

KEY STORY

China

Property

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It is a fallacy that Hong Kong developers are lagging. Given their higher valuations, we continue to prefer China to Hong Kong.

CHINA

Sector

Property

Page 2

It is a fallacy that Hong Kong developers are lagging. Given their higher valuations, we continue to prefer China to Hong Kong.

Results

Guangdong Nan Yue Logistics (BUY/HK\$2.08/Target: HK\$3.80)

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2008: Net profit falls 6% due to the absence of one-off revenue. Massive highway build-up will spur earnings from 2009-11. Maintain BUY.

KWG Property (HOLD/HK\$2.73/Fair: HK\$3.10)

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2008: Weak set of results. Sales improve ytd but margin remains a concern.

Xiamen International Port Co (HOLD/HK\$1.07/Fair: HK\$1.06)

Page 8

2008: Net profit edges up, decent dividend and improving balance sheet.

Update

COSCO Pacific (HOLD/HK\$7.94/Fair: HK\$7.80)

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Mar 09: Throughput numbers show sequential improvement. We raise our fair price.

MALAYSIA

Results

Bursa Malaysia (SELL/RM6.20/Fair: RM3.30)

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1Q09: Net profit drops 65.5% yoy. New trading system and direct market access to equity market will enhance market turnover in the longer term.

SINGAPORE

Results

Ascendas REIT (BUY/S\$1.47/Target: S\$1.62)

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4QFY09: Growth despite adverse economic climate.

CapitaMall Trust (SELL/S\$1.30/Fair: S\$1.17)

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1Q09: Occupancy holds steady at 99.5% in 1Q09 but growth in rentals for renewal and new leases have slowed to only 0.4% p.a.

GuocoLand (SELL/S\$1.29/Fair: S\$0.80)

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3Q09: Asset writedowns yet to surface.

THAILAND

Results

TMB Bank (SELL/Bt0.46/Fair: Bt0.45)

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1Q09: Results remain poor with operating loss of over Bt600m, bottom line saved only by sizeable provision write-back.

Key Indices

Key Indices	Prev Close	1D %	1W %	1M %	YTD %
DJIA	8131.3	0.1	0.6	11.7	(7.3)
S&P 500	869.6	0.5	1.5	13.1	(3.7)
FTSE 100	4092.8	1.0	4.3	6.5	(7.7)
AS30	3728.1	0.1	4.5	9.5	1.9
CSI 300	2650.7	(1.4)	2.1	11.4	45.8
FSSTI	1896.6	0.3	3.7	18.8	7.7
HSI	15601.3	0.1	7.8	21.6	8.4
JCI	1634.8	0.6	11.5	20.1	20.6
KLCI	965.2	0.4	2.5	12.6	10.1
KOSPI	1329.0	(0.6)	(0.5)	13.5	18.2
Nikkei 225	8907.6	1.7	(0.6)	12.1	0.5
SET	456.8	0.8	3.2	6.3	1.5
TWSE	5755.4	(4.0)	(0.5)	16.0	25.4

BDI	1682	4.9	13.8	(5.6)	117.3
CPO (RM/mt)	2548	(0.8)	8.4	25.0	56.3
Nymex Crude (US\$/bbl)	50	0.7	(3.7)	2.4	12.8

Source: Bloomberg

Top BUYs/SELLs

	Ticker	Current Price (1cy)	Target Price (1cy)	Pot. +/- (%)
Top BUYs				
China Coal	1898 HK	6.90	8.50	23.2
China Life	2628 HK	27.95	31.30	12.0
China Mobile	941 HK	74.00	85.00	14.9
China Railway	390 HK	5.02	5.90	17.5
Sinopec	386 HK	6.01	6.60	9.8
Zijin Mining	2899 HK	6.17	7.15	15.9
DBS Group	DBS SP	9.32	10.55	13.2
SingTel	ST SP	2.60	2.95	13.5
Advanced Info	ADVANC TB	74.75	101.73	36.1
Quality Houses	QH TB	0.91	1.28	40.7
Top SELLs				
Harbin Power	1133 HK	6.82	3.50	(48.7)
Parkson Retail	3368 HK	9.40	5.15	(45.2)
S'pore Airlines	SIA SP	10.86	8.20	(24.5)
STX Pan Ocean	STX SP	13.46	4.35	(67.7)
Amata Corp	AMATA TB	3.34	2.52	(24.6)

Key Assumptions

GDP (% yoy)	2008	2009F	2010F
US*	1.1	(2.5)	1.9
Euro Zone*	0.7	(3.0)	0.5
Japan*	(0.6)	(6.0)	0.2
Singapore	1.2	(7.5)	4.0
Malaysia	4.6	(2.5)	3.2
Thailand	2.6	(5.2)	4.5
Indonesia	6.0	3.6	4.8
Hong Kong	2.5	(4.0)	3.5
China	9.0	6.5	8.30
Brent Crude Oil (US\$/bbl)	100	55	65
Aluminium* (US\$/MT)	2,623	1,515	1,795
Copper* (US\$/MT)	6,884	3,627	4,341
Gold Price London* (US\$/ounce)	873	919	950
Iron Ore* (US\$/dmu)	153	108	101
CPO (US\$/MT)	818	520	685
BDI	6,338	2,500	1,500

* Bloomberg

Source: UOB, UOB Kay Hian

Corporate Events

	Venue	Beg	Close
Hyflux Luncheon Presentation*	Singapore	20 Apr	20 Apr
SPC Luncheon Presentation*	Singapore	21 Apr	21 Apr
CapitaLand Luncheon Presentation*	Singapore	27 Apr	27 Apr

* by invitation only

Property

Still prefer China over Hong Kong developers

Hong Kong developers are not laggards, as they are still outperforming China from the peak. They are also more expensive than their mainland peers, even though the macro backdrop is still more favourable in China.

Sector Event

Hong Kong developers rallied as laggards. The share prices of Hong Kong developers went up 8-27% last week, outperforming China developers, as investors turned to the lagging Hong Kong plays.

A fallacy that Hong Kong has underperformed. However, even though mainland companies have rebounded heavily from last year's low, up an average 152% compared to 74% for Hong Kong developers, they are still underperforming their Hong Kong counterparts from the peak, down an average 68% to Hong Kong's 57%. The strong rally only reflected the collapse of China developers to distressed level last year amid the misguided concern on their financial viability. We recommended a switch from Hong Kong to China developers last November and we are sticking with this call.

Comparing Share Price Performance Of China And Hong Kong Developers

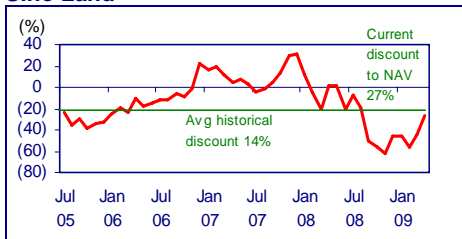
China developers	From 2008			Hong Kong developers	From 2008		
	low	From peak			low	From peak	
Agile	3383 HK	185	(70)	Cheung Kong	1 HK	28	(52)
China Overseas Land	688 HK	96	(33)	Hang Lung Properties	101 HK	63	(46)
China Resources Land	1109 HK	104	(39)	Henderson Land	12 HK	57	(54)
Greentown China	3900 HK	164	(76)	Kerry Properties	683 HK	101	(68)
Guangzhou R&F	2777 HK	274	(73)	New World Development	17 HK	100	(67)
Hopson	754 HK	305	(81)	Sino Land	83 HK	104	(65)
KWG Property	1813 HK	130	(82)	SHK Properties	16 HK	68	(51)
Poly HK	119 HK	81	(78)				
Shanghai Forte Land	2337 HK	69	(79)				
Shimao	813 HK	122	(73)				
Sino-Ocean Land	3377 HK	210	(64)				
SOHO China	410 HK	86	(68)				
Simple average		152	(68)	Simple average		74	(57)

Source: Bloomberg

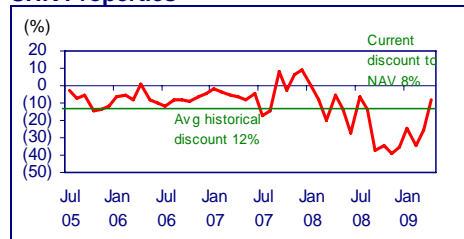
Valuation-wise, China developers are also cheaper. Moreover, not only are mainland developers cheaper than the Hong Kong plays, more importantly, they are also more undervalued compared to their own past. Last but not least, the macro backdrop is still more favourable in China. Our top three BUYs are: Guangzhou R&F (HK\$11.92/BUY/Target: HK\$14.00), Shimao (HK\$7.91/BUY/Target: HK\$8.50) and Agile (HK\$5.88/BUY/Target: HK\$6.20); and top three SELLs are: Sino Land (HK\$10.24/SELL/Fair: HK\$7.46), SHK Properties (HK\$85.40/SELL/Fair: HK\$70.54) and New World Development (HK\$10.14/SELL/Fair: HK\$8.74).

Historical Discount To NAV For Our Top Sells And Top Buys

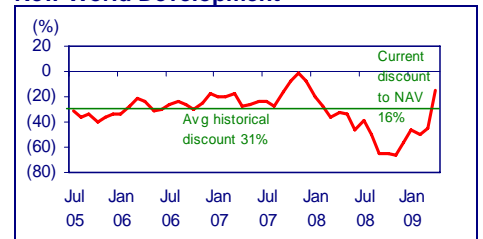
Sino Land



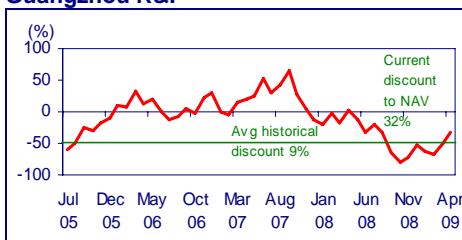
SHK Properties



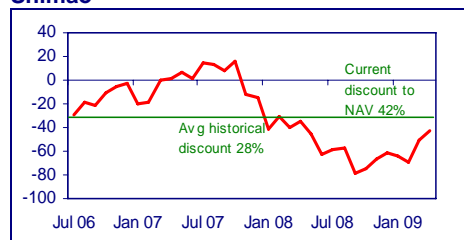
New World Development



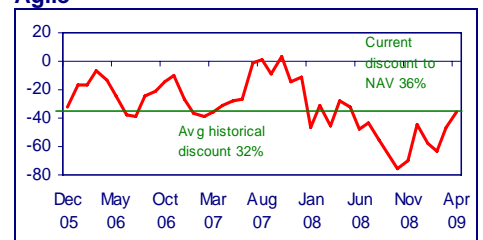
Guangzhou R&F



Shimao



Agile



Source: UOB Kay Hian

CHINA

Property

MARKET WEIGHT

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What are Cheung Kong and SHK Properties saying? Last week, Cheung Kong undercut the secondary market by 10% and sold virtually all the 1,068 units at Central Park Towers 2 overnight. Over the weekend, SHKP launched The Latitude where 500 out of the total of 1,160 units were sold. While Cheung Kong's pricing strategy partly reflects Central Park's unfavourable location (Tin Shui Wai) and that SHKP was pricing The Latitude (the first batch at HK\$7,255psf) at a 10% premium to the secondary market, the eagerness to sell in a downcycle indicates that Hong Kong's two largest developers are cautious about the outlook. Bearing in mind that, unlike the mainland developers, neither Cheung Kong (16% gearing) nor SHKP (19%) is in funding need, let alone that it is still a costly exercise to replenish landbank. In fact, even we were surprised that SHKP put out its third urban project in two months, after the unsold units at Harbour Place and The Cullinan, given urban sites are scarce. The last time Cheung Kong was in such an aggressive selling mode was at the launch of The Capitol (90% of the 2,096 units sold at one go) in Feb 08, just before the property market turned. It would be interesting to see whether the same strategy will be adopted for Lohas Park P2 (Tseung Kwan O), expected to be launched soon.

Comparing Macro Backdrops For China And Hong Kong Property Markets

	China	Hong Kong
Government support	Since last October, a series of stimulus polices have been introduced by both the central and local governments, to support both housing demand and the developers. We expect Beijing to continue to back the sector to prevent backsliding at this juncture.	No direct stimulus measures for the property sector apart from restricting land supply (which has always been an underlying housing policy). Hong Kong property market is not policy-driven and past experience showed that government policies lent little support to a declining market.
Forecast GDP growth	6.5% in 2009 and 8.3% in 2010	4.0% decline in 2009, followed by 3.5% growth in 2010
Interest rate outlook	Benchmark 1-yr lending rate has been cut by a total 207bp to 5.40% since 15 September. UOB Economic-Treasury Research expects the rate to come down further to 3.90% by year-end.	Banks have cut prime rate by 50bp to 5% since last November. We expect 3-mth HIBOR to rise to 2.4% by year-end from 2% a year ago.
Mortgage rate outlook	Mortgage rate is now 5.94% (with a 30% discount for first-time buyers) and minimum down payment at 20%. It will come down along with lending rate cut.	Price wars between banks have driven mortgage rate down to 2.75%, compared to the average 3.0% charged in 2008.
Residential price outlook	Prices have come down by 15-40% depending on the city. We expect the market to stabilise after a 20-40% from the peak, implying a maximum 5% fall from the current level.	On average, prices have come down 19% from the peak. We are looking for at least another 20% downside from the current level.
Near-term newsflow	Positive – we expect a) the government will announce new measures to stimulate domestic consumption, benefiting the property market directly; b) the listed company will continue to report strong sales data for April.	Negative – Pent-up demand will soon be exhausted and activities will slow again. Rising unemployment rate will affect buying sentiment.

Source: UOB Kay Hian

Comparing China And Hong Kong Developers

	China	Hong Kong
Valuation - discount to NAV	36.7%	23.1%
Valuation - FY09 PE	13.7x	20.1x
FY10 PE	10.3x	17.2x
Avg land cost as % of ASP	35 Leaving room for prices to come down and projects would still be profitable.	75 High land costs make property development a high risk business in Hong Kong.
Gearing	71.6% High gearing is less of a concern now as banks are very forthcoming on new credit lines, and with strong cash inflow from the buoyant market.	21.3%
Share price performance	Decline from peak: 33% to 82% Increase ytd: 7% to 53%	Decline from peak: 46% to 68% Increase ytd: 5% to 32%
Beta	1.0 to 2.0	1.0 to 1.4

Source: UOB Kay Hian

Guangdong Nan Yue Logistics

2008: Ready to take off

Guangdong Nan Yue Logistics (GDNY) saw net profit fell 6% yoy in 2008 due to the absence of one-off revenue. Massive highway build-up in Guangdong will spur growth from 2009-11. Maintain BUY.

2008 Results

Year to 31 Dec (Rmbm)	2007	2008	yoy chg (%)	Comment
Material logistics	5,571	6,340	14	Speed-up of highway construction projects
Highway service stations	401	398	(1)	Absence of one-off income from station additions
Tai Ping Interchange	127	126	(1)	Drop in traffic flows
Transport IT systems	527	565	7	Speed-up of highway construction projects
Cross-border bus	264	252	(5)	Drop in traffic flows
Revenue	6,890	7,681	11	
Material logistics	86	95	10	Turnover growth, steady margin
Highway service stations	74	54	(28)	Absence of one-off income from station additions
Tai Ping Interchange	101	103	2	Margin improvement
Transport IT systems	17	14	(18)	Margin erosion amid fierce competition
Cross-border bus	34	32	(7)	Turnover drop, margin erosion
Others	(36)	(49)	37	
EBIT	277	249	(10)	
Pre-tax profit	254	218	(14)	
Net profit	159	150	(6)	
EBIT margin	4.0	3.2	-0.8 ppt	
Material logistics	1.6	1.5	0.0 ppt	Effective price hedging
Highway service stations	18.6	13.5	-5.0 ppt	Absence of one-off income from station additions
Tai Ping Interchange	79.2	81.7	2.6 ppt	Cost saving
Transport IT systems	3.3	2.5	-0.8 ppt	Intense competition
Cross-border bus	13.0	12.7	-0.3 ppt	Intense competition

Source: GD Nan Yue, UOB Kay Hian

Results

Net profit fell 6% yoy to Rmb150m, with the absence of one-off revenue and setback in supplementary segments offsetting growth in the material logistic segment.

Material logistic business resumed growth. Earnings growth for the segment reversed from -4% in 2007 to 10% in 2008, by virtue of turnover growth and steady margin. Despite the volatile fluctuations in the prices of building materials (steel and cement), the Group's EBIT margin remained steady. Impairment of inventories was only Rmb3.7m (0.4% of inventories). All of these point to the effective price hedging by the Group.

Absence of one-off revenue. When opening highway service stations, GDNY registers one-off revenue from sub-contracting to Sinopec, the oil station operation for the service stations. In 2007, the Group derived some Rmb35m-40m of revenue from adding three pairs of highway service stations. With no new station opening in 2008, the Group did not record any one-off sub-contracting fee.

Supplementary segments hit by economic downturn. Taiping Interchange saw a slight revenue drop due to the lower traffic flow in the Pearl River Delta (PRD) after the outbreak of the global financial crisis. By virtue of cost savings, the segment posted a slight profit growth. However, the transport IT systems and cross-border bus segments registered significant drop in profit due to intense competition.

CHINA

GD Nan Yue (3399 HK)

BUY

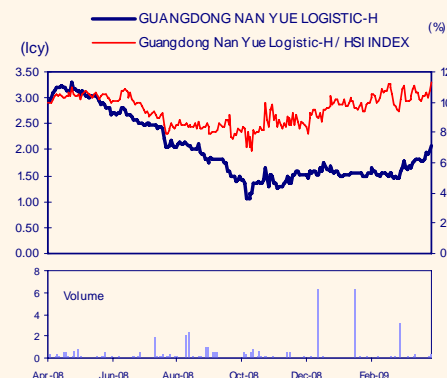
Current Price: HK\$2.08

Target Price: HK\$3.80

Sector	Logistics
52-Wk Avg Daily Vol. ('000)	870
Market Cap (HK\$m)	869
(US\$m)	111
Major Shareholders (%)	
GCGC	67.0
Book NTA per Share (HK\$)	3.01
ROE (%)	11.5
Net Cash per Share (HK\$)	2.38

Results Due	
Interim:	Sep
Final:	Apr

Price Chart



Source: Bloomberg

Analyst

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Year to 31 Dec	Turnover (Rmbm)	EBITDA (Rmbm)	Net Profit (Rmbm)	EPS (Rmb)	EPS Growth (%)	PE (x)	*EV/ EBITDA (x)	DPS (Rmb)	Yield (%)
2007	6,890	353	159	0.38	2	4.9	4.8	0.11	6.0
2008	7,681	328	150	0.36	(6)	5.2	5.2	0.11	5.8
2009F	9,588	339	159	0.38	6	4.9	5.0	0.11	6.1
2010F	11,302	407	207	0.50	30	3.8	4.2	0.15	7.9
2011F	12,876	479	251	0.60	21	3.1	3.5	0.18	9.6

Consensus Net Profit – n.a.

* In calculating EV, we take into account note payables

Earnings Outlook

Ride on infrastructure boom in Guangdong. We expect the Group's profit to be driven by the acceleration of highway construction in Guangdong in the coming three years. As part of the Rmb4 trillion investment programme proposed by the central government, Guangdong is accelerating the construction of infrastructure and highways. A total of 1,000km in highways is expected to be built in 2009-10, compared with less than 100km in 2008.

Material logistics as the first mover. We anticipate the Group's material logistic material segment to deliver a 30% net profit CAGR in 2009-11, driven by the massive infrastructure projects in Guangdong.

Highway service station the follower. The highway service station segment could see a 10% profit drop in 2009 before posting a 60% net profit CAGR in 2010-11. The prospective earnings drop for 2009 assumes lower operating profit amid falling traffic flow in Guangdong. In 2010-11, the division's profit could be driven by the addition of new service stations which will spur one-off income from the sub-contracting of oil stations.

Other businesses will be affected. Taiping Interchange is vulnerable to the falling exports in Guangdong, which would dampen traffic flow in the PRD. We expect the segment's profit to drop 10% yoy in 2009 and stabilise thereafter. The transport IT system and cross-border bus business will continue to suffer from intense competition. Their contribution to total profit will decline from 13% to less than 10% in 2009-11.

Earnings Risk

The continue deterioration in exports in Guangdong would dampen highway traffic flows in the province, affecting the Group's highway service stations, Taiping Interchange and cross-border bus segments.

Valuation/Recommendation

GDNY is trading at an attractive 4.9x 2009F PE vs 10x for regional logistic companies. The current stock price of HK\$2.08 is even below its net cash of HK\$2.38/share. Dividend yield is a high 6.1% for 2009F. We believe the market has fully factored in the risks. Maintain BUY with a target price of HK\$3.80 based on 7x 2010F PE, a 30% discount to regional peers'.

Profit & Loss

Year to 31 Dec (Rmbm)	2007	2008	2009F	2010F	2011F
Turnover	6,890	7,681	9,588	11,302	12,876
EBIT	277	249	257	322	391
Pre-tax Profit	254	218	238	309	376
Net Profit	159	150	159	207	251

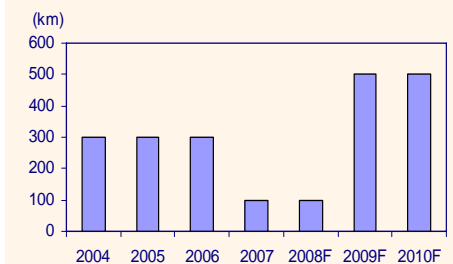
Balance Sheet

Year to 31 Dec (Rmbm)	2007	2008	2009F	2010F	2011F
Current Assets	3,875	4,027	5,027	5,926	6,751
Total Assets	4,568	4,777	5,794	6,708	7,545
Current Liabilities	2,961	3,074	3,837	4,029	4,590
Long-Term Liabilities	-	-	-	-	-
Shareholder Funds	1,255	1,352	1,466	1,625	1,814
Total Equity & Liabilities	4,568	4,777	5,794	6,708	7,545

Cash Flow

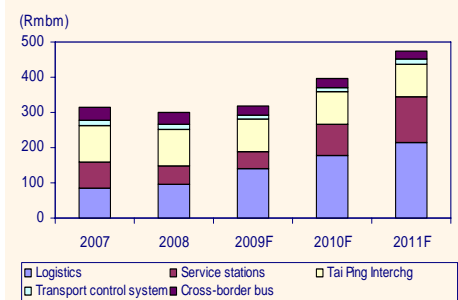
Year to 31 Dec (Rmbm)	2007	2008	2009F	2010F	2011F
Operating	435	204	216	281	341
Investing	(61)	(108)	(100)	(100)	(100)
Financing	(96)	76	(285)	(61)	(77)
Net Cash In/(Out) Flow	278	172	(169)	120	164
Begin Cash & Cash Equiv.	671	948	1,121	952	1,072
End'g Cash & Cash Equiv.	948	1,121	952	1,072	1,237

Length of Highways Added in Guangdong



Source: CEIC

EBIT Breakdown by Segment



Source: GDNY, UOB Kay Hian

KWG Property

2008: Property sales improve but margin is still a concern

KWG reported a weak set of 2008 results. Property sales ytd have improved and met our expectation, but margin for expensive landbank acquired in 2007 remains a concern. Maintain HOLD.

2008 Results

Year to 31 Dec	2008 (Rmbm)	2007 (Rmbm)	yoy % chg	Remarks
Turnover	1,574.2	3,868.1	(59.3)	Lower GFA booked
Gross Profit	827.8	2,059.0	(59.8)	
Other gains	150.6	206.5	(27.1)	
Revaluation gains	(23.6)	2,288.5	(101.0)	A loss vs huge gains
Pre-tax Profit	703.3	4,320.6	(83.7)	
Income Tax	(337.1)	(1637.8)	(79.4)	
Net Profit	368.5	2,683.1	(86.3)	
Gross Margin (%)	52.6	53.2	(0.6)	Flat ASP booked

Source: UOB Kay Hian

Results

KWG Property's (KWG) 2008 net profit dropped by 86% to Rmb369m, lower than our estimate of Rmb447m and market consensus of Rmb836m. The lower-than-expected earnings growth was mainly due to a 59% decrease in sales revenue booked, partially due to the delay of the completion of two projects.

Stock Impact

Sales meet expectation, ytd. KWG achieved ytd property sales of Rmb1.2b vs total contracted sales of Rmb3.0b in 2008. Meanwhile, the management projects 2009 contracted sales at Rmb5.0b, about 67% higher yoy.

One of the major beneficiaries of market recovery in Guangzhou. On the back of strong sales of the Guangzhou market, KWG also achieved strong sales for its projects located in the city. It launched the presale of serviced apartments of its top-end project in Pearl River New City, the new CBD of Guangzhou over the weekend. About 125 units were sold at an average selling price (ASP) of Rmb25,000/sqm in one day. As Guangzhou accounts for more than half of KWG's total NAV, we expect its property sales to improve this year.

Plot ratio revised up for Chengdu Cosmo, but margin is still a concern for Chengdu projects due to expensive land purchases in 2007. Thanks to the upward revise of plot ratio, the total GFA of Chengdu Cosmo would increase by 41% from 618,000sqm to 873,000sqm. We estimate the land cost is around Rmb4,400/sqm for saleable GFA. With an estimated ASP of Rmb10,000/sqm, we estimate the project would achieve a 20% gross margin.

KWG recently launched the other two projects in Chengdu, i.e. Emerald and Wanjing Feng. Based on the current selling prices of Rmb9,500/sqm and Rmb4,700/sqm as well as land cost of Rmb4,700/sqm and Rmb1,720/sqm for Emerald and Wanjing Feng respectively, we expect the two projects to fetch a thin gross margin at lower than 20%.

Due to rising contribution from the booking of expensive landbank over the next two years, we expect the overall gross margins of KWG to drop to 35% in 2009 from 53% last year with a further decline to 30% in 2010.

CHINA

KWG Property (1813 HK)

HOLD

Current Price: HK\$2.73

Fair Price: HK\$3.10
(Previous: HK\$2.10)

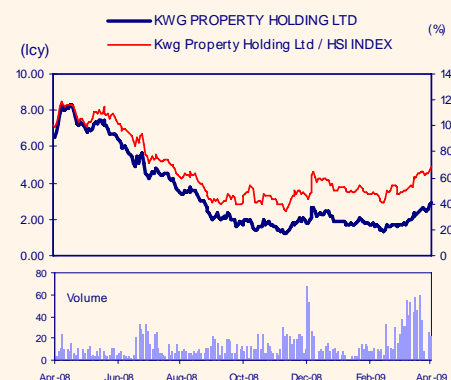
Sector	Property
52-Wk Avg Daily Vol. ('000)	12,394
Market Cap (HK\$m)	7,084
(US\$m)	908

Major Shareholders (%)	
Kong Jianmin	66.1

Book NTA per Share (Rmb)	3.26
ROE (%)	4.33
Net Debt per Share (Rmb)	1.86

Results Due	
Interim	September
Final	April

Price Chart



Source: Bloomberg

Analyst

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Year to 31 Dec	Turnover (Rmbm)	EBITDA (Rmbm)	Net Profit (Rmbm)	EPS (Rmb)	EPS Growth (%)	PE (x)	EV/ EBITDA (x)	DPS (Rmb)	Yield (%)
2007	3,868	4,333	2,684	120.2	1235.8	2.3	1.5	17.4	6.4
2008	1,574	690	370	14.2	(88.2)	19.2	17.3	3.6	1.3
2009F	3,320	915	471	18.2	27.9	15.0	15.1	4.5	1.7
2010F	5,403	1,251	623	24.0	32.1	11.4	11.7	6.0	2.2
2011F	6,142	1,468	763	29.4	22.5	9.3	10.3	7.3	2.7

Consensus Net Profit – FY09: Rmb927m
– FY10: Rmb982m

Net gearing may rise to 70% in 2009. KWG's net gearing stood at 52% at end-08. In Mar 09, Aetos announced its exit from two JV projects in Chengdu, i.e. Emerald and Chengdu Cosmos. To buy back a 35% stake in these two projects, KWG has to pay US\$101m or Rmb693m. We estimate KWG's net gearing to rise to around 70% by end-09.

Earnings Revision

Due to the weaker-than-expected execution on completion and delivery, we conservatively lower the sales revenue estimates booked by 16% and 20% for the next two years, and thus revise down the net profit forecasts by 24% to Rmb471m for 2009 and 34% to Rmb623m for 2010.

Valuation/Recommendation

The stock is trading at 43% discount to current NAV of HK\$4.76, wider than the property sector's average discount of 37%. We raise our fair price from HK\$2.10 to HK\$3.10 by applying a thinner discount to NAV at 35%, which is close to the sector's average discount. The potential sales improvement is a stock catalyst for KWG, but thin margin achieved at current prices for expensive landbank remains our concern. Maintain HOLD with an entry price of HK\$2.40.

Profit & Loss

Year to 31 Dec (Rmbm)	2007	2008	2009F	2010F	2011F
Turnover	3,868	1,574	3,320	5,403	6,142
EBIT	4,339	703	933	1,275	1,499
Pre-tax Profit	4,322	705	869	1,185	1,372
Net Profit	2,684	370	471	623	763
EPS (Rmb cents)	120.2	14.2	18.2	24.0	29.4

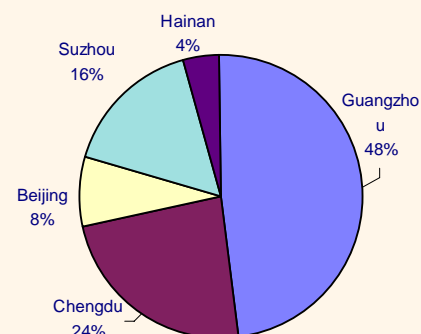
Balance Sheet

Year to 31 Dec (Rmbm)	2007	2008	2009F	2010F	2011F
Current Assets	13,172	15,940	17,003	17,018	17,046
Total Assets	18,975	21,767	24,284	25,803	27,860
Current Liabilities	6,618	7,014	6,983	6,856	6,649
Long-Term Loans	2,445	4,935	7,093	8,221	9,865
Shareholders' Funds	8,534	8,469	8,822	9,289	9,861
Total Equity & Liabilities	18,975	21,767	24,284	25,803	27,860

Cash Flow

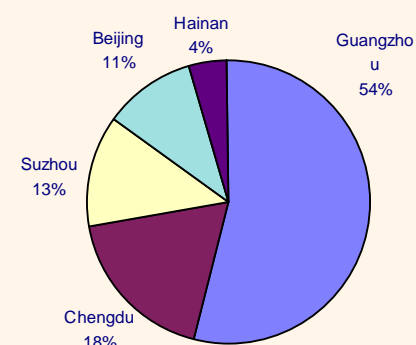
Year to 31 Dec (Rmbm)	2007	2008	2009F	2010F	2011F
Operating	(1,467)	(5,268)	(520)	824	1,406
Investing	(2,205)	(35)	(1,271)	(1,435)	(1,716)
Financing	6,253	3,182	1,948	1,456	1,744
Net Cash Inflow	2,581	(2,122)	157	845	1,434
Beginning Cash	804	3,289	1,167	1,324	2,169
Ending Cash	3,385	1,167	1,324	2,169	3,603

KWG's GFA Breakdown by City



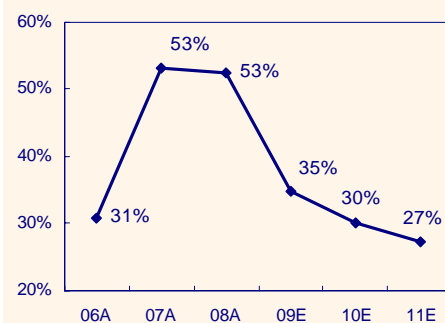
Source: KWG, UOB Kay Hian

KWG's NAV Exposure



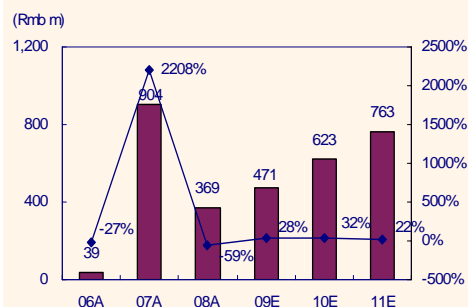
Source: UOB Kay Hian

Gross Margins



Source: KWG, UOB Kay Hian

Net Profit



Source: KWG, UOB Kay Hian

Xiamen International Port Co

2008: Profit edges up, decent dividend and improving balance sheet

XIPC's 2008 net profit edged up 0.6% yoy to Rmb377m, in line with our expectation. The company is cash-rich with the lowest gearing ratio. Dividend payout ratio maintained at 40%.

2008 Results

(Rmbm)	2H07	2H08	yoy % chg	2007	2008	yoy % chg
Turnover	1,837	1,397	(24.0)	2,891	3,412	18.0
Gross profit	323	265	(18.0)	641	612	(4.5)
Operating profit	292	230	(21.2)	548	506	(7.7)
Net finance	6	(3)	n.a.	11	(6)	n.a.
Taxation	(38)	(12)	(68.4)	(57)	(28)	(50.9)
Minorities	(60)	(36)	(39.8)	(132)	(98)	(26.1)
Attributable profit	203	180	(11.4)	374	377	0.6
EPS Basic (Rmb)	0.07	0.07	(11.4)	0.14	0.14	0.6
Profitability (%)						
Gross margin	17.6	18.9	1.4	22.2	17.9	(4.2)
Operating margin	15.9	16.5	0.6	19.0	14.8	(4.1)
Net margin	11.0	12.9	1.8	13.0	11.0	(1.9)

Source: Xiamen Int'l Port, UOB Kay Hian

Results

Xiamen International Port's (XIPC) 2008 turnover increased 18% yoy to Rmb3,412m and net profit edged up 0.6% yoy to Rmb376.7m, in line with our expectation. Dividend payout ratio was maintained at 40%. However, turnover and net profit declined 24% yoy and 11.4% yoy to Rmb1,397m and Rmb180m respectively in 2H08.

Stock Impact

XIPC's margins have been declining on all fronts last year. The margin contraction was due to lower average handling charges of container box and bulk cargo, and the change of revenue mix (more revenue from trading business with thin operating margin of 1.3%).

Earnings Revision

In light of the intensifying competition in port business amid the weakening demand, XIPC's operating margin is expected to decline in the coming two years. To reflect the margin contraction, we trim our net profit forecasts by 1.9% and 2.3% for 2009 and 2010 respectively.

We see earnings catalysts to come from: a) earlier-than-expected global trade recovery (some signs of recovery- improving PMI and industrial production and export decline narrowed), b) earlier positive effects from direct shipping between Xiamen and Taiwan, and c) acquisition of Songyu Port.

Valuation/Recommendation

Compared with its peers, XIPC has a strong balance sheet – the only player that has a net cash position (Rmb274m) and its gearing ratio of 17.7% is among the lowest. XIPC has been maintaining a stable payout ratio of over 40% since its listing in 2005. The stock is currently trading at 7.6x 2010F PE and 0.56x 2010F P/B. We raised our fair price from HK\$0.68 to HK\$1.06, based on 7.5x 2010F PE. Maintain HOLD.

CHINA

Xiamen International Port Co (3378.HK)

HOLD

Current Price: HK\$1.07

Fair Price: HK\$1.06

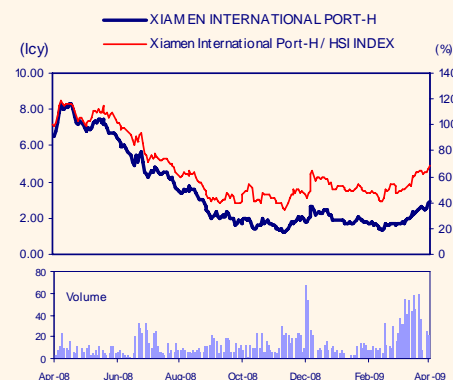
(Previous: HK\$0.68)

Sector	Transport
52-Wk Avg Daily Vol. ('000)	8,186
Market Cap (HK\$m)	2,917
(US\$m)	376
Major Shareholders (%)	
Xiamen Port Holding	61.1
Book NTA per Share (Rmb)	1.4
ROE (%)	10.3
Net Debt per Share (Rmb)	Net cash

Results Due

Interim	August
Final	April

Price Chart



Source: Bloomberg

Analyst

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Year to 31 Dec	Turnover (Rmbm)	EBITDA (Rmbm)	Net Profit (Rmbm)	EPS (Rmb)	EPS Growth (%)	PE (x)	EV/ EBITDA (x)	DPS (¢)	Yield (%)
2006	1,724	630	281	0.10	(22.7)	9.1	6.6	0.07	6.9
2007	2,891	707	374	0.14	33.2	6.8	8.8	0.06	6.1
2008	3,412	677	377	0.14	0.6	6.8	5.7	0.06	5.9
2009F	3,425	625	335	0.12	(10.9)	7.6	2.8	0.05	5.2
2010F	3,467	630	337	0.12	0.5	7.6	1.2	0.05	5.3

Consensus Net Profit – FY08: Rmb362m
– FY09: Rmb319m

Segment Results

(Rmbm)	2H07	2H08	yoy % chg	2007	2008	yoy % chg
Turnover						
Container business	353.1	366.9	3.9	715.6	742.0	3.7
Bulk/general cargo loading and unloading business	87.9	68.1	(22.5)	172.3	142.5	(17.3)
Ancillary value-added port services	262.6	263.3	0.3	477.6	530.9	11.2
Manufacturing and selling of building materials	196.1	133.2	(32.1)	353.2	283.9	(19.6)
Trading of industrial products	937.4	565.1	(39.7)	1172.3	1712.2	46.0
Total	1,837.1	1,396.6	(24.0)	2,891.0	3,411.5	18.0
Operating profit						
Container business	137	133	(3.2)	330.7	322.5	(2.5)
Bulk/general cargo loading and unloading business	14	(7)	n.a.	33.3	2.5	(92.4)
Ancillary value-added port services	120	103	(14.7)	149.6	153.1	2.4
Manufacturing and selling of building materials	16	(4)	n.a.	27.3	6.4	(76.4)
Trading of industrial products	5	5	1.2	7.4	21.5	189.1
Total	292.0	230.0	(21.2)	548.2	506.1	(7.7)
Operating margin (%)						
Container business	38.9	36.3		46.2	43.5	
Bulk/general cargo loading and unloading business	15.7	-10.2		19.3	1.8	
Ancillary value-added port services	45.8	39.0		31.3	28.8	
Manufacturing and selling of building materials	8.1	-2.6		7.7	2.3	
Trading of industrial products	0.5	0.8		0.6	1.3	
Total	15.9	16.5		19.0	14.8	

Source: Xiamen Int'l Port, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rmbm)	2006	2007	2008	2009F	2010F
Turnover	1,724	2,891	3,412	3,425	3,467
EBIT	493	548	506	455	455
Pre-tax Profit	505	563	502	465	467
Net Profit	281	374	377	335	337

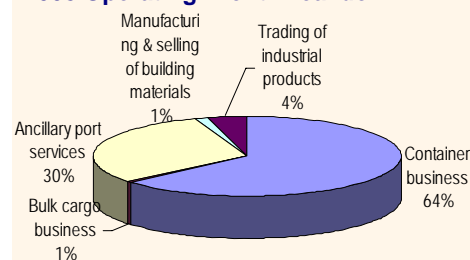
Balance Sheet

Year to 31 Dec (Rmbm)	2006	2007	2008	2009F	2010F
Current Assets	1,791	2,565	2,038	2,731	2,763
Total Assets	5,847	7,117	6,534	7,373	7,522
Current Liabilities	973	1,883	1,337	1,386	1,369
Long-Term Liabilities	757	751	534	644	589
Shareholder Funds	3,312	3,602	3,744	4,376	4,570
Total Equity & Liabilities	5,847	7,117	6,534	7,373	7,522

Cash Flow

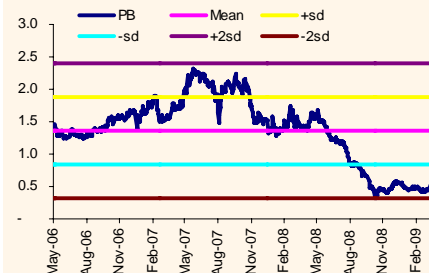
Year to 31 Dec (Rmbm)	2006	2007	2008	2009F	2010F
Operating	369	355	552	506	485
Investing	(575)	(179)	(138)	(300)	(300)
Financing	(299)	230	(563)	529	(140)
Net Cash In/(Out) Flow	(505)	407	(150)	735	46
Begin Cash & Cash Equiv.	868	363	770	620	1,356
End'g Cash & Cash Equiv.	363	770	620	1,356	1,401

2008 Operating Profit Breakdown



Source: Xiamen Int'l Port, UOB Kay Hian

P/B



Source: Bloomberg, UOB Kay Hian

Weekly Change In Stock Price

	China Merchants	COSCO Pacific	Tianjin Port	Xiamen Int'l Port
Jan 16, 09	(15.4)	(10.2)	(7.9)	(9.1)
Jan 23, 09	(3.7)	(11.0)	(4.0)	(8.8)
Jan 30, 09	11.8	3.8	1.2	5.5
Feb 6, 09	7.1	8.9	5.8	7.8
Feb 13, 09	(1.9)	(6.6)	9.9	(3.6)
Feb 20, 09	(7.2)	(10.4)	(7.0)	(1.3)
Feb 27, 09	(5.9)	(11.6)	(7.6)	(7.6)
Mar 6, 09	3.4	(1.8)	21.6	(1.4)
Mar 13, 09	5.3	7.7	8.2	(1.4)
Mar 20, 09	9.0	8.8	(16.9)	4.2
Mar 27, 09	30.9	28.8	8.0	17.6
Apr 3, 09	1.4	0.4	0.0	10.3
Apr 10, 09	(7.6)	(5.2)	(3.5)	(1.0)
Apr 17, 09	0.5	(1.2)	4.1	12.6
Beta	1.3	1.5	1.2	1.1
From 2008 trough	56.8	133.5	125.6	114.0

Note: Coloured boxes indicate outperformance vs average peers' price growth
Source: Bloomberg; UOB Kay Hian

COSCO Pacific

Mar 09: Throughput shows sequential improvement; raise fair price

COSCO Pacific handled 3.4m TEUs of container boxes in Mar 09, -7.6% yoy. The decline, however, improved on a mom basis. We expect CP's throughput numbers to continue to improve.

Corporate Events

COSCO Pacific (CP) posted a 7.6% yoy decline in throughput in Mar 09. However, the decline has narrowed for the first time since Sep 08. In 1Q09, CP handled 9.6m TEUs of container boxes (-8.0% yoy). Still, the throughput decline was due to worsening external demand and China's weakening price competitiveness vs its rivals.

CP's throughput number is not that disappointing compared with China's top eight ports' throughput numbers (-12.2% yoy in 1Q09) and total China trade value (-24.9% yoy in 1Q09).

Pearl River Delta and Yangtze River Delta. In the Pearl River Delta, all terminals recorded declines in throughput numbers except for the new acquisition – Jinjiang Pacific Ports. Overall throughput volume in the Pearl River Delta decreased 11.6% yoy in Mar 09.

In the Yangtze River Delta, throughput growth from Ningbo Yuandong Terminals remained robust (+40% yoy) but Zhangjiagang Win Hanverky Terminals' throughput plunged 27.4% yoy. Overall throughput volume in the Yangtze River Delta fell 8.3% yoy in Mar 09.

Bohai Rim and overseas. Only Bohai Rim region registered throughput growth in Mar 09 (+0.2% yoy), driven by Tianjin Five Continents International Terminals. We maintain our stance that container throughput in the Boahi Rim may see an earlier recovery and continue to outperform Pearl River Delta and Yangtze River Delta. In fact, Bohai Rim has a larger portion of state-own enterprises which may benefit more from the government's Rmb4 trillion stimulus packages.

Overseas container throughput plunged 23.1% yoy in Mar 09. It was dragged down by COSCO-PSA Terminals (-43.9% yoy) and Antwerp Gateway (-52.5% yoy) as: a) Singapore's exports plunged 17% yoy in Mar 09, and b) a higher base - CP added one berth in COSCO-PSA Terminals in Jan 08.

Outlook. According to China's Minister of Commerce Chen Deming, the contraction in China's trade value continued to narrow in the first half of April. The latest leading indicators (such as the Purchasing Manager Index, industrial production and power supply) also showed some signs of an economic recovery. Therefore, China's exports growth may have already reached the trough.

On the import front, the aggressive government stimulus packages may help to cushion the dwindling import figures. CP is likely to benefit from the aggressive stimulus package.

Valuation/Recommendation

We expect CP to announce a set of disappointing 1Q09 results later this month. However, its earnings are expected to improve after 1Q. CP's share price has surged 134% from its trough level. The stock is trading at 9.2x 2009F PE and 0.84x 2009F P/B, at a discount to its peers' average. We raise our fair price from HK\$5.95 to HK\$7.80, based on a higher 9.0x 2009F PE given the improving port sector outlook and investment sentiment.

CHINA

COSCO Pacific (1199 HK)

HOLD

Current Price: HK\$7.94

Fair Price: HK\$7.80

(Previous: HK\$5.95)

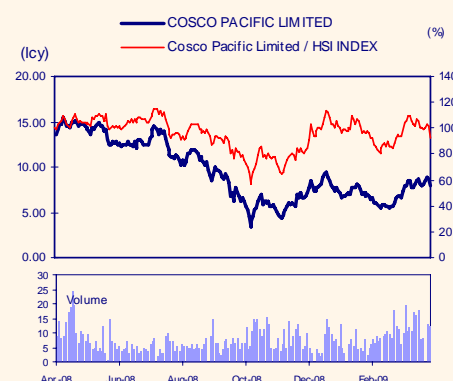
Sector	Transport
52-Wk Avg Daily Vol. ('000)	7,299
Market Cap (HK\$m)	17,825
(US\$m)	2,285

Major Shareholders (%)	
China COSCO	51

Book NTA per Share (HK\$)	8.9
ROE (%)	10.9
Net Debt per Share (HK\$)	3.5

Results Due	
Interim	August
Final	April

Price Chart



Source: Bloomberg

Analyst

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Year to 31 Dec	Turnover (US\$m)	EBITDA (US\$m)	Net Profit (US\$m)	EPS (US\$)	EPS Growth (%)	PE (x)	EV/ EBITDA (x)	DPS (US\$)	Yield (%)
2006	297	289	291	0.13	(14)	7.7	8.8	0.09	8.7
2007	299	296	428	0.19	45	5.3	9.4	0.09	9.3
2008	338	259	275	0.12	(36)	8.3	12.6	0.05	4.8
2009F	342	269	248	0.11	(10)	9.2	13.2	0.04	4.4
2010F	382	290	261	0.12	5	8.8	13.1	0.05	4.6

Consensus: 2009 – US\$219m
 2010 – US\$233m

Monday, April 20, 2009

Container Throughput (Mar 09)

Terminal ('000TEUs)	Mar 08	Mar 09	yoy % chg	1Q08	1Q09	yoy % chg
Pearl River Delta						
COSCO-HIT	141.7	105.4	(25.6)	410.3	298.0	(27.4)
Yantian Int'l Container Terminals	686.0	626.7	(8.6)	2,013.2	1,837.8	(8.7)
Quanzhou Pacific Container Terminal	86.4	78.9	(8.7)	216.8	188.4	(13.1)
Guangzhou SC Oceangate Terminal	177.8	130.1	(26.8)	469.2	348.9	(25.6)
Jinjiang Pacific Ports Development Co Ltd (a)	-	24.5	n.a.	-	54.6	n.a.
Subtotal	1,091.9	965.6	(11.6)	3,109.5	2,727.7	(12.3)
Yangtze River Delta						
Shanghai Container Terminals	310.0	282.2	(9.0)	876.5	715.5	(18.4)
Shanghai Pudong International Terminals	223.3	196.8	(11.9)	625.7	561.4	(10.3)
Zhangjiagang Win Hanverky Terminals	71.5	51.9	(27.4)	176.8	134.2	(24.1)
Yangzhou Yuanyang Int'l Ports	20.7	15.8	(23.7)	53.4	40.6	(24.0)
Nanjing Port	89.1	78.6	(11.8)	222.3	213.9	(3.8)
Ningbo Yuandong Terminals	62.0	86.8	40.0	174.3	245.3	40.7
Subtotal	776.6	712.1	(8.3)	2,129.0	1,910.9	(10.2)
Bohai Rim						
Qingdao Qianwan Terminal (II III)	728.5	743.8	2.1	2,122.9	2,175.9	2.5
Qingdao Cosport Int'l Terminals	95.0	98.2	3.4	268.6	283.3	5.5
Dalian Port Container Co., Ltd	213.1	204.6	(4.0)	617.2	628.8	1.9
Dalian Port Container Terminals	137.3	120.3	(12.4)	364.9	314.0	(13.9)
Yingkou Container Terminals	81.0	77.1	(4.8)	243.3	219.7	(9.7)
Tianjin Five Continents Int'l Terminals	160.3	173.4	8.2	452.6	432.5	(4.4)
Subtotal	1,415.2	1,417.4	0.2	4,069.5	4,054.2	(0.4)
Overseas						
COSCO-PSA Terminals	122.1	68.5	(43.9)	334.6	162.1	(51.6)
Antwerp Gateway	92.7	44.0	(52.5)	250.0	136.0	(45.6)
Suez Canal Container Terminal SAE	186.8	196.2	5.0	503.6	575.7	14.3
Subtotal	401.6	308.7	(23.1)	1,088.2	873.8	(19.7)
Total	3,685.3	3,403.8	(7.6)	10,396.2	9,566.6	(8.0)

Note: a) Jinjiang Pacific Ports Development Co., Ltd. commenced operation in Apr 08
Source: COSCO Pacific, UOB Kay Hian

Profit & Loss

Year to 31 Dec (US\$m)	2006	2007	2008	2009F	2010F
Turnover	297.5	298.9	338.0	341.8	382.3
EBIT	201.1	212.3	166.0	174.2	194.7
Pre-tax Profit	343.7	450.8	275.2	266.1	280.2
Net Profit	291.1	427.8	274.7	248.5	260.7
EPS (US¢)	13.1	19.1	12.2	11.0	11.6
EPS (HK\$)	1.03	1.49	0.95	0.86	0.90

Balance Sheet

Year to 31 Dec (US\$m)	2006	2007	2008	2009F	2010F
Current Assets	362	604	670	674	633
Total Assets	2,987	3,872	4,213	4,685	5,016
Current Liabilities	248	209	194	319	481
Long-Term Loans	566	951	1,467	1,637	1,646
Shareholders' Funds	2,173	2,712	2,552	2,730	2,889
Total Equity & Liabilities	2,987	3,872	4,213	4,685	5,016

Cash Flow

Year to 31 Dec (US\$m)	2006	2007	2008	2009F	2010F
Operating	210	231	266	258	267
Investing	403	(205)	(364)	(372)	(561)
Financing	(546)	136	62	307	123
Net Cash Inflow/(Outflow)	67	162	(35)	193	(171)
Begin Cash & Cash Equiv.	157	225	387	352	544
End'g Cash & Cash Equiv.	225	387	352	544	374

Bursa Malaysia

1Q09: Improving outlook yet expensive valuation

Net profit dropped 65.5% yoy to RM15.5m in 1Q09. The current low velocity implies limited downside for market turnover. New trading system and direct market access to equity market will enhance market turnover in the longer term.

1Q09 Results

Year to 31 Dec (RMm)	2Q08	4Q08	1Q09	yoy % chg	qoq % chg
Revenue from equity market	26.1	25.9	19.5	(60.2)	(24.8)
Revenue from derivatives market	11.3	10.3	9.4	(23.2)	(9.0)
Stable revenue	25.9	23.8	22.7	(13.9)	(4.5)
Other operating income	1.4	1.2	2.9	106.3	145.1
Total Operating Revenue	64.6	61.2	54.4	(38.8)	(11.0)
Other income	9.0	10.0	9.7	(21.2)	(2.2)
Staff costs	(21.7)	(20.9)	(18.8)	(16.7)	(10.3)
Depreciation & amortization	(5.0)	(6.2)	(9.2)	105.0	48.3
Other operating expenses	(20.6)	(20.7)	(14.1)	(15.4)	(31.5)
Tax	(6.0)	(9.6)	(6.3)	(58.4)	(34.1)
Net Profit	20.2	13.5	15.5	(63.2)	14.6
Daily Av Trading Value- Securities market (RMm)	0.9	0.9	0.7	(65.5)	(24.2)

Source: UOB Kay Hian

Results

1Q09 net profit dropped 65.5% yoy to RM15.5m, in line with our expectations. Revenue from the equity market dropped 24.8% qoq while derivatives revenue and stable revenue fell 9.0% and 4.5% qoq respectively.

Outlook

Velocity for Bursa Malaysia (BM) has increased on a mom basis since it dropped to 19% in Dec 08, the lowest since Apr 03. Current velocity for Malaysia's stock market (24% in Mar 09) is the lowest compared with that of Hong Kong and Singapore. Hefty investment in a new trading system has enabled BM to handle trade more efficiently, mitigating the likelihood of a major system failure and preparing it for the next bull market. The prospective direct market access capability for the equity market (to be launched in 2H09) is positive for BM and this bodes well for velocity in the long run. Experience in other exchanges indicates that the DMA equity will increase volume by 20-25%. We expect BM's ongoing business initiatives to improve velocity in the long term.

Valuation/Recommendation

We raise our fair price from RM2.30 to RM3.30, based on 18.7x 2009F PE (global weighted average of major exchanges). The stock is trading at 35x 2009F PE, the most demanding valuation of all listed exchanges. Maintain SELL.

MALAYSIA

Bursa Malaysia (BURSA MK)

SELL

Current Price: RM6.20

Fair Price: RM3.30

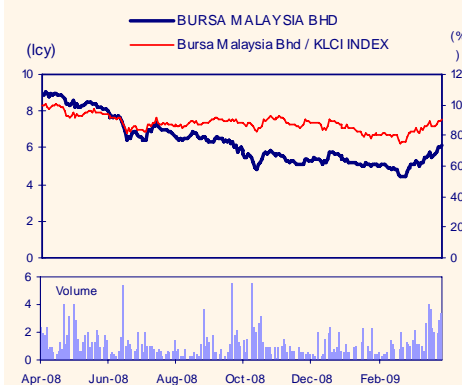
(Previous: RM2.30)

Sector	Exchange
52-Wk Avg Daily Vol. ('000)	1,117
Market Cap (RMm)	3,260.7
(US\$m)	902.5
Major Shareholders (%)	
Ministry of Finance	19.1
Book NTA per Share (RM)	1.36
ROE (%)	30.3
Net Cash per Share (RM)	1.91

Results Due

1Q: May	2Q: Aug
3Q: Nov	Final: Feb

Price Chart



Source: Bloomberg

Analyst

Malaysia Research Team
research@uobkayhian.com.

Year to 31 Dec	Turnover (RMm)	EBITDA (RMm)	Net Profit (RMm)	EPS (sen)	EPS Growth (%)	PE (x)	EV/ EBITDA (x)	DPS (sen)	Yield (%)
2007	443	301	241	46.1	120.2	13.4	8.0	85.0	13.7
2008	290	138	104	19.9	(56.9)	31.2	15.3	24.3	3.9
2009F	286	131	93	17.7	(10.9)	35.0	16.6	21.7	3.5
2010F	366	199	136	25.9	46.3	23.9	10.5	31.7	5.1
2011F	373	207	143	27.1	4.6	22.9	10.1	33.1	5.3

Consensus Net Profit – FY09: RM93m
– FY10: RM115m

Average Daily Turnover, Market Cap and Annualised Turnover Velocity

Period	Average Daily Turnover* (RMm)	yoy chg (%)	Total Market Cap (RMm)	yoy chg (%)	Annualised Turnover Velocity (%)
Jul 07	2,466	168.4	1,052,390	46.9	58.1
Aug 07	2,084	216.5	964,940	32.3	53.6
Sep 07	1,615	110.0	1,008,120	37.4	39.7
Oct 07	2,085	141.7	1,063,930	40.6	48.6
Nov 07	1,638	15.8	1,041,410	27.2	39.0
Dec 07	1,487	(2.6)	1,081,350	29.7	34.1
Jan 08	2,407	14.5	1,034,410	14.4	57.0
Feb 08	1,689	(52.6)	1,006,650	8.8	41.1
Mar 08	1,603	(32.0)	932,220	(3.4)	42.1
Apr 08	1,169	(54.6)	958,870	(7.3)	29.9
May 08	1,253	(43.7)	954,180	(8.3)	32.2
Jun 08	1,141	(46.3)	885,040	(16.9)	31.6
Jul 08	910	(63.1)	860,810	(18.2)	25.9
Aug 08	771	(63.0)	819,050	(15.1)	23.1
Sep 08	783	(51.5)	757,400	(24.9)	25.3
Oct 08	1,192	(42.8)	643,850	(39.5)	45.4
Nov 08	861	(47.4)	644,840	(38.1)	32.7
Dec 08	510	(65.7)	652,170	(39.7)	19.2
Jan 09	624	(74.1)	656,420	(36.5)	23.3
Feb 09	578	(65.8)	656,090	(34.8)	21.6
Mar 09	650	(59.4)	650,960	(30.2)	24.5

*OMT only

Source: BM, Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2007	2008	2009F	2010F	2011F
Turnover	443	290	286	366	373
EBIT	287	117	92	149	157
Pre-tax Profit	319	146	124	182	190
Net Profit	241	104	93	136	143
Avg Daily Turnover (Rmb)	2.3	1.3	1.2	1.9	1.9

Balance Sheet

Year to 31 Dec (RMm)	2007	2008	2009F	2010F	2011F
Current Assets	957	1,265	1,212	1,296	1,292
Total Assets	1,447	1,730	1,697	1,801	1,817
Current Liabilities	639	947	909	989	992
Long-Term Liabilities	0	0	0	0	0
Shareholder Funds	780	732	737	761	774
Total Equity & Liabilities	1,447	1,730	1,697	1,801	1,817

Cash Flow

Year to 31 Dec (RMm)	2007	2008	2009F	2010F	2011F
Operating	371	444	149	242	192
Investing	3	(28)	(58)	(70)	(70)
Financing	(268)	(146)	(143)	(92)	(126)
Net Cash In/(Out) Flow	106	270	(53)	80	(4)
Begin Cash & Cash Equiv.	720	841	1,144	1,091	1,171
End'g Cash & Cash Equiv.	841	1,144	1,091	1,171	1,167

Ascendas REIT

4QFY09: Growth despite adverse economic climate

Portfolio occupancy improved slightly from 97.2% in 3QFY09 to 97.8% in 4QFY09 due to better performance for logistics segment. DPU decreased 20.2% qoq due to equity fund raising and payment of performance fees in cash.

4QFY09 Results

(\$m)	4QFY09	3QFY09	4QFY08	qoq % chg	yoy % chg
Gross Revenue	104.3	102.3	84.5	1.9	23.5
Net Property Income	80.1	74.2	64.0	8.0	25.3
Net Income	48.1	52.0	41.9	-7.4	14.8
Distributable Income	51.8	54.0	49.0	-4.0	5.8
DPU (cents)	3.23	4.05	3.67	-20.2	-11.9

Source: UOB Kay Hian

Results

Paid performance fees in cash. DPU of 3.23 cents for 4QFY09 was in line with expectations. Performance fees for Ascendas Funds Management were previously paid with new units but the manager had elected to receive performance fees in cash for FY09. DPU for the quarter would be 3.80 cents if performance fees were paid with new units.

Distribution of 2.50 cents/share will be paid on 29 May 09 as advance distribution of 0.73 cents/share was already paid on 27 Feb 09.

Higher occupancy for logistics segment. Portfolio occupancy improved from 97.2% in 3QFY09 to 97.8% in 4QFY09. The bulk of the increase came from logistics, where occupancy improved from 96.2% to 98.7%.

Lowered gearing. Ascendas REIT (A-REIT) raised S\$408m in Jan 09 through a private placement of 258m new units and preferential offering of 93.7m new units. Proceeds were utilised to repay outstanding credit facilities and partially fund development projects. Gearing was reduced from 42.2% as at Dec 08 to 35.5% in Mar 09 while interest coverage remained at a healthy 4.6x. Revaluation of its 89 investment properties resulted in a loss of S\$115.4m, down 2.5%.

Stock Impact

Growth from development projects. A-REIT will focus on built-to-suit development projects for credit-worthy tenants, which are yield accretive. To date, A-REIT has completed six developments with total capex of S\$312m. These properties have appreciated by 35.2% in terms of valuation. A-REIT will complete multi-tenanted building and amenities centre at Plot 8 Changi Business Park and logistics facility at Plot 6 Airport Logistics Park in 3QFY10.

Completed Development Projects

Development	Development Cost (\$m)	Book Value @ 31 Mar 09 (\$m)	% Increase in Value
Courts Megastore	46.0	60.9	32.4%
Giant Hypermart	65.4	76.1	16.4%
HansaPoint@CBP	26.1	80.9	210.0%
15 Changi North Way	36.2	40.9	13.0%
Pioneer Hub	79.3	90.0	13.5%
3 Changi Business Park Crescent	59.0	72.9	23.6%
Total	312.0	421.7	35.2%

Source: A-REIT

SINGAPORE

Ascendas REIT (AREIT SP)

BUY

Current Price: S\$1.47

Target Price: S\$1.62

(Previous: S\$1.59)

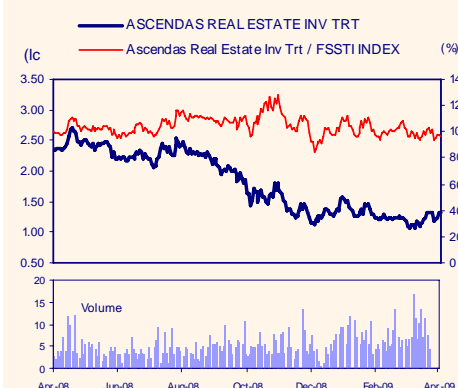
Sector	REITs
52-Wk Avg Daily Vol. ('000)	4,805
Market Cap (S\$m)	2,474.7
(US\$m)	1,649.8

Major Shareholders (%)	
Ascendas P/L	22.7
Fidelity Management & Research	5.5

Book NTA per Share (\$)	1.58
ROE (%)	7.8
Net Debt per Share (\$)	0.93

Results Due	
1Q: Apr	2Q: Jul

Price Chart



Source: Bloomberg

Analyst

Jonathan Koh
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 jonathankoh@uobkayhian.com

Year to 31 Mar	Turnover (\$m)	EBIT (\$m)	Net Income (\$m)	EPU (¢)	EPU Growth (%)	PE (x)	DPU (¢)	Yield (%)
2008	322.3	215.5	175.0	13.2	14.3	11.1	14.1	9.6
2009	396.5	260.2	200.7	14.3	8.5	10.3	15.1	10.3
2010F	404.6	274.3	215.2	12.8	(10.9)	11.5	13.4	9.1
2011F	374.6	251.1	191.7	11.4	(11.1)	12.9	12.0	8.2
2012F	361.4	241.1	181.7	10.7	(5.4)	13.7	11.4	7.8

Consensus Net Profit – FY10: S\$203.1m
 – FY11: S\$199.3m

Minimal refinancing risk. A-REIT has secured S\$200m three-year unsecured revolving credit facility to refinance Commercial Mortgage Backed Securities (CMBS) of S\$300m due in Aug 09. The company has incorporated a S\$1b medium term note programme. The first issuance of S\$50m with an option to upsize to S\$100m is in progress and will be utilised to reduce reliance on revolving credit facilities. The next major refinancing is a term loan of S\$300m due in Mar 10.

Resilience from defensive qualities. A-REIT has shifted its focus from maximising rental reversions to maintaining occupancy due to the dismal economic outlook. Leases representing only 14.1% of gross revenue are due for renewal in FY10. Management expects net property income to be maintained in FY10 and plans to maintain payout ratio at 100%.

A-REIT is protected by security deposits of six months on a portfolio basis. Security deposit is higher at 10 months for its sales & leaseback buildings. Weighted average lease to expiry is 5.1 years. A-REIT has a diversified portfolio and is able to attract tenants from a wide range of industries.

Earnings Revision

We have updated our forecasts based on information disclosed in A-REIT's 4QFY09 results announcement.

Valuation/Recommendation

Our target price is S\$1.62 based on a dividend discount model (required rate of return: 9.0%; growth: 2.5%).

Profit & Loss

Year to 31 Mar (\$m)	2008	2009	2010F	2011F	2012F
Turnover	322.3	396.5	404.6	374.6	361.4
Net Property Income	243.5	296.6	307.9	285.0	275.0
EBIT	215.5	260.2	274.3	251.1	241.1
Net Profit	175.0	200.7	215.2	191.7	181.7
EPU (S cents)	13.2	14.3	12.8	11.4	10.7
DPU (S cents)	14.1	15.1	13.4	12.0	11.4

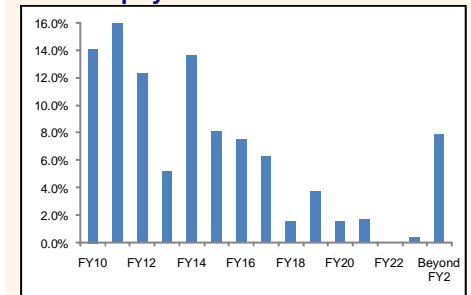
Balance Sheet

Year to 31 Mar (\$m)	2008	2009	2010F	2011F	2012F
Current Assets	25.4	40.5	43.8	21.7	17.9
Total Assets	4,205.2	4,547.6	4,697.0	4,675.7	4,672.7
Current Liabilities	166.5	147.3	199.5	184.7	178.2
Long-Term Liabilities	1,559.9	1,588.7	1,800.0	1,800.0	1,800.0
Shareholder Funds	2,438.0	2,703.0	2,696.5	2,690.0	2,693.5
Total Equity & Liabilities	4,205.2	4,547.6	4,697.0	4,675.7	4,672.7

Cash Flow

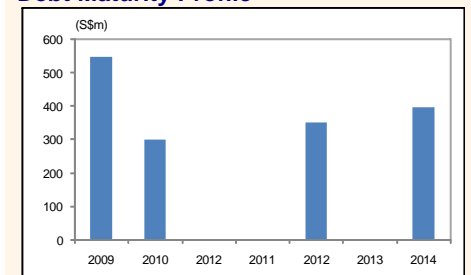
Year to 31 Mar (\$m)	2008	2009	2010F	2011F	2012F
Operating	224.9	734.7	211.8	285.7	254.3
Investing	(378.1)	(471.0)	(155.4)	(49.0)	(10.0)
Financing	153.8	(252.4)	(46.1)	(257.6)	(247.6)
Net Cash In/(Out) Flow	0.6	11.3	10.4	(20.9)	(3.3)
Begin Cash & Cash Equiv.	4.8	5.4	16.7	27.2	6.3
End'g Cash & Cash Equiv.	5.4	16.7	27.2	6.3	3.0

Lease Expiry Profile



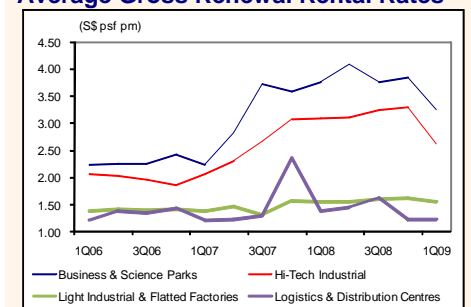
Source: A-REIT

Debt Maturity Profile



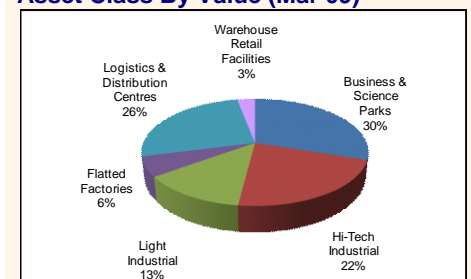
Source: A-REIT

Average Gross Renewal Rental Rates



Source: A-REIT

Asset Class By Value (Mar 09)



Source: A-REIT

CapitaMall Trust

1Q09: Occupancy holds steady

Occupancy held steady at 99.5% in 1Q09 but growth in rentals for renewal and new leases have slowed to only 0.4% p.a. Valuation is unattractive with 2009 distribution yield of only 6.3%.

1Q09 Results

(\$m)	1Q09	4Q08	1Q08	qoq % chg	yoy % chg
Gross Revenue	134.5	134.5	121.1	0.0	11.1
Net Property Income	92.4	85.9	84.7	7.5	9.1
Distributable Income	68.6	54.8	65.4	25.1	4.8
DPU (cents)	1.97	3.65	3.48	(46.0)	(43.4)

Source: UOB Kay Hian

Results

Revenue growth remained steady. Gross revenue grew 11.1% yoy to S\$134.5m due to the acquisition of The Atrium@Orchard and completion of asset enhancement initiatives at Sembawang Shopping Centre and Lot One Shoppers' Mall. On a comparable mall basis, revenue grew 5.4% yoy. Portfolio occupancy was relatively unchanged at 99.5% as at Mar 09, compared with 99.7% as at Dec 08.

Average growth in rentals for renewal and new leases slowed to 0.4% p.a. in 1Q09 compared with 3.9% in 2007 and 3.0% in 2008. Muted growth in rentals reflects retailers' apprehension concerning future outlook.

Dilution from 9-for-10 rights issue. Net proceeds from the 9-for-10 rights issue of S\$1.2b will be used to repay borrowings due in 2009. Gearing was reduced from 43.2% as at Dec 08 to 29.2% as at Mar 09. Interest cover was 3.1x in 1Q09 but is estimated to have improved to 4.4x post-rights issue. Dilution from the rights issue resulted in a 46.0% qoq contraction in DPU to 1.97 cents.

CMT has retained a distributable income of S\$5.9m, including income of S\$2.6m from CapitaRetail China to be distributed in 2Q09.

Stock Impact

Working on asset enhancement initiatives. Management targets to commence enhancement works for Jurong Entertainment Centre by end-09. The mall has been closed since Nov 08. CMT is in talks with the authorities on the integration plan for The Atrium@Orchard and Plaza Singapura and targets to start work by end-10.

Management has stated its intention to maintain 100% distribution payout.

Earnings Revision

We have updated our forecasts based on information disclosed in CMT's 1Q09 results announcement. We have not factored in any contribution from asset enhancement initiatives as detailed plans have not been finalised.

SINGAPORE

CapitaMall Trust (CT SP)

SELL

Current Price: S\$1.30

Fair Price: S\$1.17

Sector	REITs
52-Wk Avg Daily Vol. ('000)	7,580
Market Cap (S\$m)	4,126.3
(US\$m)	2,750.8

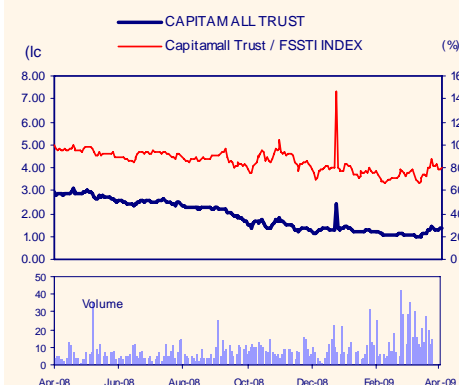
Major Shareholders (%)	
CapitaLand	29.7

NTUC FairPrice Co-operative	6.3
The Capital Group	5.6

Book NTA per Share (S\$)	1.65
ROE (%)	5.8
Net Debt per Share (S\$)	0.56

Results Due	
1Q: Apr	2Q: Jul
3Q: Oct	Final: Feb

Price Chart



Source: Bloomberg

Analyst

Jonathan Koh
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 jonathankoh@uobkayhian.com

Year to 31 Dec	Turnover (\$m)	EBIT (\$m)	Net Income (\$m)	EPU (¢)	EPU Growth (%)	PE (x)	DPU (¢)	Yield (%)
2007	431.9	260.2	226.8	14.4	23.7	9.0	10.65	8.2
2008	510.9	307.6	213.0	12.8	(10.9)	10.2	11.66	9.0
2009F	538.8	325.8	234.0	7.4	(42.5)	17.7	9.28	7.1
2010F	478.7	287.9	214.5	6.7	(8.6)	19.3	8.19	6.3
2011F	418.2	251.8	176.1	5.5	(18.2)	23.6	6.90	5.3

Consensus Net Profit – FY09: S\$247.8m
 – FY10: S\$249.8m

Valuation/Recommendation

Maintain SELL as CMT provides limited upside potential. Our fair price is S\$1.17 based on a dividend discount model (required rate of return: 8.7%, terminal growth: 3.0%).

Profit & Loss

Year to 31 Dec (\$m)	2007	2008	2009F	2010F	2011F
Turnover	431.9	510.9	538.8	478.7	418.2
Net Property Income	287.8	341.1	361.4	318.5	278.2
EBIT	260.2	307.6	325.8	287.9	251.8
Net Profit	226.8	213.0	234.0	214.5	176.1
DPU (S cents)	10.6	11.7	9.3	8.2	6.9

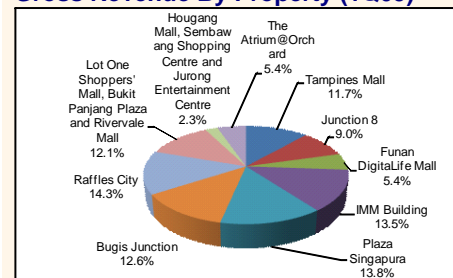
Balance Sheet

Year to 31 Dec (\$m)	2007	2008	2009F	2010F	2011F
Current Assets	79.9	187.1	69.4	78.4	124.9
Total Assets	5957.3	7509.0	6278.3	5372.1	5007.1
Current Liabilities	267.8	811.3	141.2	125.6	109.8
Long-Term Liabilities	1892.9	1911.9	1250.0	1300.0	1985.3
Shareholder Funds	3721.8	4079.6	4170.2	3221.7	2777.1
Total Equity & Liabilities	5957.3	7509.0	6278.3	5372.1	5007.1

Cash Flow

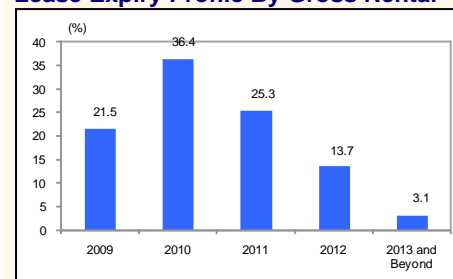
Year to 31 Dec (\$m)	2007	2008	2009F	2010F	2011F
Operating	308.1	353.7	335.2	288.3	250.8
Investing	(382.8)	(1039.6)	0.0	0.0	0.0
Financing	96.4	785.3	(449.2)	(277.6)	(202.7)
Net Cash In/(Out) Flow	21.7	99.4	(113.9)	10.7	48.2
Begin Cash & Cash Equiv.	47.2	68.9	168.4	54.4	65.1
End'g Cash & Cash Equiv.	68.9	168.4	54.4	65.1	113.3

Gross Revenue By Property (1Q09)



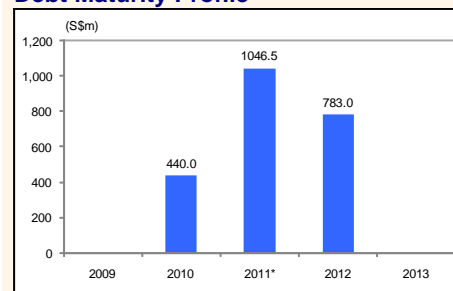
Source: CMT

Lease Expiry Profile By Gross Rental



Source: CMT

Debt Maturity Profile



Source: CMT

GuocoLand

3Q09: Asset writedowns yet to surface

Balance sheet is stretched with gearing of 1.24x vs average 0.6x for Singapore property developers and could come under further pressure with asset writedowns. Also, Beijing Dongzhimen project remains an overhang.

3Q09 Results

Year to 30 June	3Q09 (S\$m)	yoy % chg	9M09 (S\$m)	yoy % chg	Remarks
Turnover	126.1	21	373.8	(26)	
EBITDA	14.1	(20)	36.4	(71)	
Pre-tax Profit	4.9	(35)	10.3	(89)	
Tax	0.8	(89)	6.6	(78)	
Net Profit	4.9	91	2.9	(95)	Development profits mainly from sales of The Quartz project
EPS (¢)	0.60	94	0.36	(95)	
EBITDA Margin (%)	6.7		9.1		

Source: UOB Kay Hian

Results

GuocoLand's 3Q09 PATMI increased 91% yoy to S\$4.9m while revenue increased 21% yoy to S\$126.1m over the same period. The earnings were mostly contributed by development profits from sales at The Quartz project in Singapore. The reported profit includes unrealised net foreign exchange loss of S\$24.6m. The results are in line with our expectation, with 9M09 earnings representing 78% of our full-year forecast, excluding land writedown provisions and unrealised translation losses.

Stock Impact

Land writedowns and revaluation losses yet to surface. GuocoLand has yet to make any provisions for its landbank, especially that related to the Leedon Heights and Sophia Court sites, or book revaluation losses related to the Tung Centre. We estimate overall asset writedowns and revaluation losses could top S\$500m and expect the bulk of these provisions to come towards the latter half of this year as the property price index begins to reflect the actual price declines. Net gearing, which is already high at 1.24x vs average of 0.6x for Singapore property developers, could come under further pressure in case of further asset writedowns.

Beijing Dongzhimen Project remains an overhang. There is still no clarity on the timeline for the resolution of the legal proceedings related to the troubled Dongzhimen project in Beijing. GuocoLand derives nearly 15% of its value from the project and prolonged legal proceedings are negative due to an increase in holding costs.

Earnings Revision

No revisions.

SINGAPORE

GuocoLand (GUOL SP)

SELL

Current Price: S\$1.29

Fair Price: S\$0.80

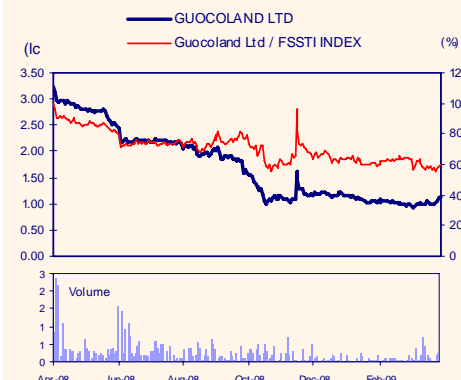
Sector	Property
52-Wk Avg Daily Vol. ('000)	230
Market Cap (S\$m)	1,444.8
(US\$m)	762.3

Major Shareholders (%)	
Guoco Assets P/L	64.0

Book NTA per Share (S\$)	2.44
ROE (%)	22.3
Net Debt per Share (S\$)	3.43

Results Due	
1Q: Nov	2Q: Feb
3Q: May	Final: Aug

Price Chart



Source: Bloomberg

Analyst

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Year to 31 Dec	Turnover (S\$m)	EBITDA (S\$m)	Net Profit (S\$m)	EPS (¢)	EPS Growth (%)	PE (x)	EV/ EBITDA (x)	DPS (¢)	Yield (%)
2007	702.5	311.5	281.9	43.8	81.0	2.8	10.9	8.0	6.2
2008	670.9	181.8	161.8	19.4	(55.8)	6.4	18.7	8.0	6.2
2009F	561.8	71.9	27.3	2.9	(85.1)	37.9	47.4	0.5	0.4
2010F	534.3	54.0	48.6	5.1	77.9	21.3	63.1	1.0	0.8
2011F	669.4	58.1	71.4	7.5	47.1	14.5	58.7	2.0	1.6

Consensus Net Profit – FY09: S\$ 25.1m
 – FY10: S\$68.5m

Valuation/Recommendation

Balance sheet is stretched with gearing of 1.24x vs average 0.6x for Singapore property developers and could come under further pressure with asset writedowns. We maintain our SELL recommendation with a fair price of S\$0.80 pegged at a 50% discount to 2009 RNAV of S\$1.64.

Profit & Loss

Year to 31 Dec (\$m)	2007	2008	2009F	2010F	2011F
Turnover	702.5	670.9	561.8	534.3	669.4
EBIT	308.4	178.1	71.9	51.6	55.7
Pre-tax Profit	302.2	194.4	61.7	71.6	101.7
Net Profit	281.9	161.8	27.3	48.6	71.4

Balance Sheet

Year to 31 Dec (\$m)	2007	2008	2009F	2010F	2011F
Current Assets	2,974.8	5,193.6	4,891.2	4,729.8	4,843.0
Total Assets	3,961.0	5,993.0	5,755.8	5,662.7	5,773.7
Current Liabilities	450.2	1,715.0	1,589.5	1,557.8	1,713.3
Long-Term Liabilities	1,939.5	2,194.4	2,038.9	1,941.1	1,843.1
Shareholder Funds	1,406.0	1,975.6	1,974.5	2,008.3	2,057.9
Total Equity & Liabilities	3,961.0	5,993.0	5,755.8	5,662.7	5,773.7

Cash Flow

Year to 31 Dec (\$m)	2007	2008	2009F	2010F	2011F
Operating	(179.6)	1,708.4	(260.6)	51.7	133.4
Investing	(31.4)	109.2	(11.0)	(11.0)	(11.0)
Financing	781.5	1,390.1	(192.8)	(163.2)	(148.4)
Net Cash In/(Out) Flow	570.5	(427.6)	(464.5)	(122.6)	(26.0)
Begin Cash & Cash Equiv.	525.8	1,092.0	651.8	187.4	64.8
End'g Cash & Cash Equiv.	1,096.3	651.8	187.4	64.8	38.8

TMB Bank

1Q09: Results still poor, bottom line saved by provision write-back

TMB continued to report weak results in 1Q09. There has been still no signs of meaningful recovery in operations. Maintain SELL.

1Q09 Results

Year to 31 Dec (Btm)	1Q08	4Q08	1Q09	% yoy	% qoq	Remarks
Net interest income	4,218	3,489	3,229	(23.4)	(7.4)	Loan fell 11% yoy, NIM contracted over 50bp
Non-interest income	2,282	1,327	1,024	(55.1)	(22.8)	Fee income down 23%
Total income	6,500	4,815	4,254	(34.6)	(11.7)	
SG&A	(4,021)	(4,940)	(4,918)	22.3	(0.4)	Bt1.4b impairment losses on foreclosed properties
Pre-provision profit	2,478	(124)	(664)	(126.8)	434.6	
Provisions	(803)	(3,860)	1,112	(238.5)	(128.8)	
Net profit	1,590	(3,991)	436	72.6	(110.9)	Saved by provision write-back
EPS- Bt	0.0	(0.1)	0.0	72.6	(110.9)	

Source: UOB Kay Hian

Results

TMB Bank's (TMB) 1Q09 earnings plunged 73% yoy to Bt436m on poor lending operations and lower non-interest income. Overall operating performance remained poor as the bank reported operating losses of Bt664m before provisions and taxes. Bottom line, however, was saved by a sizeable provision write-back.

Stock Impact

Weak lending operations. Net interest income collapsed 23% yoy to Bt1.03b on weak loan volume and falling net interest margins. Loans volume continued to contract 6.4% qoq (-11% yoy) while net interest margins (NIM) narrowed 57bp yoy (or 20bp qoq) to 2.2%, which is likely to be the lowest in the sector.

Non-interest income down 55% yoy. Core fee income fell 23% mainly on lower loan-related fees while a sizeable investment loss of Bt955m was incurred (mostly due to impairment losses on equity investments).

Non-interest expenses up 22% yoy, driven by the sizeable Bt1.4b impairment loss on property foreclose.

Bottom line saved by massive one-off provision write-back. In the quarter, TMB wrote back a Bt1.1b provision incurred from changes in provisioning methodology for performing loans from a "expected losses" basis to "incurred losses" basis to be in line with its parent bank's (ING Group) provisioning policy. We see this as an attempt to save its bottom line from plunging into the red as the bank already reported an operating loss of Bt664m before provisions and taxes.

THAILAND

TMB Bank (TMB TB)

SELL

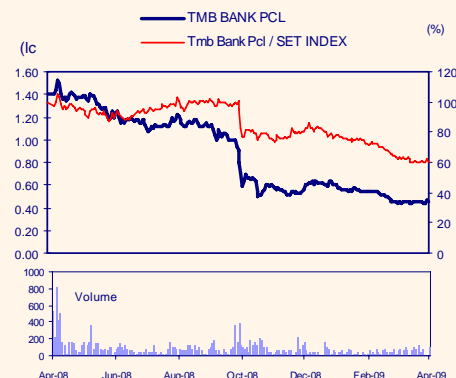
Current Price: Bt0.46

Fair Price: Bt0.45

Sector	Bank
52-Wk Avg Daily Vol. ('000)	81,801
Market Cap (Bt m)	20,023.1
(US\$m)	564.0
Major Shareholders (%)	
ING Bank	26.4
MOF	22.6
Book NTA per Share (Bt)	1.0
ROE (%)	1.0

Results Due	
1Q: Apr	2Q: Jul
3Q: Oct	Final: Jan

Price Chart



Source: Bloomberg

Analyst

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Year to 31 Dec	Pre-Provision Profit (Btm)	Net Profit (Btm)	EPS (Bt)	EPS Growth (%)	PE (x)	DPS (Bt)	BV (Bt)	P/BV (x)	ROE (%)
2007	(12,426)	(43,676)	(2.36)	(208.5)	(0.2)	0.0	1.0	0.5	(95.9)
2008	5,693	424	0.01	100.4	47.2	0.0	1.0	0.4	1.0
2009F	6,297	1,460	0.03	244.3	13.7	0.0	1.1	0.4	3.2
2010F	7,304	2,951	0.07	102.1	6.8	0.0	1.1	0.4	6.2
2011F	8,756	3,967	0.09	34.5	5.0	0.0	1.2	0.4	7.7

Consensus Net Profit - FY09: Bt3,110m
 - FY10: Bt3,378m

NPL continued to deteriorate, up over 6% qoq to Bt70.4b (or 16% of total loans vs 14.3% in 4Q08), mostly from SME clients. This is quite alarming, considering that loan growth has been contracting over the last two years. Together with the provision write-back, coverage rate fell from 66% as at end-08 to 60% in 1Q09.

Valuation/Recommendation

TMB is still the weakest bank in the sector. Operating performance remained very weak, profitability is at the low end of the sector range as suggested by low net interest margin and poor ROE (at only 1% in 2008). The bank is still loaded with massive retained losses of over Bt100b, which prevent the bank from paying dividends. The current economic downturn will only prolong the process of operational improvement under the new management team. Maintain SELL.

Quarterly Ratio

Ratios (%)	1Q08	2Q08	3Q08	4Q08	1Q09
Avg. earnings yields	4.9	4.8	5.0	5.0	4.2
Avg. funding costs	(2.3)	(2.4)	(2.5)	(2.9)	(2.2)
NIM	2.8	2.7	2.8	2.4	2.2
ROA	1.0	0.7	1.1	(2.7)	0.3
ROE	14.3	10.3	14.3	(34.2)	3.8

Profit & Loss

Year to 31 Dec (Btm)	2007	2008	2009F	2010F	2011F
Net interest income	16,442	15,793	15,712	16,836	18,119
Non-interest income	6,591	7,014	7,619	8,692	10,280
Total income	23,033	22,807	23,332	25,528	28,399
SG&A	(35,459)	(17,114)	(17,035)	(18,224)	(19,643)
Pre-provision profit	(12,426)	5,693	6,297	7,304	8,756
Provisions	(30,983)	(5,076)	(4,837)	(4,353)	(4,788)
Net profit	(43,676)	424	1,460	2,951	3,967
EPS (Bt)	(2.4)	0.0	0.0	0.1	0.1

Balance Sheet

Year to 31 Dec (Btm)	2007	2008	2009F	2010F	2011F
Net loans	416,807	381,666	356,350	384,565	423,744
Deposits	465,462	450,297	447,858	483,686	532,055
Equity	43,886	44,955	46,415	49,366	53,333
Total assets	622,161	601,985	597,785	633,818	678,696

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