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YNH PROPERTY

BUY

Price **RM1.24**
Target **RM1.94**

Share Profile/Statistics	
Bloomberg Ticker	YNHB MK EQUITY
KLCI	925.67
Issued share capital (m)	350.6
Market Capitalisation (RMm)	434.8
52 week High (RM)	1.38
52 week Low (RM)	1.06
Average Volume (3m) '000	266.0
YTD Returns (%)	0.0
5 yr Average ROE (%)	n.a.
5 yr Average ROA (%)	n.a.
Net gearing (x)	0.2
Altman Z-Score	2.14
ROCE/WACC	0.99
Beta (x)	0.68
Cash Ratio (x)	0.0
FCF/share (x)	-0.1
Price/FCF/share (x)	-16.1
Book Value/share (RM)	1.09

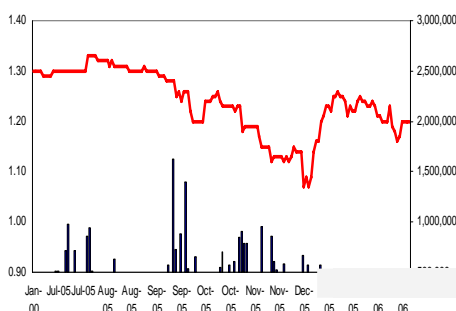
Major Shareholders (%)	
Dato' Dr Yu & family	40.0%
EPF	11.2%

Share Performance (%)				
(%)	1m	3m	6m	12m
Absolute	0.0	8.9	(1.5)	1.5
Relative	(1.4)	7.4	(5.4)	(9.6)

Growth Profile (%)				
	04a	05a	06f	07f
Revenue	23.8	44.4	66.7	23.5
EBITDA	52.0	46.6	35.9	42.5
PBT	527.6	51.2	43.0	42.0
NP	nm	43.5	44.5	42.0

Margin (%)				
	04a	05a	06f	07f
EBITDA	44.9	45.6	37.2	42.9
PBT	41.8	43.8	37.6	43.2
NP	31.4	31.2	27.1	31.1

Historical Price Ratio (x)				
	02a	03a	04a	05a
P/Sales	2.8	nm	8.6	2.3
P/Earnings	2.8	nm	8.6	7.1
P/Book	nm	0.9	1.1	1.0



Time To Shine

FY05 results were within our expectation of RM53.6m as well consensus estimate of RM55.5m. Net profit for of RM55.0m for the full year was up by 43.5% compared to FY04. This was on the back of a 44.4% increase in turnover.

EBITDA margin was slightly stronger at 45.6% compared to 44.9% last year, perhaps boosted by a higher element of commercial development. YNHP also sold some RM88m worth of commercial land at its developments such as Medan Ipoh, Medan Sejahtera, Medan Bercham and Bandar Teluk Intan, of which RM15m was in 4QFY05. There were no contribution from its Kuala Lumpur projects in FY05 except for the construction work at Jalan Scott.

Declared a final dividend of 5 sen less tax. Coupled with the interim dividend of 6 sen less tax, YNHP's total dividend for the year amounts to 11 sen less tax, translating into a gross yield of 8.9%.

YNHP is **set to show another set of sterling performance** in FY06, driven by maiden contribution from Lot 163 Suites (take-up rate > 80%), a serviced apartment at Jalan Perak, KL and Radiant Kiara condo project in Mont' Kiara.

The launch of Radiant Kiara condo project, originally due 4QFY05, has been postponed to mid '06 due to delay in getting the authorities' approval. YNHP has nevertheless proceeded with ground works and will begin piling soon so as not to waste time. We believe the project will be at least 30% completed by year end.

Nevertheless, we have toned down our earnings forecast for FY06 from RM84.1m to RM79.4m as its massive Wisma YNH project along Jalan Sultan Ismail will kick off only towards the year end. Hence some contributions from the project will be deferred to FY07. As such, we have however raised FY07 earnings to RM112.8m from RM107.4m previously.

The next two years will continue to be exciting for YNHP with its earnings growing at 43% CAGR, while maintaining very manageable net gearing of 18.9%. Its stock price should be supported by low single-digit PER, high dividend yield of 8.9% and NTA at RM1.21. Reiterate Buy call with target price of RM1.94.

FYE Dec (RMm)	FY03	FY04	FY05	FY06f	FY07f
Total Revenue	98.5	122.0	176.1	293.6	362.6
EBITDA	36.0	54.8	80.3	109.1	155.5
PBT	8.1	51.0	77.1	109.6	156.0
Net Profit	(0.5)	38.3	55.0	78.9	112.3
% chg YoY	nm	nm	43.46	43.55	42.30
Consensus EPS (sen)	-	-	16.9	23.2	30.2
EPS (sen)	(0.2)	14.7	17.2	24.0	33.5
Gross DPS (sen)	5.0	10.5	11.0	11.0	11.0
Gross Div. Yield (%)	4.0	8.5	8.9	8.9	8.9
PER (x)	nm	8.5	7.2	5.2	3.7
P/BV (x)	1.1	1.1	1.1	1.0	0.8
ROE (%)	(0.2)	13.5	14.9	18.7	22.2

Results Table (RMm) FYE Dec 31	4QFY05	3QFY05	% chg	YTD FY05	YTD FY04	% chg
Turnover	47.1	50.6	-7.0%	176.1	122.0	44.4%
EBITDA	21.6	19.9	8.6%	80.3	54.8	46.6%
Depreciation	(0.5)	(0.4)	35.6%	(1.2)	(0.7)	74.1%
Net interest expense	0.6	(1.3)	-143.5%	(2.5)	(3.1)	-18.2%
Associates	0.0	0.0		0.0	0.0	
PBT	21.7	18.3	18.6%	77.1	51.0	51.2%
Tax	(7.3)	(4.5)	62.7%	(22.1)	(12.7)	74.6%
MI	0.0	0.0				
Net Profit	14.4	13.8	4.4%	55.0	38.3	43.5%
EPS (sen)	102.9	3.9		16.6	14.5	
Gross DPS (sen)	5.0	0.0				
EBITDA margin	45.9%	39.3%		45.6%	44.9%	
NTA/share (RM)	1.21	1.17		1.21	1.09	

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