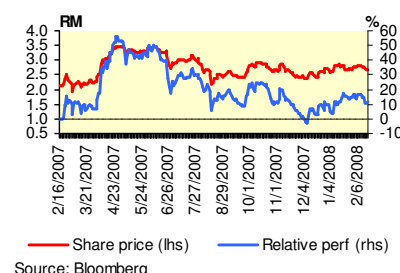


YNH Property Bhd

Explosive growth

Buy

Current Price	RM2.67
Target Price	RM3.80
Upside/(Downside)	42%
Earnings Revision	-
Net profit vs Consensus (FY08)	101%



Explosive growth lies ahead

YNH, a Perak-based township developer, is moving into the top league of Malaysian property sector with increasing exposure to the upper mid- to high-end residential and office sub-sectors in the Klang Valley. Its key growth strategy moving forward is to increase its landbank in the Klang Valley, focusing on prime areas in the Golden Triangle, Mont' Kiara and Sri Hartamas. Underpinning its EPS CAGR of 42% over the next 2 years is its iconic RM1.8bn grade A office project known as Menara YNH located within the Golden Triangle.

One of the largest unbilled property sales in the country

With more than 50% of Menara YNH sold to the Kuwait Finance House for RM920m, unbilled sales of YNH is one of the largest in the country at RM1.2bn which is more than 4x FY07 revenue! What this means is 40% to 50% of FY08 and FY09 EBIT is already "locked-in". All YNH has to do is construct the building and recognise the profits.

Leverage on in-house construction arm

YNH leverages on its in-house construction arm to maintain a healthy EBITDA margin of 43% (FY07) which is one of the highest in the industry. We view this positively as it provides a good cushion against building material price inflation threatening the property industry in the immediate term.

Initiate coverage with a BUY call and target price of RM3.80

We initiate coverage with a BUY call and target price of RM3.80 based on RNAV valuation. This valuation is undemanding as it only implies a PER of 11.7x and 8.2x based on FY08 and FY09 FD EPS respectively. Its historical PER band of 7.6x to 17.4x over the last 3 years lends further support to our valuation. Further catalysts will come from more land acquisition / JV, acceleration of property sales as well as higher selling price.

Key data	
Mkt cap (RMm)	1,055
Issued shares (m)	395
Free float (%)	84
Ave daily t/o ('000)	2,304
Bloomberg ticker	YNHB MK

Major shareholders	%
Yu family	20
United Overseas Bank Ltd	5

Price			
	1m	3m	6m
Absolute (%)	-6.0	6.0	24.8
Relative (%)	-2.8	2.0	11.5

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Financial highlights						Comments
FYE Dec	2005A	2006A	2007F	2008F	2009F	
Revenue (RMm)	168.7	255.1	288.8	436.3	721.2	
EBITDA (RMm)	78.2	98.4	124.7	190.5	312.6	High EBITDA margin due to in-house construction arm
Net Profit (RMm)	53.6	69.5	87.8	129.5	184.5	
EPS (sen)	16.3	19.7	23.5	32.9	47.1	
FD EPS (sen)	16.1	19.6	23.2	32.5	46.5	
FD EPS growth (%)	10.9	21.5	18.2	40.5	42.8	
FD P/E (x)	16.7	13.7	11.5	8.2	5.7	
DPS (sen)	11.0	10.0	10.0	13.4	18.8	Dividend payout policy of minimum 30% of net profit
Dividend Yield (%)	4.1	3.7	3.7	5.0	7.0	
P/NTA (x)	2.1	1.9	1.6	1.4	1.2	
ROE (%)	12.2	14.3	13.1	17.1	20.6	
Net gearing (%)	18.9	16.7	11.7	13.1	13.5	
EV/EBITDA (x)	13.5	10.7	9.2	6.1	3.8	

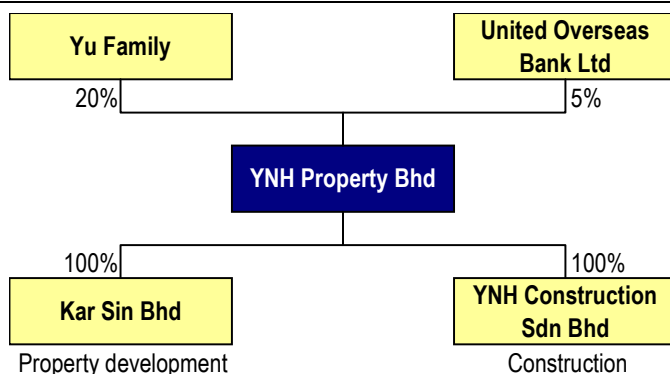
Source: ECM Libra

COMPANY BACKGROUND

YNH has 25 years of experience in the property development and construction businesses. Since 1982, it has established itself as a leading township developer in the coastal areas of Perak mainly in the district of Manjung (comprising the towns of Lumut, Sitiawan and Sri Manjung). YNH also has a presence in other areas in Perak such as Ipoh and Teluk Intan.

Controlled by the Sitiawan-based Yu family, YNH is helmed by Dato' Dr Yu Kuan Chon as the Executive Chairman. Mr Yu Kuan Huat, the brother of Dato' Dr Yu Kuan Chon, is the Managing Director. The company was listed on the Main Board of Bursa Malaysia in 2003.

Figure 1: Shareholding and group structure



Source: Company, Bursa

YNH has a significant stronghold on the property scene in the district of Manjung, where it claims to have a market share of 65%-70%. Its annual target is to launch and sell about 500 houses and shopoffices priced around RM150,000 and RM300,000 per unit respectively. Property demand is driven mainly by the presence of the country's largest naval base in Lumut (more than 60% of its purchasers are government employees) as well as proximity to Lumut Port Industrial Park. Increasing activities in the fabrication/shipping yards in Lumut such as those owned by Kencana Petroleum Berhad and Boustead Heavy Industries Corporation Berhad also acts as a catalyst for more housing demand in the area. While its landbank of close to 1,000 acres in Perak will keep YNH busy over the next 20 years with stable earnings, growth in the Perak market will remain flattish and unexciting.

EXPLOSIVE GROWTH LIES AHEAD

In search of further growth prospect, YNH ventured into the Klang Valley property market in early 2000. Its maiden foray into the Klang Valley has been a low key affair having quietly secured 9 parcels of prime landbank located in Kuala Lumpur, Mont' Kiara and Sri Hartamas at relatively cheap prices, either through outright acquisition or entering into JVs with landowners.

Figure 2: Landbank secured in Klang Valley

Acquisition Year	Project / Location	Land Area	Cost	Cost	GDV
		Acre	RMm	psf RM	RMm
<u>Kuala Lumpur</u>					
2002	163 Serviced Suites, Jalan Perak (serviced apt)	1.0	21	444	322
2004	Menara YNH, Jalan Sultan Ismail (office)	3.0	63	482	1,800
2005	3 KL, behind Renaissance Hotel (condo) *	2.0	20	230	200
		<u>6.0</u>	<u>104</u>		<u>2,322</u>
<u>Mont' Kiara and Sri Hartamas</u>					
2002	Ceriaan Kiara (condo)	3.1	8	66	200
2007	1,2,3,5 Duta (condo) *	15.5	71	105	712
2007	D' Kiara Place (service apartment, office & retail) (70% stakes)	6.0	73 [#]	396	700
		<u>24.6</u>	<u>152</u>		<u>1,612</u>
Total		30.6	256		3,934

* These are JV projects with landowners in which YNH has 90% stakes.

This represents cost of investment in 70% equity stakes in D' Kiara Place

Source: Company

Besides these 9 parcels of land, YNH has also entered into two new land deals which are currently pending completion:

- Entered into a MOU on 3 May 2007 for the acquisition of a 2.67-acre land in Mont' Kiara / Sri Hartamas area. Surrounded by Kiara Ville, Duta Nusantara and Solaris Dutamas, the proposed development on this piece of land is a super condominium with a GDV of RM300m.
- Entered into a preliminary agreement on 28 May 2007 for the acquisition of a 0.70-acre land for RM4.6m which is strategically located along the Federal Highway and opposite Mid Valley City in Kuala Lumpur. Proposed development on this piece of land is a condominium with a GDV of RM100m.

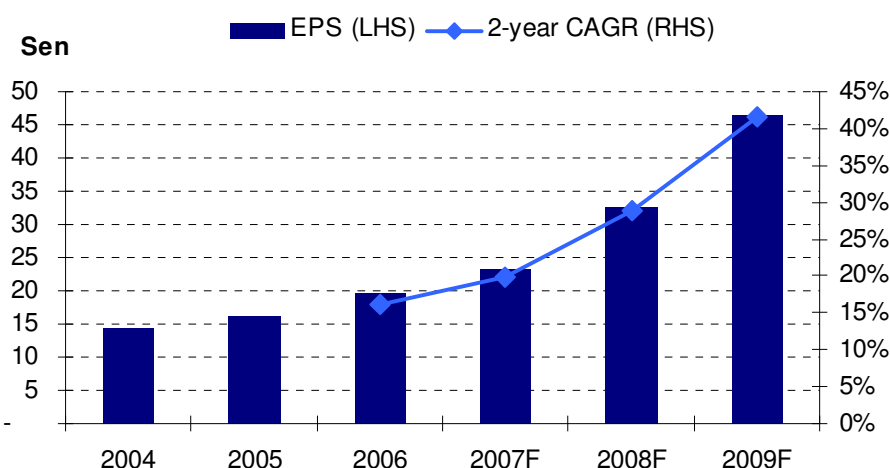
The existing 9 parcels of prime landbank in Klang Valley with a combined GDV of RM3.9bn will provide excellent earnings visibility over the FY05 to FY13 period. It will also underpin a strong EPS CAGR of 42% over the FY07 – FY09 period. Capitalising on strong demand for grade A office space in the Golden Triangle and luxury condominiums in the Mont' Kiara / Sri Hartamas enclave, YNH's earnings contribution from its Klang Valley projects will increase substantially from just 10% in FY06 to more than 90% in FY09.

Figure 3: Earnings visibility of Klang Valley projects

Project	Type of Development	Stakes	GDV RMm	2005	2006	2007	2008	2009	2010	2011	2012	2013
Kuala Lumpur												
163 Serviced Suites	Serviced apartment	100%	322	█	█	█	█	█	█	█	█	
Menara YNH	Grade A office	70%	1,800				█	█	█	█	█	
3 KL	Condo	90%	200					█	█	█	█	
Mont' Kiara and Sri Hartamas												
Ceriaan Kiara	Condo	100%	200			█	█	█	█	█	█	
1,2,3,5 Duta	Condo	90%	712					█	█	█	█	
D' Kiara Place	Condo, office & retail	70%	700				█	█	█	█	█	

Source: Company, ECM Libra

Figure 4: Strong EPS growth



Source: ECM Libra

Earnings for FY08 and FY09 will largely be contributed by the following 4 projects:

- **163 Serviced Suites, Jalan Perak (within KLCC vicinity) – Serviced apartments**



Launched in end 2005, 163 Serviced Suite with a GDV of RM322m is YNH's maiden project in Klang Valley. This serviced apartment cum office suites project is located in the vicinity of KLCC along Jalan Perak. Priced initially at RM800 per sq ft, strong demand for luxury condominium / serviced apartment in KLCC area resulted in the selling price being increased to RM1,250 per sq ft now. Take up rate is currently at 98% while completion is expected in mid 2008. YNH has also recently roped in Frasers Hospitality Pte Ltd to manage the serviced apartments.

- **Menara YNH, Jalan Sultan Ismail (within KLCC vicinity) – Grade A Office**



With its net lettable area (NLA) of 1.5m sq ft, the 45-storey Menara YNH will be one of the largest grade A office building to don the KL skyline. Its 55,000 sq ft floor plate, which is one of the largest, will appeal to tenants looking for sizeable office space in the Golden Triangle. GDV for this project has been revised upwards from management's initial estimate of RM880m to the current RM1.8bn.

On the back of limited supply of grade A office space, rising capital values and rental, YNH has accepted an offer from Kuwait Finance House (KFH) on 15 January 2008 to purchase about 50% of Menara YNH for RM920m, which works out to be around RM1,226 per sq ft, a new benchmark price. Management is currently formalising the terms with KFH and we expect this to be completed by 1Q08.

We also expect YNH to sell the remaining office building to another en bloc purchaser this year, probably at a higher price too. However, we have conservatively maintained our price assumption at the current level in our earnings estimate.

While this project is currently 100% owned, YNH may rope in a 30% JV partner at a later stage to provide value add to the project as well as partial funding for the construction of this project. Should this materialise, we expect a gain of RM40m from the disposal of a 30% stake in the Menara YNH project to be recognised on accelerated basis based on a RM1,500 per sq ft land valuation. We have however not factored in this potential gain in our earnings estimate until further development on this front. Our assumption on land valuation is conservative as land values within the Golden Triangle and KLCC areas have appreciated significantly from RM500-600 per sq ft about 3 years ago to the current RM1,500-2,000 per sq ft. In Jan 2008, a 0.75-acre land near Jalan Kia Peng was transacted at RM1,700 per sq ft. Below are our workings on what the gain on the disposal of a 30% stake in Menara YNH would be at various land valuations.

Figure 5: Gain on disposal of a 30% stake in Menara YNH

Land valuation RM per sq ft [A]	Cost RM per sq ft [B]	Gain RMm $([A] - [B]) * 3 * 43,560 * 30\%$
1,250	482	30
1,500 (base case)	482	40
1,750	482	50
2,000	482	60
2,500	482	79

Source: ECM Libra

Construction of Menara YNH should start in mid 2008 with completion in 2012.

- Ceriaan Kiara (Mont' Kiara) – Condominium**



This luxury condominium with a GDV of RM200m is YNH's maiden project in the Mont' Kiara / Sri Hartamas enclave. Comprising 2 blocks of 119 units each, the first block was launched in mid 2007 at average selling price of RM370 per sq ft as compared to the RM850 per sq ft pricing for Sunway City's Palazzio's project. The relatively low pricing is a conscious strategy adopted by YNH to penetrate the market and creates brand awareness. This should lay the platform for its future 5 projects in Mont' Kiara / Sri Hartamas to be priced at a higher level. Due to its attractive pricing, the first block has achieved 97% take-up with only 2 units unsold as of today.

On 12 Dec 2007, YNH has entered into an agreement with CMREF1 Sdn Bhd, a private real estate fund which is managed by CIMB-Mapletree Management Sdn Bhd, for the latter to underwrite 66 units of the second block of condominium for about RM50m. The remaining units will be launched in early 2008. Management has indicated that pricing for the latest launch is likely to be 20% higher. While we believe this is justifiable, we have conservatively maintained the existing pricing assumption in our earnings estimate.

Construction has already reached 12% in FY07 and completion is expected in 2009.

- **D' Kiara Place (Mont' Kiara) – Condominium**

Sited on a 6-acre land next to Plaza Mont' Kiara, D' Kiara Place with a GDV of RM700m will be launched in mid 2008. This project comprises of 2 blocks of 42-storey serviced apartments (584 units), 1 office block of 23 storeys and 1 block of 7-storey retail / auditorium podium. Indicative selling price starts from RM600 per sq ft which is reasonable.

We are of the view that this project is prime for sale to institutional investors on an en bloc basis considering its prime location and the increasing trend of en bloc sale of commercial space in Mont' Kiara / Sri Hartamas area. Recent en bloc transactions include the sale of Icon – Mont' Kiara in Nov 2007 by Mah Sing Group Bhd for RM305m or RM802 per sq ft and sale of remaining commercial units and car park bays in Plaza Mont' Kiara in Jun 2007 by Sunrise Bhd for RM90m or RM1,226 per sq ft.

ONE OF THE LARGEST UNBILLED PROPERTY SALES IN THE COUNTRY

With more than 50% of Menara YNH sold to the Kuwait Finance House for RM920m, we estimate unbilled sales of YNH to be about RM1.2bn, which is more than 4x FY07 revenue! Future revenue (remaining GDV of undeveloped landbank and unbilled sales) is about RM6.2bn.

Figure 6: Future revenue (remaining GDV of undeveloped landbank + unbilled sales)

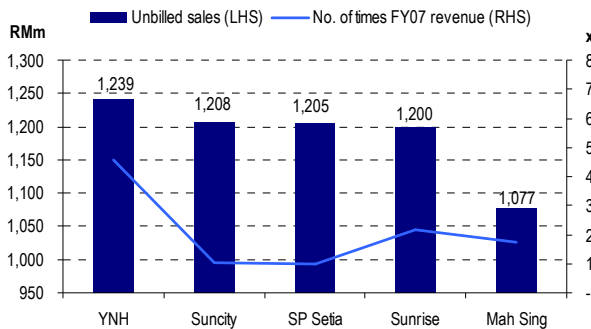
Project	Stake	Type of Development	Remaining Land Bank Acres	Remaining GDV RM m	Unbilled Sales RM m	Total Future Revenue RM m
Klang Valley - On-going						
Menara YNH	70%	Grade A office	3.0	880	920	1,800
163 Serviced Suites	100%	Serviced apartments & office suites	1.0	10	109	119
Ceriaan Kiara	100%	Condominium	3.1	200	125	325
Klang Valley - Future						
1,2,3 & 5 Duta	90%	Condominium	15.5	712	-	712
3 KL	90%	Condominium	2.0	200	-	200
D' Kiara Place	70%	Serviced apartments, office & retail	6.0	700	-	700
Perak						
Manjung, Ipoh, Teluk Intan	100%	Township	987	2,215	85	2,300
			<u>1,017</u>	<u>4,917</u>	<u>1,239</u>	<u>6,156</u>

} RM3,856m (63%)

Source: Company, ECM Libra

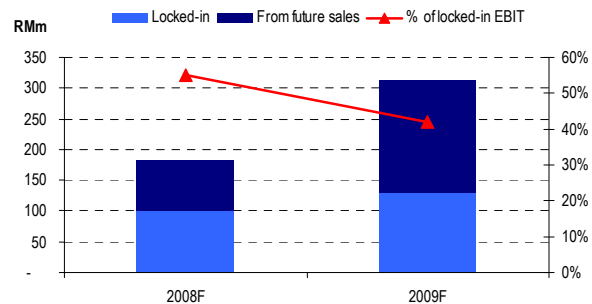
YNH's unbilled sales is one of the largest in the country and compares favourably against its peers. What this means is 40% to 50% of FY08 and FY09 EBIT is already "locked-in". This provides earnings certainty in the near term and all YNH has to do is construct the building to recognise the profits.

Figure 7: Peer comparison of unbilled sales



Source: Company, ECM Libra

Figure 8: Locked-in EBIT contribution

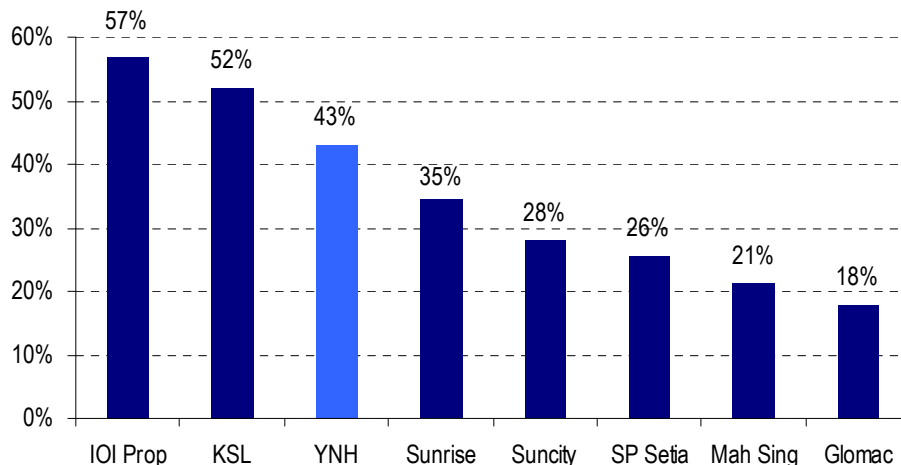


Source: ECM Libra

LEVERAGE ON IN-HOUSE CONSTRUCTION ARM

YNH leverages on its in-house construction arm to maintain a healthy EBITDA margin of 43% (FY07) which is one of the highest in the industry. Bulk purchasing of raw material also provide further savings. As a result, YNH is able capture an additional construction margin of 10% to 15% as compared to its peers which award building contracts to third party contractors.

Figure 9: Peer comparison of EBITDA margin (FY07)



Source: Company, Bloomberg, ECM Libra

We view this positively as it provides a good cushion against building material (particularly steel bar and cement) price inflation threatening the property industry in the immediate term.

INVESTMENT RISKS

The following are some pertinent risk factors which may affect YNH:

- Delay or non-completion of sale and purchase agreement with Kuwait Finance House for the en bloc sale of Menara YNH
- Lack of brand awareness in the upper mid- and high-end residential sub-sectors in the Klang Valley

- Erosion of profit margin due to escalating building materials price e.g. steel bars, cement, tiles etc
- Inability to replenish landbank to sustain earnings growth
- Increasing competition due to a fragmented property industry as well as low barriers to entry
- Delay in project launches and/or construction progress
- Declining consumer sentiment due to risk of petrol price-induced inflation and interest rate hike
- Availability of sufficient skilled foreign construction workers which may be influenced by local and/or foreign governments' policies on labour and immigration
- Loss of key personnel as YNH relies heavily on its executive chairman and managing director for strategic business directions.

VALUATION

Figure 10: RNAV

Project	Stake	Remaining Land Bank Acres	Market Value RMm	Book Value RMm	Valuation Surplus, Net of 25% tax RM m	NPV of Future Profits RM m	RNAV	
							RM m	RM
Klang Valley								
Menara YNH	70%					283.2	283.2	0.69
163 Serviced Suites	100%					40.2	40.2	0.10
Ceriaan Kiara	100%					52.6	52.6	0.13
1,2,3 & 5 Duta	90%					113.0	113.0	0.28
3 KL	90%					35.6	35.6	0.09
D' Kiara Place	70%					108.6	108.6	0.27
							633.1	1.55
Perak								
Manjung	100%	987	430	157	204.7		204.7	0.50
Gain from sale of 30% stake in Menara YNH						36.4	36.4	0.09
							874.3	
NAV as at 31 Dec 2007							669.4	1.64
Less: Share buy back consideration							(9.3)	(0.02)
RNAV							1,534.4	
Proceeds from exercise of ESOS							20.2	0.05
RNAV based on enlarged capital							1,554.6	3.80
No. of equity shares							394.4	
Less: Treasury shares							(3.4)	
No. of equity shares, net of treasury shares							391.0	
Additional shares from exercise of ESOS							18.4	
Enlarged no. of equity shares							409.4	
RNAV per share (RM)							3.92	
FD RNAV per share (RM)							3.80	

Source: ECM Libra

INITIATE BUY CALL

We initiate coverage with a BUY call and target price of RM3.80 based on RNAV valuation. This valuation is undemanding as it only implies a PER of 11.7x and 8.2x based on FY08 and FY09 FD EPS respectively. YNH is attractive at current valuation as it is currently trading at 8.2x FY08 FD EPS which is at 19% discount to its mid cap peers and 50% discount to large cap property developers.

Its historical PER band of 7.6x to 17.4x over the last 3 years lends support to our target price. Further support will come from YNH's aggressive share buy back exercise. Since the beginning of 2008, YNH has repurchased 3.4m shares with average cost per share ranging from RM2.68 to RM2.75.

Further catalysts will come from more land acquisition / JV, acceleration of property sales as well as higher selling price.

Figure 11: Peer comparison

Company	Bloomberg Ticker	Rating / TP	Share Price RM	Market Cap RM mil	3-mth Avg Vol '000	P/E		P/NTA		Dividend Yield		ROE		2-yr EPS CAGR %
						2008 x	2009 x	2008 x	2009 x	2008 %	2009 %	2008 %	2009 %	
Big Cap														
SP Setia	SPSB MK	NR	5.05	5,121	3,354	18.6	15.3	2.6	2.4	3.9	4.5	15.0	16.9	13.0
IOI Properties	IOIP MK	NR	13.00	4,336	164	14.2	12.3	2.4	2.1	5.5	4.9	15.3	16.3	11.5
Big Cap Average						16.4	13.8	2.5	2.3	4.7	4.7	15.2	16.6	
Mid Cap														
Sunway City	SCITY MK	Buy / 6.00	3.64	1,711	347	14.3	11.8	0.6	0.5	2.2	2.2	10.3	11.4	(3.2)
E&O Property	ENOP MK	NR	2.47	1,635	440	12.4	10.3	1.3	1.2	1.6	2.2	15.1	15.1	21.5
Bandar Raya	BRD MK	NR	2.12	1,010	486	10.1	4.8	0.7	0.6	3.2	3.1	7.1	14.9	85.7
Sunrise	SUN MK	NR	2.33	1,044	1,013	6.6	5.1	1.5	1.2	6.2	7.6	26.2	25.7	28.6
Mah Sing	MSGB MK	Buy / 2.70	1.89	1,175	1,316	9.1	6.9	1.6	1.4	4.4	5.8	17.9	20.2	30.3
YNH Property	YNHB MK	Buy / 3.80	2.67	1,055	2,026	8.1	5.7	1.4	1.2	5.0	7.0	17.1	20.6	41.6
Mid Cap Average						10.1	7.5	1.2	1.0	3.8	4.6	15.6	18.0	
Small Cap														
WCT Land	WCTL MK	NR	2.25	1,326	527	11.7	10.2	1.7	1.6	3.1	3.7	20.5	18.5	50.9
KSL Holdings	KSL MK	NR	1.27	451	190	5.7	5.5	0.7	na	9.1	9.1	11.8	na	18.9
Glomac	GLMC MK	Buy / 2.00	1.31	387	318	10.8	10.1	0.7	0.7	6.9	6.9	7.8	9.1	(8.4)
Hunza Properties	HPB MK	NR	2.53	373	314	8.1	5.8	1.1	1.0	4.7	5.4	18.1	21.1	29.7
Plenitude	PLEN MK	NR	2.19	296	31	4.6	4.2	0.5	0.5	6.1	7.2	11.9	11.9	15.5
Small Cap Average						8.2	7.1	1.0	1.0	6.0	6.4	14.0	15.2	
Sector Average						10.3	8.3	1.3	1.2	4.8	5.3	14.9	16.8	

Source: Bloomberg, ECM Libra

Share price as at 18 Feb 2008

YNH PROPERTY BHD
FINANCIAL SUMMARY
Price Date: 18 February 2008
Balance Sheet

FY 31 Dec (RM m)	2005A	2006A	2007F	2008F	2009F
PPE	166.1	147.4	150.8	154.1	157.4
Land held for development	107.2	127.8	177.5	177.5	177.5
Other non-current assets	19.1	24.3	24.3	86.0	86.0
Property development costs	109.5	67.9	83.3	52.3	76.7
Inventories	7.0	18.4	21.6	32.6	53.9
Receivables	183.2	266.0	389.4	479.9	665.8
Deposit, cash & bank balance	33.6	15.2	20.9	6.0	13.9
Total Assets	625.8	667.1	867.6	988.4	1,231.2
Payables	40.3	58.2	74.2	89.9	120.3
ST borrowings	88.2	74.4	82.1	91.9	125.2
LT borrowings	28.6	22.5	17.4	13.5	9.3
Deferred tax liability	29.3	24.5	24.5	24.5	24.5
Liabilities	186.4	179.6	198.2	219.9	279.3
Share capital	350.6	354.0	394.4	394.4	394.4
Reserves	88.8	133.4	275.0	361.5	498.8
Shareholders' equity	439.4	487.4	669.4	755.9	893.3
Minority interest	-	-	-	12.6	58.7
Total Equity	439.4	487.4	669.4	768.5	951.9
Total Equity and Liabilities	625.8	667.1	867.6	988.4	1,231.2

Cash Flow Statement

FY 31 Dec (RM m)	2005A	2006A	2007F	2008F	2009F
Pretax profit	75.0	93.7	120.2	185.9	307.4
Depreciation & amortisation	0.7	0.7	0.7	0.7	0.7
Other non-cash items	5.4	6.2	6.5	3.7	4.4
Change in working cap	(85.4)	(33.5)	(126.0)	(116.6)	(201.2)
Tax paid	(20.1)	(31.0)	(32.5)	(48.3)	(76.8)
Net interest received / (paid)	(4.9)	(4.6)	(6.5)	(3.7)	(4.4)
Others	(0.8)	(0.8)	-	-	-
Operating Cash Flow	(30.1)	30.8	(37.5)	21.6	29.9
Capex	(65.7)	(3.6)	(4.0)	(4.0)	(4.0)
Others	(8.0)	(3.9)	-	-	-
Investing Cash Flow	(73.7)	(7.4)	(4.0)	(4.0)	(4.0)
Changes in borrowings	33.1	27.0	(6.1)	(5.1)	(3.9)
Dividend paid	(25.1)	(25.4)	(28.7)	(34.0)	(47.1)
Issuance of shares	107.4	3.6	123.1	-	-
Share buy back	-	-	(0.2)	(9.0)	-
Financing Cash Flow	115.4	5.2	88.1	(48.1)	(51.0)
Net cash flow	11.7	28.6	46.6	(30.5)	(25.1)
Beginning cash	(33.3)	(21.6)	6.9	53.5	23.0
Ending cash	(21.6)	6.9	53.5	23.0	(2.1)

Income Statement

FY 31 Dec (RM m)	2005A	2006A	2007F	2008F	2009F
Revenue	168.7	255.1	288.8	436.3	721.2
EBITDA	78.2	98.4	124.7	190.5	312.6
Depreciation & amortisation	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
EBIT	77.5	97.7	124.0	189.8	312.0
Interest expense	(2.5)	(4.0)	(3.8)	(3.9)	(4.6)
Pretax profit	75.0	93.7	120.2	185.9	307.4
Taxation	(21.4)	(24.2)	(32.5)	(48.3)	(76.8)
Minority interest	-	-	-	(8.0)	(46.1)
Net profit	53.6	69.5	87.8	129.5	184.5

Key Statistics & Ratios

FY 31 Dec	2005A	2006A	2007F	2008F	2009F
Growth					
Revenue	38.3%	51.2%	13.2%	51.1%	65.3%
EBITDA	42.7%	25.7%	26.8%	52.8%	64.1%
Pretax profit	47.0%	24.9%	28.3%	54.6%	65.4%
Net profit	39.8%	29.7%	26.3%	47.6%	42.4%
FD EPS	10.9%	21.5%	18.2%	40.5%	42.8%
Profitability					
EBITDA margin	46.4%	38.6%	43.2%	43.7%	43.4%
Pretax profit margin	44.5%	36.7%	41.6%	42.6%	42.6%
Net profit margin	31.8%	27.2%	30.4%	29.7%	25.6%
Effective tax rate	28.6%	25.9%	27.0%	26.0%	25.0%
Return on assets	8.8%	10.9%	10.4%	14.2%	19.0%
Return on equity	12.2%	14.3%	13.1%	17.1%	20.6%
Leverage					
Total debt / total assets	18.7%	14.5%	11.5%	10.7%	10.9%
Total debt / equity	26.6%	19.9%	14.9%	13.9%	15.1%
Net debt / equity	18.9%	16.7%	11.7%	13.1%	13.5%

Valuation

FY 31 Dec	2005A	2006A	2007F	2008F	2009F
EPS (sen)	16.3	19.7	23.5	32.9	47.1
FD EPS (Sen)	16.1	19.6	23.2	32.5	46.5
FD P/E (x)	16.6	13.6	11.5	8.2	5.7
DPS (sen)	11.0	10.0	10.0	13.4	18.8
Dividend yield	4.1%	3.7%	3.7%	5.0%	7.0%
NTA per share (RM)	1.3	1.4	1.7	1.9	2.3
P/NTA (x)	2.1	1.9	1.6	1.4	1.2
EV/EBITDA (x)	13.5	10.6	9.2	6.1	3.8

Key to investment rankings: **Buy** = Expected share price to appreciate by >10%; **Hold** = Expected share price to move by less than 10%; **Sell** = Expected share price to decline by >10%.

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