

Corporate Highlights

Company Update

YNH Property

Menara YNH Status Update

2 July 2007

Share Price : RM2.88
Fair Value : RM4.12
Recom : **Outperform**
(Maintained)

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- ◆ **Clarification on status of Menara YNH.** Following the recent pull out of CapitalLand, YNH made a statement to clarify the status of the project. Firstly, approval in principal has been obtained from Jabatan Perancang Bandar, Dewan Bandaraya Kuala Lumpur (DBKL) on 28 Feb 2007 for a commercial office development. The land has been converted into building title and zoned for commercial development. Secondly, application for earthworks has been favourably considered by Jabatan Kerja Awam, DBKL via letters dated 6 Mar 2007 and 5 Jun 2007. Lastly, approval has also been obtained from Syarikat Bekalan Air Selangor on 20 Dec 2005, for the relocation of three water pipes to a designated pipes reserve outside the boundary of the land. Relocation will be carried out together with the earthworks package.
- ◆ **To address market talks.** The announcement was made to address negative talks regarding approvals for the project and the underground piping issue.
- ◆ **Maintain Outperform.** We maintain our view that execution risk can be mitigated via appointment of a reputable contractor. Moreover, there may be a potential new partner or enbloc buyer for the project. The recent sell down is an opportunity to accumulate. Fair value is pegged at RM4.12 (13x FY08 EPS). Our estimated RNAV per share is RM4.34 (see Table 2).

Table 1 : Investment Statistics (YNHPROP; Code: 3158)

Bloomberg Ticker : YNHB MK

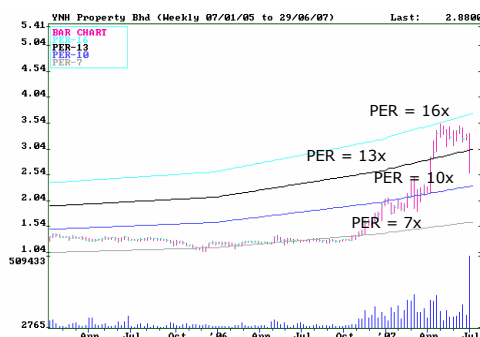
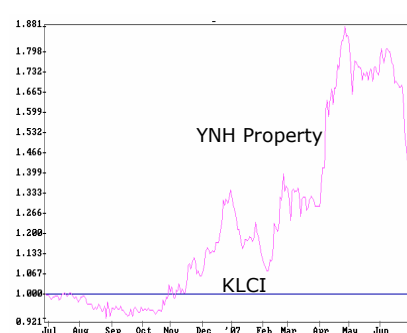
FYE Dec	Revenue (RMm)	PBT (RMm)	Net profit (RMm)	EPS (sen)	Growth (%)	PER (x)	P/NTA (x)	C. EPS* (sen)	EV/EBITDA (x)	P/CF (x)	Div yld (%)	
2006 (a)	265.3	98.7	71.8	20.3	24.6	14.2	2.1	20.9	10.9	229.8	3.5	
2007 (f)	329.0	125.5	90.9	25.7	26.7	11.2	1.9	24.0	8.8	58.3	3.5	
2008 (f)	416.5	152.7	112.1	31.7	23.3	9.1	1.6	30.3	7.4	92.0	3.5	
2009 (f)	463.6	177.2	130.1	36.7	16.0	7.8	1.4	-	6.2	13.4	3.5	
Issued Capital (m shares)				353.1	Major shareholders				(%)			
Market Capitalisation (RMm)				1,017.0	Yu Family				26.3			
Daily Trading Volume (m shares)				2.9	EPF				9.3			
52-week Price Range (RM / s)				1.22 - 3.52	Henderson Global Investors				6.0			
					Lembaga Tabung Haji				5.1			

Main Board Listing /Non-Trustee Stock/Syariah Approved Stock By The SC

* Consensus based on IBES Estimates

Table 2 : RNAV Estimate

Assets	Area (Acres)	Book (RMm)	Mkt Value (RMm)	Surplus (RMm)
Perak	1007.3	95.9	658.2	562.3
Behind Renaissance Hotel, KL	2.0	20.0	43.6	23.6
4 pieces of land in Sri Hartamas	14.0	71.2	213.4	142.2
				728.1
	RMm	RM		
Surplus from land in Perak	728.1			
DCF of Lot 163	69.2			
DCF of Radiant Kiara	41.7			
DCF of Menara YNH (50% stake)	136.2			
DCF of project next to Plaza Mont Kiara	84.3			
NTA as @ 31 Dec 06	475.3			
Total RNAV	1534.8			
Paid-up capital (m)	354.0			
Basic RNAV per share (RM)			4.34	

PE Band Chart**Relative Performance To KLCI****IMPORTANT DISCLOSURES**

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Outperform = The stock return is expected to exceed the KLCI benchmark by greater than five percentage points over the next 6-12 months.

Trading Buy = Short-term positive development on the stock that could lead to a re-rating in the share price and translate into an absolute return of 15% or more over a period of three months, but fundamentals are not strong enough to warrant an Outperform call. It is generally for investors who are willing to take on higher risks.

Market Perform = The stock return is expected to be in line with the KLCI benchmark (+/- five percentage points) over the next 6-12 months.

Underperform = The stock return is expected to underperform the KLCI benchmark by more than five percentage points over the next 6-12 months.

Industry/Sector Ratings

Overweight = Industry expected to outperform the KLCI benchmark, weighted by market capitalisation, over the next 6-12 months.

Neutral = Industry expected to perform in line with the KLCI benchmark, weighted by market capitalisation, over the next 6-12 months.

Underweight = Industry expected to underperform the KLCI benchmark, weighted by market capitalisation, over the next 6-12 months.

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