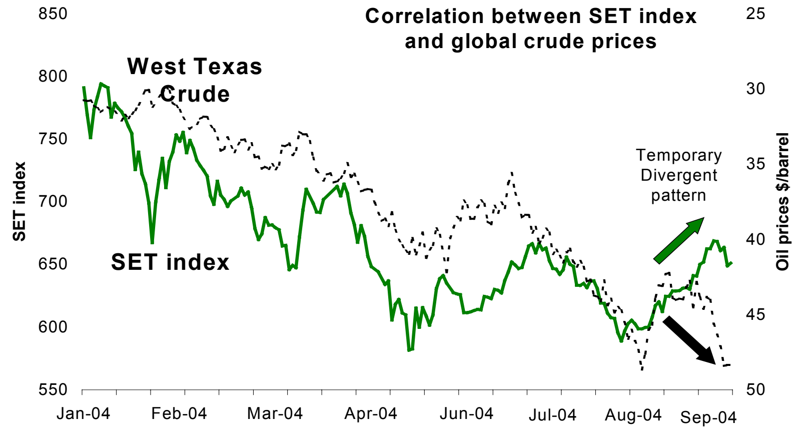
October 2004

Investment Strategy :

Thai stocks held hostage by rising oil prices

- We are maintaining a relatively cautious view on the Thai stock market over the next month for one simple reason – uncertainty over near-term oil prices. Although we are cautious in the near-term, we still like Thailand's fundamentals in the longer term, as well as current market valuations.
- Although foreign investors have been net buyers of Bt25bn of Thai stocks between Aug 25 and Sep 27, the recent surge in US oil prices to the US$50 a barrel level has taken the shine off the market. We maintain our original premise that a market rally is not sustainable as long as rising oil prices threaten economic growth and corporate earnings prospects. If oil prices stay above US$45/barrel, we believe that the SET index will move sideways-down on reduced trading volume. With a near flat year-end target of 650, we recommend investors to maintain a holding in big blue chip stocks that are least negatively affected by high oil prices – primarily stocks in the energy, chemical and telecom sectors, such as PTTEP, NPC, TOC, SHIN and SCC.
- If oil prices decline to a range of US$37-45/barrel, we recommend adopting a slightly more aggressive strategy, concentrating on stocks which offer solid, quality earnings in the near-term even with continuing high oil prices. Under this scenario, the upside for the market is estimated at around 750, or 16% from current levels. We like energy, chemical, shipping, some contractors and building materials companies, particularly NPC, TOC, RCL, TTA, ITD, SCC, MAJOR, DELTA and CSL.
- Under the third scenario, we assume that global oil prices fall below US$37/barrel. We believe that the market would have very strong upside potential to our year-end 830 target. The high-beta stocks, particularly in the finance and property sectors, would show the best upside gains. In this scenario, we recommend TK, NFS, ITD, SCC, HMPRO, AH, LPN, LALIN, QCON and SSI.

Figure 1: Correlation between SET index and global crude prices



Market outlook still dependent on oil prices

We are maintaining a relatively cautious view on the Thai stock market over the next month for one simple reason – uncertainty over near-term oil prices. Although we are cautious in the near-term, we still like Thailand's fundamentals in the longer term, as well as current market valuations.

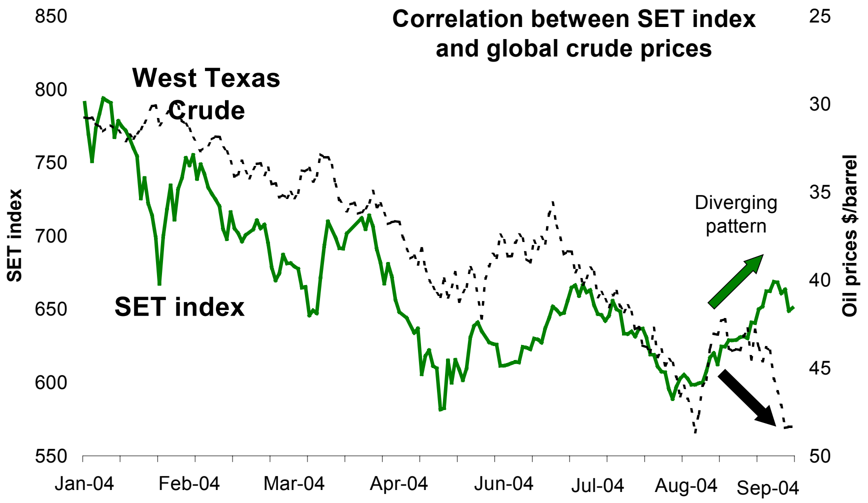
Since the price of oil is the major near-term market concern, we will continue to base our recommendations and our year-end SET index target on a scenario analysis based on a range of potential oil prices.

We adopted this scenario analysis in our previous monthly report based on the premise that oil prices will remain unpredictable and that the market cannot sustain a rally unless oil prices retreat.

After falling as low as low as US$41.50 a barrel at the beginning of September, US oil prices have sharply rebounded in recent days, climbing to a new all-time high of US$50 a barrel. The SET index hit a near five-month high of 668.73 on September 17 due to a buying spree by foreign investors. However, it has since fallen to 646.78, mainly due to worries over a slowdown in economic growth due to skyrocketing oil prices.

The market has been supported by foreign investors who were net buyers of Bt25bn of Thai stocks between August 25 and September 27. We believe foreigners are buying because of the relatively low valuations on Thai stocks and the fact that they had been net sellers of more than Bt100bn between July last year and August 2004.

Figure 2: Correlation between SET index and global crude prices



Source: Reuters, SET

Recent increases in oil prices have clearly taken the shine off of Thai stocks, resulting in a new round of profit-taking. We maintain our original premise that, over time, a rally is not sustainable as long as rising oil prices threaten economic growth and corporate earnings prospects. For this reason, we are further fine-tuning our scenario analysis.

If oil prices stay above US$45/barrel, we believe that the SET index will move sideways down on reduced trading volume. With a near flat year-end target of 650, we recommend investors to maintain a holding in big blue chip stocks that are least negatively affected by high oil prices – primarily stocks in the energy, chemical and telecom sectors. In this group, we prefer PTTEP, NPC, TOC, SHIN and SCC. Note that PTT was taken off our recommended list only because the stock is under a blackout period related to the Thai Oil public offering.

If oil prices decline to a range of US$37-45/barrel, we recommend adopting a slightly more aggressive strategy, concentrating on stocks which offer solid, quality earnings in the near-term even with continuing high oil prices. Under this scenario, the upside for the market is estimated at around 750, or about 16% from the current level, based on technical analysis and expected selected stock re-rating on continuing strong earnings growth. Assuming this scenario, we still like energy and chemical stocks due to short-term benefits from high oil prices. We also like selected companies doing very strong business, such as shipping, some contractors and building materials companies. For our buy list, we recommend NPC, TOC, RCL, TTA, ITD, SCC, MAJOR, DELTA and CSL.

Figure 3: Recommended strategy based on oil price scenarios

Oil prices	Year-end SET index target	Recommended strategy	Recommended stocks
Above US$45/barrel	**650**	Adopt a conservative strategy with overweight in energy, telecom, petrochemical stocks, as well as cash.	**PTTEP, NPC, TOC, SHIN, SCC**
US$37-US$45/barrel	**750**	Concentrate on companies which can maintain earnings growth even with high oil prices and rising interest rates. We prefer petrochemical, telecom and shipping.	**NPC, TOC, RCL, TTA ITD, SCC, MAJOR, DELTA, CSL**
Below US$37	**830**	Overweight high-beta stocks in the finance and property sectors	**TK, NFS, ITD, SCC, HMPRO, AH, LPN, LALIN, QCON, SSI**

Source: KELIVE estimates

For the third scenario, we assume that global oil prices fall below US$37/barrel. We believe that the market would have very strong upside potential. Our 830 target is based on all stocks on our coverage list trading at fair value. The high-beta stocks, particularly in the finance and property sectors, would show the best upside gains. In this scenario, we recommend TK, NFS, ITD, SCC, HMPRO, AH, LPN, LALIN, QCON and SSI.

September sees return of strong foreign fund inflows

Plans for massive government spending on public infrastructure projects and news of major investment projects by leading energy and petrochemical firms appear to have revived foreign funds' appetite for Thai stocks. After selling a net total of Bt101.5bn of Thai equities between July 2003 and August 2004, foreign investors turned bullish on the Thai market last month. Their cumulative net buys of Bt18.3bn of stocks in the first three weeks of September helped push up the SET index to a near five-month high of 668.73 during the month. Strong foreign fund inflows have also boosted retail sentiment, leading to a rebound in average daily trading volume from Bt12.3bn in August to Bt22.4bn between September 1-23.

A major catalyst for the dramatic turnaround is government plans to spend up to Bt1.2 trillion to improve the country's public infrastructure over the next 10 years. Most of this spending will go on road, rail and mass transit systems. The government has earmarked Bt500bn to extend Bangkok's mass transit systems from the existing 44kms to 291kms over the next five years. New projects also include expansion of Thailand's petrochemical and oil refining capacity as well as gas pipelines and electricity transmission networks.

PTT, the country's sole supplier of natural gas, plans to build a sixth gas separation plant to supply feedstock to a growing petrochemicals industry. Meanwhile the Energy Ministry has announced plans for a Bt400bn petrochemical complex to be built over the next 15 years. The complex would include upstream and downstream plants for aromatics and olefins products as well as projects started this year by affiliates of PTT including TOC, NPC and ATC.

New infrastructure projects positive for stock market over long term

Government spending on major infrastructure projects will help support robust economic growth over the next few years, improve productivity and boost Thailand's competitiveness in global markets. It should also improve the quality of life for Thai citizens (look at how the openings of Bangkok's Skytrain and subway systems have slashed commuting times).

Figure 4: Infrastructure and industrial development plans

Project	Period of Construction	Investment (Btbn)
291-kim extended railway system project of MRTA	2004-2010	521.62
Logistics system	2004-2008	99.79
Airport link project	2004-2006	37.00
Land bridge project	2004-2010	36.00
Petrochemical project phase 3	2004-2018	400.00
PTT's natural gas and petrochemical project	2004-2008	146.08
Four new electricity generating plants of EGAT	2004-2010	150.00
SSI's smelting plant project	2004-2019	500.00
ATC's 2nd aromatics plant	2008	25.00-27.00

Source: Nation

To finance its ambitious spending programme, the Thaksin government needs to strengthen confidence in the banking system and capital markets and attract more foreign investment. This is being achieved by stricter loan classification by the Bank of Thailand and new legislation allowing asset management companies to buy non-performing assets (NPAs) from financial institutions.

Meanwhile the Board of Investment (BOI) is aiming to boost foreign direct investment (FDI) by seeking Cabinet approval to extend corporate tax holidays from 8 years to 10 years. It also seeks to reduce import tariffs on machinery and waive both excise duties and VAT for FDI projects under BOI privileges. According to a recent United Nations report, Thailand ranked 10th among developing Asian recipients of FDI last year, with inflows of US$1.8bn compared to US$1.1bn in 2002.

Over the long term, new investment in infrastructure, energy and the petrochemical sectors will be very positive for the stock market. Principal beneficiaries are companies in the building materials, property, petrochemicals, energy and banking and finance sectors.

Oil price rebound and bird flu worries cloud SET's near-term outlook

In the short-term, however, the Thai market's prospects are clouded by the sharp rebound in oil prices to US$50 a barrel and the re-emergence of bird flu. US crude futures fell as low as US$41.50 a barrel at the beginning of September but have since rebounded to new all-time highs. Oil's latest rally has been fuelled by a reduction of YUKOS oil exports to China and supply disruptions after Hurricane Ivan shut in 9.6mn barrels of oil in the Gulf of Mexico. Threats from a rebel group in Nigeria, OPEC's fifth largest producer, to attack oil companies have added to worries about the security of global oil supplies following attacks on oil facilities in Iraq and Saudi Arabia.

Also weighing on market sentiment is the re-emergence of bird flu. The government has declared a nationwide health alert following the second confirmed case of human bird flu. The government also announced it had recorded the first known probable case of one person infecting another with bird flu but said it was an isolated incident which posed little risk to the general public.

If oil prices continue to climb, we recommend investors to reduce exposure to high-beta stocks such as finances and properties and switch to blue chips in more defensive sectors such as energy, chemical and telecom. If oil prices retreat to below the US$40 level, stocks likely to have the biggest upside potential will be finances, housing developers and building materials stocks.

NPL concerns resurface

Long-term investors should also accumulate blue chip stocks in the banking sector if they continue to weaken. The sector slumped 3.6% on September 23 on renewed fears about asset quality after KBANK announced that its non-performing loans (NPLs) may rise by 2-3% of total loans this year due to the Bank of Thailand's stricter loan classification. In the short-term, upside for the sector is likely to be capped by fears that the central bank will apply the same standards on other banks as it did to KTB earlier and KBANK. Any impact on the industry's profitability, however, is likely to be limited given that KBANK and other major banks have already made sufficient loan loss provisions.

In the longer-term, problem loans will be resolved by legislative changes allowing asset management companies to buy NPLs and NPAs. Thai banks will also be forced to clear up their dud loans by the rise in risk weight assets of NPLs from 100% to 150% under the new Basel II framework, which takes effect in 2008.

Vayupak Fund to expand portfolio to SET-50 stocks

Although brokerage stocks have been hurt in recent days by the surge in oil prices, the outlook for the securities sector remains promising due to continuing foreign fund inflows, the forthcoming IPOs of heavyweight stocks such as Thai Oil and MCOT and new fund launches from domestic financial institutions. Fifteen local mutual fund companies have applied to set up long-term equity funds (LEFs) with a combined size of Bt60bn.

Also supportive for the market is the Vayupak Fund's plan to use its remaining Bt10bn to buy big cap stocks in the SET-50 index rather than confine its portfolio to just 26 stocks held by the Finance Ministry. The Government Pension Fund, which manages nearly US$6bn of savings for civil servants, meanwhile, aims to increase its Thai stock market investments to 16.5% of assets under management from 15%.

Valuations still look attractive

The main reason to remain a holder of Thai equity is the current low market valuations. The 140 stocks on our coverage list are currently trading on inexpensive PERs of 10.3x for 2004 and 9.6x for 2005. We are conservatively assuming that corporate earnings grow by 23.9% this year and 7.7% in 2005. Based on our forecasts, listed Thai companies will achieve an average ROE this year of 21.1% and will be able to pay out dividends yielding 3.35% at current share prices.

	Sector Weighted 2003 EPS	Sector Weighted 2004 EPS	Sector Weighted 2005 EPS	Sector Weighted 2003 PER	Sector Weighted 2004 PER	Sector Weighted 2005 PER
Agribusiness	-18.8%	-17.3%	5.8%	8.46	11.16	10.54
Banking	58.8%	30.8%	1.3%	10.87	8.82	9.07
Building & Furnishing Materials	27.9%	25.8%	14.3%	13.11	10.61	9.29
Chemicals & Plastics	818.0%	51.1%	38.2%	19.67	13.09	9.20
Commerce	5.5%	10.4%	9.5%	13.81	13.11	11.93
Communication	69.0%	4.9%	1.4%	14.65	13.31	13.19
Electrical Products & Computer	-40.0%	20.0%	33.3%	11.93	9.94	7.46
Energy	41.2%	15.4%	6.3%	14.33	12.44	11.28
Entertainment & Recreation	6.1%	26.1%	20.3%	30.92	18.53	14.70
Electronic Components	-14.0%	9.6%	29.5%	10.40	9.60	7.42
Finance & Securities	64.9%	8.8%	14.8%	10.42	9.43	8.31
Foods & Beverages	25.9%	-20.1%	12.9%	8.44	10.79	9.56
Hotels & travel Service	98.3%	28.0%	13.0%	8.88	6.94	6.19
Health Care Service	-15.7%	20.6%	11.1%	8.92	7.39	6.65
Household Goods	1.1%	34.3%	8.6%	11.17	8.70	8.01
Mining	0.0%	NA	32.7%	NA	10.92	8.23
Packaging	67.7%	5.3%	6.3%	6.27	5.91	5.56
Printing & Publishing	0.0%	-25.5%	21.4%	15.11	20.29	16.71
Property Development	32.1%	3.4%	41.4%	17.42	16.46	10.96
Transportation	-36.8%	60.8%	11.4%	8.61	4.98	4.26
Vehicles & Parts	37.0%	14.1%	241.9%	16.83	41.02	10.52
MAI	-47.9%	57.4%	45.2%	16.55	10.35	7.51
SET - Total	**64.1%**	**20.7%**	**12.6%**	**12.78**	**10.32**	**9.58**

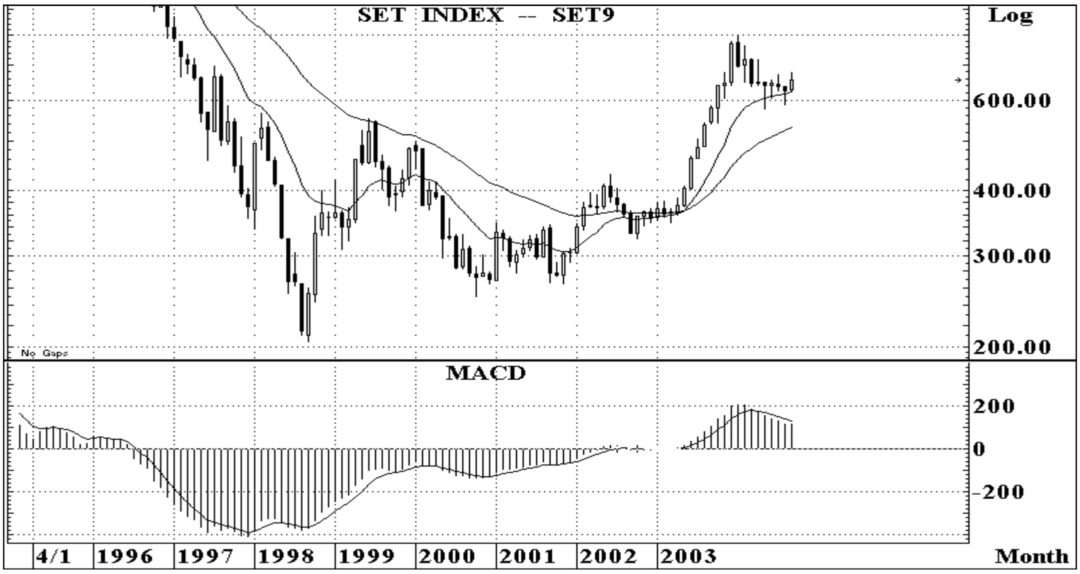
	Sector Weighted 2003 P/BV	Sector Weighted 2004 P/BV	Sector Weighted 2005 P/BV	Sector Weighted 2003 Yield	Sector Weighted 2004 Yield	Sector Weighted 2005 Yield
Agribusiness	0.86	1.02	0.97	6.64%	5.62%	5.96%
Banking	1.77	1.59	1.40	1.64%	4.01%	4.18%
Building & Furnishing Materials	2.61	2.28	1.97	2.34%	3.45%	3.95%
Chemicals & Plastics	1.79	1.89	1.65	2.11%	3.76%	3.89%
Commerce	2.15	2.02	1.81	3.56%	3.35%	3.68%
Communication	4.49	3.56	3.17	3.32%	3.53%	3.59%
Electrical Products & Computer	3.25	1.79	1.49	3.35%	3.91%	5.31%
Energy	3.94	3.39	2.93	2.42%	2.47%	2.49%
Entertainment & Recreation	7.47	5.79	4.15	3.63%	2.98%	3.73%
Electronic Components	3.76	6.25	9.75	5.04%	4.74%	5.71%
Finance & Securities	1.69	1.52	1.31	4.98%	4.81%	5.60%
Foods & Beverages	2.04	2.46	2.12	6.30%	5.52%	6.09%
Hotels & travel Service	0.72	0.69	0.65	4.19%	5.73%	6.41%
Health Care Service	2.18	1.71	1.50	0.00%	5.78%	6.82%
Household Goods	1.41	1.36	1.30	7.26%	7.75%	7.99%
Mining	0.86	0.83	0.80	0.00%	0.00%	0.00%
Packaging	1.42	0.79	0.70	2.01%	3.35%	3.85%
Printing & Publishing	1.04	1.02	0.99	3.87%	2.46%	2.96%
Property Development	2.31	2.24	2.02	3.76%	3.33%	4.15%
Transportation	2.71	1.01	0.72	1.07%	2.17%	2.39%
Vehicles & Parts	3.55	3.09	2.55	2.37%	2.39%	3.93%
MAI	2.01	1.70	1.44	6.04%	7.43%	13.08%
SET - Total	3.10	2.63	2.32	2.66%	3.35%	3.63%

	Sector Weighted 2003 ROE	Sector Weighted 2004 ROE	Sector Weighted 2005 ROE
Agribusiness	9.76%	9.96%	9.86%
Banking	7.49%	18.57%	16.56%
Building & Furnishing Materials	19.48%	21.43%	21.09%
Chemicals & Plastics	10.18%	15.49%	18.27%
Commerce	15.39%	16.03%	15.68%
Communication	9.87%	22.83%	18.69%
Electrical Products & Computer	27.27%	18.00%	20.00%
Energy	28.73%	28.04%	25.38%
Entertainment & Recreation	10.05%	16.41%	23.39%
Electronic Components	19.00%	18.39%	19.80%
Finance & Securities	17.76%	15.35%	15.23%
Foods & Beverages	23.09%	23.12%	22.67%
Hotels & travel Service	7.53%	9.20%	9.67%
Health Care Service	24.43%	23.17%	22.61%
Household Goods	13.49%	18.81%	19.48%
Mining	0.00%	7.60%	9.77%
Packaging	22.51%	13.52%	12.64%
Printing & Publishing	6.86%	5.04%	5.90%
Property Development	20.06%	17.15%	18.50%
Transportation	15.45%	15.93%	12.37%
Vehicles & Parts	20.98%	17.19%	23.60%
MAI	15.39%	16.26%	17.66%
SET - Total	16.88%	21.12%	19.68%

Stock Performance		Value (Bt mn) 1-month	Stock Performance	Price change 1-month	Stock Performance	Price change 1-month
Most Active			30 top gainers		30 top losers	
1	PTT	20,370.77	EWC	2,873.68	TONHUA	-30.86
2	SCIB-C1	19,277.10	CNT	1,587.50	POMPUI	-25.00
3	AI	12,630.79	EMC	87.90	ROCK	-23.08
4	ITD	11,372.99	NCH	82.71	TRS	-20.59
5	ATC	10,268.90	AREEYA	81.22	MSC	-14.88
6	TTA	10,080.87	JUTHA	79.69	NSI	-13.46
7	KTB	9,938.95	CK	66.88	TGP	-13.04
8	PICNI	9,501.05	NNCL	63.82	SUN	-11.76
9	TPI	8,925.20	KMC	61.99	ROBINS	-11.63
10	ASP	8,865.63	NWR	61.41	VARO	-11.18
11	LOXLEY	8,455.93	SYNTEC	50.36	BUI	-10.20
12	SCC	8,126.35	NSM	50.00	SMG	-8.50
13	SHIN	7,381.13	CPH	43.69	EGV	-7.55
14	SCB	7,308.02	TNITY	36.61	TSTE	-6.94
15	BBL	7,288.11	ZMICO	36.43	NPK	-6.40
16	ITV	6,778.57	PICNI	35.96	SSC	-5.46
17	UCOM	6,431.09	MS	35.44	CFRESH	-5.42
18	TOC	6,331.79	SIRI	35.14	SAFARI	-5.41
19	BANPU	6,169.60	TCOAT	34.46	M-CHAI	-5.00
20	KBANK	6,106.65	TPI	34.37	FMT	-4.76
21	TRUE	6,069.09	TTA	33.06	UPOIC	-4.49
22	ADVANC	6,045.78	BLAND	32.76	CPN	-4.44
23	TT&T	5,998.07	MALEE	32.65	SPL	-4.23
24	KEST	5,970.49	BFIT	32.11	MAKRO	-4.21
25	CK	5,942.86	LPN	31.86	P-FCB	-4.17
26	SATTEL	5,599.22	TSI	31.82	MIDA	-4.14
27	TMB	5,219.94	UBC	31.43	S&P	-4.08
28	PTTEP	5,020.59	TFD	30.43	KDH	-3.61
29	N-PARK	4,774.74	D-MARK	30.00	CPL	-3.61
30	SYNTEC	4,721.16	DIANA	30.00	PPC	-3.60

Technical analysis

During the past month, the index moved beyond our expectation owing to buying by foreign investors. This might have been led by the "Thailand Focus" conference. No one knows the exact reasons for the last rally. The index has reached a high at 676 points and then retraced from selling pressure of institutional investors towards a sensitive level at 644 points. On a monthly basis, the correction has been ongoing since the beginning of 2004. It has slowed acceleration from the last jump. Hence, the long-term indicators, such as the MACD in a monthly basis, have been followed for the ability to sustain, which will lead to a long-term turnaround signal. The index is expected to move within a trading range of 620 – 670 points during the month. The wave pattern should also be followed for a clearer picture.

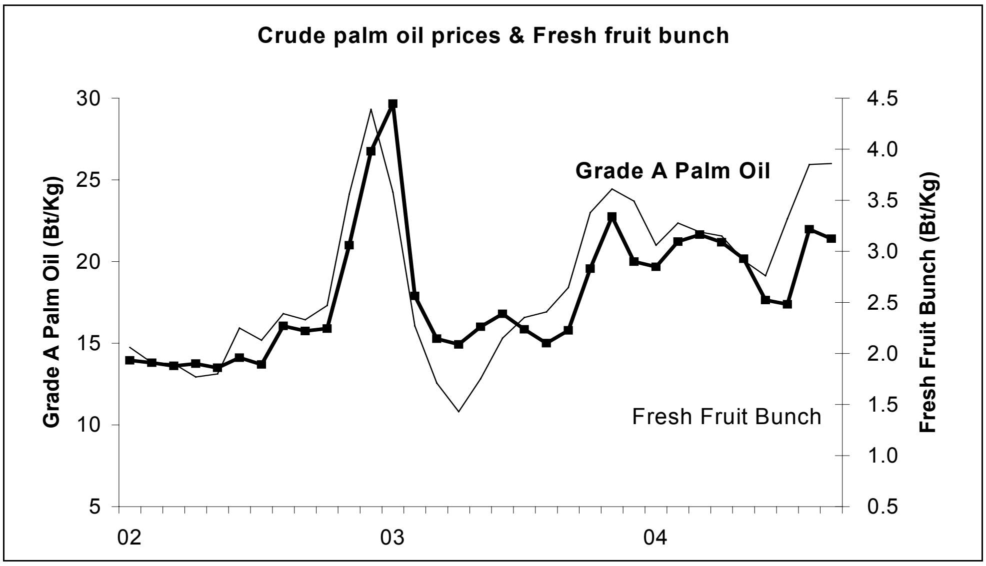


Sector recommendations

Agribusiness – (Negative / Negative) : Outlook for the agribusiness sector in both the short and longer terms remains negative. The chicken industry remains under pressure of the spread of bird flu, while frozen chicken has not been allowed for export. However, domestic consumption remains normal while average chicken prices increased from Bt24.55/kg in August to around Bt32.00/kg.

Given the announcement of the US anti-dumping duty on July 29, the shrimp industry is expected to show improving performance. This is due to its competitive advantage over other countries including China, Vietnam, Brazil, Ecuador and India.

Palm oil sector – In September, average fresh fruit prices were the same as the previous month at Bt3.6-3.8/kg. This was despite the supply of fresh fruit increasing less than the plant's total demand. World CPO prices have increased to Bt18.30 from Bt17.6 with domestic prices at Bt21. However, the palm oil stocks are very attractive with a dividend yield in the range of 8.6%-9.2%. We recommend a **LONG-TERM BUY** on **UVAN** and **CPI**, with fair value of **Bt37.00** and **Bt6.80** a share, respectively.



Palm sector

Company	Price (Bt)	Target (Bt)	Upside (%)	EPS (Bt)	PER (x) 2004F	Dividend (Bt)	Yield (%)	Recommendation
UVAN	28.50	37.00	30%	3.69	7.72	2.60	9.12%	LONG-TERM BUY
CPI	5.80	6.80	17%	0.85	6.82	0.50	8.62%	LONG-TERM BUY

Source : KELIVE Research estimates

Banking – (Neutral/ Neutral) : We are maintaining our **NEUTRAL** weighting for banking sector in the short run even though overall loan growth increased 0.7% mom and 4.6% YTD. This is due to the sentiment on the NPL issue is quite strong after KBANK management revealed that their NPLs would rise 2-3% according to the qualitative provisioning policy from the Bank of Thailand. This news has resulted in depressed prices throughout the banking sector. In addition, the government measure to pull NPLs from the bank system by amendment of the AMC law, which would allow banks to sell NPLs and NPAs to the AMC has not yet materialized. We believe that this process will take effect by the end of the year.

We are positive on the banking sector over the longer term, but we are still rating the sector as **NEUTRAL** due to the risk of higher interest rates and rising oil prices that will make a real impact next year. Additionally, the banks need to move themselves in line with a new financial master plan, new banking standards from BASEL II, and financial free trade agreements with foreign banks.

Our top picks in this sector are SCB with a fair value estimate of Bt56.0/share with the highest provisioning ratio among the big banks and SCIB, with a low NPL burden and steady loan growth.

Banking Sector : Loan growth

Loan	Aug-04	Jul-04	MOM (%)	Dec-03	YTD (%)	MOM(Btmn)	YTD(Btmn)
BBL	777,873	770,667	0.9%	713,480	9.0%	7,206	57,187
KTB	926,381	930,795	-0.5%	919,572	0.7%	-4,413	11,222
KBANK	517,423	506,706	2.1%	480,773	7.6%	10,716	25,933
SCB	490,425	485,110	1.1%	433,941	13.0%	5,314	51,170
BAY	391,492	391,577	0.0%	374,131	4.6%	-85	17,446
SCIB	295,725	291,544	1.4%	310,822	-4.9%	4,181	-19,278
TMB	273,742	273,059	0.3%	274,358	-0.2%	684	-1,300
BT	101,835	100,470	1.4%	96,151	5.9%	1,365	4,319
BOA	103,169	102,850	0.3%	90,438	14.1%	318	12,413
UOBR	47,916	47,121	1.7%	45,384	5.6%	795	1,736
NBANK	30,167	29,591	1.9%	31,521	-4.3%	576	-1,930
SCNB	35,858	35,580	0.8%	44,270	-19.0%	277	-8,690
Total	3,992,005	3,965,071	0.7%	3,814,841	4.6%	26,934	150,230

Source: Bank of Thailand

Banking Sector : Valuation and recommendation

	Current price22/09/04	Target price	Recommendation
BBL	97.50	133.00	BUY
KTB	8.75	13.75	LONG -TERM BUY
KBANK	46.25	54.00	LONG -TERM BUY
SCB	46.75	56.00	BUY
BAY	10.80	16.25	ACCUMULATE
SCIB	23.60	30.70	ACCUMULATE
TMB	3.76	4.30	ACCUMULATE

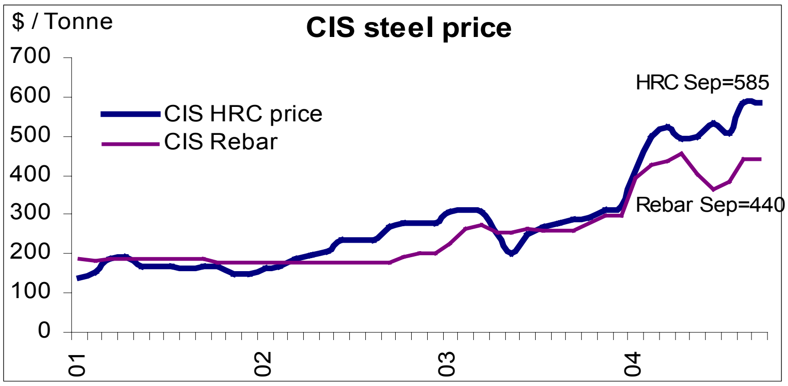
Source: KELIVE Research estimates

Building materials – (Neutral / Positive) : Our short-term view on the Building sector is Neutral, but positive on the long term.

In the short-term, there are many negative factors effecting construction activity, in particular, rising world oil prices, which should be closely monitored, as they affect future economic expansion and inflation. Although the economy has continued to expand, the risk to economic stability has increased. This has resulted in the Monetary Policy Committee deciding to raise the 14-day repurchase rate by 25 basis points, from 1.25% to 1.5%. This has also resulted in the Bank of Thailand revising down the economic growth forecast to 6-7% from 6.8-7.8%. The Ministry of Finance has also lowered its GDP forecast of 6.5-7% from 7.1% and the NESDB has lowered its GDP forecast to 6-6.5% from 6-7%. However, this growth rate level of 6-7% is still quite satisfactory.

In the long-term, the building sector should be driven by government infrastructure projects, especially in the recent government approval in principle for the development of a 291km mass transportation system in the capital with total investment budget of Bt500bn.

Steel markets in the US, Europe and China will remain very tight through 2H04, with global steel production capacity facing production constraints. Tightening raw materials is leading to increases in prices to record levels. According to Bloomberg, HRC selling prices for CIS (FOB) were at $585/tonne in Sep and rebar prices jumped to $440/tonne. Increasing world steel prices should continue to be positive for steel manufacturers in Thailand. We recommend a "LONG-TERM BUY" on **SSI** (target price Bt35) and **TYCN** (target price Bt18). We recommended an "ACCUMULATE" on **MS** (target price Bt2.52).



Source : Bloomberg

In the cement sector, we recommend a "BUY" on **SCC** (target price Bt308) and **VNG** (target price Bt18). We have a "LONG-TERM BUY" on **CCP** (target price Bt8), **DCC** (target price Bt26), **Q-CON** (target price Bt18.2), **SINGHA** (target price Bt31) and **TPIPL** (target price Bt48).

Stocks to "ACCUMULATE" are **SCCC** (target price Bt252), **TASCO** (target price Bt32) and a "BUY ON WEAKNESS" for **KWH** (target price Bt3.24)

Chemicals and plastics – (Positive/Positive) : Skyrocketing olefins and PVC prices have confirmed our positive view on petrochemicals given a petrochemical cycle uptrend that is expected to last until at least 2005-2006. Surging global oil (Brent crude) prices have risen to $44/barrel, the highest level in more than 21 years. Meanwhile regional supply shortages have helped petrochemical prices reach new highs this year.

Prices of olefins, the major product of NPC and TOC, have reached a new 10-year high of $1,100/tonne, up 148% yoy. Meanwhile PVC, the major product of TPC and VNT, has hit a new high of $925/tonne, up 57% yoy. As a result, we expect chemical sector earnings to be outstanding for the rest of the year. Stocks in the chemical sector are deeply undervalued and offer an upside of 36%-89% to our fair value estimates. We reaffirm our POSITIVE rating on the sector, with our favourite stocks being **NPC, TOC, TPC** and **VNT**.

Chemical sector

	Price (Bt)	Target (Bt)	Upside (%)	Recommendation	PER		EPS growth (%)		Dividend yield (%)	
					2004F	2005F	2004F	2005F	2004F	2005F
NPC	104	**147**	41%	**BUY**	9.2	6.9	52%	33%	6.7%	7.2%
TOC	63.5	**75**	18%	**ACCUMULATE**	18.6	11.8	50%	58%	1.6%	1.6%
TPC	202	**338**	67%	**STRONG BUY**	7.8	7.3	74%	6%	6.9%	6.9%
VNT	10.7	**18**	68%	**BUY**	7.9	6.3	41%	26%	0.0%	0.0%

Source : : KELIVE Research estimates

Commerce – (Neutral / Neutral) : We are maintaining our neutral rating for both short and long term prospects for the commerce sector. Even with the shortened operating hours since early September following energy-saving measures, discount store sales are forecast to continue growing, supported by the growth of economic activity and domestic consumption. The high potential growth stocks are **HMPRO** (fair value of Bt5.90) and **CP7-11** (fair value of Bt72). Meanwhile, we also recommend a "LONG-TERM BUY" on **BIGC** and **MAKRO** with fair value estimates of Bt23.00 and Bt50.00, respectively.

Retail sector

Stock	Recommendation	Price (Bt)	Fair value (Bt)	Upside (%)	EPS04F (Bt)	PER04F (x)	DPS (Bt)	Yield (%)
BIGC	LONG-TERM BUY	18.40	23.00	25%	2.06	8.9	0.82	4%
MAKRO	LONG-TERM BUY	45.50	50.00	10%	4.35	10.5	2.00	4%
HMPRO	BUY	4.08	5.90	45%	0.38	10.7	0.15	4%
CP7-11	BUY	56.50	72.00	27%	3.92	14.4	2.00	4%

Source : KELIVE Research estimates

Communications – (Neutral / Positive) : We have downgraded our rating on this sector to **"Neutral"** in the near term, as share prices of most stocks in this sector have risen close to our fair value estimates.

Furthermore, we do not expect any major progress in sector reform to happen very soon, as National Telecommunications Commission (NTC) is likely to take 6-8 months in drafting new regulations to govern the telecom industry. The issue of concession conversion will involve many complicated issues, as well.

However, our view on this sector is **"Positive"** in the longer term, as the conclusion of these complicated issues is expected to be realised by 2H05. Hence, implementation steps of sector reform, including the concession conversion and the new-license application should begin by 2006.

Currently, our top stock pick in this sector is **SHIN** (target price Bt48.1) due to its sizable potential upside to our fair value estimate, its solid financial status and its attractive dividend yield of 4.6% at the current share price.

We also have a BUY rating on **INET** (target price Bt8.2) and **CSL** (target price Bt11.3). These 2 stocks are currently trading at sizable discounts to our fair value estimates and we expect these companies to report significant earnings growth in 2H04. In addition, SATTEL (target price Bt19) is another BUY-rated stock based on the growth potential over the long term.

Construction – (Neutral / Positive) : The outlook for the construction industry remains positive in the long term driven by public spending on large infrastructure projects over the next 5-6 years. In September 2004, the Cabinet approved a Bt447bn package to expand rail mass transit systems in Bangkok and vicinity to tackle the city's traffic problems. The rail extension projects are comprised of seven routes totaling 291 km. The first project to begin early next year is the subway extension from Bansue to Bangyai worth Bt47.0bn. This project is expected to be completed within three years. This will substantially benefit ITD, CK and STECON, the top three contractors in Thailand, who specialise in large infrastructure projects. Given the experience in subway and skytrain construction, ITD and CK should benefit the most.

However, third quarter results for most contractors are expected to grow only slightly with low profitability. Although revenue will tend to increase, margins are likely to narrow from higher material costs. Domestic steel rebar prices rose around 20% since June to an average of Bt21.0/kg in August. Oil prices keep rising and this will affect most contractor margins in the near term, since some portion of revenue recognition is generated from low-margin projects won in 2003.

Since share prices have gone up around 35-50% from the bottom this year and rather close to our fair value estimate, we are rating the sector **Neutral** for the short-term view. Given the brighter outlook from large infrastructure projects, we give a **Positive** rating for the long-term view on this sector. Our top pick is ITD (**BUY** and a fair value of Bt11.50) given its leading position in the construction industry and benefits from large government spending. We also recommend a **BUY** on EMC with a target price of 6.40, given its substantial increase in revenue recognition in 2H04.

Electronic components – (Neutral / Positive): We are maintaining our **"Neutral"** rating on the electronics sector as several companies are facing problem with operating-margin declines during the period of capacity expansion (KCE) and production relocation (DELTA).

However, we have a **"Positive"** view in the longer term as we believe that the problem of low operating margins will recover by next year after the completion of the expansion process.

Our top pick in this sector is **HANA** (target price Bt26.1) due to its business-diversification advantage, a solid financial base with net cash of Bt2.7bn at the end of 2Q04 and the steady dividend payment. Meanwhile, we have an ACCUMULATE rating on DELTA (target price Bt24.6) and KCE (target price Bt11.3).

Energy – (Positive/Positive) : Oil prices (Brent crude) have surged 44% so far this year to US$44/barrel due to terrorist concerns, high demand from the US and China, financial problems at Russia's largest oil company and hedge fund speculation. Although rising oil prices have helped the energy sector 1H04 earnings climb 40% yoy, the energy sub-index is down 16% YTD, slightly outperforming the SET index which has dropped 24%.

The sector outlook in 2H04 remains promising given the very high level of oil prices. PTT and PTTEP benefit the most as their sales prices are directly linked with oil prices. Recently, PTT announced an expansion of its investment in Rayong Refinery (RRC), Bangkok Polyethylene (BPE) and also a new ethylene cracker and Low-density Polyethylene (LDPE) plants. We believe these investments will reinforce PTT business prospects over the longer-term and boost future earnings. Our top pick in the energy sector is **PTT** with a target price of Bt227.

Energy sector

	Price (Bt)	Target (Bt)	Upside (%)	Recommendation	PER		EPS growth (%)		Dividend yield (%)	
					2004F	2005F	2004F	2005F	2004F	2005F
BAFS	10.6	13	23%	**LONG-TERM BUY**	9.4	9.4	23%	0%	5.7%	5.7%
BANPU	159	169	6%	**ACCUMULATE**	15.7	13.5	30%	16%	2.5%	2.5%
BCP-DR1	15.4	21	36%	**SPECULATIVE BUY**	9.0	6.3	N.A.	42%	0.0%	0.0%
EGCOMP	67.5	89	32%	**HOLD**	7.6	7.1	-22%	7%	4.1%	4.1%
PTTEP	294	314	7%	**LONG-TERM BUY**	12.8	12.4	24%	3%	2.4%	2.4%
RATCH	38.5	46	19%	**ACCUMULATE**	8.4	8.5	23%	-2%	4.5%	4.8%
SUSCO	1.11	1.51	36%	**SPECULATIVE BUY**	13.8	10.9	3%	27%	4.5%	4.5%

Source : : KELIVE Research estimate

Entertainment – (Neutral / Neutral) : The short and long term outlook for the entertainment sector remains neutral, even with 8M04 adspend growth of 20% to Bt54,800mn. TV is the most popular ad media, representing 57% of total adspend, followed by newspapers and radio with 21% and 8%, respectively. Cinema and newspaper adspend posted the strongest growth of 47% and 43%, respectively. The Ad industry is forecast to continue growing with at least a 15% increase this year. The growth-driving factor comes from higher ad budgets for communications, vehicles and consumer products. The entertainment companies with ad revenues will benefit from adspend growth especially **GMMM** (fair value of Bt39.25) running media businesses, like TV, radio and publishing. We also like **MAJOR** (fair value of Bt22.16) due to the significant growth boost by the acquisition of EGV.

Entertainment sector

Stock	Recommendation	Price (Bt)	Fair value (Bt)	Upside (%)	EPS04F (Bt)	PER04F (x)	DPS (Bt)	Yield (%)
BEC	ACCUMULATE	18.30	21.00	15%	1.05	17.4	1.00	5%
GRAMMY	LONG-TERM BUY	16.00	20.20	26%	1.19	13.4	0.95	6%
GMMM	BUY	24.20	39.25	62%	2.31	10.5	2.00	8%
MAJOR *	BUY	13.50	22.16	64%	0.76	17.8	0.00	0%
EGV	SWITCH	4.90	7.20	47%	0.32	15.3	0.13	3%
ITV	HOLD	15.70	18.20	16%	-0.26	N.A.	0.00	0%
UBC	HOLD	23.00	23.00	0%	0.45	51.1	0.00	0%
CVD	ACCUMULATE	20.60	27.50	33%	2.29	9.0	1.15	6%
MEDIAS	ACCUMULATE	11.80	19.70	67%	1.31	9.0	0.66	6%
MACO	ACCUMULATE	9.25	13.20	43%	0.88	10.5	0.35	4%
PICO	BUY	3.66	6.20	69%	0.52	7.0	0.21	6%

*Note : * Normalised earnings*
Source : KELIVE Research estimates

Finance – (Neutral/Negative) : We are maintaining our **NEUTRAL** weighting on the finance sector in the short term despite our belief that investors are worried about the risk factors of higher interest rates and rising oil prices. This is due to domestic vehicle sales in August rose 2.9% yoy and steady loan growth of stocks in our coverage list (NFS, KK and TISCO). Actually, sales had been supported by lower vehicle prices from a new auto tax structure, promotions by car dealers and the launch of new models toward the end of the year.

In the longer term, we believe that the negative impact from higher interest rates and rising oil prices will be much clearer and will deteriorate consumer confidence next year. This will eventually reduce domestic automobile sales and overall loan growth in this sector, unless the government launches a support policy. Therefore, we are giving a **NEGATIVE** recommendation for this sector in the longer term. Our top picks in this sector are NFS and KK, as these stocks are attractive in terms of pricing (NFS is trading at 0.9x 2004F BVPS, while KK is trading at 1.0x).

Finance sector: Loan growth

Loans	Aug-04	Jul-04	MoM	Dec-03	YTD
NFS	94,060	92,713	1.5%	78,089	20.5%
TISCO	42,506	41,589	2.2%	36,457	16.6%
KK	29,992	28,393	5.6%	20,150	48.8%
Total	166,557	162,695	2.4%	134,696	23.7%

Source: Bank of Thailand

Finance sector : Valuation and recommendation

	Current price (Bt) 22/04/09	Fair value price (Bt)	Recommendation
NFS	13.20	16.25	LONG TERM BUY
TISCO	25.25	30.00	ACCUMULATE
KK	30.75	40.00	LONG TERM BUY

Source: KELIVE Research estimates

Property – (Neutral / Negative) : With the threat of rising interest rates and petrol prices, as well as higher construction costs, the property market is showing signs of a slowdown over the longer term. KBANK recently raised its housing loan rate by 0.25% and we expect other banks to increase their lending rate in the near term. According to the KBANK Research Center, if interest rates rise by 0.25%, purchasing value will decline by about 2%. Higher housing prices of 10% or more should result in a decrease of purchasing value by another 10%. We believe that new housing supply is likely to be limited in the middle to long term from the stricter loan requirements from commercial banks and excess inventory in the marketplace.

For the short-term view, the sector outlook should be better given the improving earnings in 2H04. Most developers are expected to generate strong sales in the near term from several newly-launched projects and aggressive promotional campaigns. However, their profitability should be lower in 2H04 from higher construction costs as well as higher marketing costs.

Our top pick for the property sector is LPN, LALIN and PF, who are expected to show much improving earnings in 2H04.

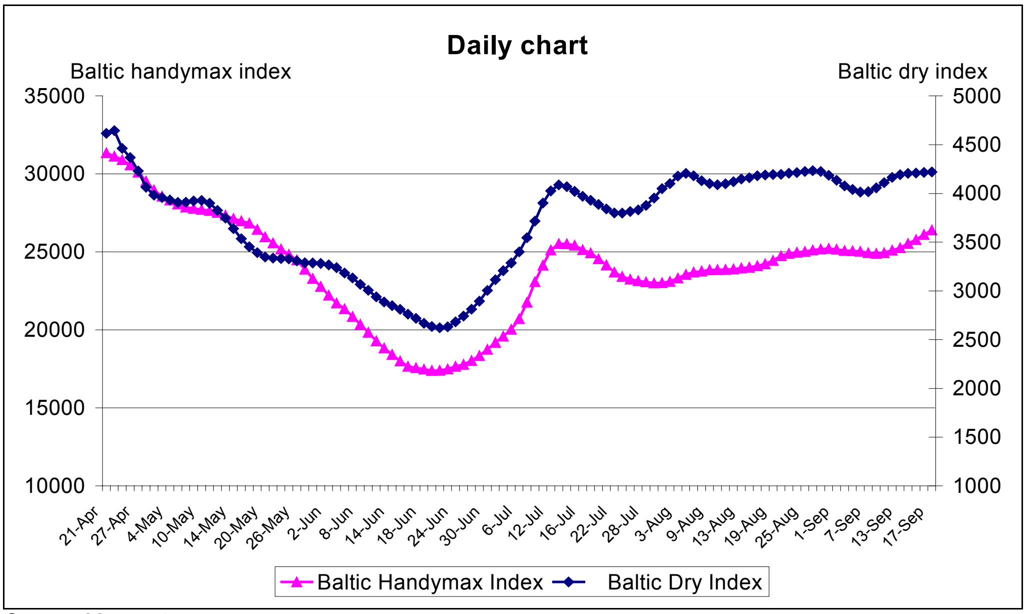
Securities – (Neutral/Negative) : Average stock market volumes rose from Bt12.3bn in August to Bt22.4bn in the first three weeks of September, mainly on the back of strong foreign fund inflows. Brokerage stocks were among the market's best performers during this period but have seen sharp falls in recent days as the surge in oil prices prompted investors to take profit. Nonetheless, the near-term outlook for the securities sector remains promising due to continuing foreign fund inflows, the forthcoming IPOs of heavyweight stocks such as Thai Oil and MCOT and new fund launches from domestic financial institutions. Fifteen local mutual fund companies have applied to set up long-term equity funds (LEFs) with a combined size of Bt60bn. Also supportive for the market – and brokerages - is the Vayupak Fund's plan to use its remaining Bt10bn to buy big cap stocks in the SET-50 index rather than confine its portfolio to just 26 stocks held by the Finance Ministry. ASP remains our favourite brokerage stock due to its strong market share and the fact that its 3Q04 net profit will be boosted by sizeable investment banking fees from IPO deals.

Shipping – (Positive/Positive) : We are **Positive** on the shipping sector on both the short-term and the medium-term, supported by the following: 1) continuing strong regional trade growth prospects in the second half of this year, 2) freight rates and time charters that are still increasing, 3) a world bulk carrier fleet is still declining in numbers (this will continue for the next 2-3 years), 4) the sector offers a potential upside of 40-80% to our fair values and 5) the very attractive dividend yields of 5-6.7%

Volume of container (TEUs)

	Bangkok Port			Leam Chabang Port		
Month	**Import**	**Export**	**Total**	**Import**	**Export**	**Total**
2003-Oct	48,846	54,149	**102,995**	154,504	139,033	**293,537**
Nov	50,602	58,548	**109,150**	138,276	137,222	**275,498**
Dec	50,894	56,441	**107,335**	139,644	146,911	**286,555**
2004-Jan	49,285	46,952	**96,237**	134,666	124,850	**259,516**
Feb	45,707	55,813	**101,520**	138,728	143,428	**282,156**
Mar	58,447	61,519	**119,966**	153,898	154,499	**308,397**
Apr	50,806	51,781	**102,587**	138,735	133,288	**272,023**
May	53,582	62,953	**116,535**	151,466	156,809	**308,275**
Jun	54,942	60,104	**115,046**	149,640	152,303	**301,943**
July	54,831	58,757	**113,588**	152,682	155,024	**307,706**
Total	517,942	567,017	**1,084,959**	1,452,239	1,443,367	**2,895,606**

Source : Port Authority of Thailand (year end September)



Source: Maxmart.com

Ship types

Ship types	Size	Cargoes
Capesize	>80,000	Ironore, coal, grain
Panamax	60-80,000	Ironore, coal, grain, bauxite, phosphate
Handymax	40-60,000	Ironore, coal, steels, cement, potash
Handysize*	10-40,000	Coal, steels, cement, potash
General cargo*	10-25,000	Coal, steels, cement, potash

*Note : *Rice, sugar, salt, gypsum, forestprods, scrap, sulphur and product cargoes*

We are still have a positive outlook on both TTA and PSL supported by charter rates still in the uptrend and the enlarged fleets. The time charter rate may fluctuate by seasonal effect on raw material shipments, but many TTA and PSL vessels have long-term contracts that will stabilise earnings.

RCL is our stock pick in this sector due to strong earnings growth potential. RCL is benefiting from increasing regional trade and freight rates on the rise.

Even though shipping shares have risen 20-32% in the past month, the stocks still look cheap priced on PERs of 5.6-6.2x. We believe in the strong business potential these stocks offer and the potential upside of 40-80%. We are recommended a **BUY** on **RCL**, **TTA** and PSL with fair values of Bt38.50, Bt55 and Bt56, respectively.

Shipping sector comparison

Company	Price (Bt)	Target (Bt)	Upside (%)	EPS (Bt)	PER (x) 2004F	Dividend (Bt)	Yield (%)	Recommendation
PSL	40.25	56.00	39%	6.52	6.17	2.00	5%	BUY
TTA	40.25	55.00	37%	6.43	6.26	2.50	6%	BUY
RCL	21.50	38.50	79%	3.85	5.58	1.45	7%	BUY

Source : KELIVE Research estimates

Vehicles – (Neutral / Positive) : We have a Neutral view in the short term as auto firms are effected by high raw material costs, but over the Long-term, a positive outlook as strong growth in Thailand will continue.

The Federation of Thai Industries (FTI) has forecast that vehicle production should reach 930,000 units this year, up 24%. Domestic car sales should reach 630,000 units for 2004, while exports will make up the remaining 300,000 units. Although sales this year are effected by high oil prices and higher interest rates, FTI still views domestic car sales to grow by around 10-15% this year.

Toyota Motors announced an expansion of their production base in Thailand under the IMV project (Innovative and International Multi-purpose Vehicle) and will export to 140 countries. Under the IMV project, Toyota has targeted the production of 500,000 units by 2006 or more than double current production and this will make Thailand the second largest Toyota production base after the USA.

The vehicle sector will continue to benefit from strong growth in automotive industry, although it will be effected by increasing raw material costs of plastics, synthetic rubber, lead and steel.

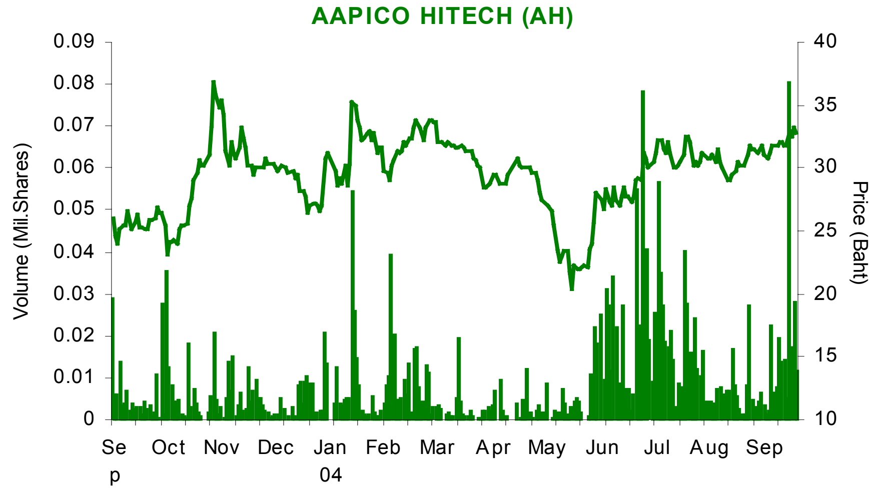
We recommend a "LONG TERM BUY" on **AH** (target price Bt40), **BAT-3K** (target price Bt78), **STANLY** (target price Bt188) and **TRU** (target price Bt17).

Stock picks

	Close	Fair Value	EPS04F	PER04F	P/BV	EV/EBITDA	CF/Shr	DPS	Yield
AH	32.75	40.00	2.91	11.30	3.70	8.90	4.20	0.73	2.20%
CSL	8.05	11.30	0.50	16.16	2.53	6.16	-	0.30	3.71%
DELTA	19.40	24.60	1.99	9.90	1.60	5.80	3.40	0.80	4.10%
HMPRO	4.08	5.90	0.38	10.70	1.80	6.50	1.20	0.15	3.70%
LPN	2.98	3.88	0.43	6.90	1.70	7.60	0.42	0.22	7.30%
MAJOR	13.50	22.16	(0.78)	N.A.	3.60	9.90	1.20	-	-
OISHI	19.10	24.00	1.66	11.50	4.50	3.90	4.10	-	-
Q-CON	15.50	18.20	0.99	15.70	3.80	12.30	1.30	0.49	3.20%
SCIB	23.60	30.70	2.85	8.28	1.38	-	-	1.16	4.93%
SKR	8.75	13.50	1.17	7.50	1.70	3.80	1.70	0.50	5.70%
SSI	27.50	35.00	3.69	7.50	1.70	7.80	4.40	-	-
TK	7.60	10.50	-	8.70	1.79	-	-	0.27	3.56%
TPC	202.00	338.00	26.01	7.80	2.00	6.50	34.20	14.00	6.90%
TVO	12.50	16.90	1.41	8.80	2.40	6.10	4.50	0.90	7.20%

Aapico Hitech PLC. (AH)

Vehicles



Recommendation **L-T BUY**

Share Price **Bt32.75**
Fair Value **Bt40.00**

Analyst: Surachai Pramualcharoenkit
Tel : 0-2658-6300 Ext 1420
E-mail: Surachai.p@kimeng.co.th

Aapico Hitech (AH) announced very strong 1H04 earnings. This was due to Aapico Amata sales input. The company, purchased in June 2003, performed well above target and generated high income for AH

For the second half of 2004 and for the year total, we expect sales and earnings to continue to show strong growth from (1) the inclusion of new revenue from rising frame sales, which have strong growth potential for both domestic and export sales, with management targeting sales of 230,000 units, up from 90,000 units last year, (2) new OEM auto parts volume growth inline with auto industry growth from the Toyota IMV project and Isuzu export models and (3) new jig orders of Bt333mn, that will be delivered in the third and fourth quarters of this year.

Over the long term, we expect AH to greatly benefit from strong growth in the Thai auto industry with major government support to make Thailand the "Detroit of Asia".

At the current price of Bt32.75, AH is trading at a 2004 PER of 11.3x with an EV/EBITDA 8.9x, which is not expensive when, compared with the high growth potential. We estimated the fair value at Bt40, which is based on our DCF model and trading on a PER of 13.7x. Overall, we are maintaining our recommendation of **"LONG-TERM BUY".**

AH Earnings summary

	2001	2002	2003	2004F	2005F
Sales (Btmn)	1,200	1,674	3,933	6,456	6,778
EBITDA (Btmn)	89	197	508	1,011	1,018
Normalised earnings (Btmn)	25	128	309	689	705
Earnings (Btmn)	19	132	310	698	705
EPS (Bt)	0.15	0.89	1.45	2.91	2.94
PER (x)	218.7	36.8	22.6	11.3	11.1
EV/EBITDA (x)	51.3	24.5	16.5	8.9	8.1
BVPS (Bt)	1.3	3.9	6.8	8.8	11.0
P/BV (x)	24.5	8.5	4.8	3.7	3.0
DPS (Bt)	-	0.09	0.26	0.73	1.18
Dividend yield (%)	0.0%	0.3%	0.8%	2.2%	3.6%
Net debt/equity (x)	1.6	Cash	0.9	0.6	0.2
ROA (%)	3.0%	14.9%	12.2%	16.3%	16.2%
ROE (%)	11.9%	35.3%	30.5%	39.2%	29.8%
No. Share (mn)	130.0	148.6	214.5	240.0	240.0

Source : Company reports and KELIVE Research estimates

CS Loxinfo PLC. (CSL)

COMMUN.

Recommendation **BUY**

Share Price **Bt8.05**
Fair Value **Bt11.30**

Analyst: Solaya Sakiyalak
Tel : 0-2658-6300 Ext 1550
E-mail: solaya.s@kimeng.co.th

We still have a positive view on CSL, both on its internet business and the directory business under the 63%-owned Teleinfo Media (TMC)

CSL just launched a new broadband-internet package in September with a minimum price of only Bt590/month. CSL management said that the response from customers looked promising.

TMC performance is likely to grow strongly in the near future due to 3 improvements. Firstly, TMC has stopped booking the cost of white-page business, since June. Furthermore, the monthly sales have increased by 11% since June. In addition, TMC will resume the full set of directories, covering all of Bangkok next year from the current 12 sets for only 12 areas of Bangkok. CSL management said that the response from advertisers on this change was impressive.

After 87%qoq earnings growth in 2Q04, we expect 3Q04 earnings to grow further by at least 29%, due mainly to a higher profit from TMC.

We are maintaining our DCF-derived fair value of Bt11.3 for CSL and a 2004 DPS of Bt0.30, implying a dividend yield of 3.7% at the current share price.

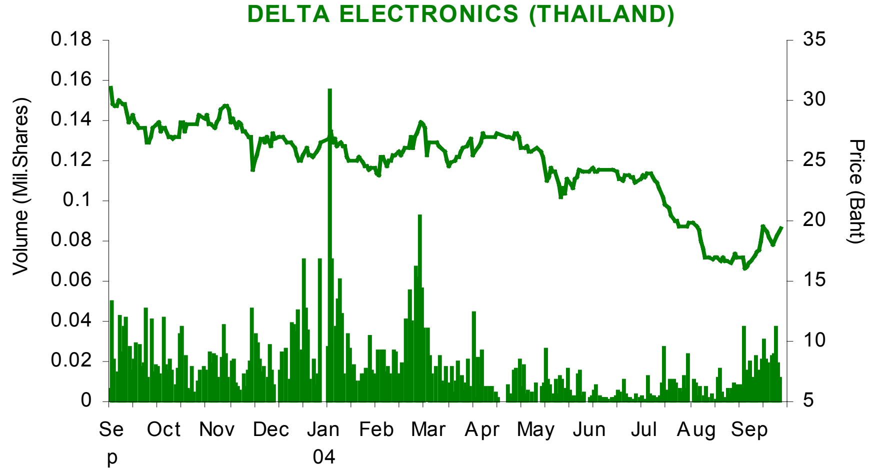
CSL Earnings summary

	2001	2002	2003	2004F	2005F
Services and Sales (Btmn)	568	541	1,190	1,971	2,525
EBITDA (Btmn)	(21)	(10)	224	568	679
Normalised earnings (Btmn)	(156)	(145)	79	311	410
Earnings (Btmn)	(156)	(146)	78	311	410
EPS (Bt)	(0.16)	(0.15)	0.16	0.50	0.66
PER (x)	N.A.	N.A.	50.3	16.1	12.2
EV/EBITDA (x)	(404.7)	(872.3)	17.1	6.1	4.6
Free cash flow (Btmn)	4,703	39	(145)	175	337
FCF/share (Bt)	4.8	0.0	(0.3)	0.3	0.5
BV per shr (Bt)	(0.3)	(0.4)	1.1	3.1	3.5
Price/BV (x)	N.A.	N.A.	7.2	2.5	2.2
DPS (Bt)	-	-	-	0.30	0.40
Dividend yield (%)	0.0%	0.0%	0.0%	3.7%	4.9%
Gearing	Cash	Cash	Cash	Cash	Cash
ROA (%)	N.A.	N.A.	7.8%	13.0%	14.6%
ROE (%)	N.A.	N.A.	201.2%	24.5%	19.5%

Source : Company reports and KELIVE Research estimates

Delta Electronics PLC. (DELTA)

ELECTRONICS



Recommendation **BUY**

Share Price **Bt19.40**
Fair Value **Bt24.60**

DELTA's performance has been slow since acquiring Delta Energy System (DES-formerly ASCOM energy systems) in late-2003 with a lower gross margin and higher expenses during the relocation process.

However, from a recent conference call with DELTA management, progress in relocation has been satisfactory and the gross margin is improving in 3Q04. Furthermore, several major customers, MOTOROLA, CISCO SYSTEMS and IBM have approved DES products, produced in Thailand.

We expect to see 24% earnings growth next year with normalised earnings of Bt2.9bn and an EPS of Bt2.46.

In addition, we estimate that the company will pay a Bt0.80 DPS for 2004 operations, implying a generous dividend yield of 4.1% at the current share price.

Analyst: Solaya Sakiyalak
Tel : 0-2658-6300 Ext 1550
E-mail: solaya.s@kimeng.co.th

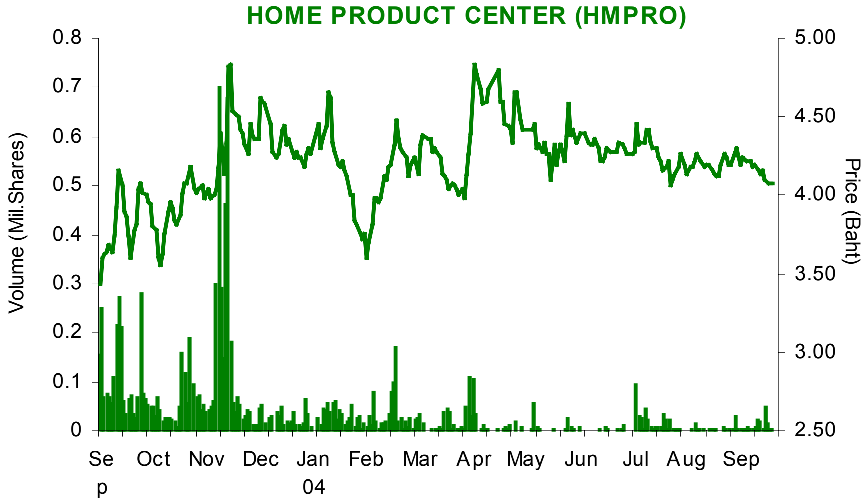
DELTA Earnings summary

	2001	2002	2003	2004F	2005F
Services and Sales (Btmn)	30,557	40,542	40,961	47,640	49,644
EBITDA (Btmn)	4,223	4,434	3,624	3,780	4,345
Normalised earnings (Btmn)	3,470	3,721	2,454	2,360	2,910
Earnings (Btmn)	3,865	3,323	1,896	2,360	2,510
EPS (Bt)	3.27	2.81	1.60	1.99	2.12
PER (x)	6.0	7.0	12.2	9.8	9.2
EV/EBITDA (x)	3.1	3.6	6.7	5.8	4.6
Free cash flow (Btmn)	(811)	1,136	(3,188)	3,123	3,338
CF/share (Bt)	2.8	1.8	1.3	3.4	3.5
BVPS (Bt)	13.0	12.5	11.2	12.4	13.7
P/BV (x)	1.5	1.6	1.8	1.6	1.4
DPS (Bt)	3.26	2.80	0.80	0.80	1.10
Dividend yield (%)	16.6%	14.3%	4.1%	4.1%	5.6%
Net debt/equity (x)	Cash	Cash	0.1	Cash	Cash
ROA (%)	25.2%	22.5%	14.3%	16.1%	15.5%
ROE (%)	49.9%	22.1%	13.5%	16.9%	16.3%

Source : Company reports and KELIVE Research estimates

Home Product Center PLC. (HMPRO)

COMMERCE



Recommendation **BUY**

Share Price **Bt4.08**
Fair Value **Bt5.90**

HMPRO has strong growth potential supported by ongoing branch expansion and high demand for home products following the boom in the real estate sector. The market for home improvements is forecast to grow 20% to Bt60,000mn in 2004.

HMPRO aims to operate a network of 30 stores within the next three years. The company currently operates 17 stores with total selling space of approximately 100,500sqm.

Analyst: Suttatip Peerasub
Tel : 0-2658-6300 Ext 1430
E-mail: suttatip.p@kimeng.co.th

The company has targeted the opening of two new stores this year and four more in 2005. We expect the company sales to jump 47% to Bt9,949mn in 2004 and 23% to Bt12,217mn next year. We also expect HMPRO earnings to rise 73% to Bt358mn (Bt0.38/share) this year and 17% to Bt419mn (Bt0.45/share) in 2005.

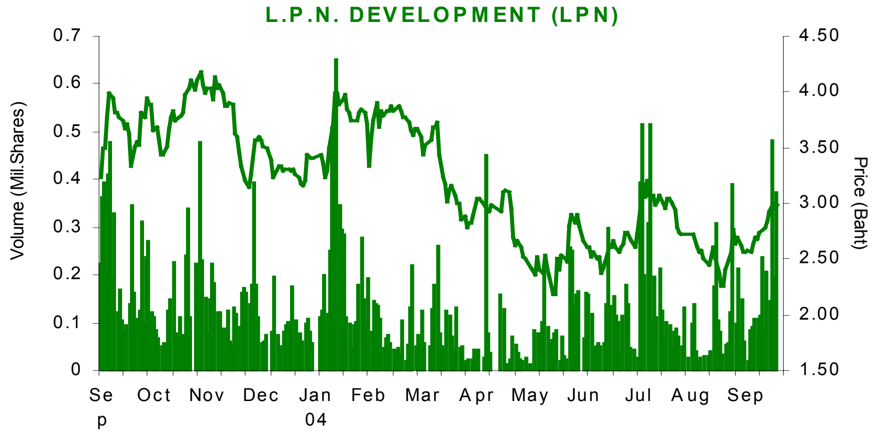
HMPRO Earnings summary

	2001	2002	2003	2004F	2005F
Sales (Btmn)	3,232	4,564	6,753	9,949	12,217
EBITDA (Btmn)	168	241	439	696	841
Normalised earnings (Btmn)	86	109	207	358	419
Earnings (Btmn)	86	109	207	358	419
EPS (Bt)	0.32	0.18	0.27	0.38	0.45
PER (x)	12.6	22.2	15.1	10.7	9.1
EV/EBITDA (x)	7.7	10.7	8.2	6.5	6.4
Free cash flow (Btmn)	(192)	(290)	(389)	(568)	(686)
CF/share (Bt)	2.5	1.5	1.6	1.2	1.0
BVPS (Bt)	2.49	1.93	1.75	2.29	2.58
P/BV (x)	1.6	2.1	2.3	1.8	1.6
DPS (Bt)	-	0.06	0.12	0.15	0.18
Dividend yield (%)	0.0%	1.5%	2.9%	3.7%	4.4%
Net debt/equity (x)	0.3	0.1	0.4	0.3	0.6
ROA (%)	4.4%	4.0%	5.5%	6.7%	6.1%
ROE (%)	19.1%	12.1%	16.8%	20.7%	18.3%

Source : Company reports and KELIVE Research estimates

LPN Development PLC. (LPN)

PROPERTY



Recommendation **BUY**

Share Price **Bt2.98**
Fair Value **Bt3.88**

LPN is the strongest player in the middle-income segment of the condominium market given high quality construction with affordable unit prices. LPN launched the Pahol-Sutthisarn project worth Bt1,300mn in July and also plans to launch another two projects worth Bt1.30bn within 2H04, comprised of Lumpini Ville Pahol 37 and Lumpini Center Sukhumvit 77 phase 2. At the end of the second quarter, LPN had remaining presales of Bt2.79bn. We expect LPN to recognise sales of around Bt1.71bn in 2H04, or 61% of remaining presale units.

Given the large number of presale units on hand, as well as new projects to be launched in 2H04, we expect LPN to recognise sales of Bt2.74bn in 2004 and Bt4.10bn in 2005. The gross margins are forecast to fall to 32.0% in 2004 and 31.5% in 2005 due to higher material costs. As a result of higher revenue projections, but narrower margins, LPN earnings are forecast to fall to Bt512mn in 2004, but rebound to Bt722mn in 2005. 2004 EPS is projected to decline to Bt0.43 due to the dilution effect from the 236.7mn new shares issued in April.

Analyst: Surasak Anutarasoth
Tel : 0-2658-6300 Ext 1520
E-mail: surasak.a@kimeng.co.th

With a 50% dividend payout policy, we expect LPN to pay a dividend of Bt0.22/share for 2004 earnings, amounting to an attractive yield of 7.3% at the current price. The stock is now trading on a prospective 2004 PER of 6.9x and offers a potential 30% upside from our fair value estimate of Bt3.88.

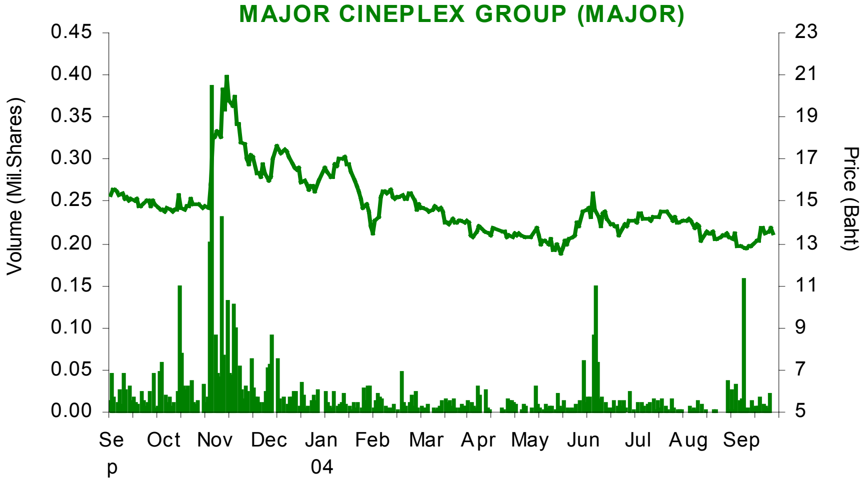
LPN Earnings summary

	2001	2002	2003	2004F	2005F
Sales (Btmn)	473	994	1,880	2,741	4,095
EBITDA (Btmn)	(34)	72	417	591	937
Normalised earnings (Btmn)	(33)	135	466	512	722
Earnings (Btmn)	301	163	465	512	722
EPS (Bt)	2.49	0.32	0.50	0.43	0.61
PER (x)	4.5	9.2	6.0	6.9	4.9
EV/EBITDA (x)	(122.6)	53.6	9.8	7.6	4.9
Free cash flow (Btmn)	721	(117)	(325)	(461)	78
CF/share (Bt)	(0.05)	0.21	0.48	0.42	0.58
BVPS (Bt)	1.27	2.22	1.45	1.79	2.17
P/BV (x)	2.3	1.3	2.1	1.7	1.4
DPS (Bt)	-	0.10	0.25	0.22	0.30
Dividend yield (%)	0.0%	3.4%	8.4%	7.3%	10.2%
Net debt/equity (x)	1.17	0.26	0.35	0.40	0.38
ROA (%)	(1.5%)	7.4%	17.9%	14.0%	15.0%
ROE (%)	(5.6%)	14.9%	31.5%	24.2%	26.0%

Source : Company reports and KELIVE Research estimates

Major Cineplex Group PLC. (MAJOR)

ENTERTAIN



Recommendation **BUY**

Share Price **Bt13.50**
Fair Value **Bt22.16**

The company growth driving factor will come from business expansion (theatre openings and new screens) and the release of more blockbuster movies; such as, Spider Man II, I-Robot, King Arthur, Alien vs. Predator, and Anacondas. In 2H04, MAJOR will add 13 screens and 80 bowling lanes. The company also expects to complete the business consolidation with EGV in 4Q04. We expect 2004 normalised earnings (excluding a goodwill write-off) of Bt582mn (Bt0.76/share).

MAJOR will acquire an 80% stake in two film distributors, Nontanund and Pacific Marketing & Entertainment Group (PMEG). We view this acquisition as a positive move for MAJOR, as the film distributor will support the theatre business in terms of a better selection of films, more diversity of films and lower film hire fees.

Analyst: Suttatip Peerasub
Tel : 0-2658-6300 Ext 1430
E-mail: suttatip.p@kimeng.co.th

Next year, we should see substantial growth from MAJOR, supported by business consolidation with EGV. The company also plans to open at least 80 theatre screens and 100 bowling lanes to be added in 2005. Some upcoming blockbuster movies include, Harry Potter IV and Star Wars III.

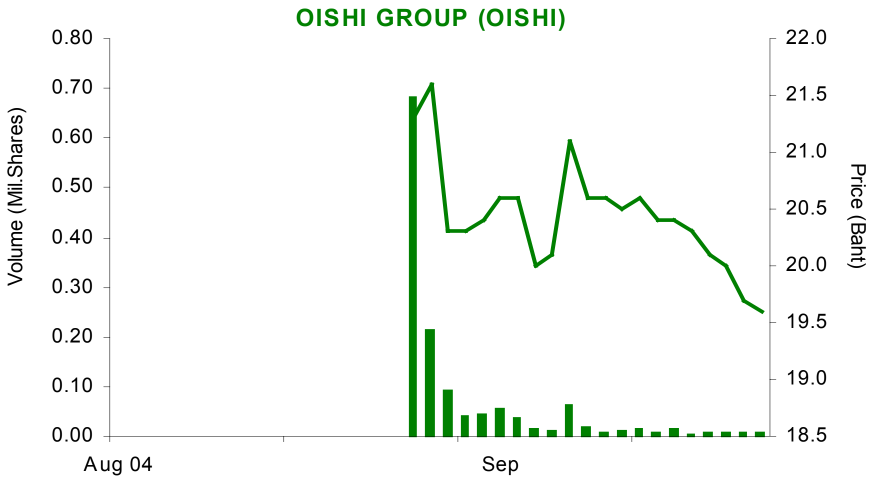
MAJOR Earnings summary

	2001	2002	2003	2004F	2005F
Sales (Btmn)	1,256	1,740	2,339	3,139	4,499
EBITDA (Btmn)	390	694	895	1,216	1,595
Normalised earnings (Btmn)	83	315	423	582	782
Earnings (Btmn)	83	315	423	(594)	782
EPS (Bt)	0.19	0.57	0.72	(0.78)	0.95
PER (x)	71.3	23.5	18.8	N.A.	14.2
EV/EBITDA (x)	16.8	10.8	9.5	9.9	7.8
Free cash flow (Btmn)	305	699	667	916	1,568
CF/share (Bt)	0.7	1.3	1.1	1.2	1.9
BVPS (Bt)	1.2	3.0	3.5	3.8	4.5
P/BV (x)	11.1	4.5	3.8	3.6	3.0
DPS (Bt)	-	0.40	0.60	-	0.57
Dividend yield (%)	0.0%	3.0%	4.4%	0.0%	4.2%
Net debt/equity (x)	0.9	Cash	0.2	0.6	0.4
ROA (%)	6.5%	13.7%	13.1%	-10.3%	12.1%
ROE (%)	21.4%	26.6%	21.7%	-21.0%	23.4%

Source : Company reports and KELIVE Research estimates

Oishi Group PLC. (OISHI)

FOOD & BEVERAGE



Recommendation **BUY**

Share Price **Bt19.10**
Fair Value **Bt24.00**

An incident at an Oishi Group (OISHI) Shabu Shabu restaurant this month will have only a short-term negative impact on OISHI revenue. Since OISHI will rely on growth from the green tea drinks this year, total revenue will not be insignificantly affected.

Shabu Shabu restaurants account for less than 5% of OISHI food revenue. Since the incident, the media has focused on safety in the restaurants and how the company will handle such events in the future. We believe that the liquid alcohol used to fuel Shabu Shabu will be replaced by something, which will offer customers a safer restaurant environment. Reassurance from management should be made to the media and customers should be drawn back in no time, therefore, we believe such an occurrence was just a one-time event.

The boost in green tea production by the end of this year, coupled with the unveiling of a new green tea drink, "Japanese rice," which has had a successful launch, should continue to strengthen OISHI revenue adding Bt2,833mn with a contribution of Bt1,265mn from the food and bakery business. A net profit of Bt312mn is expected this year, or an EPS of Bt1.66/share.

Since OISHI shares have fallen to the IPO price level of Bt19/share, we believe this offers investors a 25% upside potential to our target price of Bt24 based on our DCF model and a discount rate of 11%. We are maintaining a **BUY** recommendation on OISHI. The stock is currently trading on 2004 PER of 11.48x, and 9.45x for 2005.

Analyst: Suwat Limkrailassiri
Tel : 0-2658-6300 Ext 1480
E-mail: suwat.l@kimeng.co.th

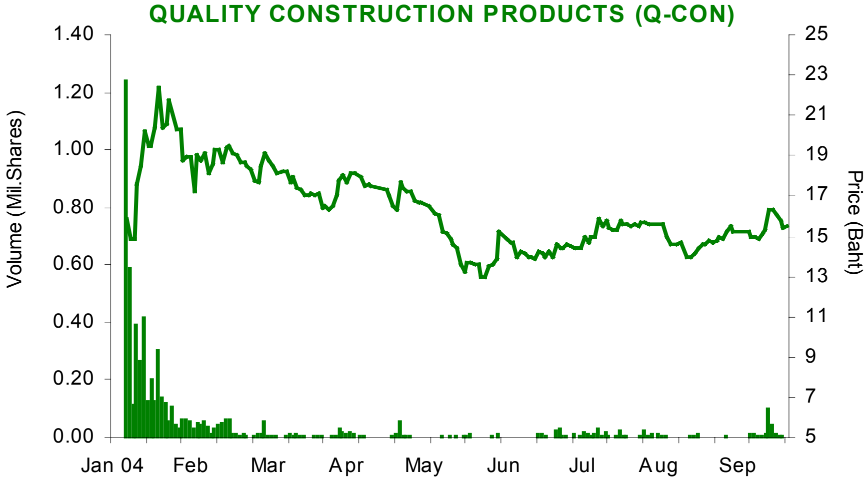
OISHI Earnings summary

	2002	2003	2004F	2005F	2006F
Sales (Btmn)	714	1,319	4,157	5,233	5,967
EBITDA (Btmn)	59	146	806	951	992
Norm profit (Btmn)	19	20	312	379	399
Net profit (Btmn)	19	20	312	379	399
EPS (Bt)	6.98	6.57	1.66	2.02	2.13
PER (x)	2.7	2.9	11.5	9.4	9.0
Operating cash flow (Btmn)	76.1	76.3	774.6	610.5	592.2
CF/share (Bt)	15.1	50.4	4.1	3.3	3.2
BV/share (Bt)	105.0	111.2	4.2	6.3	8.4
Price/BV (x)	0.2	0.2	4.5	3.0	2.3
DPS (Bt)	N.A.	-	-	-	-
Dividend yield (%)	N.A.	N.A.	N.A.	N.A.	N.A.
Gearing (x)	0.5	1.3	Cash	Cash	Cash
ROE (%)	13.3%	6.3%	55.3%	38.5%	29.0%
ROA (%)	2.9%	1.7%	15.7%	14.1%	11.9%

Source : Company reports and KELIVE Research estimates

Quality Construction Products PLC. (Q-CON)

BUILDING



Recommendation **BUY**

Share Price **Bt15.50**
Fair Value **Bt18.20**

Analyst: Surachai Pramualcharoenkit
Tel : 0-2658-6300 Ext 1420
E-mail: Surachai.p@kimeng.co.th

Currently, there is high demand for aerated concrete products due to the advantages as a light weight building material product, including insulation qualities, lightweight and ease of installation, fire resistance, noise absorption and durability. Strong demand for this product has resulted in high gross margins of 45-50%.

Due to this strong demand, Q-CON is embarking on a plan that will increase capacity from 3 mn sqm per year to 12 mn sqm per year after the completion of three new plants.

For this reason, Q-CON earnings prospects for 2004 and 2005 are expected to be strong. For 2004, we have forecast Q-CON to achieve sales growth of 58% to Bt1,156mn and a net profit growth of 52% to Bt394mn (EPS Bt0.99). For 2005, we expect sales further increase by 75% to Bt2,022mn and net profit to rise 58% to Bt622mn (EPS Bt1.56).

At the current share price of Bt15.5, Q-CON looks attractive, trading on a PER of 15.7x this year and 10.0x next year. The 2004 EV/EBITDA is projected at 12.3x, which should decline to 7.5x next year. Our DCF model indicates a fair value of Bt18.2. Hence, we are maintaining our recommendation of "LONG TERM BUY"

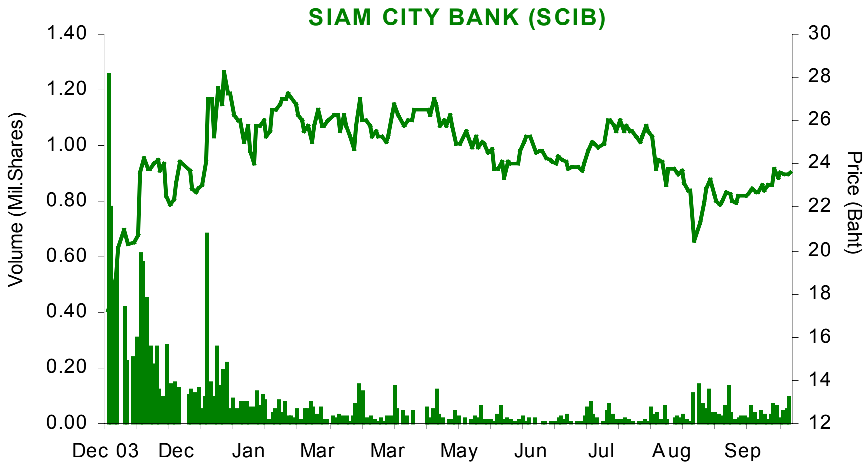
Q-CON Earnings summary

	2001	2002	2003	2004F	2005F
Sales (Btmn)	329	524	733	1,156	2,022
EBITDA (Btmn)	118	203	329	521	891
Normalised earnings (Btmn)	0	103	258	394	622
Earnings (Btmn)	(11)	548	260	394	622
EPS (Bt)	(0.61)	8.75	1.10	0.99	1.56
PER (x)	N.A.	1.8	14.1	15.7	9.9
EV/EBITDA (x)	11.8	6.5	10.2	12.3	7.5
BVPS (Bt)	(28.0)	4.1	5.6	4.1	5.1
P/BV (x)	N.A.	3.7	2.8	3.8	3.0
DPS (Bt)	-	-	0.33	0.49	0.78
Dividend yield (%)	0.0%	0.0%	2.1%	3.2%	5.0%
Net debt/equity (x)	(2.1)	1.3	Cash	0.1	0.2
ROA (%)	-1.7%	73.7%	23.4%	22.5%	25.7%
ROE (%)	N.A.	N.A.	33.0%	26.7%	33.7%
No. Share (mn)	18.8	62.6	235.5	400.0	400.0

Source : Company reports and KELIVE Research estimates

Siam City Bank PLC. (SCIB)

BANKING



Recommendation **ACCUMU**

Share Price **Bt23.60**
Fair Value **Bt30.70**

We are positive on SCIB loan growth in August from Bt291bn in July to Bt295bn, a rise of 1.4% or Bt4.1bn in line with the bank's 2004 full year target of Bt40-60bn. In addition, SCIB believes that loan growth in Sep will also continue to rise.

SCIB's financial status is sound asTier 1 capital is high at 11.16%, while BoT requirements are 4.25%. In 2004, we have forecast that SCIB will achieve bottom line earnings of Bt6.0mn this year under our conservative assumption that 2H04 profit will come from operating activities and loan growth.

Given the steady loan growth, we reiterate our ACCUMULATE recommendation with a fair value estimate of Bt30.70/share, or 1.8x 2004F PBVS. The dividend yield is 4.93%.

Analyst: Mek Meksarikul
Tel : 0-2658-6300
Ext 1560
E-mail:
mek.m@kimeng.co.th

SCIB Earnings summary

	2001	2002	2003	2004F	2005F
PPP (Btmn)	40,934	4,924	7,612	7,146	9,764
Net profit (Btmn)	38,075	882	3,606	6,023	6,833
PPP/share	19.86	2.33	3.60	3.38	4.62
EPS (Bt)	14.98	0.54	1.71	2.85	3.23
BVPS (Bt)	9.03	16.53	15.44	17.16	19.10
DPS	-	0.20	0.75	1.16	1.47
P/PPP (x)	1.19	10.13	6.55	6.98	5.11
PER (x)	1.58	43.70	13.83	8.28	7.30
PBV (x)	2.61	1.43	1.53	1.38	1.24
Dividend yield	-	0.85%	3.19%	4.93%	6.23%
ROE	476.4%	3.3%	10.7%	17.5%	17.8%

Source : Company reports and KELIVE Research estimates

Sikarin PLC. (SKR)

HEALTH CARE SERVICES

Recommendation **BUY**

Share Price **Bt8.75**
Fair Value **Bt13.50**

The rapid growth of new housing estates in Bangkok's eastern suburbs, coupled with the opening of the new international airport 25 kilometers east of central Bangkok late next year, are expected to result in higher patient flows for SKR over the next few years. The hospital treated 2,069 outpatients a day last year, representing 72% of its total capacity. This number is forecast to rise to 2,225 this year and 2,463 in 2005.

A new IT system, coupled with better space utilisation, has helped SKR to raise capacity for treating outpatients from 2,280 a day to 2,880. In 4Q05 SKR will open a new Bt180mn building, lifting outpatient capacity by 27% to 3,660 a day. In 2007, SKR will complete expansion by opening a 200-bed building III. This new annex, costing Bt400mn, will lift the company's outpatient capacity to 4,700 a day.

Analyst: Suwat Limkrailassiri
Tel : 0-2658-6300 Ext 1480
E-mail: suwat.l@kimeng.co.th

SKR is trading on a 2004 PER of 7.5x versus 12-15x for other listed hospital stocks. The company is expected to pay a dividend of Bt0.50/share for 2004 operations, representing a generous yield of 5.7%. Based on our DCF model, which uses a discount rate of 12% and assumes no conversion of its 40mn warrants, SKR's estimated fair value is Bt13.5/share, indicating a potential upside of 54%.

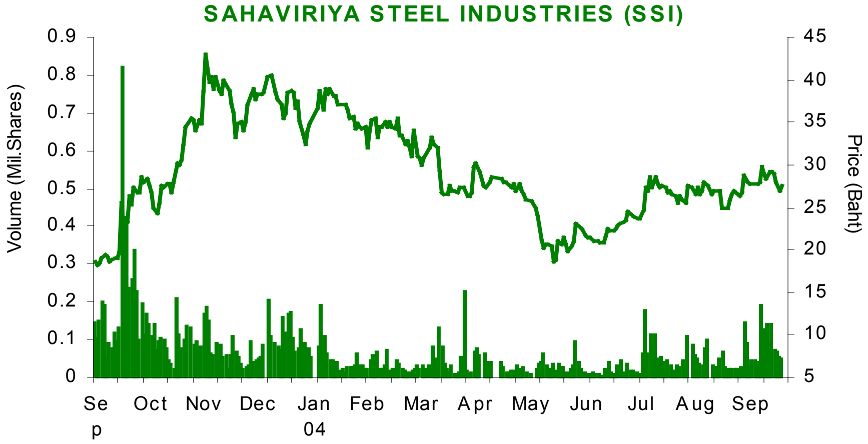
SKR Earnings summary

	2002	2003	2004F	2005F	2006F
Sales (Btmn)	725	772	885	935	1,451
EBITDA (Btmn)	152	118	161	187	184
Norm profit (Btmn)	94	54	117	130	121
Net profit (Btmn)	104	97	117	130	121
EPS (Bt)	1.15	0.97	1.17	1.30	1.21
PER (x)	7.6	9.0	7.5	6.7	7.2
EV/EBITDA (x)	4.6	7.1	3.8	3.7	3.7
Free cash flow (Btmn)	63.7	268.8	171.6	186.5	271.6
CF/share (Bt)	0.7	2.7	1.7	1.9	2.7
BV/share (Bt)	1.6	4.0	5.0	5.7	6.3
Price/BV (x)	5.3	2.2	1.7	1.5	1.4
DPS (Bt)	-	-	0.50	0.60	0.65
Dividend yield (%)	0.0%	0.0%	5.7%	6.9%	7.4%
Gearing	Cash	Cash	Cash	Cash	Cash
ROE (%)	117.7%	35.7%	25.9%	24.1%	20.1%
ROA (%)	15.6%	9.8%	9.8%	11.6%	10.1%

Source : Company reports and KELIVE Research estimates

Sahaviriya Steel Industries PLC. (SSI)

BUILDING



Recommendation **BUY**

Share Price **Bt27.50**
Fair Value **Bt35.00**

SSI will benefit from the re-instatement of anti-dumping duties on HRC steel imports from 14 countries that will help support local prices. In May 2003, the government slapped anti-dumping duties on imports from Japan, South Africa, Russia, Kazakhstan, India, South Korea, Taiwan, Venezuela, Argentina, Ukraine, Algeria, Indonesia, Slovakia and Romania. The anti-dumping duties ranged from 3.45% to 128.11%, varying by country and company.

The new Pickling and Oiling Line (P/O Line) project that has started operations since 3Q04 and has performed well. SSI sold 30,000 tonnes of P/O in the third quarter with a high spread of $235/tonne compared with the normal metal spread of around $100/tonne. The cost of P/O products is just $15-/20/tonne, plus rolling charges. So this new project should generate earnings for SSI of around Bt200-250mn in the third quarter.

For the next 1-2 years, prospects remain bright, as high world steel demand continues. Domestic HRC steel demand is still higher than domestic capacity, so SSI plans to increase capacity to 4 million tonnes (up from 2.4 million tonnes).

This year, China is expected to produce around 250-260 mn tonnes, while total demand will be around 300 mn tonnes. This high demand should continue to push up steel prices. Steel markets in the US, Europe and China, will remain very tight through 2H04, since global steel production capacity is facing constraints. Tightening raw materials is leading to increases in prices. According to Bloomberg, HRC selling prices for CIS (FOB) were around $585/tonne in Sep.

We are maintaining our recommendation of "LONG-TERM BUY" and we estimate the fair value at Bt35 based on a PER of around 10x.

Analyst: Surachai Pramualcharoenkit
Tel : 0-2658-6300 Ext 1420
E-mail: Surachai.p@kimeng.co.th

SSI Earnings summary

	2001	2002	2003	2004F	2005F
Sales (Btmn)	13,104	23,968	29,557	34,805	52,009
EBITDA (Btmn)	708	5,075	4,707	5,942	6,170
Normalised earnings (Btmn)	(749)	3,385	3,166	4,823	4,946
Earnings (Btmn)	(630)	3,433	4,702	4,830	4,946
EPS (Bt)	(0.74)	4.03	5.47	3.69	3.77
PER (x)	N.A.	6.8	5.0	7.5	7.3
EV/EBITDA (x)	56.9	8.5	7.4	7.8	8.3
BVPS (Bt)	5.0	10.5	18.3	15.7	19.5
P/BV (x)	5.5	2.6	1.5	1.7	1.4
Net debt/equity (x)	3.4	1.9	0.5	0.3	0.4
ROA (%)	-2.7%	12.8%	15.6%	15.4%	12.6%
ROE (%)	-13.6%	52.1%	38.0%	26.6%	21.4%
No. of Shares (mn)	853	853	859	1,310	1,310

Source : Company reports and KELIVE Research estimates

Thitikorn PLC. (TK)

FINANCE

Recommendation **L-T BUY**

Share Price **Bt7.60**
Fair Value **Bt10.50**

Analyst: Mek Meksarikul
Tel : 0-2658-6300
Ext 1560
E-mail:
mek.m@kimeng.co.th

As the number 1 hire purchase lender for motorcycle sales with a 36% market share, TK has a promising outlook with the continued growth in overall motorcycle sales in 2004 which is forecast to reach 1.95mn units. In line with industry growth, TK plans to open 10 additional branches this year.

We believe that TK will achieve bottom line earnings of Bt437mn in 2004, a rise of 11.7% yoy. In 1H04, TK has realised a profit of Bt215mn. TK financial status is sound as debt to equity is low at 1.3:1.

Given that TK is trading at a 2004 PER of 7.9x, in line with the finance sector average, and offers a dividend yield of 3.9%, we maintain our **LONG-TERM BUY** recommendation on the stock.

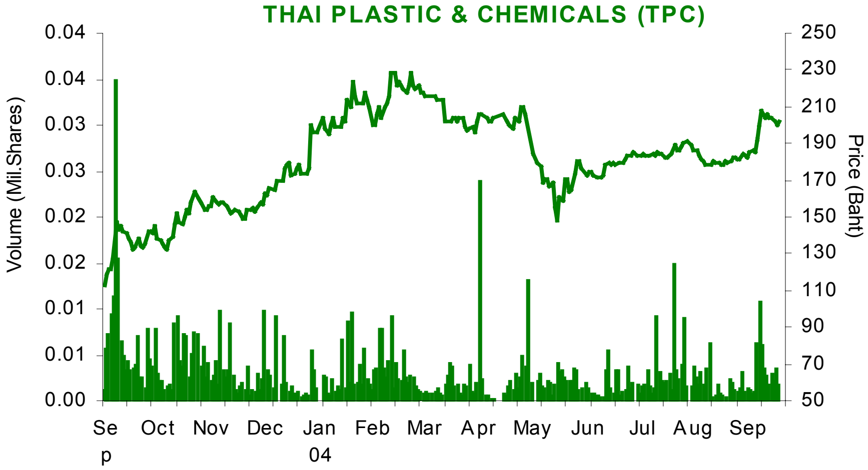
TK Earnings summary

	2002	2003	2004F	2005F	2006F
Operating profit (Btmn)	342	495	549	619	670
Net profit (Btmn)	353	391	437	493	543
EPS (Bt)	5.04	1.49	0.87	0.99	1.09
BVps (Bt)	5.36	6.92	4.24	4.83	5.48
DPS (Bt)	0.00	0.35	0.27	0.39	0.43
P/E (x)	1.51	5.11	8.70	7.71	7.00
P/B (x)	1.42	1.10	1.79	1.57	1.39
Dividend yield (%)	0.00%	4.61%	3.56%	5.19%	5.71%
ROE (%)	94.00%	21.50%	20.60%	20.41%	19.79%

Source : Company reports and KELIVE Research estimates

Thai Plastic and Chemicals PLC. (TPC)

CHEMICAL



Recommendation **BUY**

Share Price **Bt202.00**
Fair Value **Bt338.00**

The TPC Board of Directors passed a resolution to split par from Bt10 to Bt1. We feel this is a positive move, as it should help improve the company's relatively low trading liquidity.

We believe that TPC shares have a strong upside potential, supported by strong earnings growth and an attractive dividend yield. With the end of the Siam Cement tender offer period (from July 2 – September 6), the deeply undervalued tender price of Bt180 will no longer serve as a psychological barrier for TPC share levels. We believe TPC shares offer a fundamental fair value of Bt338 apiece.

The company announced an interim dividend of Bt3 with an XD on August 5. We are certain that the company will pay another dividend of Bt11 for 2H04 following the strong cash flow of Bt34/share and a policy to pay dividends at 40% of retained earnings. Therefore, we expect the company to pay an annual dividend of Bt14, representing an attractive yield of 6.9% at the current share price.

Analyst: Kitichan Sirisukarcha
Tel : 0-2658-6300 Ext 1570
kitichan.s@kimeng.co.th

With brightening PVC prices and a widening margin spread, we have forecast the company to achieve our 2004 earnings projection of Bt2,276mn or an EPS of Bt26, a hike of 74% yoy. Currently, TPC shares look very cheap trading at a PER of 7.8x compared to peers in the sector of PER 13x.

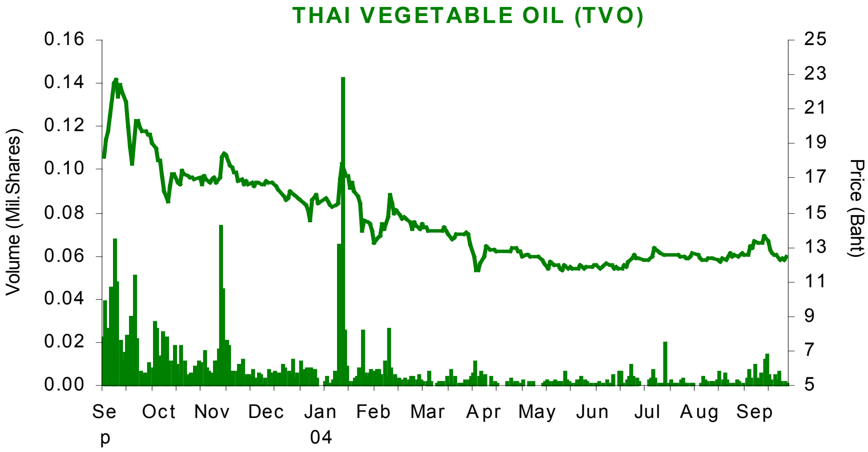
TPC Earnings summary

	2001	2002	2003	2004F	2005F
Sales (Btmn)	13,695	16,009	18,063	19,735	20,520
EBITDA (Btmn)	1,411	2,505	2,509	3,474	3,552
Normalised earnings (Btmn)	(465)	1,198	1,278	2,276	2,418
Earnings (Btmn)	135	1,217	1,306	2,276	2,418
EPS (Bt)	1.54	13.91	14.93	26.01	27.64
PER (x)	131.1	14.5	13.5	7.8	7.3
EV/EBITDA (x)	18.3	10.1	9.8	6.5	5.8
Free cash flow (Btmn)	282	906	1,393	2,962	3,108
CF/share (Bt)	9.2	16.5	21.7	34.2	35.5
BVPS (Bt)	65.4	75.4	90.6	102.6	116.2
P/BV (x)	3.1	2.7	2.2	2.0	1.7
DPS (Bt)	1.50	7.00	10.00	14.00	14.00
Dividend yield (%)	0.7%	3.5%	5.0%	6.9%	6.9%
Net debt/equity (x)	1.4	1.2	0.9	0.5	0.3
ROA (%)	0.8%	6.9%	7.4%	13.4%	14.8%
ROE (%)	2.4%	19.8%	18.0%	26.9%	25.3%

Source : Company reports and KELIVE Research estimates

Thai Vegetable Oil PLC. (TVO)

FOOD & BEVERAGE



Recommendation **BUY**

Share Price **Bt12.50**
Fair Value **Bt16.90**

We have initiated coverage on Thai Vegetable Oil (TVO) with a BUY recommendation. Our view on the company is supported by 1) the benefits from increasing domestic and global consumption of food oils, 2) the expansion of capacity of refined soybean oil in 2Q04, 3) the upside of 35% to our fair value estimate, and 4) an attractive dividend yield of 7.2%.

TVO produces soybean meal, refined soybean oil and by-products. Approximately 85% of TVO raw material requirements of soybeans are imported and the remainder from domestic sources. Currently, TVO has three factories situated in Nakorn Pathom province. The company has crushing capacity of 4,000 tonnes of soybean and 250 tonnes of crude vegetable oil per day.

We estimate 2004 normalised profit growth of 11.4% to Bt693mn, due to the expansion of capacity. The gross margin is expected to be the same as last year at 10.4%. Sales should increase 9.3% to Bt13,702mn on an expected shortage of soybean supplies and higher prices of competitor's products.

The TVO share price looks cheap based on our current forecast with TVO trading on a 2004 PER of 8.8x and a dividend yield of 7.2%. We believe that the average oil selling prices are in an uptrend, thus, we have assigning a 12x PER to TVO, which would put the company fair value at Bt16.9 per share.

Analyst :Daowadee Teera-Apisakkul
02-658-6300 Ext 1470
daowadee.t@kimeng.co.th

TVO Earnings summary

	2001	2002	2003	2004F	2005F
Sales (Btmn)	8,975	8,598	12,534	13,702	14,089
EBITDA (Btmn)	688	835	1,154	1,258	1,418
Normalised earnings (Btmn)	322	464	622	693	779
Earnings (Btmn)	355	432	642	693	779
EPS (Bt)	1.74	2.00	1.31	1.41	1.59
PER (x)	7.2	6.2	9.6	8.8	7.9
EV/EBITDA (x)	5.9	6.4	7.9	6.1	5.0
Free cash flow (Btmn)	173	(926)	(782)	1,874	969
CF/share (Bt)	1.6	(1.7)	(1.0)	4.5	2.4
BVPS (Bt)	7.6	8.6	4.5	5.1	5.8
P/BV (x)	1.6	1.5	2.8	2.4	2.1
DPS (Bt)	1.11	3.22	0.79	0.90	0.95
Dividend yield (%)	8.9%	25.8%	6.3%	7.2%	7.6%
Net debt/equity (X)	1.0	1.4	1.4	0.6	0.4
ROA (%)	8.8%	9.5%	10.8%	9.4%	9.6%
ROE (%)	23.4%	25.4%	31.6%	29.2%	29.0%

Source : Company reports and KELIVE Research estimates

Sector recommendations

Stock	Recommendation	22/09/04 Price (Bt)	Fair Value	Net Profit (Bt mn) 2003	2004F	2005F	EPS (Bt) 2003	2004F	2005F	PER 2003	2004F	2005F
Agribusiness												
CFRESH	HOLD	3.14	3.40	(39)	73	121	(0.09)	0.17	0.28	Na	18.47	11.21
CPF	HOLD	3.64	4.00	2,242	2,445	2,548	0.40	0.32	0.33	9.10	11.38	11.03
CPI	LONG-TERM BUY	5.80	6.80	195	224	196	0.74	0.85	0.75	7.84	6.82	7.73
T-LUXE	HOLD	12.80	13.70	48	29	43	1.92	1.14	1.72	6.67	11.23	7.44
UVAN	LONG-TERM BUY	28.50	37.00	400	347	376	4.26	3.69	4.00	6.69	7.72	7.13
Bank												
BAY	ACCUMULATE	10.80	16.25	3,053	4,757	6,832	1.39	1.67	2.40	7.77	6.47	4.51
BBL	BUY	97.50	133.00	11,342	16,422	17,736	7.69	8.60	7.52	12.68	11.34	12.97
BOA	HOLD	5.30	5.80	1,818	2,061	2,127	0.36	0.40	0.42	14.72	13.25	12.62
KTB	LONG-TERM BUY	8.75	13.75	8,697	14,839	16,773	0.78	1.33	1.50	11.22	6.58	5.83
SCB	BUY	46.75	56.00	12,460	17,767	15,492	3.66	5.62	4.90	12.77	8.32	9.54
SCIB	ACCUMULATE	23.60	30.70	3,606	6,023	6,833	1.71	2.85	3.23	13.80	8.28	7.31
KBANK	LONG-TERM BUY	46.25	54.00	14,814	14,678	12,675	6.30	6.24	5.38	7.34	7.41	8.60
TMB	HOLD	3.76	4.30	(14,054)	5,069	6,278	(3.79)	0.49	0.60	Na	7.67	6.27
Building Material												
CCP	LONG-TERM BUY	6.30	8.00	151	127	225	0.73	0.41	0.73	8.63	15.37	8.63
DCC	LONG-TERM BUY	16.60	26.00	502	787	962	1.23	1.93	2.36	13.50	8.60	7.03
KWH	BUY ON WEAK	2.48	3.24	51	47	80	0.17	0.16	0.27	14.59	15.50	9.19
MS	ACCUMULATE	2.14	2.52	(42)	984	1,017	(0.01)	0.17	0.18	Na	12.59	11.89
Q-CON	LONG-TERM BUY	15.50	18.20	260	394	622	1.10	0.99	1.56	14.09	15.66	9.94
SCC	BUY	252.00	308.00	19,954	28,057	32,295	16.63	23.38	26.91	15.15	10.78	9.36
SCCC	ACCUMULATE	212.00	252.00	3,288	4,085	4,242	13.15	16.83	17.48	16.12	12.60	12.13
SINGHA	LONG-TERM BUY	19.00	31.00	110	146	168	2.45	2.27	2.62	7.76	8.37	7.25
SSI	LONG-TERM BUY	27.50	35.00	4,702	4,830	4,946	5.47	3.69	3.77	5.03	7.50	7.30
TASCO	ACCUMULATE	28.25	32.00	(5)	142	360	(0.05)	1.24	3.15	Na	22.78	8.97
TPIPL	LONG-TERM BUY	29.50	48.00	4,766	4,737	4,726	9.74	5.87	5.85	3.03	5.03	5.04
TYCN	LONG-TERM BUY	13.10	18.00	555	868	1,092	1.08	1.38	1.74	12.13	9.49	7.53
VNG	BUY	9.90	16.30	1,022	1,342	1,645	0.88	1.03	1.26	11.25	9.61	7.86
Chemical												
NPC	BUY	104.00	147.00	2,317	3,519	4,697	7.47	11.35	15.15	13.92	9.16	6.86
TCB	LONG-TERM BUY	16.10	26.20	541	479	498	1.80	1.60	1.66	8.94	10.06	9.70
TOC	ACCUMULATE	63.50	75.00	1,407	2,797	4,406	2.27	3.41	5.37	27.97	18.62	11.82
TPC	STRONG BUY	202.00	338.00	1,306	2,276	2,418	14.93	26.01	27.64	13.53	7.77	7.31
VNT	BUY	10.70	18.00	871	1,289	1,620	0.96	1.36	1.71	11.15	7.87	6.26
Commerce												
BIGC	LONG-TERM BUY	18.40	23.00	1,413	1,650	1,752	1.76	2.06	2.19	10.45	8.93	8.40
CP7-11	BUY	56.50	72.00	1,339	1,726	1,908	3.35	3.92	4.34	16.87	14.41	13.02
HMPRO	BUY	4.08	5.90	207	358	419	0.27	0.38	0.45	15.11	10.74	9.07
LOXLEY	ACCUMULATE	4.28	4.40	543	356	394	0.27	0.18	0.20	15.85	23.78	21.40
MAKRO	LONG-TERM BUY	45.50	50.00	944	1,044	1,124	3.93	4.35	4.68	11.58	10.46	9.72
Commun												
ADVANC	LONG-TERM BUY	102.00	104.00	18,529	19,740	19,973	6.31	6.72	6.80	16.16	15.18	15.00
AIT	BUY ON WEAK	25.00	32.00	117	84	129	3.30	2.10	3.23	7.58	11.90	7.74
CSL	BUY	8.05	11.30	79	311	410	0.16	0.50	0.66	50.31	16.10	12.20
INET	BUY	5.60	8.20	95	103	117	0.38	0.41	0.35	14.74	13.66	16.00
MFEC	LONG-TERM BUY	6.05	8.00	70	100	118	0.61	0.50	0.59	9.92	12.10	10.25
SAMART	FULLY VALUED	7.35	7.40	1,790	457	448	1.89	0.49	0.47	3.89	15.00	15.64
SATTEL	BUY	14.50	19.00	1,080	741	626	1.23	0.68	0.58	11.79	21.32	25.00
SIM	ACCUMULATE	11.80	14.50	240	398	341	0.56	0.92	0.79	21.07	12.83	14.94
SHIN	BUY	38.75	48.10	9,723	8,473	8,584	3.31	2.88	2.92	11.71	13.45	13.27
TRUE	ACCUMULATE	5.45	7.00	(5,674)	(1,614)	(4,958)	(1.89)	(0.53)	(1.61)	Na	Na	Na
TT&T	FULLY VALUED	3.92	3.70	984	(9)	61	0.35	(0.00)	0.02	11.20	Na	196.00
UCOM	ACCUMULATE	58.00	61.70	1,186	2,114	2,402	2.73	4.86	5.53	21.25	11.93	10.49
Electric												
SIS	BUY	3.58	5.30	44	72	96	0.30	0.36	0.48	11.93	9.94	7.46
Energy												
BAFS	LONG-TERM BUY	10.60	13.00	313	385	384	0.92	1.13	1.13	11.52	9.38	9.38
BANPU	ACCUMULATE	159.00	169.00	2,046	2,746	3,189	7.75	10.10	11.74	20.52	15.74	13.54
BCP-DR1	SPEC/ BUY	15.00	21.00 (DR)	(1,298)	964	1,368	(2.49)	1.71	2.43	Na	8.77	6.17
EGCOMP	HOLD	67.50	89.00	5,994	4,691	5,003	11.39	8.91	9.50	5.93	7.58	7.11
PICNI	SPEC. BUY	24.20	27.80	265	589	1,408	0.44	0.49	1.17	55.00	49.39	20.68
PTTEP	LONG-TERM BUY	294.00	314.00	12,028	14,944	15,441	18.45	22.92	23.68	15.93	12.83	12.42
RATCH	ACCUMULATE	38.50	46.00	5,436	6,675	6,599	3.75	4.60	4.55	10.27	8.37	8.46
RPC	LONG-TERM BUY	34.50	39.50	236	329	353	3.62	3.96	4.24	9.53	8.71	8.14
SUSCO	SPECULATIVE BUY	1.11	1.51	92	95	121	0.10	0.08	0.10	11.10	13.88	11.10

Sector recommendations (continued)

Stock	Recommendation	22/09/04 Price (Bt)	Fair Value	Net Profit (Bt mn) 2003	2004F	2005F	EPS (Bt) 2003	2004F	2005F	PER 2003	2004F	2005F
Entertainment												
BEC	ACCUMULATE	18.30	21.00	1,970	2,101	2,255	0.98	1.05	1.13	18.67	17.43	16.19
CVD	ACCUMULATE	20.60	27.50	94	74	80	2.60	2.29	2.48	7.92	9.00	8.31
EGV	SWITCH	4.90	8.30	89	119	125	0.24	0.27	0.28	20.42	18.15	17.50
GMMM	BUY	24.20	39.25	386	453	549	1.97	2.31	2.80	12.28	10.48	8.64
GRAMMY	LONG-TERM BUY	16.00	20.20	525	582	655	1.07	1.19	1.34	14.95	13.45	11.94
ITV	HOLD	15.70	18.20	(660)	(370)	(194)	(0.57)	(0.26)	(0.14)	Na	Na	Na
MAJOR	BUY	13.50	22.16	423	(594)	782	0.72	(0.78)	0.95	18.75	Na	14.21
MATCH	BUY ON WEAK	7.15	8.50	48	86	101	0.36	0.57	0.39	19.86	12.54	18.33
MEDIAS	ACCUMULATE	11.80	19.70	459	431	475	1.76	1.31	1.45	6.70	9.01	8.14
RS	FULLY VALUED	12.80	16.40	108	12	74	0.83	0.09	0.53	15.42	142.22	24.15
UBC	HOLD	23.00	23.00	131	337	508	0.18	0.45	0.68	127.78	51.11	33.82
Electronics												
DELTA	ACCUMULATE	19.40	24.60	1,896	2,360	2,510	1.60	1.99	2.12	12.12	9.75	9.15
HANA	BUY	21.50	26.10	1,615	1,960	2,030	2.05	2.49	2.58	10.49	8.63	8.33
KCE	ACCUMULATE	9.10	11.30	299	250	353	0.96	0.80	1.13	9.48	11.38	8.05
Finance												
AEONTS	ACCUMULATE	33.00	36.00	623	730	920	2.49	2.92	3.68	13.24	11.30	8.97
ASP	BUY	81.50	116.00	786	1,222	1,270	5.99	6.24	6.49	13.61	13.06	12.56
CNS	BUY	71.00	88.00	123	517	559	1.71	7.22	7.80	41.52	9.83	9.10
FNS	ACCUMULATE	34.00	43.00	579	677	703	5.59	6.15	6.39	6.08	5.53	5.32
KGI	SWITCH	3.64	4.50	916	728	909	0.49	0.37	0.47	7.43	9.84	7.74
KK	LONG-TERM BUY	30.75	40.00	2,065	2,210	2,539	5.74	4.71	5.42	5.36	6.53	5.67
KTC	LONG-TERM BUY	23.10	35.00	353	661	1,059	2.91	2.64	4.24	7.94	8.75	5.45
NFS	LONG-TERM BUY	13.20	16.25	2,669	2,432	2,579	2.00	1.82	1.93	6.60	7.25	6.84
TISCO	ACCUMULATE	25.25	30.00	1,890	1,987	2,380	2.66	2.78	3.33	9.49	9.08	7.58
TK	LONG-TERM BUY	7.60	10.50	391	437	493	1.49	0.87	0.99	5.10	8.74	7.68
TNITY	HOLD	25.00	43.00	191	244	262	1.37	1.75	1.88	18.25	14.29	13.30
US	HOLD	10.40	13.25	216	147	188	1.43	1.19	1.52	7.27	8.74	6.84
ZMICO	HOLD	8.80	9.40	730	596	668	1.04	0.72	0.81	8.46	12.22	10.86
Food												
OISHI	BUY	19.10	24.00	20	312	379	6.57	1.66	2.02	2.90	11.50	9.40
TIPCO	LONG-TERM BUY	4.90	6.60	298	293	335	0.76	0.68	0.78	6.45	7.21	6.28
TUF	LONG-TERM BUY	24.50	25.60	2,279	1,889	2,100	2.65	2.13	2.37	9.25	11.50	10.34
TVO	BUY	12.50	16.90	642	693	779	1.31	1.41	1.59	9.54	8.87	7.86
Health Care Services												
SKR	BUY	8.75	13.50	97	117	130	0.97	1.17	1.30	9.00	7.50	6.70
Household												
SITHAI	HOLD	7.05	8.00	159	171	183	0.56	0.60	0.64	12.59	11.75	11.02
MODERN	LONG-TERM BUY	32.25	44.00	203	251	280	2.54	3.14	3.50	12.70	10.27	9.21
Mining												
PDI	HOLD	10.70	11.10	0	222	293	0.00	0.98	1.30	0.00	10.92	8.23
Packaging												
CSC	LONG-TERM BUY	18.00	32.00	180	167	172	3.47	3.21	3.30	5.19	5.61	5.45
S-PAC	BUY	14.30	24.50	115	138	151	1.92	2.29	2.52	7.45	6.24	5.67
Printing												
NMG	HOLD	14.20	15.57	151	145	174	0.94	0.70	0.85	15.11	20.29	16.71
Property												
AMARIN	BUY	2.50	2.90	316	393	427	0.22	0.27	0.29	11.36	9.26	8.62
AMATA	LONG-TERM BUY	12.10	13.40	812	983	1,398	0.76	0.92	1.31	15.92	13.15	9.24
CK	BUY ON WEAK	13.10	13.80	285	276	756	0.27	0.26	0.72	48.52	50.38	18.19
CPN	LONG-TERM BUY	8.60	10.60	1,197	1,327	1,486	0.57	0.61	0.68	15.09	14.10	12.65
EMC	BUY	5.90	6.40	109	197	210	1.85	0.53	0.57	3.19	11.13	10.35
HEMRAJ	BUY	0.85	1.40	1,383	1,017	1,189	0.26	0.19	0.22	3.27	4.47	3.86
ITD	BUY	9.30	11.50	921	1,376	3,217	0.25	0.33	0.77	37.20	28.18	12.08
KTECH	TAKE PROFIT	6.55	6.90	40	108	172	0.21	0.46	0.73	31.19	14.24	8.97
LALIN	BUY ON WEAK	7.25	9.30	784	843	752	0.95	1.02	0.91	7.63	7.11	7.97
LPN	BUY	2.98	3.88	465	512	722	0.50	0.43	0.61	5.96	6.93	4.89
NOBLE	HOLD	5.05	8.00	747	370	327	1.64	0.81	0.72	3.08	6.23	7.01
PF	BUY	5.75	8.70	1,157	1,295	848	1.92	1.62	1.06	2.99	3.55	5.42
QH	HOLD	1.20	1.27	1,175	947	812	0.20	0.16	0.13	6.00	7.50	9.23
SC	ACCUMULATE	16.50	18.25	133	333	437	0.41	1.04	1.36	40.24	15.87	12.13
SPALI	BUY ON WEAK	3.16	4.52	1,222	653	619	0.94	0.50	0.48	3.36	6.32	6.58
STEC	HOLD	9.90	11.10	604	412	868	0.60	0.40	0.74	16.50	24.75	13.38
TICON	LONG-TERM BUY	6.75	7.60	208	242	252	0.48	0.53	0.55	14.06	12.74	12.27

Sector recommendations (continued)

Stock	Recommendation	22/09/04 Price (Bt)	Fair Value	Net Profit (Bt mn) 2003	2004F	2005F	EPS (Bt) 2003	2004F	2005F	PER 2003	2004F	2005F
Trans												
AOT	LONG-TERM BUY	49.75	60.00	3,808	4,501	5,629	3.81	3.15	3.94	13.06	15.79	12.63
BECL	BUY	23.60	33.00	1,233	1,759	1,822	1.60	2.29	2.37	14.75	10.31	9.96
PSL	BUY	40.25	56.00	1,537	3,390	3,750	2.95	6.52	7.21	13.64	6.17	5.58
RCL	BUY	21.50	38.50	791	2,555	2,943	1.19	3.85	4.44	18.07	5.58	4.84
TTA	BUY	40.25	55.00	1,003	4,151	4,611	1.83	6.43	7.15	21.99	6.26	5.63
Vehicle												
AH	LONG-TERM BUY	32.75	40.00	310	698	705	1.45	2.91	2.94	22.59	11.25	11.14
BAT-3K	LONG-TERM BUY	55.00	78.00	125	159	183	6.24	7.97	9.14	8.81	6.90	6.02
HFT	ACCUMULATE	17.60	32.00	66	81	109	2.17	2.10	2.82	8.11	8.38	6.24
IRC	ACCUMULATE	10.20	16.70	204	221	253	1.02	1.11	1.26	10.00	9.19	8.10
SPSU	HOLD	7.10	14.00	155	119	154	0.98	0.75	0.98	7.24	9.47	7.24
STANLY	LONG-TERM BUY	150.00	188.00	764	124	900	9.97	1.62	11.75	15.05	92.59	12.77
TRU	LONG-TERM BUY	12.80	17.00	335	640	770	0.67	1.28	1.54	19.10	10.00	8.31
MAI												
IRCP	ACCUMULATE	9.60	12.00	44	52	66	0.92	0.81	1.02	10.43	11.85	9.41
MACO	ACCUMULATE	9.25	13.20	65	110	138	0.52	0.88	1.10	17.79	10.51	8.41
PICO	BUY	3.66	6.20	30	34	44	0.46	0.52	0.68	7.89	7.05	5.41
YUASA	HOLD	5.00	7.00	20	52	113	0.18	0.49	1.05	27.47	10.25	4.78

Research Department

Analysts

George Huebsch	george.h@kimeng.co.th	02-658-6300 Ext 1400
Michael Stead	michael.s@kimeng.co.th	02-658-6300 Ext 1401
William Riopel	william.r@kimeng.co.th	02-658-6300 Ext 1490
Surachai Pramualcharoenkit	surachai.p@kimeng.co.th	02-658-6300 Ext 1420
Pongpan Apinyakul	pongpan@kimeng.co.th	02-658-6300 Ext 1450
Suttatip Peerasub	suttatip.p@kimeng.co.th	02-658-6300 Ext 1430
Kitichan Sirisukarcha	kitichan.s@kimeng.co.th	02-658-6300 Ext 1570
Mek Meksarikul	mek.m@kimeng.co.th	02-658-6300 Ext 1560
Solaya Sakiyalak	solaya.s@kimeng.co.th	02-658-6300 Ext 1550
Daowadee Teera-Apisakkul	daowadee@kimeng.co.th	02-658-6300 Ext 1470
Surasak Anutarasoth	surasak.a@kimeng.co.th	02-658-6300 Ext 1520
Suwat Limkrailassiri	suwat.l@kimeng.co.th	02-658-6300 Ext 1480

Business Development Department

Wanchai Tanjasiri	wanchai@kimeng.co.th	02-658-6300 Ext 1300
Kamolchai Pholintawong	kamolchai@kimeng.co.th	02-658-6300 Ext 1310
Premsuk Chonlatanvanich	premsuk@kimeng.co.th	02-658-6300 Ext 1330
Yingporn Jermthanes	yingporn.j@kimeng.co.th	02-658-6300 Ext 1320
Vorapach Piromsopa	vorapach.p@kimeng.co.th	02-658-6300 Ext 1340

Production

Ladda Phanittrakulpun	ladda.p@kimeng.co.th	02-658-6300 Ext 1410
Chatchaya Tragulrith	chatchaya.t@kimeng.co.th	02-658-6300 Ext 1500
Kanjana Kittiruengpairoj	kanjana.k@kimeng.co.th	02-658-6300 Ext 1460
Sathit Ampunsang	sathit@kimeng.co.th	02-658-6300 Ext 1510

Singapore
Kim Eng Securities
(Private) Limited
(Member of the SES)
9 Temasek Boulevard
#39-00 Suntec Tower 2
Singapore 038989
Telephone: 65 6336 9090
Telex: KESECS RS 25871
& RS 21857
Facsimile: 65 6339 6003

London
Kim Eng Securities
(London) Limited
(Member of the FSA)
6th Floor, 20 St. Dunstan's Hill
London EC3R 8HY, UK
Telephone: 20 7621 9298
Dealers' telephone: 20 7626 2828
Facsimile: 20 7283 6674

New York
Kim Eng Securities USA Inc
(Member of the NASD)
406, East 50th Street
New York, NY 10022
U.S.A.
Telephone: 212 688 8886
Facsimile: 212 688 3500

Hong Kong
Kim Eng Securities
(Hong Kong) Limited
(Exchange Participant)
Room 1901, Bank of America
Tower 12 Harcourt Road
Central, Hong Kong
Telephone: 852 2810 7755
Telex: KIMEN HX 68698
Facsimile: 852 2877 0104

Malaysia
Kim Eng Research Sdn Bhd
(Formerly known as
Mutual Scope Sdn Bhd)
Co. No. 274244V
Suite 16.02, 16th Floor
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Telephone: 603 2141 1555
Facsimile: 603 2141 1045

Indonesia
PT Kim Eng Securities
9th Floor, Deutsche Bank Bldg
JI. Imam Bonjol 80
Jakarta 10310
Indonesia
Telephone: 62 21 3983 1360
Facsimile: 62 21 3983 1361

Philippines
ATR-Kim Eng Securities, Inc.
(Member of the PSE)
17th Floor Tower One &
Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines
Telephone: 63 2 849 8888
Facsimile: 63 2 848 5738

Thailand
Kim Eng Securities (Thailand)
Limited
(Member of the SET)
10th Floor, Mercury Tower
540 Ploenchit Road
Bangkok 10330
Thailand
Telephone: 66 2 658 6300
Facsimile: 66 2 658 6384

Taiwan
Yuanta Core Pacific Securities
11/F, No 225, Nanking East Rd
Section 3 Taipei
Taiwan
Telephone: 63 2 849 8888
Facsimile: 63 2 848 5738