dividend policy

Balance Sheet

(Rpb)	Dec-10A	Dec-11A	Dec-12F	Dec-13F	Dec-14F
Total Cash And Equivalents	14	17	10	9	43
Total Debtors	314	358	450	514	600
Inventories	307	325	428	488	574
Total Other Current Assets	26	20	30	34	40
Total Current Assets	662	719	919	1,045	1,257
Fixed Assets	377	398	475	434	381
Total Investments	10	10	43	54	66
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	18	10	19	15	15
Total Non-current Assets	405	418	538	503	462
Short-term Debt	41	103	133	133	133
Current Portion of Long-Term Debt	80	0	79	0	79
Total Creditors	125	86	123	141	165
Other Current Liabilities	59	72	83	96	113
Total Current Liabilities	304	262	418	370	490
Total Long-term Debt	159	159	124	154	104
Hybrid Debt - Debt Component	0	0	0	0	0
Total Other Non-Current Liabilities	28	39	43	49	58
Total Non-current Liabilities	187	198	167	203	162
Total Provisions	7	6	6	7	8
Total Liabilities	499	466	592	580	660
Shareholders' Equity	519	606	687	757	822
Minority Interests	49	65	178	211	236
Total Equity	568	671	865	968	1,059

Key Ratios

	Dec-10A	Dec-11A	Dec-12F	Dec-13F	Dec-14F
Revenue Growth	13.6%	15.8%	19.8%	14.4%	16.7%
Operating EBITDA Growth	19.4%	29.9%	10.8%	12.0%	16.1%
Operating EBITDA Margin	14.9%	16.7%	15.5%	15.1%	15.1%
Net Cash Per Share (Rp)	(184.1)	(170.8)	(226.2)	(192.9)	(190.3)
BVPS (Rp)	360.8	420.8	476.9	526.0	571.0
Gross Interest Cover	9.56	10.44	11.14	14.01	17.64
Effective Tax Rate	19.5%	21.6%	19.4%	19.4%	19.4%
Net Dividend Payout Ratio	86.1%	57.3%	64.3%	71.9%	78.1%
Accounts Receivables Days	69.18	67.79	68.22	70.98	70.33
Inventory Days	85.97	85.55	83.54	88.79	88.39
Accounts Payables Days	43.70	28.62	23.30	25.63	25.44
ROIC (%)	25.3%	27.6%	27.4%	24.4%	27.3%
ROCE (%)	29.1%	33.2%	30.6%	29.8%	32.3%

Key Drivers

	Dec-10A	Dec-11A	Dec-12F	Dec-13F	Dec-14F
ASP (% chg, main prod./serv.)	7.6%	8.0%	0.0%	3.2%	4.5%
Unit sales grth (% , main prod./serv.)	22.5%	8.2%	-0.4%	11.0%	13.0%
Util. rate (% , main prod./serv.)	56.0%	60.6%	60.4%	67.0%	75.7%
ASP (% chg, 2ndary prod./serv.)	-6.8%	5.1%	-5.0%	0.0%	0.0%
Unit sales grth (% ,2ndary prod/serv)	13.4%	3.8%	-1.5%	14.0%	10.0%
Util. rate (% , 2ndary prod/serv)	44.4%	44.2%	45.2%	51.1%	55.5%
Unit raw mat ASP (%chg,main)	21.4%	15.0%	N/A	N/A	N/A
Unit raw mat ASP (%chg,2ndary)	47.4%	20.4%	N/A	N/A	N/A
Total Export Sales Growth (%)	10.0%	15.7%	N/A	N/A	N/A
Export Sales/total Sales (%)	72.9%	72.9%	N/A	N/A	N/A

SOURCE: CIMB, COMPANY REPORTS

Weighing the positive trends

1. OUTLOOK

1.1 Early recovery signs in US, but doubt lingers ▶

US, the largest single export destination for SMSM at 13% of revenue, is seeing increased economic optimism. This is particularly important for SMSM as US sales was the biggest culprit in its 2012 export underperformance (US sales contracted by 22% yoy after a very strong 2011). Part of the blame was that US distributors overestimated 2012 demand, causing destocking since the beginning of the year. The good news is that at the current low inventory level, downside risk is limited.

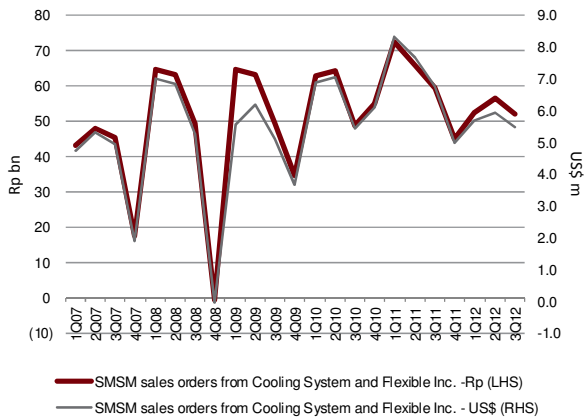
Figure 1: SMSM didn't fare well in its single largest export market in 2012, but things are looking better in 2013

Top export destinations	% to total sales	9M12 sales yoy change
United States	12.9%	-22%
Australia	6.8%	14%
Singapore (trading hub)	6.5%	-5%
Russia	4.5%	9%
Japan	2.8%	-23%
Netherlands	2.6%	13%
Thailand	2.5%	65%
China	2.3%	-23%
Ecuador	2.0%	-16%
Malaysia	1.9%	4%
Germany	1.8%	-18%
France	1.4%	19%
Belgium	1.3%	-6%
Italy	1.2%	14%
Taiwan	1.1%	-12%
Iran	1.1%	36%
Sri Lanka	1.1%	27%
Saudi Arabia	1.0%	56%

SOURCES: COMPANY REPORTS

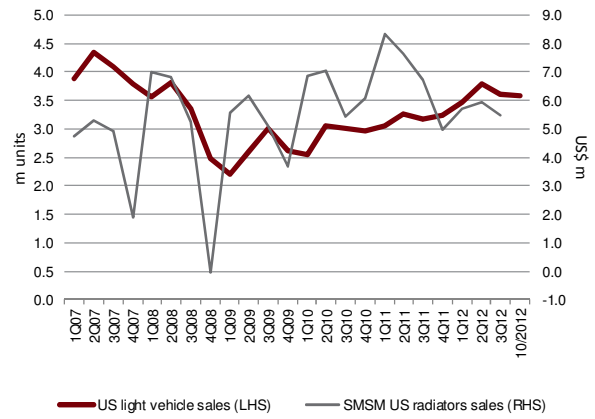
The bad news is that the recent surge in US car sales, which has been much talked about, is hardly an indicator of SMSM parts demand, as evidenced in the past. SMSM is mainly selling replacement radiator in the US, which corresponds more to the population of older cars and to a smaller extent, the rate of accident that requires a radiator replacement. It is also possible that US radiator market is reaching a saturation point for SMSM, as 9M12 radiator sales is actually lower than during the same period in 2009-2010, after peaking in 2011. More diversification might be required to sustain growth from this market.

Figure 2: Are sales in US reaching a saturation point after peaking in 2011?



SOURCES: COMPANY REPORTS

Figure 3: As evidenced in the past, a surge in US car sales does not necessarily result in strong radiator sales for SMSM



SOURCES: US Dept. of Transportation, COMPANY REPORTS

1.2 Other export regions looking positive ▶

While the gradual recovery in China (2% of sales) has been well documented, SMSM's resilient performance in Europe (9% of sales) gave 2013 a promising start. Talks of manufacturing contracts with new partners in France, Germany, the Netherlands and Britain have been positive, with some already commencing orders just two weeks into 2013. This signals real demand in the European market, which should help to sustain SMSM's performance, which has fared well in the region despite the struggling economy.

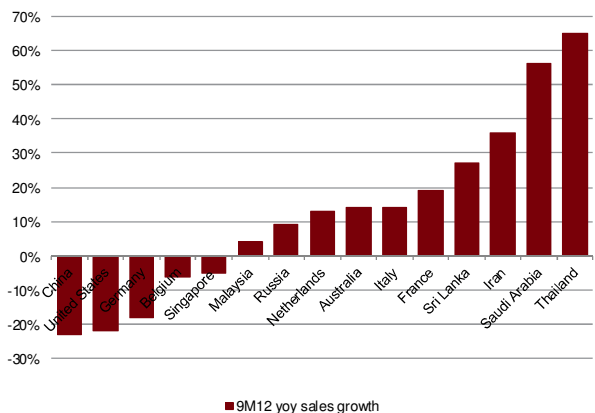
SMSM's growing sales weighting toward the Middle East, Russia, and Southeast Asia (21% of sales in total) is also favourable for its outlook as these regions are expected to continue to post stellar growth in 2013 and, more specifically, a sustainable growing auto population and replacement market for SMSM to tap into.

Figure 4: Economic sentiment in SMSM's key markets is improving

UN GDP growth forecasts (%)	2011	2012F	2013F	2014F
World	2.7	2.2	2.4	3.2
Developed economies	1.4	1.1	1.1	2.0
US	1.8	2.1	1.7	2.7
Japan	-0.7	1.5	0.6	0.8
EU	1.5	-0.3	0.6	1.7
Russian Federation	4.3	3.7	3.6	4.2
Developing economies overall	5.7	4.7	5.1	5.6
East and South Asia	6.8	5.5	6.0	6.3
China	9.2	7.7	7.9	8.0

SOURCES: UN

Figure 5: China and US are poised to recover in 2013, while the bright economic outlook in emerging economies should continue 9M12 strong performance



SOURCES: COMPANY REPORTS

1.3 Margin support from a weaker rupiah ▶

The weakening rupiah comes as a blessing for Selamat Sempurna, helping to offset the previously-expected margin pressure coming from the hike in

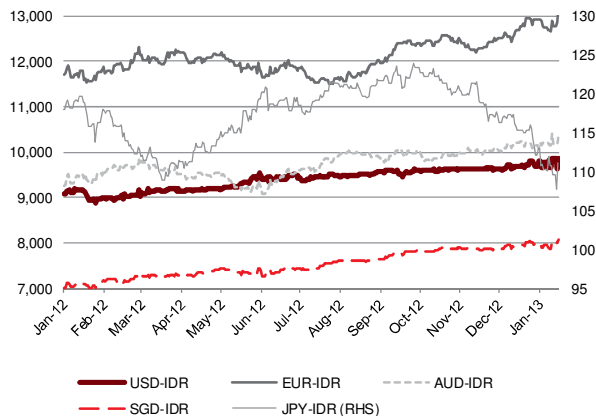
minimum wages. The Indonesian currency has weakened by more than 9% against the US\$ since the beginning of 2012. The weakening rupiah both increases SMSM's competitiveness in the global level and increases its bottom line in rupiah terms, as SMSM has an overall net dollar position from its export sales. The price of steel plate, the biggest component of SMSM's raw materials at 37% of sales, has also fallen to a relatively lower level and poses little threat to margins.

Figure 6: Our sensitivity analysis suggests that SMSM's net profit could benefit by 3% for every 1% of Rp weakness against US\$, ceteris paribus

in m US\$	
Estimated US\$ sales	161 70% of SMSM sales is export
Estimated US\$ COGS (import raw materials)	(77) 60% of raw materials is imported
Currency forward / hedge	(15)
Net US\$ exposure	70
2012F profit (Rp bn)	224
Impact to net profit for every 1% of Rp weakness against US\$	2.9%
Base average Rp/US\$ assumption throughout 2012	9,388

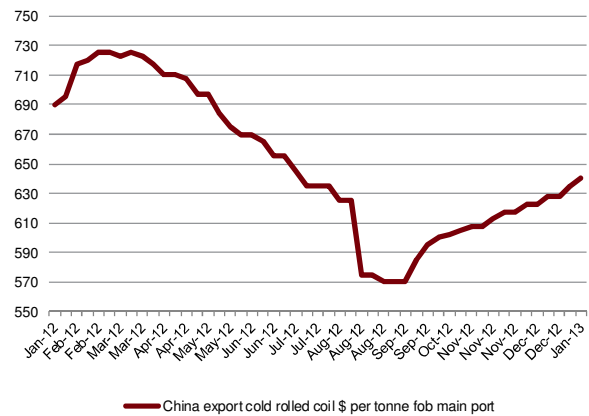
SOURCES: CIMB, COMPANY REPORTS

Figure 7: The rupiah has generally weakened against major currencies (except for the Japanese yen), helping SMSM's global competitiveness



SOURCES: BLOOMBERG

Figure 8: Relatively low steel prices should help margins



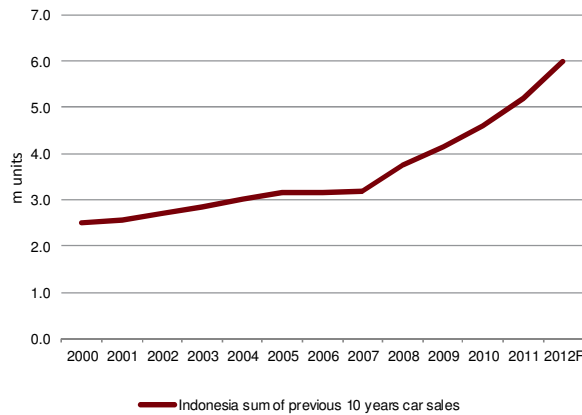
SOURCES: Metal Bulletin

1.4 Domestic auto parts looking robust, heavy equipment bottoming but recovery is uncertain

Domestically, on the auto side (45-50% of SMSM's domestic sales), SMSM's prospects are looking bright with car sales continuing to carve new highs, increasing the car population and replacement market pie. Despite delays in the low cost green car production, SMSM should also continue to take more OEM orders as new car sales continues to be strong.

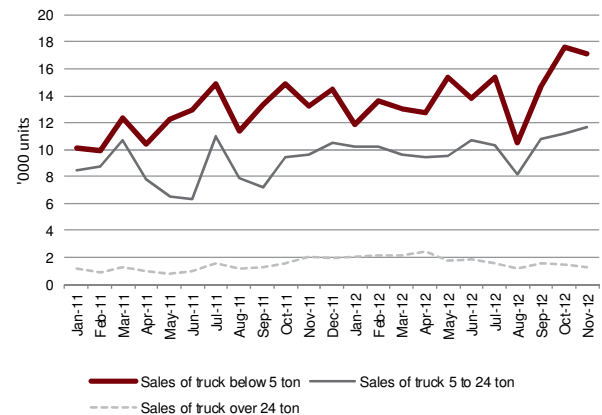
On the opposite, growth in the heavy equipment market (55% of SMSM's domestic sales) could continue to be slow in 2013 as commodity producers and miners are halting their expansion plans. Despite that, further downside risk on domestic replacement parts demand has dissipated with heavy equipment demand seemingly having bottomed in Nov 12.

Figure 9: Increasing car population bodes well for SMSM's domestic sales



SOURCES: GAIKINDO

Figure 10: Heavy equipment sales showing signs of normalisation after a poor 3Q12



SOURCES: GAIKINDO

2. VALUATION AND RECOMMENDATION

2.1 Lofty valuation offers limited upside ▶

Although the 2013 recovery could come quicker than we previously expected, the current drag from weak domestic heavy equipment parts demand and relatively modest global growth should limit SMSM 2013 growth prospects. It also remains to be seen whether SMSM could continue to expand its sales at its historical pace of above 15% p.a., considering the increasingly saturated global market, as such a strategy only worked to a limited extent in 2012.

The relatively modest 2013 growth compared to the past could translate into limited upside from SMSM's current lofty valuation. SMSM is already trading at P/Es of 16.3x FY12 and 14.0x FY13, a significant premium to regional Southeast Asian peers that trades at 9.6-10.3x FY12-13 P/E.

Figure 11: SMSM is trading at a sizeable premium to regional auto parts peers, but lower than US industrial filters companies

Peers ticker	Market cap (US\$m)	Name	Main products	FY12F P/E (x)	FY13F P/E (x)	2012-2013	2013F	2013F ROAE
						EPS Growth	dividend yield	
SMSM IJ	362	Selamat Sempurna	Filter and radiator	16.4	14.0	16.4%	5.2%	34.4%
AUTO IJ	1,431	Astra Otoparts	Various auto part	14.9	13.9	7.1%	2.9%	18.5%
INDS IJ	133	Indospring	Leaf spring	9.1	7.8	16.7%	3.3%	20.8%
MASA IJ	348	Multistrada Arah Sarana	Automotive tires	20.3	11.6	75.7%	N/A	8.6%
GJTL IJ	814	Gajah Tunggal	Automotive tires	7.7	6.9	10.9%	0.6%	19.3%
Indonesian auto parts average				13.7	10.8	25.4%	3.0%	20.3%
ASII IJ	31,943	Astra International	Cars, heavy equipment	16.1	14.3	13.1%	2.8%	27.4%
Total Indonesian average				14.1	11.4	23.3%	2.9%	21.5%
Thailand and Malaysia								
STANLY TB	570	Thai Stanley Electric	Automotive light bulbs	10.6	9.9	7.5%	3.1%	17.0%
SAT TB	377	Somboon Advance Technology	Axle shafts, spring, brakes	12.9	11.1	16.1%	3.4%	19.3%
IHL TB	105	Interhides	Leather automotive upholstery	11.9	11.1	7.3%	4.3%	27.5%
AH TB	168	Aapico Tech	Car assembly jigs and dies	8.4	9.1	-8.2%	3.9%	12.6%
APM MK	326	APM Automotive Holdings	Various auto parts	7.7	7.0	11.1%	5.8%	15.4%
Thai and Malaysian auto parts average				10.3	9.6	6.8%	4.1%	18.4%
Other global peers								
CLC US	2,382	Clarcor Inc	Industrial and auto filters	19.8	18.1	9.1%	1.1%	14.6%
DCI US	5,099	Donaldson Co Inc	Filtration system and parts	20.1	19.6	2.6%	1.0%	28.3%
Average others				19.9	18.9	5.8%	1.0%	21.5%
Average - ALL				13.5	11.9	14.2%	3.1%	20.3%

SOURCES: CIMB, COMPANY REPORTS

Figure 12: Sector comparison – CIMB coverage

Company	Ticker	Recom.	Price (local curr)	Target Price (local curr)	Market Cap (US\$m)	Core P/E (x)			3-year EPS CAGR (%)		P/BV (x)		Recurring ROE (%)			EV/EBITDA (x)		Dividend Yield (%)	
						CY 2013	CY 2014	CAGR (%)	CY 2013	CY 2014	CY 2012	CY 2013	CY 2014	CY 2013	CY 2014	CY 2013	CY 2014		
Astra International	ASII IJ	Outperform	7,600	9,000	31,933	14.5	12.5	11.7%	3.66	3.10	28.6%	27.4%	26.9%	10.8	9.0	2.7%	3.1%		
Selamat Sempurna	SMSM IJ	Neutral	2,475	2,750	370	14.3	12.2	11.0%	4.71	4.33	34.5%	34.1%	37.0%	10.8	9.2	5.1%	6.2%		
Indonesia average						14.4	12.3	11.4%	4.18	3.72	31.5%	30.8%	32.0%	10.8	9.1	3.9%	4.7%		
Tan Chong Motor Holdings	TCM MK	Underperform	5.01	3.94	1,084	11.9	10.4	10.9%	1.55	1.39	9.6%	13.8%	14.2%	9.0	7.9	2.8%	3.0%		
UMW Holdings	UMWH MK	Outperform	12.70	13.10	4,918	13.2	12.5	21.4%	2.88	2.64	20.7%	22.9%	22.1%	6.9	6.6	4.5%	4.8%		
Malaysia average						12.5	11.4	16.1%	2.22	2.02	15.1%	18.3%	18.1%	7.9	7.2	3.6%	3.9%		
Brilliance China Automotive	1114 HK	Outperform	10.36	12.60	6,716	11.3	9.6	34.3%	3.10	2.34	32.8%	31.8%	27.9%	111.7	92.5	0.0%	0.0%		
Dongfeng Motor Group	489 HK	Outperform	12.66	15.10	14,070	8.5	8.1	1.4%	1.43	1.25	19.1%	18.1%	16.6%	3.4	2.7	1.7%	1.8%		
Geely Automobile Holdings	175 HK	Neutral	4.05	3.70	4,316	11.7	10.5	15.6%	1.85	1.58	15.8%	17.0%	16.2%	12.7	10.9	1.1%	1.2%		
Great Wall Motor	2333 HK	Underperform	27.65	18.90	12,083	14.9	14.4	8.7%	2.78	2.43	28.0%	20.0%	18.1%	8.3	7.7	1.8%	1.9%		
Guangzhou Auto - H	2238 HK	Neutral	7.64	6.70	6,406	10.6	9.3	-1.4%	1.13	1.04	8.5%	11.2%	11.6%	na	na	2.8%	3.2%		
Qingling Motors Company -H	1122 HK	Outperform	2.12	2.29	679	12.2	11.0	2.5%	0.57	0.57	4.3%	4.7%	5.2%	5.5	5.1	6.8%	7.6%		
Mint Group	425 HK	Neutral	10.12	10.10	1,407	8.8	8.1	11.1%	1.19	1.08	14.1%	14.2%	14.0%	4.2	3.5	3.9%	4.2%		
Weichai Power Co Ltd-H	2338 HK	Neutral	35.00	33.30	8,134	12.8	10.4	-6.6%	1.59	1.38	12.9%	13.2%	14.3%	6.2	5.3	0.2%	0.3%		
Hong Kong average						11.4	10.2	8.2%	1.71	1.46	16.9%	16.3%	15.5%	21.7	18.2	2.3%	2.5%		
Average all countries						12.8	11.3	11.9%	2.70	2.40	21.2%	21.8%	21.9%	13.5	11.5	3.3%	3.7%		

SOURCES: CIMB, COMPANY REPORTS

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Description	Excellent	Very Good	Good	N/A

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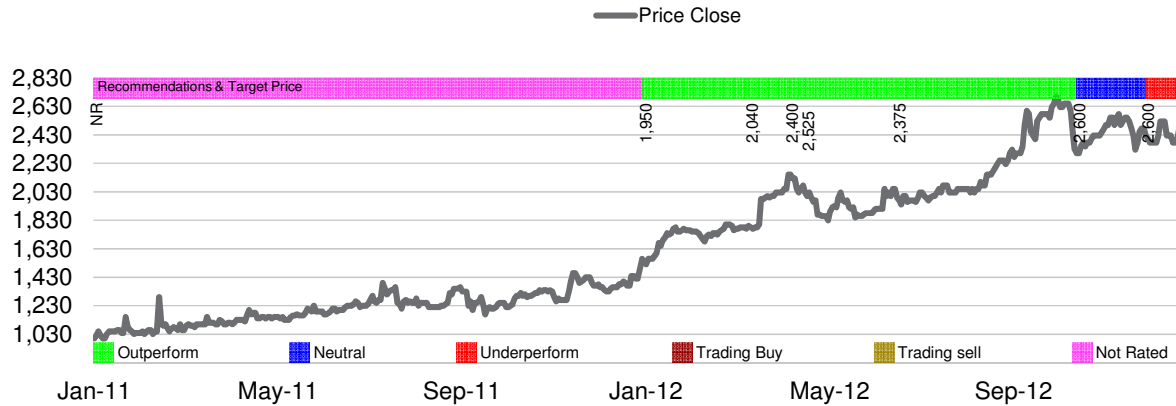
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Spitzer Chart for stock being researched (2 year data)



Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2012		
823 companies under coverage		
	Rating Distribution (%)	Investment Banking clients (%)
Outperform/Buy/Trading Buy	54.5%	8.9%
Neutral	34.1%	3.4%
Underperform/Sell/Trading Sell	11.5%	8.6%

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, Korea 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.

Recommendation Framework #2 **

Stock	Sector
OUTPERFORM: Expected positive total returns of 10% or more over the next 12 months.	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: Expected total returns of between -10% and +10% 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.
UNDERPERFORM: Expected negative total returns of 10% or more 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: Expected positive total returns of 10% or more over the next 3 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: Expected negative total returns of 10% or more 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.

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Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (IOD) in 2011.

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