



UBS Investment Research

Malaysia Market Strategy

Make or break in 2007

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ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 46

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KLCI at 1,300: What does this imply?

- ◆ **FY07E PE of 16.4x (UBS earnings forecasts). This is roughly:**
 - Half a standard deviation from the KLCI's 3-year average PE of 15.6x
 - Equal to the KLCI's 8-year average PE (MYR was pegged in Sept-98)
- ◆ **Conditions that could support this re-rating:**
 - Further evidence of government spending
 - M&A: Turning point could be a Proton deal involving a foreign group, further banking consolidation
 - Politics: PM Badawi calling for early general elections in Q108
- ◆ **O/W domestic demand and restructuring/growth themes**
 - Domestic demand: Maybank, SP Setia
 - Restructuring: Tanjong, PLUS Expressways, PPB Oil

Top picks: Maybank, SP Setia, Tanjong, PLUS Expressways, PPB Oil Palms

Sector EPS growth

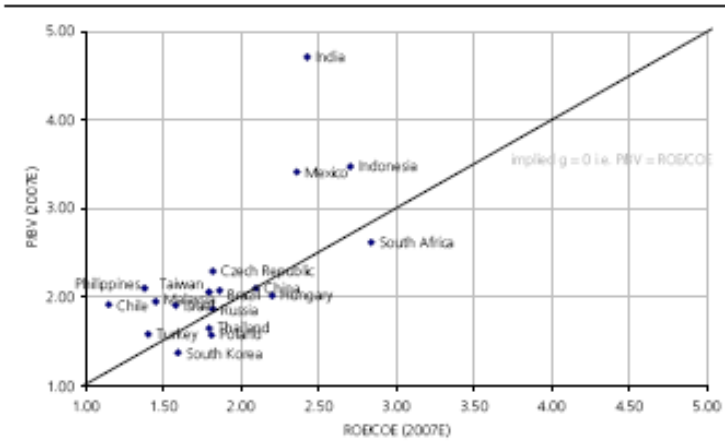
Sector pre-exceptional EPS growth in 2006E and 2007E

	Current forecast 2006 EPS growth (%)	Contribution to market 2006E EPS growth (%)	Current forecast 2007 EPS growth (%)	Contribution to market 2007E EPS growth (%)
Automobiles	NA	-16.7	NA	9.2
Construction	13.5	4.3	14.2	4.3
Consumer	17.9	3.2	3.6	0.6
Energy	26.6	28.6	19.4	21.5
Finance	19.4	30.0	18.6	26.4
Gaming	9.1	11.6	17.2	8.1
Industrial services	14.3	4.3	8.6	2.4
Media	13.9	1.2	31.4	3.0
Plantations	12.3	5.4	31.0	15.1
Property	12.5	1.7	10.0	1.3
Technology	36.1	1.6	15.1	0.7
Telecommunications	19.8	21.2	8.0	8.3
Transport	3.5	3.6	-1.0	-0.9

Source: UBS estimates

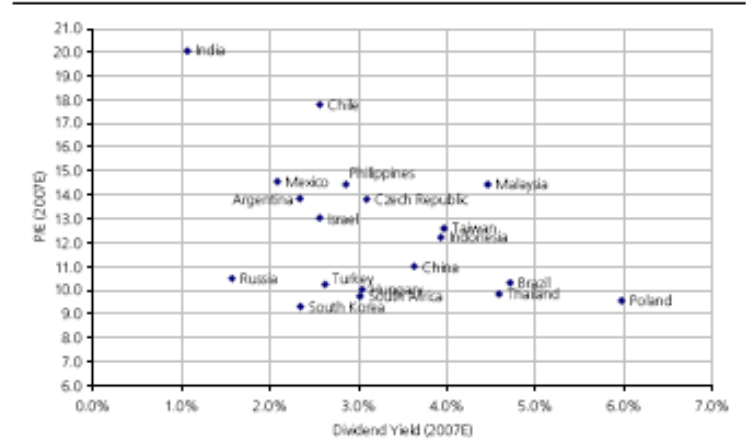
Selected GEM valuations

2006 P/BV vs ROE



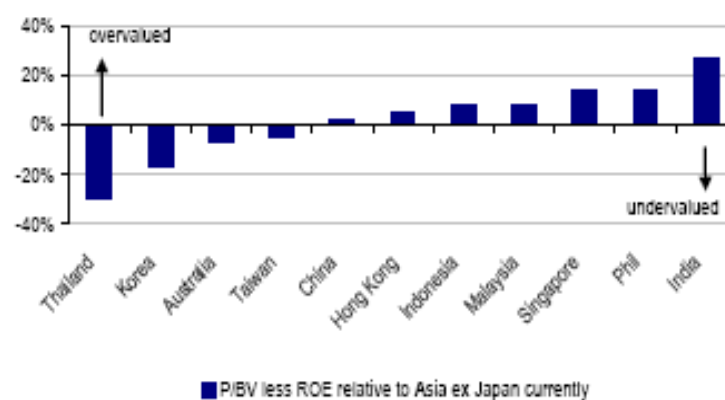
Source: UBS estimates

PE and dividend yield



Source: UBS estimates

P/BV vs ROE relative to the region



Source: UBS estimates

EMBI spreads daily



Source: UBS estimates

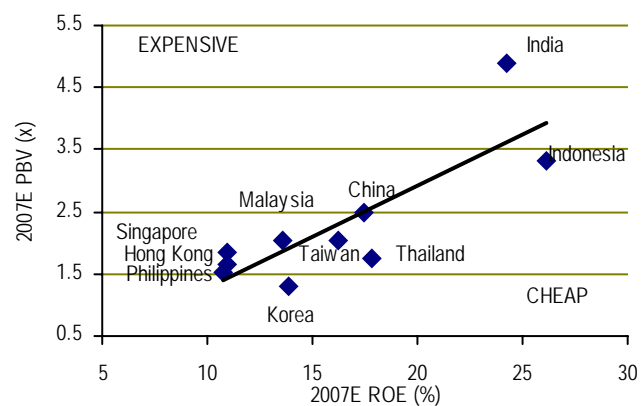
Selected regional markets valuations

Selected regional market valuations

	Malaysia	China	Hong Kong	India	Indonesia	Korea	Philippines	Singapore	Taiwan	Thailand
Pre-ex EPS growth (%)										
2006E	12.7	19.2	18.0	30.9	20.8	-4.3	8.2	14.1	11.4	-1.7
2007E	14.8	17.1	11.4	27.7	32.9	23.0	17.5	5.5	21.6	10.6
Pre-ex PE (x)										
2006E	17.1	16.6	16.5	25.8	16.9	11.6	16.6	17.6	15.1	10.9
2007E	14.9	14.4	14.9	20.2	12.7	9.4	14.2	16.7	12.5	9.8
Price/book (x)										
2006E	2.2	2.8	1.7	6.0	3.9	1.5	1.7	2.0	2.2	2.0
2007E	2.0	2.5	1.6	4.9	3.3	1.3	1.5	1.8	2.0	1.8
ROE (%)										
2006E	12.8	17.1	10.3	23.1	23.0	12.6	10.0	11.4	14.8	18.2
2007E	13.6	17.5	11.0	24.3	26.1	13.9	10.7	11.0	16.4	17.9

Source: UBS estimates

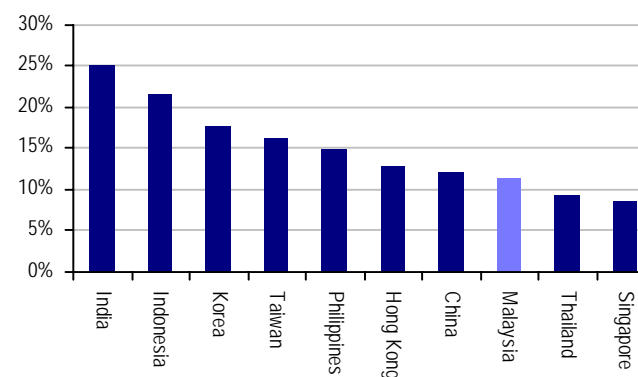
2006E P/BV vs ROE



Source: UBS estimates



EPS CAGR (2007-08E)

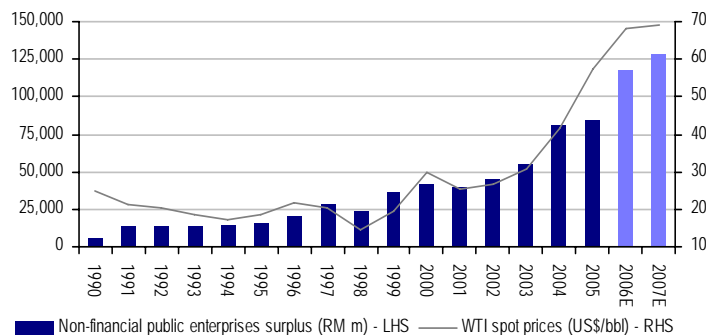


Source: UBS estimates

Compelling top-down story in 2007

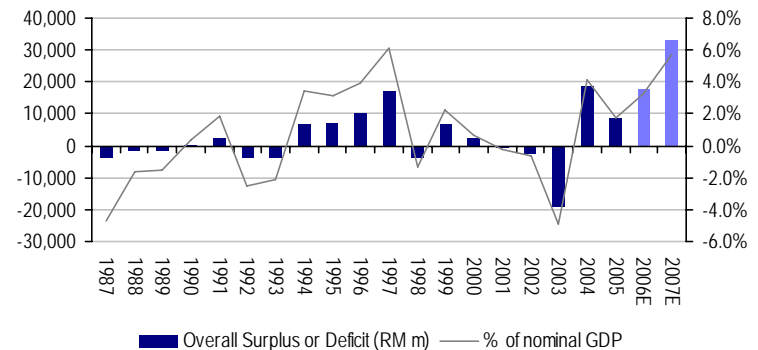
- ◆ **Capitalizing on windfall revenues:** High oil prices support a stronger consolidated fiscal position, providing greater flexibility for pump-priming
- ◆ **Upside risk to our GDP forecasts:** Government actually meeting their pump-priming targets, better US economic outlook
- ◆ **Focus on near-term trends.** Long-term challenges exist for Malaysia. Whether or not fiscal pump-priming addresses this, we expect a recovery in domestic demand in 2007/08 to support potential upside to earnings

Benefiting from high oil prices



Source: CEIC, UBS estimates

Consolidated fiscal position



Source: CEIC, UBS estimates

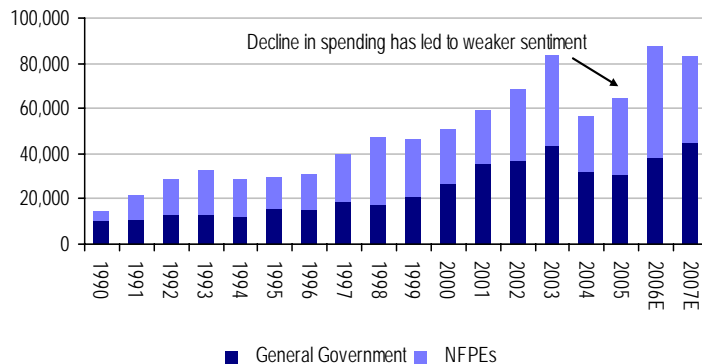
Solid fiscal position differentiates Malaysia

Fiscal stimulus needed to regain confidence

- ◆ **Average GDP growth of c6% in 2004-05 was achieved with reduced government spending:**
 - Consolidated public development spending in 2004-05 (average annual outlay of RM60bn or USD16bn) is c20% lower than 2002-03 levels
 - At general government level, spending was 22% lower than 2002-03 levels

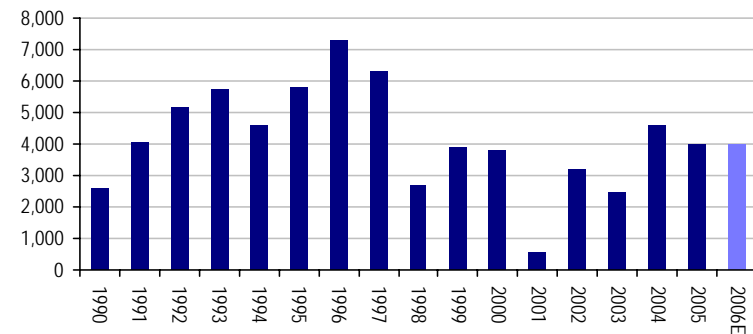
- ◆ **Spending set to pick-up:** Government aims to increase average annual consolidated public development spending by 40% in 2007-08

Development spending (RM m)



Source: CEIC, UBS estimates

Foreign direct investments (US\$m)

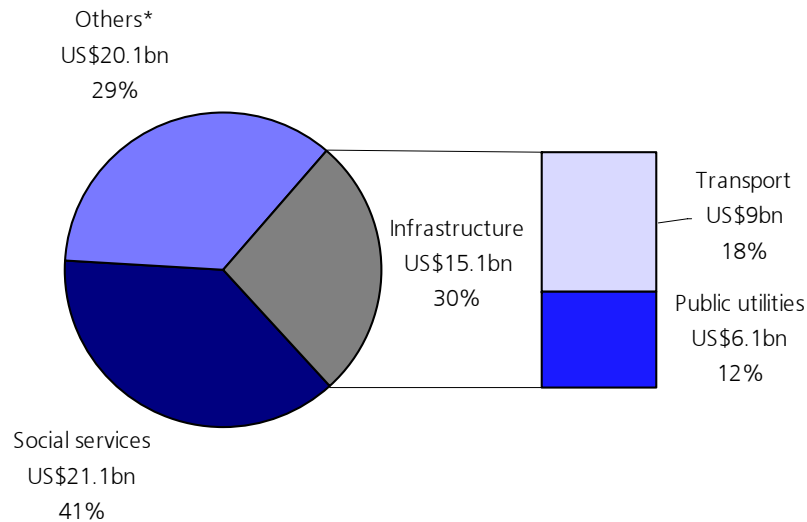


Source: CEIC, UBS estimates

It is government's turn to drive the economy

Breakdown of Ninth Malaysia Plan spending

Development spending target



Source: UBS estimates

**Development spending in 2006 was RM35.8bn (+17% y/y);
planned spending for 2007 is RM44.5bn (+24% y/y)**

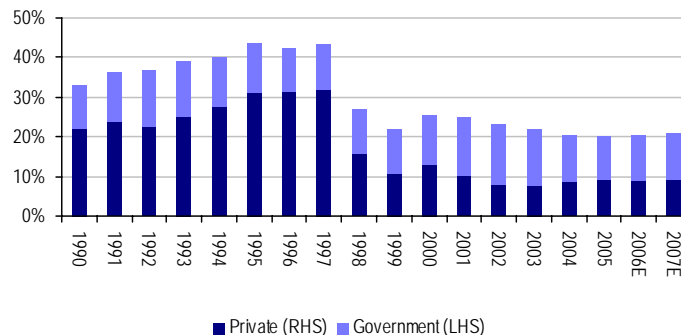
Private investment at all-time lows

◆ Weak private investment is a longer-term structural problem

- Outflows still likely in view of attractive investment opportunities overseas
- Fiscal spending, however, should mitigate the impact to near-term GDP growth
- Recovery in domestic demand could lead to better asset prices

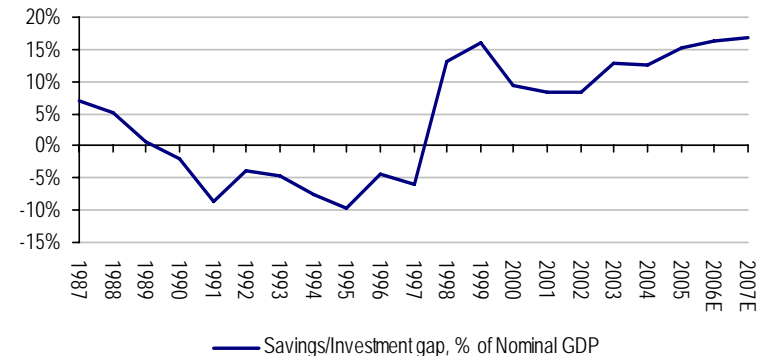
◆ Savings rates rising: We expect gross national savings to rise from 35% in 2005 to c38% in 2007 (highest level was in 1998 at 40%).

Investment trends, % of nominal GDP



Source: CEIC, UBS estimates

Gross national savings rising

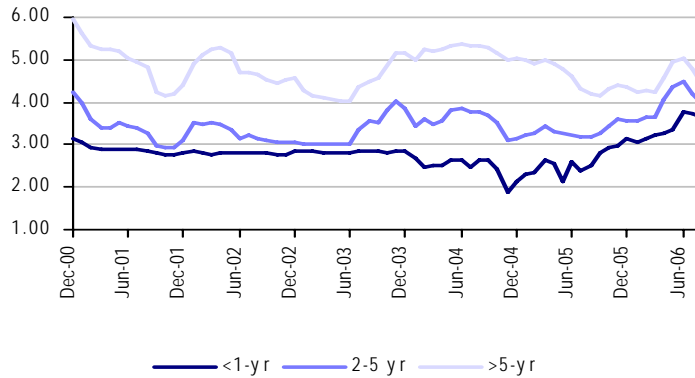


Source: UBS estimates

Private investment likely nearing the bottom

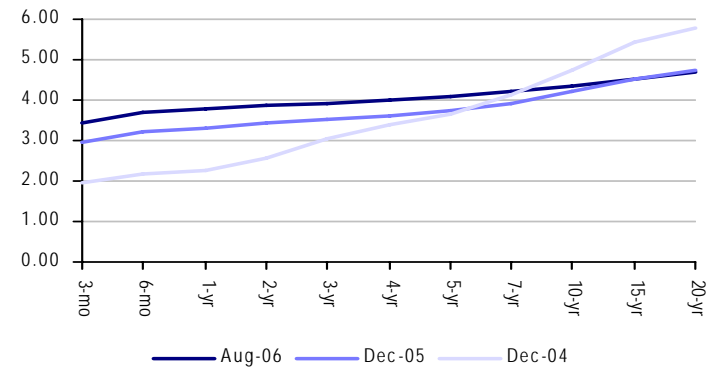
Bond yields pricing-in end to rate hikes

Average government bond yields



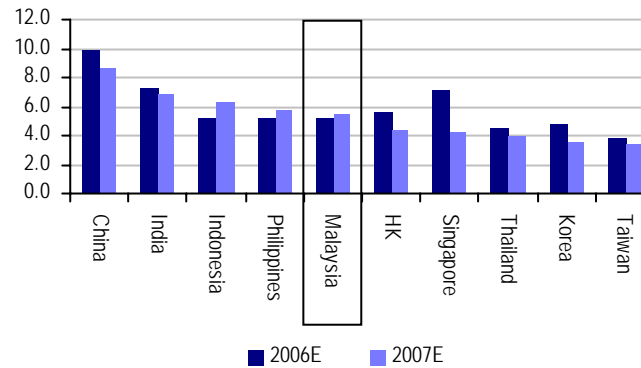
Source: UBS estimates

Secondary government bond yield curve



Source: UBS estimates

GDP growth forecasts



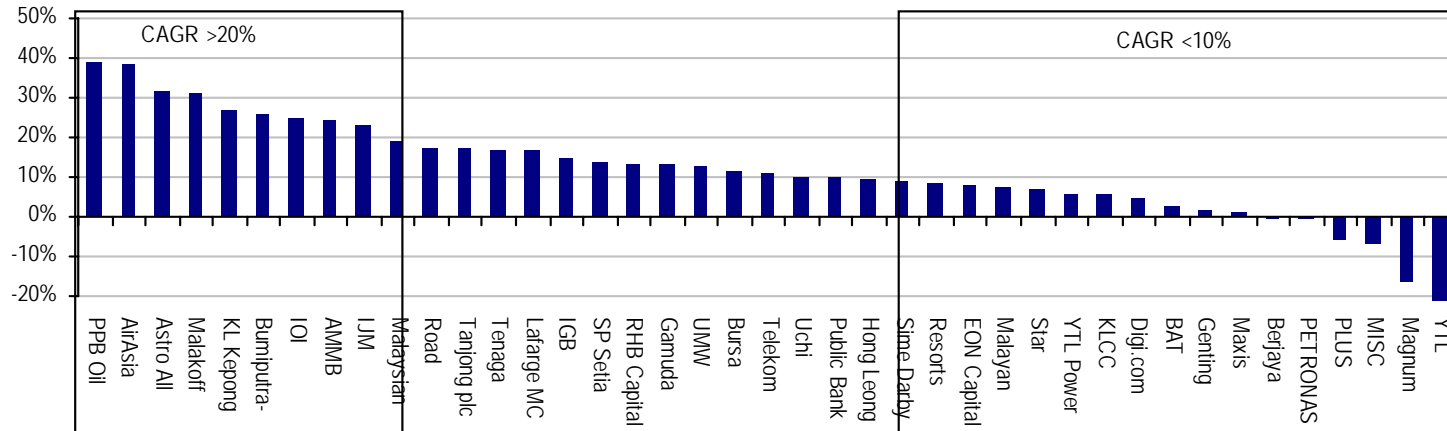
Source: UBS estimates

Average bond yields are down c50bp since June 2006



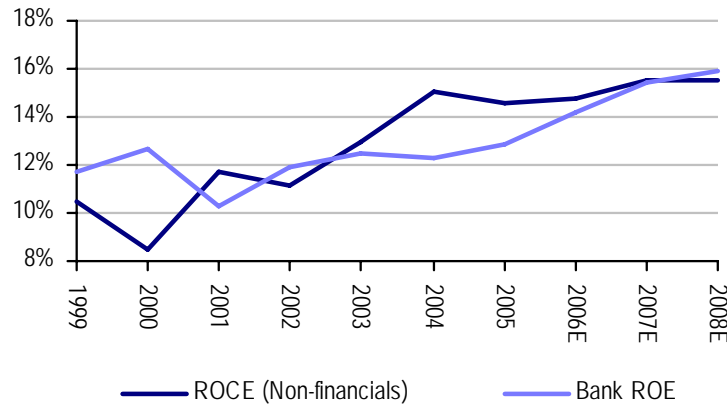
Worth a second look: Highlighting improvements

EPS CAGR (2006-08E) – PPB Oil set to deliver one of the highest EPS CAGR in our universe



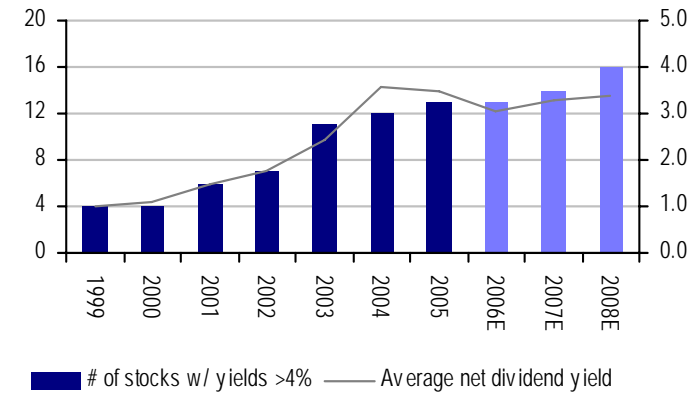
Source: UBS estimates

Profitability trends



Source: UBS estimates

Dividend trends

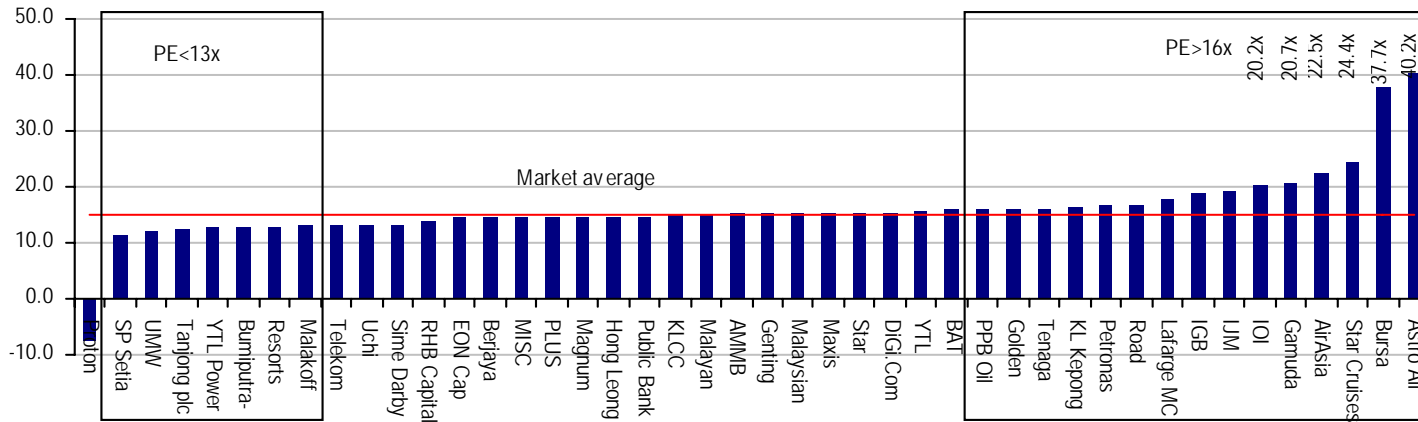


Source: UBS estimates



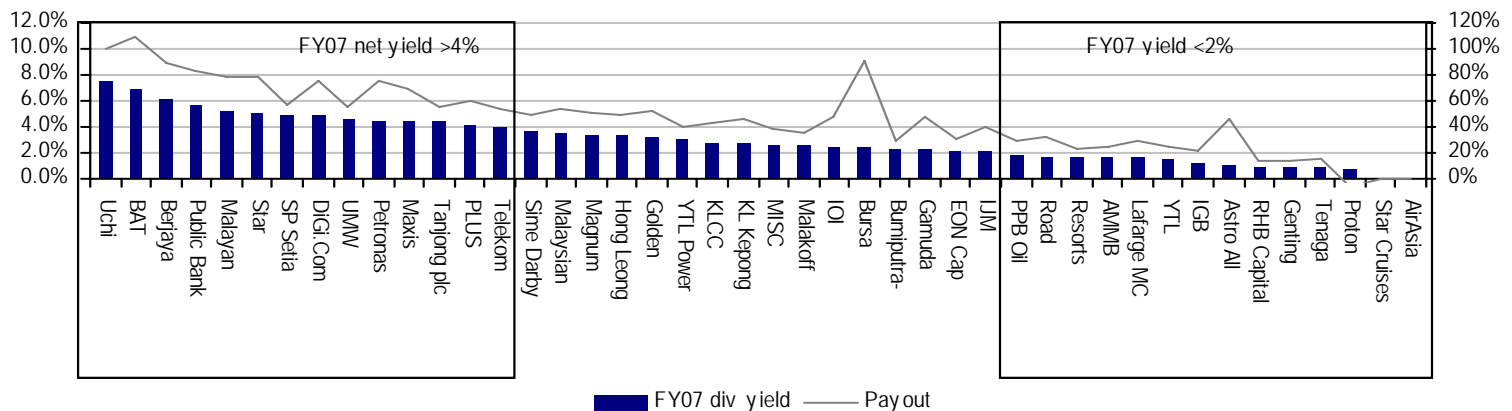
Stock screens

2007E PE (UBS Malaysian universe) – SP Setia is the cheapest stock in our universe



Source: UBS estimates

Dividend yield and payout – Nearly half our universe trade at FY07E yields of >4%



Source: UBS estimates



Top stock picks

Stock	Rating	Price target (RM)	Price at 6-Dec-06 (RM)	Total Return (%)	Market cap. (US\$ m)	Avg daily turnover (US\$ m)	Year end	Pros. Yr 1 PreX PE (x)	Pros. Yr 2 PreX PE (x)	Pros. Yr 1 EPS growth (%)	Pros. Yr 1 ROE (%)	Pros. Yr 1 Net yield (%)
Malayan Banking	Buy 2	12.90	11.80	16.5	12,669	10.0	Jun	15.2	13.8	5.2	17.2	5.2
PLUS	Buy 2	3.40	2.87	24.2	4,043	2.1	Dec	12.7	14.6	54.9	25.2	4.2
PPB Oil Palms	Buy 2	11.40	9.30	24.6	1,167	0.6	Dec	25.6	16.0	13.8	11.7	1.4
SP Setia	Buy 2	5.60	4.50	30.8	830	1.6	Oct	13.0	11.5	10.3	14.0	4.4
Tanjong plc	Buy 2	16.90	14.30	25.0	1,625	1.7	Jan	12.6	11.2	21.7	16.5	4.4

Source: UBS estimates

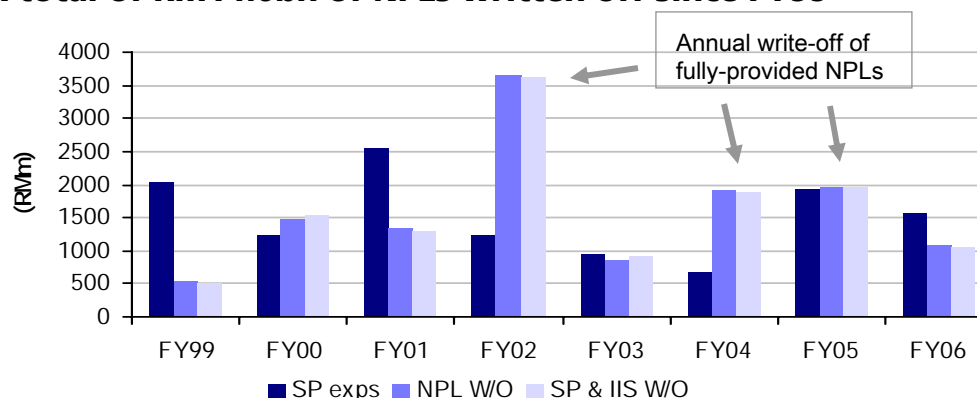
- ◆ **Maybank:** Steady est. ROE of 18% and net dividend yield of c5%, with scope for >20% ROE and c6% net dividend yield (with NPL sales).
- ◆ **PLUS Expressways:** Defensive earnings and scope to significantly raise dividends with completion of its debt restructuring.
- ◆ **PPB Oil Palms:** Major land bank expansion in Indonesia, will make PPB one of the region's biggest plantation companies by 2010E.
- ◆ **SP Setia:** Has the best business model among residential property developers in Malaysia.
- ◆ **Tanjong:** Market laggard, news flow could turn positive in 2007. Possible spin-off of power operations a potential catalyst.

Maybank (Buy 2, Target price: RM12.90)

- ◆ Should have no problems hitting KPI target ROE of 18%
 - Revamp of management team to strengthen distribution, investment banking and overseas operations. Acquisition of insurer, MNI, provides opportunities for cross-selling.
 - Committed to capital management (minimum dividend payout of 60%)

- ◆ Possible upside surprises from potential sale of NPLs in late-2007/2008
 - RM14.6bn (USD4.1bn) of fully-provided NPLs written-off since FY1998. Specific provisions related to these write-offs amount to RM10.4bn
 - Every 10% recovery rate on written-off NPLs translates to RM1038m of possible write-backs (ie. +RM20sen to EPS, equivalent to +5% to 2007E BVPS)

A total of RM14.6bn of NPLs written off since FY99



SP Setia – Hitting record highs

- ◆ Valuations –12x FY07E earnings, 5% est. net dividend yield
- ◆ Catalysts: 1) 9th Malaysia Plan, 2) Iskandar Development Region, 3) Penang projects, 4) commercial property launches, 5) construction projects

SP Setia RNAV estimate

	Land (acres)	Market (RM psf)	Value (RM m)	GDV (RM m)	Margin (%)
Bukit Indah Johor I & II	543	11.77	279	1,445	18%
Setia Indah, Johor	60	35.01	91	350	11%
Setia Tropika, Johor	648	6.15	174	1,750	10%
Setia Alam, Klang Valley	1,894	9.33	770	4,152	17%
Setia Eco-Park, Klang Valley	581	35.41	896	2,770	31%
Setia Pearl Island, Penang	113	41.99	207	800	26%
Setia Ampang Hills, Klang Valley	15	59.40	39	100	39%
Relau land, Penang	21	39.03	36	140	26%
Other Klang Valley	25	60	65	-	na
Putrajaya precinct 9,15, Z	270	2.65	31	490	5%
Total	4,168	14.24	2,586	11,997	22%
Tax @ 26%			-672		
Others			91		
Surplus			2,005		
Shareholders funds			1,671		
RNAV			3,676		
RNAV per share (RM)			5.62		

Tanjong (Buy 2, Target price: RM16.90)

On the rebound

- ◆ Market laggard, but newsflow could turn positive in 2007. Positive reversals seen in key areas such as government-IPP reforms, gaming payouts and non-core losses.
- ◆ Strong 17% compound EPS growth over FY06-08E due to the Egyptian IPPs and gaming normalization. Valuations are a 10-20% discount to Malakoff and YTLP.
- ◆ Possible corporate action to separately list Tanjong's power assets is positive:
 - Current 20%+ conglomerate discount to SOTP, and 10-20% discount to power peers. Market seems to be pricing Tanjong as a riskier gaming stock, despite power accounting for 70% of earnings.
 - Investor demand for pure-play IPPs could rise after delisting of Malakoff in H107, particularly from Malaysian government-linked funds.

Table 1: Gaming and power sector valuations

	Share price (RM)	Mkt cap (RMm)	PE (x)			EV/ EBITDA (x)			Net DY %		
			hist-1	pros-1	pros-2	hist-1	pros-1	pros-2	hist-1	pros-1	pros-2
Tenaga Nasional	11.00	45,487	19.7	15.6	15.6	8.8	8.2	7.8	1.2	1.0	1.0
Malakoff	9.95	8,948	17.8	13.0	11.8	11.6	8.8	7.0	2.5	2.7	3.0
YTLP	2.29	11,822	12.4	12.8	11.8	8.5	7.8	7.2	3.4	3.1	3.1
Power average			16.6	13.8	13.1	9.6	8.3	7.4	2.4	2.3	2.4
Malaysia mkt average			19.2	17.1	14.9	8.5	9.0	8.0	2.8	3.0	3.3
Tanjong	14.00	5,646	15.1	12.4	11.0	8.1	7.3	7.7	3.7	4.5	5.1
Tanjong at price target	16.90	6,815	18.2	14.9	13.2	9.4	8.3	8.7	3.0	3.7	4.2



Prices as of 5 December 2006. Source: Company data, UBS estimates

PLUS Expressways (Buy 2, Target price: RM3.40)

Improving growth and dividend outlook

- ◆ Debt-restructuring (in Oct-06) could potentially free-up RM1.5bn of cash over FY07-09E, providing flexibility for M&A and/or to raise dividends.
 - PLUS has historically had a mismatch between its concession (c33 yrs) and its debt tenure (max of 15 yrs). New Islamic bonds (25 yr term) will address this.
 - FCF yield of c7% could be utilised for dividends, if there are no acquisitions.
 - Possible acquisitions may include third-party concessions (ELITE, Linkedua, Second Penang Bridge) that PLUS manages.

- ◆ Traffic volumes up 2.3% YTD, despite higher fuel prices.

- ◆ We estimate traffic to Singapore accounts for c10% of profits.

Regional comparison

Company	Ticker	Rating	Mkt cap (US\$m)	Price 21-Nov-06	Target Price	Upside/Downside	Div yield 2007E	PE (x)		EPS CAGR (2006-08E)	EV/EBITDA (x)		EBIT CAGR (2006-08E)	PBV 2006E	ROE 2006E	Net gearing 2006E
								2006E	2007E		2006E	2007E				
Anhui Expressway	HK0995	N2 (CBE)	1,295	6.08	5.65	-7.1%	4.2%	15.3x	14.3x	8.1%	8.7x	8.4x	9.6%	1.8x	12.1%	17%
Bangkok Expressway	BECL.BK	B1	509	24.20	30.00	24.0%	4.1%	11.6x	11.5x	5.6%	8.6x	7.7x	3.9%	1.2x	10.7%	174%
Hopewell Highway	HK0737	N1	2,405	6.35	6.47	1.9%	5.2%	16.2x	15.9x	4.5%	11.6x	11.3x	5.4%	1.8x	11.4%	38%
Jiangsu Expressway	HK0177	B1	3,054	4.72	5.57	18.0%	5.2%	20.2x	16.4x	19.5%	12.0x	10.8x	15.0%	1.8x	9.1%	85%
PLUS	PLUS.KL	B2	3,973	2.90	3.40	17.2%	4.2%	12.4x	14.4x	-6.8%	10.7x	9.4x	6.5%	3.0x	25.9%	85%
Zhejiang Expressway	HK0576	B1	2,912	5.22	6.08	16.5%	4.9%	15.2x	13.7x	11.1%	7.7x	7.3x	9.0%	2.1x	14.1%	28%
Regional average								15.5x	14.8x	6.3%	10.3x	9.4x	8.9%	2.2x	15.6%	62%

Source: UBS estimates

Banking sector : Increased M&A activity

Confluence of factors sparks renewed expectations

- ◆ Regulator easing its one-suitor-at-a-time policy and possibility of higher than 20% stakes for strategic investors
- ◆ Wider pool of potential investors and visible M&A candidates
- ◆ Recent ANZ/AMMB reaffirmed historical exit valuations (average mean of 1.7x PBV)

Valuations for domestic M&A banking transactions (2000-06)

Acquiror	Acquired company	Year	PBV (x)	P/NTA (x)	Consideration
Public Bank	Hock Hua Bank	2000	1.5	1.4	Share swap
Hong Leong Bank	Wah Tat Bank	2000	2.5	2.5	Share swap
Southern Bank	BHL Bank	2000	1.5	1.5	Share swap
Maybank	Pacific Bank	2001	1.7	1.7	Cash
Maybank	Phileo Allied Bank	2001	1.2	1.2	Cash
RHB Bank	Utama Bank	2003	2.0	2.0	Cash/ICULS
Vertical Theme	30% Malaysian Plant	2005	1.8	2.0	Cash
MIDF	Utama Merchant Bank	2005	1.8	1.8	Cash
Bumi-Commerce	Southern Bank	2006	2.0	2.6	Cash
Dubai Finance LLC	40% Bank Islam (M)	2006	1.0	1.0	Cash
ANZ	25% AMMB	2006	1.6	1.7	Cash

Source: Company data, UBS estimates

Banking sector: Pool of suitors

- ◆ Middle Eastern investors
- ◆ Regional players expanding footprint, interest in retail segment
- ◆ Domestic mid-sized banks to acquire scale. Local banks fall into 3 distinct segments. Likely to see consolidation amongst the mid-sized banks
- ◆ Private equity funds

Position @ Sep 06 (RMbn)	FYE	Total Assets	Gross loans	Retail Dep	Market share		Deps	Mkt Cap (RMbn)
					Assets	Loans		
Assets > RM120bn								
Maybank	Jun	228	138	140	22%	19%	19%	45.0
Bumi-Comm (SBB-merger)	Dec	155	97	98	16%	14%	13%	24.6
Public Bank	Dec	141	82	107	12%	13%	12%	27.5
Assets < RM120bn > RM50bn								
RHB Cap	Dec	106	56	59	10%	9%	8%	6.6
AMMB Hldg	Mar	70	49	39	7%	8%	5%	6.9
Hong Leong Bank	Jun	61	30	45	6%	5%	6%	9.1
Assets < RM50bn								
EON Cap	Dec	39	28	26	4%	5%	3%	4.7
Affin Hldg	Dec	35	18	25	3%	3%	3%	2.5
M Plant	Mar	23	14	17	2%	3%	2%	2.8

Source: Bank Negara, Company data

Banking sector: Potential M&A candidates

Banking group	Announced intentions/potential for M&A activities
Affin Holdings	Secured regulatory permission to initiate talks with Bank of East Asia re a strategic minority stake in Affin Holdings.
Bumi-Commerce	Secured regulatory permission to commence preliminary negotiations with identified prospective parties re proposed disposal of 49% stake in Commerce Life and Commerce Takaful and 100% divestment of Commerce Assurance. AmAssurance and Kurnia Asia have been granted permission to talk to Bumi-Commerce re acquisition of Commerce Assurance.
Bank Muamalat	Seeking foreign shareholder to take up a 30% stake from Bukhary Capital (currently holding 70% stake).
EON Capital	Open to explore merger opportunities.
RHB/RHB Capital	Kuwait Finance House interested in growing assets and taking stakes in certain banking groups

Source: Company announcements, newspaper reports

Potential range of exit pricing for domestic banks in event of an M&A deal

	FYE	Price *	NTA	BV	Exit pricing (RM/shr)		NPL	Net NPL	Loan loss
		(RM/s)	(RM/shr)	(RM/shr)	1.68x PBV	1.96x PBV	classifn	ratio	coverage
RHB Cap	Dec	3.66	1.99	2.63	4.42	5.16	3 mths	5.0%	64.5%
HLB	Jun	5.70	2.94	2.94	4.94	5.76	3 mths	2.8%	71.9%
EON Cap	Dec	6.80	3.99	4.29	7.20	8.40	3 mths	5.0%	45.7%
Affin Hldgs	Dec	1.96	1.82	2.70	4.54	5.30	6 mths	12.7%	38.3%
M Plant	Mar	2.50	1.25	1.51	2.54	2.96	3 mths	8.0%	51.0%

Source: Company data, UBS estimates Prices as at 6 Dec 2006

Bumi-Commerce (Buy 2, Target price: RM8.00)

One of the market's best growth plays: 3-yr EPS CAGR of 38%

- ◆ Domestic business revamp and CIMB-SBB merger
 - Improved NIMs (10-15bps) from better asset-liability management
 - Reduced credit costs (from 1.4% to 0.6% of loans in 2007-08E)
 - Revenue synergies (RM130m) from enlarged customer base of 4.7m, expanded product range and distribution channels
 - Cost savings from CIMB Bank's 05/06 staff rationalisation exercise (RM30m p.a.) and post-merger reduced HO duplication (RM60m)

- ◆ Expanding its ASEAN footprint:
 - Leverage shareholder ties and Islamic banking franchise to build an investment banking niche in Singapore and Indonesia.
 - Bank Niaga (Indonesia): EPS CAGR (2007-08E) of >33%, we expect the bank to further reinforce its market position (ie. c11% share of Indo mortgage market).

- ◆ Projected 2007 ROE of 15% reflects modest assumptions from merger synergies and assumes limited capital management (dividend payout of 31% in 2007E and 37% in 2008E).

Regional comparisons (Banks)

Regional comparison (Main-cap banks only)

Company	Country	Ticker	Rec.	Mkt cap (US\$m)	Price 6-Dec-06	Target Price	Upside/Downside	PE (x)		EPS CAGR (2006-08E)	PBV (x)		ROE (%)		Dividend yield	
								2006E	2007E		2006E	2007E	2006E	2007E	2006E	2007E
Bank of China	HKD	HK3988	N2	124,617	3.81	4.22	10.8%	26.3x	18.6x	26.1%	2.6x	2.3x	12.5%	13.1%	0.7%	1.9%
CN Construction Bank	HKD	HK0939	N2	123,759	4.28	4.50	5.1%	21.7x	17.6x	18.2%	2.9x	2.6x	14.8%	15.8%	1.7%	2.3%
BCOM	HKD	HK3328	N1	41,916	7.25	7.80	7.6%	26.3x	22.0x	18.3%	3.6x	2.9x	14.8%	15.1%	1.5%	1.8%
Hang Seng Bank	HKD	HK0011	N1	25,629	104.10	105.00	0.9%	18.6x	17.4x	4.9%	4.5x	4.3x	27.3%	26.0%	5.0%	5.0%
BOCHK	HKD	HKBOCH	B1	25,496	18.74	20.30	8.3%	15.7x	14.7x	6.7%	2.3x	2.1x	16.2%	15.9%	5.1%	5.1%
HK/China				341,417				23.3x	18.3x	19.7%	3.0x	2.6x	15.0%	15.5%	1.8%	2.5%
BRI	IDR	BBRI.JK	N2 (CBE)	7,067	5,350	5,000	-6.5%	15.5x	12.0x	21.1%	4.1x	3.4x	28.4%	30.9%	3.0%	3.2%
BCA	IDR	BBCA.JK	B2 (CBE)	7,157	5,300	5,450	2.8%	15.5x	13.8x	11.8%	3.5x	3.1x	24.7%	24.8%	3.3%	4.1%
Bank Mandiri	IDR	BMRI.JK	R2 (CBE)	6,410	2,875	1,800	-37.4%	28.6x	12.4x	52.9%	2.4x	2.1x	8.6%	18.3%	1.1%	2.9%
Bank Danamon	IDR	BDMN.JK	Suspended	3,402	6,300	#N/A	#N/A	25.2x	15.2x	39.9%	3.4x	3.0x	13.9%	21.1%	2.3%	3.0%
Indonesia				24,036				20.4x	13.1x	24.5%	3.4x	2.9x	20.0%	24.3%	2.5%	3.4%
ICICI Bank	INR	ICBK.BO	Not Rated	17,351	870.85	770.00	-11.6%	17.8x	24.3x	26.8%	2.0x	3.1x	14.6%	13.5%	2.0%	#N/A
State Bank of India	INR	SBI.BO	Not Rated	15,783	1,338.10	1,200.00	-10.3%	9.7x	14.8x	13.8%	1.6x	2.2x	17.0%	15.9%	1.7%	#N/A
HDFC Bank	INR	HDBK.BO	Not Rated	6,947	1,088.50	920.00	-15.5%	23.9x	30.0x	29.4%	3.9x	5.5x	17.6%	19.8%	0.8%	#N/A
PNB	INR	PNBK.BO	Not Rated	3,297	554.50	580.00	4.6%	9.2x	12.0x	12.4%	1.5x	1.7x	17.0%	15.5%	1.2%	#N/A
India				43,378				15.2x	20.8x	18.7%	2.1x	3.0x	16.2%	15.5%	1.7%	#DIV/0!
Kookmin	KRW	KS60000	B2	26,250	71,500	102,000	42.7%	8.1x	8.0x	2.5%	1.6x	1.5x	21.9%	19.3%	2.8%	4.9%
Woori Finance Hldgs	KRW	KS53000	B2	18,475	21,000	26,200	24.8%	8.3x	8.0x	3.0%	1.5x	1.3x	19.2%	17.2%	3.3%	4.8%
Hana Financial Group	KRW	KS07360	B2	10,344	46,400	58,000	25.0%	9.2x	8.5x	7.6%	1.3x	1.1x	15.0%	14.0%	1.3%	2.6%
Korea Exchange Bank	KRW	KS04940	B2	9,503	13,500	15,200	12.6%	7.5x	8.7x	-5.0%	1.3x	1.3x	19.1%	15.0%	3.7%	4.1%
Industrial Bk Korea	KRW	KS024110	B2	7,562	17,100	21,800	27.5%	7.6x	7.8x	3.4%	1.4x	1.2x	19.6%	16.6%	2.9%	3.4%
Korea				72,133				8.2x	8.1x	2.0%	1.5x	1.3x	19.6%	17.2%	2.9%	4.3%
Malayan Banking	MYR	MBBM.KL	B2	12,669	11.80	12.90	9.3%	15.1x	15.2x	7.5%	2.5x	2.5x	16.9%	17.2%	5.5%	5.2%
Public Bank	MYR	PUBME.KL	N2	7,738	8.00	7.85	-1.9%	16.3x	14.7x	9.8%	3.1x	3.0x	19.6%	20.8%	5.4%	5.6%
Bumiputra-Commerce	MYR	COMM.KL	B2	6,937	7.80	8.00	2.6%	17.8x	13.0x	25.9%	2.2x	1.9x	13.2%	15.4%	1.4%	2.3%
Hong Leong Bank	MYR	HLBB.KL	B2	2,560	5.75	6.10	6.1%	15.0x	14.6x	9.7%	1.8x	1.9x	12.4%	13.4%	3.5%	3.4%
Malaysia				29,904				16.0x	14.5x	13.7%	2.5x	2.4x	16.3%	17.4%	4.3%	4.5%
BPI	PHP	BPI.PS	N2	3,415	62.00	70.00	12.9%	17.7x	14.5x	19.0%	2.6x	2.5x	15.6%	18.0%	4.5%	4.5%
Metrobank	PHP	MBT.PS	B2	1,734	47.50	60.00	26.3%	13.4x	9.2x	38.0%	1.3x	1.0x	9.8%	10.0%	1.3%	2.2%
Equitable-PCI Bank	PHP	EBC.PS	R2	1,145	78.00	67.00	-14.1%	19.0x	15.7x	13.5%	1.4x	1.3x	7.8%	8.6%	0.8%	0.8%
Banco de Oro	PHP	BDO.PS	Suspended	855	44.00	#N/A	#N/A	14.1x	11.1x	15.3%	1.8x	1.6x	13.3%	15.3%	2.3%	2.8%
Philippines				7,149				16.4x	13.0x	16.5%	2.0x	1.8x	12.7%	14.2%	2.9%	3.2%
DBS	SGD	DBSM.SI	B2	21,952	21.80	25.00	14.7%	15.7x	14.1x	10.2%	2.0x	1.8x	12.8%	13.5%	2.8%	3.1%
UOB	SGD	UOBH.SI	B1	19,188	18.80	20.60	9.6%	11.6x	14.4x	-5.4%	1.7x	1.7x	15.5%	11.9%	6.2%	3.1%
OCBC	SGD	OCBCE.SI	B2	15,256	7.50	8.00	6.7%	12.9x	15.0x	-4.4%	1.8x	1.6x	12.9%	10.5%	3.1%	2.7%
Singapore				56,396				13.5x	14.5x	-2.3%	1.8x	1.7x	13.8%	12.1%	4.0%	3.0%
Bangkok Bank	THB	BBLF.BK	B1	6,748	126.00	139.00	10.3%	13.1x	11.7x	10.7%	1.6x	1.5x	13.0%	13.1%	2.0%	2.4%
Siam Commercial Bank	THB	SCBF.BK	B1	6,580	69.00	77.00	11.6%	14.6x	12.3x	10.7%	2.3x	2.1x	17.0%	17.8%	4.3%	4.3%
Kasikornbank	THB	TFBF.BK	B1	4,811	72.00	82.00	13.9%	12.3x	11.7x	6.3%	1.9x	1.7x	16.7%	15.7%	2.8%	2.8%
Bank of Ayudhya	THB	BAYF.BK	B2	1,692	21.00	24.00	14.3%	17.1x	16.5x	-17.6%	1.7x	1.6x	12.6%	10.3%	3.8%	3.8%
Thailand				19,830				13.7x	12.3x	9.3%	1.9x	1.8x	15.2%	15.0%	3.1%	3.3%
Mega Holdings	TWD	TW2886	N2	8,490	24.55	24.90	1.4%	15.2x	13.2x	9.3%	1.4x	1.4x	9.4%	10.6%	6.0%	6.1%
Chinatrust Group	TWD	TW2815	N2	6,797	27.55	30.00	8.9%	-28.7x	14.0x	NA	2.2x	2.0x	-7.9%	16.1%	0.0%	3.0%
SinoPac Holdings	TWD	TW2839	N2	3,839	17.35	17.40	0.3%	44.2x	16.0x	75.9%	1.4x	1.3x	3.4%	9.3%	2.1%	5.9%
Taishin Financial	TWD	TW2844	N2	2,882	17.10	17.10	0.0%	36.0x	16.6x	46.9%	1.4x	1.4x	4.9%	9.6%	0.0%	3.4%
Taiwan				22,008				31.8x	14.4x	39.4%	1.7x	1.6x	2.4%	11.9%	2.7%	4.8%

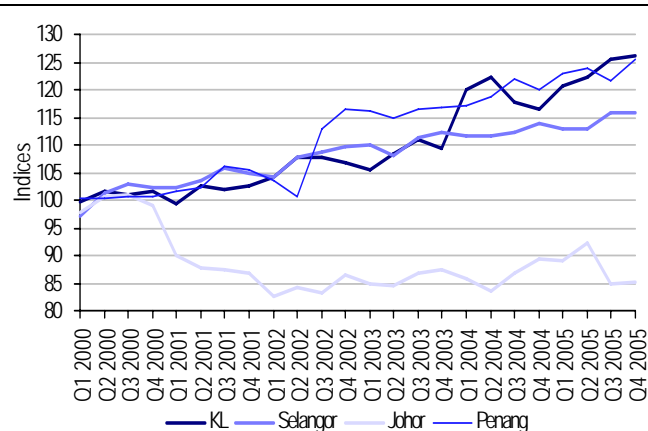
Source: UBS estimates



Property Sector

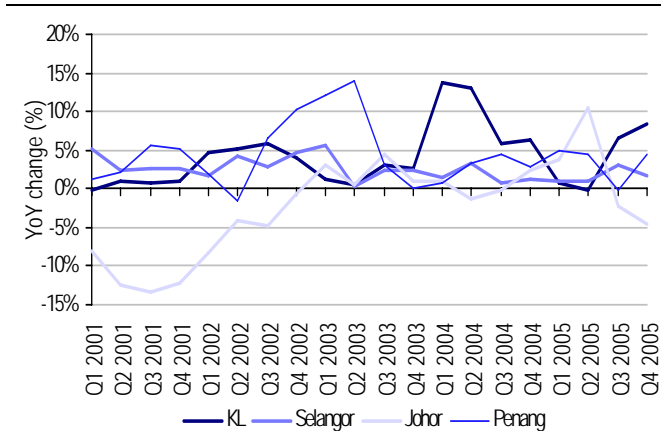
- ◆ An excellent proxy to the potential recovery in consumer spending/sentiment, post fiscal pump-priming.
- ◆ Although we have yet to see a major pick up in property sales, we think this is largely reflected in the price.
- ◆ Better macro indicators (interest rates peaking, announcement of the 9th Malaysia Plan) should bode well for the sector

Chart 1: House price indices 2000-2005



Source: Valuation and Property Services Department

Chart 2: Change in house price indices 2001-2005

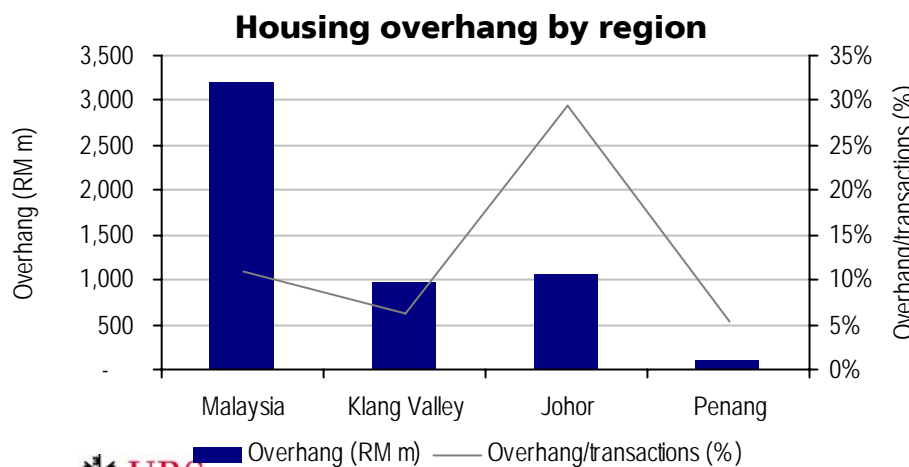


Source: Valuation and Property Services Department

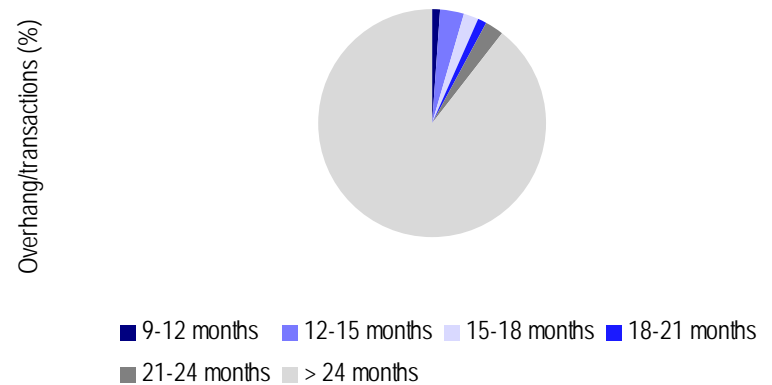
Property – bottom of the cycle, time to re-look

- ◆ **Macros are turning more positive for the property sector**
 - Fuel price unlikely to be increased
 - Interest rates have peaked and may decline in H2 2006
 - Government pump priming – 9th Malaysia Plan, Iskandar Development Region

- ◆ **Demand for housing is firm but there's also plenty of supply**
 - Housing sector is seeing firm demand given that there are many developers that are reporting good sales – Sunrise, SP Setia, Mah Sing, E&O Property
 - At the same time, there is plenty of supply. Developers like MK Land and Glomac are reporting a tough operating environment



Housing overhang by length of time in market



Source: Ministry of Finance

Source: Ministry of Finance 24

IGB – strong franchise, event catalyst

- ◆ Gardens mall (open Sep 07) to add 25% to group PBT by FY2010E
- ◆ We expect EPS growth of 28% in FY08 (3 years CAGR of 17%)

Property/asset	Assumptions/comment	Attributed value (RMm) (RM/share)
Mid Valley Megamall (75% interest)	Capitalisation rate of 7%	1,449 0.98
The Gardens	Capitalisation rate of 7%	541 0.36
MVC: office towers	Capitalisation rate of 7%	245 0.17
MVC: service apartment and 5 star hotel	Capitalisation rate of 9%	61 0.04
Other investment properties	Capitalisation rate of 7%	225 0.15
Hotels	Capitalisation rate of 9%	791 0.53
Development - current projects	DCF of progress billings	187 0.13
Development - future projects	Net book value	254 0.17
Landbank	Net book value	34 0.02
25% Negara Properties	Valued at market cap. 70.6m shares x RM2.53 - 20/4/06	45 0.03
		3,831 2.58
Cash		596 0.40
Debt		(768) (0.52)
RNAV		3,659 2.98
No. of shares (m)		1,461
No. of ICPS converted at RM1.33 per IGB share (m)		24
Enlarged share base (m)		1,485
Est. RNAV (RM per share)		2.46

KLCC – integrated property play

- ◆ KLCC trading on 13x FY08E (FYE March) earnings (18x fully diluted), 1.5x P/NTA and 2.8% net dividend yield
- ◆ KLCC is an exposure to the long-term (4-5 year) re-rating of the entire area surrounding KLCC
 - 20 high-end condominiums to be completed in the area
 - KLCC owns the dominant retail mall in the area
 - KLCC owns an effective 2.2m sqft of prime office space in the area
 - Integrated project – retail/office/hotel
- ◆ Lot C development has finally started
 - GDV RM513m, NLA 610,000 sqft, retail/office (25:75)
 - Could boost EPS by 23% in FY2010
- ◆ Visit Malaysia Year 2007 – targets 20.1m tourists (+15%)
 - Suria KLCC and Mandarin Oriental to benefit (45% of EBIT)

Regional comparisons (Property)

Regional comparison (Property)

Company	Ticker	Rating	Mkt cap (US\$m)	Price 6-Dec-06	Target Price	Upside/ Downside	Div yield 2007E	PE (x)		EPS CAGR (2006-08E)	EV/EBITDA (x)		EBIT CAGR (2006-08E)	PBV 2006E	ROE 2006E	Net gearing 2006E
Sun Hung Kai P.	HK0016	B1	27,536	89.30	123.00	37.7%	2.8%	19.2x	17.0x	-19.5%	19.4x	17.1x	3.5%	1.1x	12.4%	14.7%
Cheung Kong	HK0001	B2	26,787	90.05	137.72	52.9%	2.6%	10.8x	18.2x	-15.4%	27.5x	35.2x	-28.0%	1.1x	10.6%	7.2%
Swire Pacific	HK0019	B1	16,507	83.95	99.00	17.9%	3.2%	19.5x	15.5x	-11.9%	16.7x	13.6x	10.1%	1.2x	11.2%	9.9%
HK Land	HKLD.SI	B1	8,190	3.68	5.13	39.4%	2.1%	32.2x	24.3x	33.0%	29.5x	22.1x	32.0%	0.9x	3.1%	18.4%
Wharf Holdings	HK0004	B1	8,489	27.00	39.48	46.2%	3.1%	16.1x	14.3x	NA	11.3x	NA	9.3%	0.6x	4.7%	16.4%
Hang Lung Properties	HK0101	B1	8,045	17.40	20.84	19.8%	3.1%	37.1x	13.8x	0.7%	31.1x	11.2x	61.2%	1.0x	10.3%	8.2%
Sino Land	HK0083	B1	7,948	14.38	15.96	11.0%	1.9%	13.6x	18.7x	-25.5%	16.2x	20.4x	-8.5%	1.2x	16.3%	40.7%
Wheelock	HK0020	B1	3,692	14.16	16.65	17.6%	0.8%	14.9x	14.3x	3.5%	53.5x	55.5x	-2.4%	0.8x	5.5%	11.6%
Hysan Develop.	HK0014	B1	2,704	20.05	31.00	54.6%	2.4%	28.1x	27.0x	4.8%	21.6x	19.7x	8.5%	0.7x	2.7%	-0.1%
Great Eagle	HK0041	B1	1,791	23.40	33.43	42.9%	1.3%	43.8x	34.0x	45.5%	21.7x	19.2x	-1.8%	0.6x	1.1%	22.0%
Summarecon	SMRA.JK	N2 (CBE)	340	1,130	1,205	6.6%	0.9%	18.2x	15.9x	19.2%	11.1x	9.5x	19.1%	1.1x	19.1%	22.3%
SP Setia	SETI.KL	B2	785	4.38	4.60	5.0%	5.0%	13.0x	11.5x	13.9%	11.2x	9.7x	15.8%	0.8x	14.0%	19.5%
IGB	IGBS.KL	B2	688	1.72	1.96	14.0%	1.2%	19.6x	18.8x	14.5%	10.6x	10.3x	19.3%	0.7x	5.7%	18.8%
KLCC Property	KCCP.KL	B1	691	2.70	2.88	6.7%	2.8%	11.1x	15.0x	5.9%	9.4x	9.9x	5.8%	0.7x	7.4%	55.3%
Ayala Land	ALI.PS	B2	3,248	15.00	17.50	16.7%	1.0%	41.0x	39.3x	6.4%	28.1x	28.2x	2.3%	0.9x	9.9%	14.9%
Megaworld Corp	MEG.PS	B2	652	2.20	2.80	27.3%	0.8%	17.3x	18.7x	4.4%	14.7x	10.0x	37.9%	0.9x	13.2%	-17.2%
Filinvest Land	FLI.PS	B2	329	1.68	2.18	29.8%	0.0%	22.9x	19.0x	16.6%	31.9x	10.4x	74.4%	0.8x	4.1%	26.1%
City Developments	CTDM.SI	B2	7,340	12.70	12.25	-3.5%	0.8%	39.2x	30.9x	24.9%	21.0x	19.1x	12.8%	1.2x	6.2%	36.7%
Keppel Land	KLAN.SI	B2	2,925	6.35	6.70	5.5%	0.7%	30.1x	24.5x	43.3%	34.5x	28.2x	8.8%	2.7x	9.8%	93.2%
CMT	CMLT.SI	N1 (CBE)	2,466	2.68	2.75	2.6%	4.3%	28.9x	24.8x	10.6%	29.5x	25.1x	15.3%	1.6x	6.2%	65.6%
Singapore Land	LNDH.SI	N2	2,100	7.95	8.55	7.5%	1.4%	37.6x	30.4x	24.6%	29.0x	23.9x	20.0%	1.3x	3.6%	5.7%
CapitaCommercial	CACT.SI	N2 (CBE)	2,180	2.46	2.27	-7.7%	3.1%	36.3x	32.6x	11.0%	42.9x	30.7x	27.4%	1.5x	4.0%	47.4%
Suntec	SUNT.SI	N1 (CBE)	1,477	1.62	1.61	-0.6%	4.4%	17.6x	25.8x	6.9%	21.7x	26.4x	19.2%	1.0x	6.1%	50.3%
Allgreen	AGRN.SI	B2	1,232	1.83	1.85	1.1%	2.4%	27.6x	22.0x	25.6%	23.9x	19.8x	24.4%	1.2x	4.2%	32.8%
The Ascott Group	ASOT.SI	B1	1,200	1.19	1.27	6.7%	2.1%	11.1x	29.0x	-29.6%	10.2x	18.6x	-25.2%	1.7x	14.5%	26.5%
GuocoLand	GUOC.SI	N2	1,037	2.43	2.60	7.0%	2.6%	20.8x	23.5x	-13.0%	22.1x	22.2x	25.6%	1.1x	10.7%	46.6%
MLT	MAPL.SI	B2 (CBE)	516	0.99	1.18	19.2%	5.4%	22.1x	21.1x	2.6%	22.3x	19.4x	9.4%	1.4x	8.8%	82.5%
Land & Houses	LHF.BK	B1	1,787	7.75	8.40	8.4%	5.7%	20.2x	14.1x	24.7%	20.7x	12.1x	43.5%	2.9x	14.7%	67.8%
Central Pattana	CPN.BK	N1	1,434	24.10	24.00	-0.4%	1.6%	31.5x	27.2x	9.7%	20.9x	16.9x	21.1%	2.3x	15.1%	67.0%
Quality Houses	QH.BK	B1	267	1.35	1.55	14.8%	4.2%	11.8x	10.2x	11.4%	13.4x	10.9x	10.8%	1.1x	10.3%	101.4%
Sansiri	SIRI.BK	B2 (CBE)	168	4.18	4.50	7.7%	4.9%	10.7x	9.0x	16.4%	12.7x	13.3x	9.8%	0.7x	6.8%	98.4%
Lalin	LALI.BK	B1	103	4.58	6.50	41.9%	7.1%	6.9x	5.9x	10.2%	6.4x	5.7x	10.0%	1.1x	16.4%	39.0%
Average							2.2%	29.1x	26.1x	15.8%	23.5x	20.5x	15.8%	1.5x	8.9%	45%

Source: UBS estimates



Plantations – stay with the biodiesel theme in 2007

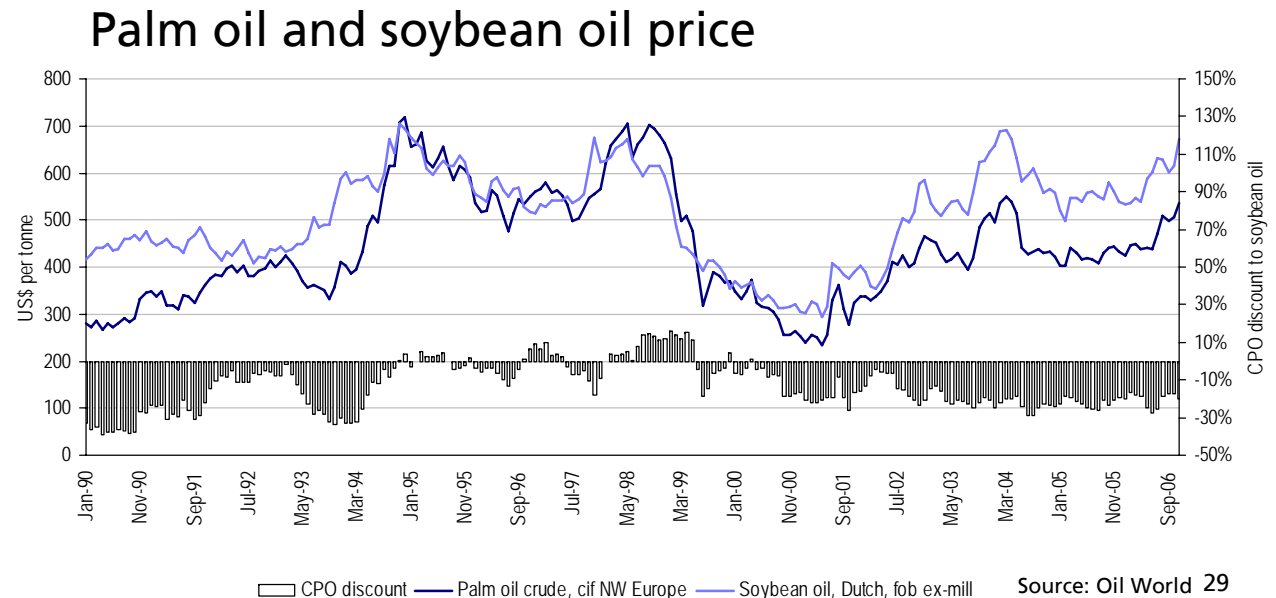
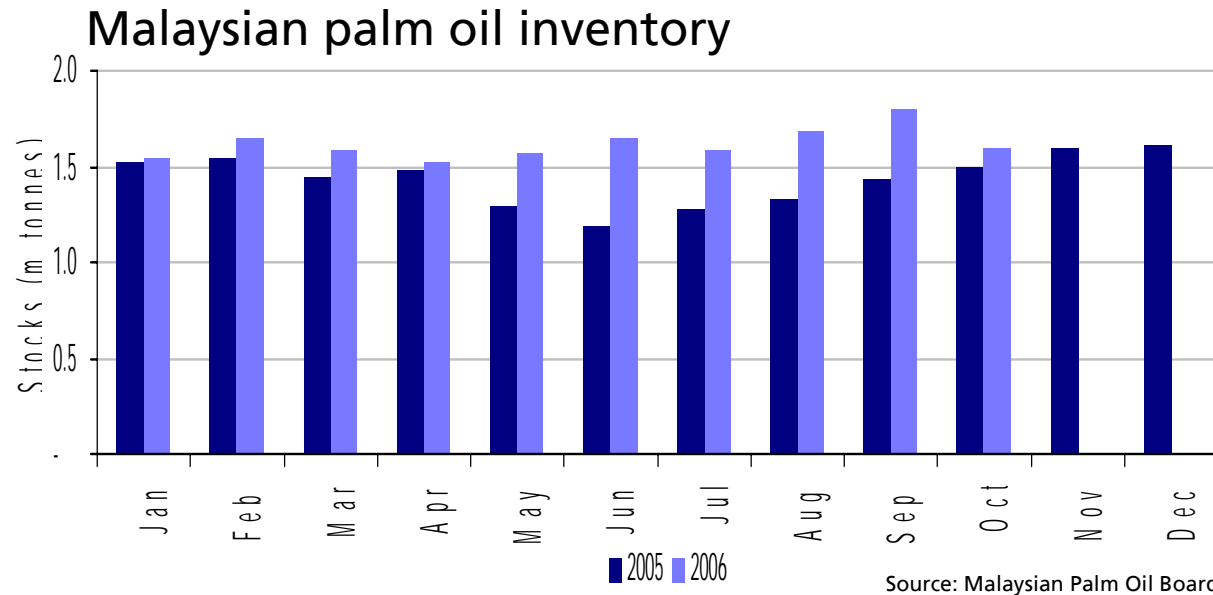
- ◆ IOI – potential candidate for capital repayment
 - If IOI maintains a 30% gearing in FY07, it could have excess capital of RM1.2bn (RM1 per share)
- ◆ KLK – prefer Sime Darby/Golden Hope
 - Earnings risk in the manufacturing division
- ◆ Buy 2 – PPB & Synergy Drive (through Sime Darby/Golden Hope)
- ◆ Biodiesel update:
 - Malaysia has issued 72 licenses to construct biodiesel plants
 - Total investment of RM7bn (70% of which are locals)
 - Currently, there are five companies producing 400k tonnes of biodiesel

EV/hectare at current share price and DCF value at different palm oil prices

	EV/hectare*		DCF value at (in RM per share)					WACC
	(RM)	(US\$)	RM1.6k/t	RM1.8k/t	RM2.0k/t	RM2.2k/t	RM2.4k/t	
IOI Corp	114,824	32,345	11.95	13.91	15.86	17.81	19.75	6.9%
KL Kepong	69,480	19,571	8.80	10.45	12.10	13.74	15.39	7.8%
Golden Hope	42,386	11,940	3.34	4.71	6.08	7.45	8.82	8.0%
PPB Oil Palms	52,865	14,891	8.71	12.28	15.85	19.42	22.99	7.4%

Palm oil prices have started to move

- ◆ Malaysian palm oil inventory has started to decline in Oct 2006
- ◆ Palm oil price is trading at its highest levels since Q1 2004
- ◆ We think palm oil price could breach RM2,000/t in 2007



Biodiesel profitable up till RM2,300/tonne

- ◆ A key concern is whether the biodiesel theme is still valid since palm oil prices have risen to RM1,900/tonne
- ◆ In our view, it is. Biodiesel producers are still making 10-15% profit margin because the price of biodiesel is at US\$720-750/tonne
- ◆ Biodiesel producers' profit margins will only diminish when palm oil prices reach RM2,300/tonne. That is assuming no changes in biodiesel price

Biodiesel-palm oil value chain

	Current	Max	
Retail price of biodiesel	1.00	1.00	Euro per litre
Retail price of biodiesel	1.30	1.30	US\$ per litre
Retail price of biodiesel	1,529	1,529	US\$ per tonne
Selling price of biodiesel	720-750	720-750	US\$ per tonne
Biodiesel profit	85-115	0	US\$ per tonne
Cost of producing biodiesel	635	748	US\$ per tonne
CPO price	535	648	US\$ per tonne
CPO price	1,900	2,300	RM per tonne

Source: UBS

Plantation sector valuations

- ◆ Our palm oil price assumptions: 2007 – RM1,900/tonne, 2008 – RM2,000/tonne, 2009 – RM1,800/tonne

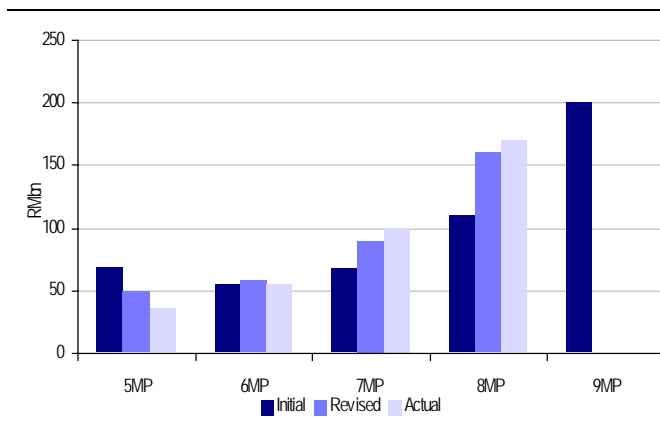
Sector valuations

Stock name	Rating	PER CY2007E (x)	PER CY2008E (x)	3y EPS CAGR (%)	P/Book CY2006E (x)	P/Book CY2007E (x)	Net div CY2006E (%)	Net div CY2007E (%)	EV/EBITDA CY2006E (x)	EV/EBITDA CY2007E (x)
IOI Corp	N2	18.3	17.6	11%	3.6	3.3	2.1	2.6	15.8	12.8
G Hope	B2	14.7	15.3	13%	1.6	1.5	3.2	3.2	11.9	9.3
KL Kepong	R2	15.6	14.4	20%	2.2	2.0	2.7	2.9	12.7	10.0
PPB Oil	B2	16.0	13.3	30%	2.2	2.7	2.0	2.5	12.1	9.5
<u>Bloomberg I/BES</u>										
Asiatic	Na	13.8	13.0	10%	1.7	1.6	1.5	1.7	Na	Na
High & Low	Na	Na	Na		1.2	Na	7.8	Na	Na	Na
IJM Plant	Na	14.6	11.8	23%	1.5	1.4	2.1	2.6	Na	Na
K Guthrie	Na	14.5	11.1	99%	1.8	1.2	2.6	3.0	Na	Na
Kulim	Na	21.4	17.4		2.2	0.5	2.0	2.5	12.1	9.5
United Plant	Na	Na	Na		1.9	1.9	3.3	Na	Na	Na
Astra Agro	Na	15.3	13.4	18%	5.6	4.8	2.7	2.6	Na	Na
Bakrie Sum	Na	9.6	9.2	23%	3.0	2.4	1.4	1.8	Na	Na
Lonsum	Na	14.0	10.1	18%	4.3	3.3	0.7	0.9	Na	Na
Average		16.1	14.2		2.0	1.8	2.9	2.6	12.9	10.2
Malay avg		16.1	14.2	29%	2.0	1.8	2.9	2.6	12.9	10.2
Indo avg		12.9	10.9	20%	4.3	3.5	1.6	1.8	Na	Na

Construction sector: 9MP - scope for surprises

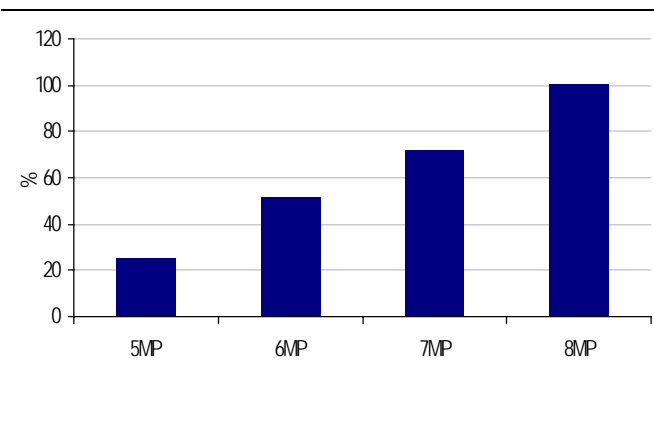
- ◆ **The government usually goes over-budget:** Actual development spending historically over-shoots initial allocations by 50%. This implies RM100bn in new spending post-2008.
- ◆ **A more likely figure is RM30-40bn,** assuming budget deficit kept at 3.5% of GDP and 5-10% annual growth in government revenue.
- ◆ **Extra money from PFI:** On top of directly-funded government spending, there are RM20bn in Private Financing Initiative (PFI) projects. The RM264bn Employees Provident Fund will bank-roll PFI projects.

Chart 1: Government spending allocations



Source: Ministry of Finance

Chart 2: Initial 3-year spending/ Malaysia Plan allocation %



Source: Ministry of Finance

IJM (Buy 2, Target price: RM8.10)

The best just got bigger

- ◆ Minimal EPS dilution (<5%) from planned acquisition of 100% of Road Builder (RBH), assuming status quo on both companies' operations
 - However, IJM is well-managed and has a good track-record in M&A. We think there is a higher probability IJM will realize synergies from this deal
- ◆ Sensitivity analysis – every RM200m of new construction wins (RBH's last win in Sep-06 was RM400m) adds cRM5m or 1.8% to 3/08E earnings
 - Assuming no P/E re-rating, this implies +0.10sen to IJM's valuation

Pro-forma statistics (IJM-Road Builder merger)

(in RM m)*	IJM	RBH	Combined (IJM/RBH)
Market cap @ RM6.85	3,288	1,786	5,074
2008E net profit	257	104	361
PE (x)	12.8	17.2	14.1
2008E EBITDA	385	293	678
EV/EBITDA (x)	10.6	11.3	10.9
2008E shareholders'	2,370	1,658	4,028
P/BV (x)	1.4	1.1	1.3
2007E net debt	779	1,518	2,297
Net gearing (x)	0.33	0.92	0.57
FY06 EBIT split	Construction 42%	Construction 31%	Construction 36%
	Property 31%	Property 27%	Property 29%
	Infrastructure 3%	Infrastructure 43%	Infrastructure 21%
	Building materials	-	Building materials 9%
	Plantations 8%	-	Plantations 5%

*Adjusted to Fiscal year-end March Source: UBS estimates

Regional comparison (Construction, Cement)

Regional comparison (Construction)

Company	Ticker	Rating	Mkt cap (US\$m)	Price 6-Dec-06	Target Price	Upside/ Downside	Div yield 2007E	PE (x)		EPS CAGR (2006-08E)	EV/EBITDA (x)		EBIT CAGR (2006-08E)	PBV 2006E	ROE 2006E	Net gearing 2006E
								2006E	2007E		2006E	2007E				
Gammon India	GAMM.BO	N2	881	451.05	482.00	6.9%	0.5%	34.8x	34.7x	25.8%	17.8x	22.2x	16.8%	3.1x	12.6%	3.9%
HCC	HCNS.BO	B2	847	148.10	157.00	6.0%	0.7%	34.5x	37.6x	37.1%	14.0x	18.5x	33.6%	3.0x	13.3%	44.3%
IVRCL	IVRC.BO	B2	920	378.65	426.00	12.5%	0.3%	17.0x	35.6x	42.9%	12.6x	23.1x	56.2%	3.3x	21.1%	91.9%
Daewoo E&C	KS047040	B2 (CBE)	7,467	20,600	24,000	16.5%	2.0%	13.0x	10.5x	14.9%	11.2x	9.5x	15.9%	2.4x	19.9%	-8.2%
GS E&C	KS06360	B2 (CBE)	4,462	81,900	95,000	16.0%	2.3%	11.1x	10.5x	7.8%	9.2x	7.9x	11.6%	2.5x	24.9%	-17.9%
Hyundai Development	KS012630	B2 (CBE)	4,285	53,200	61,000	14.7%	2.1%	14.4x	11.1x	12.3%	11.4x	10.4x	12.9%	2.2x	15.9%	3.3%
Daelim Industrial	KS00210	B2 (CBE)	2,830	74,000	90,000	21.6%	2.5%	9.3x	8.6x	25.1%	10.5x	7.9x	22.5%	1.1x	10.5%	10.1%
YTL	YTLS.KL	N2	2,465	5.75	6.30	9.6%	1.6%	12.5x	15.6x	-26.8%	7.8x	8.1x	4.8%	1.2x	22.4%	224.1%
IJM	IJMS.KL	B2	901	6.85	7.00	2.2%	2.1%	13.9x	19.4x	23.4%	7.0x	11.5x	17.5%	1.1x	8.2%	37.2%
Gamuda	GAMU.KL	N2	958	4.64	4.05	-12.7%	2.3%	16.7x	20.7x	13.0%	11.4x	17.0x	15.6%	1.5x	8.0%	28.6%
Road Builder	ROAD.KL	B2	466	3.26	3.50	7.4%	1.8%	13.4x	16.8x	17.4%	11.0x	14.3x	1.0%	0.7x	4.9%	132.1%
Italian-Thai	ITD.BK	B2 (CBE)	773	6.75	7.50	11.1%	2.1%	23.5x	14.2x	50.1%	11.9x	8.4x	50.8%	1.6x	6.7%	55.2%
Sino-Thai E&C	STEC.BK	B2 (CBE)	196	6.05	9.75	61.2%	0.0%	15.8x	10.5x	31.9%	9.9x	7.2x	37.5%	2.0x	12.0%	11.8%
Average							2.0%	14.7x	14.3x	13.3%	10.9x	10.7x	17.3%	2.1x	17.4%	27%

Source: UBS estimates

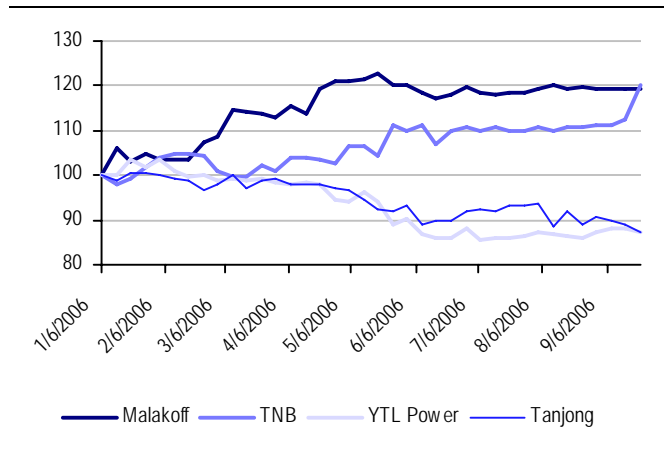
Regional comparison (Cement)

Company	Ticker	Rating	Mkt cap (US\$m)	Price 6-Dec-06	Target Price	Upside/ Downside	Div yield 2007E	PE (x)		EPS CAGR (2006-08E)	EV/EBITDA (x)		EBIT CAGR (2006-08E)	PBV 2006E	ROE 2006E	Net gearing 2006E
								2006E	2007E		2006E	2007E				
Anhui Conch Cement	HK0914	R2 (CBE)	2,771	17.18	14.50	-15.6%	0.5%	30.8x	21.1x	30.5%	12.0x	9.7x	19.4%	4.6x	16.2%	191.0%
Indocement	INTP.JK	N2 (CBE)	2,019	5,025	5,200	3.5%	2.2%	27.1x	19.7x	19.6%	12.8x	10.4x	23.9%	3.1x	14.3%	41.8%
Semen Gresik	SMGR.JK	B2 (CBE)	2,121	32,750	37,000	13.0%	2.8%	14.1x	11.2x	22.6%	8.0x	6.4x	21.2%	3.6x	26.8%	-21.3%
Holcim Indonesia	SMCB.JK	N2 (CBE)	460	550.00	630.00	14.5%	0.0%	-109.3x	55.1x	-9.7%	21.0x	15.1x	364.7%	2.1x	8.8%	202.1%
Assoc. Cement Co.	ACC.BO	B1 (CBE)	4,432	1,072.8	1,225.0	14.2%	0.7%	20.3x	15.1x	11.9%	14.2x	10.8x	16.6%	6.7x	44.2%	5.5%
Gujarat Ambuja Cem.	GACM.BO	B1 (CBE)	4,147	137.05	144.00	5.1%	1.5%	21.8x	16.2x	-3.0%	14.8x	11.2x	-3.1%	4.7x	27.2%	-11.6%
KCC	KS02380	B2	3,203	285,000	309,000	8.4%	2.4%	14.7x	12.1x	9.4%	6.7x	5.6x	7.7%	1.3x	9.4%	17.7%
Lafarge MC	MYCS.KL	N2	840	1.08	0.95	-12.0%	1.7%	23.4x	17.9x	16.7%	9.7x	8.1x	11.7%	1.0x	4.5%	9.2%
Siam City Cement	SCCC.BK	N1	1,748	256.00	266.00	3.9%	5.6%	15.0x	13.9x	6.1%	10.1x	9.4x	6.4%	3.8x	23.8%	-7.0%
Taiwan Cement	TW1101	N2	2,491	26.65	27.20	2.1%	4.8%	14.8x	13.3x	17.9%	13.2x	11.7x	4.7%	1.6x	11.5%	23.8%
Asia Cement	TW1102	B2	2,196	28.50	32.10	12.6%	3.7%	12.5x	11.0x	10.4%	12.5x	11.1x	0.3%	1.5x	12.8%	22.0%
Average							2.3%	17.3x	15.8x	12.5%	12.0x	9.7x	16%	3.6x	21.8%	30%

Source: UBS estimates

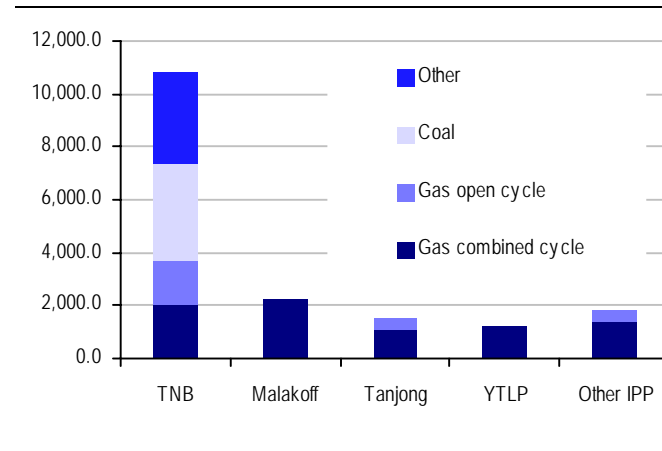
Power sector (Underweight)

Chart 1: Relative share price performance (Dec05 = 100)



Source: Bloomberg

Chart 2: Generation capacity share 2005 (MW)



Source: TNB

Energy stock ratings

Stock	Bloomberg Rating	Bloomberg code	Share price (RM)	Price target (RM)	Market cap. (US\$ m)	Year end	Pros. Yr 1	Pros. Yr 2	Pros. Yr 1	Pros. Yr 2	Pros. Yr 1	Pros. Yr 1
							EV/EBITDA (x)	EV/EBITDA (x)	ROE (%)	ROE (%)	Net yield (%)	EV/IC (x)
Malakoff	Neutral 2	MAL MK	10.00	10.35	2,534	Aug	8.9	7.1	17.5	17.2	2.7	1.4
Petronas Gas	Neutral 2	PTG MK	9.00	9.00	5,017	Mar	9.7	9.3	14.9	13.0	4.5	2.6
Tenaga Nasional	Buy 2	TNB MK	11.40	12.00	13,281	Aug	8.4	8.0	14.1	12.5	0.9	1.6
YTL Power	Buy 2	YTLP MK	2.31	2.50	3,360	Jun	7.8	7.3	15.4	15.2	3.1	1.5
Sector average							9.5	NA	13.2	13.7	2.2	1.7

* Prices as of 6 December 2006. Source: UBS estimates

Power sector: IPP reforms

- ◆ **Background:** The government started focusing on the IPP sector in June-2006: (1) to appease public over the TNB tariff hike; (2) highlight the previous administration's opaque IPP award policy. The press has frequently reported on the fact that IPPs generate super-normal returns at the expense of TNB.
- ◆ **Government wish-list:** (1) To raise IPP concession periods from 21 yrs to 30 in exchange for lower capacity payments by TNB. (2) To reduce IPP IRR by up to 200bp or RM0.01/kwh, justified as IPPs "sharing TNB's burden of maintaining a high reserve margin". IPPs have rejected the government's proposal, as they are under no legal obligation to accept changes to PPAs.
- ◆ **UBS view:** It is time to revisit IPPs. We believe the talks will only be concluded in H207, and could be NPV-neutral to IPPs: (1) the IPP industry lobby is taking a firm stance with negotiations; (2) the retirement of the Energy Minister in Apr07; (3) improved post-hike financials at TNB and stable crude oil prices remove any financial urgency by the government.

Power sector: Stock views

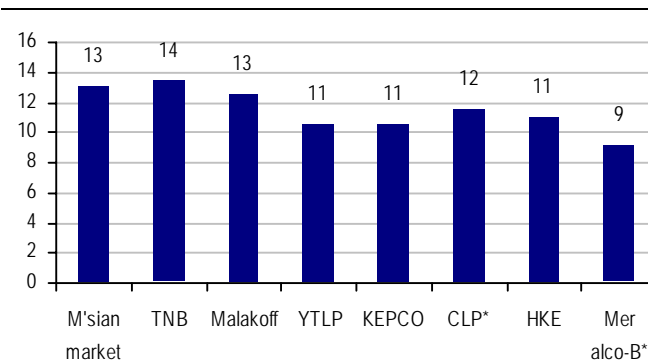
- ◆ **Tenaga Nasional (Buy 2):** Tariff hike puts TNB's valuations in-line with the market. New dividend policy will be announced in Apr07, and room to triple dividends to 4% net yield. Attractive from an indexation angle, relative to other KLCI-heavyweights.
- ◆ **Tanjong (Buy 2):** Market laggard in 2006, but likely to enjoy positive newsflow and EPS growth in 2007. Corporate action to separately list power division could sharply boost valuations, given 10-20% discount to Malakoff/YTLP. M&A is possible near-term catalyst.
- ◆ **Malakoff (Neutral 2):** Little upside to MMC privatization bid from current share price, considering cash bid of RM10.35/share by Jun07. However, we believe the deal will likely go through, as IPP reforms are unlikely to be resolved before year-end.
- ◆ **YTL Power (Buy 2):** Following extensive M&A, market valuations for UK water assets have doubled in the last few months. This is positive for YTLP, given that Wessex Water accounts for 53% of SOTP, far outweighing any risk from Malaysian IPP sector reforms.

Tenaga Nasional (Buy 2, Target price: RM12.00)

EPS pick-up from tariff hike, to benefit from future reforms

- ◆ The 12% tariff hike in Jun-06 boosts FY07E FCF yield to 7%. With current net div yield of only 1%, there is significant room for capital management
- ◆ Could gain from IPP reform. The government's target of RM0.01/kwh IPP rate cut could boost Tenaga's earnings by RM300m p.a. (7% of FY07E PBT).
- ◆ The long-term road map for power sector reform (creating a competitive generation market, unbundling loss-making transmission/distribution) decisively favors Tenaga over the IPPs.

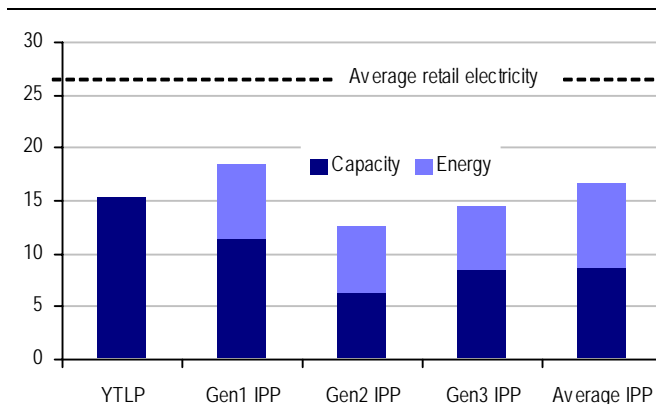
Chart 1: Tenaga 07PE vs. peers



Source: UBS estimates, *IBES



Chart 2: Generation cost and sales price (sen/kwh)



Source: UBS estimates

Regional comparisons (Utilities)

Regional comparison (Utilities)

Company	Ticker	Rating	Mkt cap (US\$m)	Price 6-Dec-06	Target Price	Upside/ Downside	Div/yield 2007E	PE (x)		EPS CAGR (2006-08E)	EV/EBITDA (x)		EBIT CAGR (2006-08E)	P/BV 2006E	ROE Net gearing 2006E	
								2006E	2007E		2006E	2007E			2006E	2006E
CYPC (G)	5S600900	B1	8,000	7.69	9.30	20.9%	#N/A	19.2x	17.5x	19.3%	11.1x	9.4x	15.6%	2.4x	16.1%	26.0%
Guangdong Electric G	5Z000539	B2	1,713	5.07	5.85	15.4%	4.1%	17.7x	14.5x	12.2%	7.3x	6.6x	11.2%	1.7x	9.6%	58.1%
HK Electric	HK0006	N2	10,046	36.65	38.30	4.5%	4.9%	11.5x	11.0x	4.6%	8.8x	8.0x	5.7%	1.7x	15.2%	8.1%
Huaneng Power	HK0902	B2	9,693	6.26	7.60	21.4%	3.9%	14.5x	13.5x	-0.9%	8.5x	8.7x	4.0%	1.8x	13.3%	154.5%
CRP	HK0836	B2	5,206	10.64	12.20	14.7%	2.2%	15.2x	12.5x	11.9%	13.6x	9.9x	31.7%	2.6x	18.1%	85.3%
Datang Int'l Power	HK0991	B2	4,396	6.63	8.70	31.2%	3.7%	14.1x	13.5x	1.8%	7.8x	6.4x	24.1%	1.7x	12.9%	203.3%
Huadian Power	HK1071	N2	2,095	2.71	3.00	10.7%	2.7%	16.4x	13.9x	20.1%	10.0x	9.5x	42.4%	1.4x	9.0%	281.3%
Tata Power	TTPW.BO	N2 (CBE)	2,439	551.85	590.00	6.9%	1.4%	15.2x	19.9x	-7.7%	8.7x	9.2x	24.8%	1.6x	14.7%	27.6%
Reliance Energy	BSES.BO	R2 (CBE)	2,526	532.75	475.00	-10.8%	1.1%	17.5x	16.7x	9.5%	12.8x	12.0x	-1.3%	1.9x	10.2%	-16.3%
KEPCO	KS15760	N2	26,835	39,200	39,000	-0.5%	3.1%	11.1x	11.1x	4.6%	4.2x	3.9x	6.7%	0.6x	5.3%	37.3%
Tenaga Nasional	TENA.KL	B2	12,009	10.60	12.00	13.2%	0.9%	19.7x	16.2x	17.0%	8.8x	8.4x	17.5%	1.8x	12.0%	120.0%
YTL Power Int'l	YTLP.KL	B2	3,182	2.25	2.50	11.1%	3.1%	12.4x	12.9x	6.0%	8.5x	7.8x	6.1%	1.9x	16.0%	137.3%
Malakoff	MLKF.KL	N2	2,439	9.90	10.35	4.5%	2.7%	17.8x	13.0x	30.9%	11.6x	8.9x	34.6%	2.1x	12.4%	224.4%
Tanjong plc	TJPL.KL	B2	1,469	13.30	16.90	27.1%	4.4%	15.1x	12.6x	17.3%	8.1x	7.4x	24.1%	2.1x	14.8%	30.3%
First Gen Corp	FGEN.PS	B2	907	56.50	60.00	6.2%	3.0%	9.5x	9.3x	-4.6%	5.9x	5.1x	1.6%	1.6x	20.7%	37.0%
AEV	AEV.PS	B2	606	6.10	6.80	11.5%	3.0%	9.3x	8.3x	8.9%	6.5x	6.8x	8.2%	1.3x	14.8%	17.8%
Ratchaburi	RATC.BK	B1	1,643	41.50	54.00	30.1%	4.9%	9.3x	10.5x	-4.9%	8.1x	7.4x	-4.6%	1.9x	21.4%	67.5%
EGCO	EGCO.BK	N1	1,278	89.00	94.00	5.6%	4.3%	8.8x	7.3x	25.7%	5.2x	4.0x	91.5%	1.4x	17.7%	51.9%
Glow Energy	GLOW.BK	B1	1,279	32.00	36.00	12.5%	7.0%	9.2x	8.7x	-3.1%	7.1x	6.3x	2.8%	1.8x	22.3%	66.2%
Average							2.8%	14.3x	14.3x	8.5%	8.9x	9.2x	12.5%	1.6x	12.2%	67%

Source: UBS estimates

Telecom sector (Neutral)

- ◆ Telekom Malaysia is our top pick, as we expect a recovery in Celcom, solid growth from its overseas expansion, and increased focus on capital management to support a rebound in its share price.
- ◆ We view positively DiGi's pro-active capital management initiatives. While this likely provides downside protection for DiGi's share price, we think at current levels this has been partly priced-in.
- ◆ We see limited upside to Maxi's share price due to the negative earnings impact of the company's investments in Indonesia and India

Table 1: Telecommunications' stock ratings

Stock	Rating	Bloomberg code	Share price (RM)	Price target (RM)	Market cap. (US\$m)	Year end	Pros. Yr 1 PreX PE (x)	Pros. Yr 2 PreX PE (x)	Pros. Yr 1 ROE (%)	Pros. Yr 2 ROE (%)	Pros. Yr 1 EV/EBITDA (x)	Pros. Yr 1 Net yield (%)
Digi.com	Neutral 2	DIGI MK	14.40	11.50	3,043	Dec	16.8	15.4	35.3	47.1	6.8	4.5
Maxis	Neutral 2	MAXIS MK	10.20	8.85	7,098	Dec	15.2	15.4	25.4	23.2	6.6	4.4
Telekom Malaysia	Buy 2	T MK	9.90	12.40	9,403	Dec	15.2	13.2	11.1	12.1	5.6	3.7
Sector average							15.4	14.3	15.8	16.0	6.1	4.1

* Prices as of 6 December 2006. Source: UBS estimates

Regional comparisons (Telecom)

Regional comparison (Telecoms)

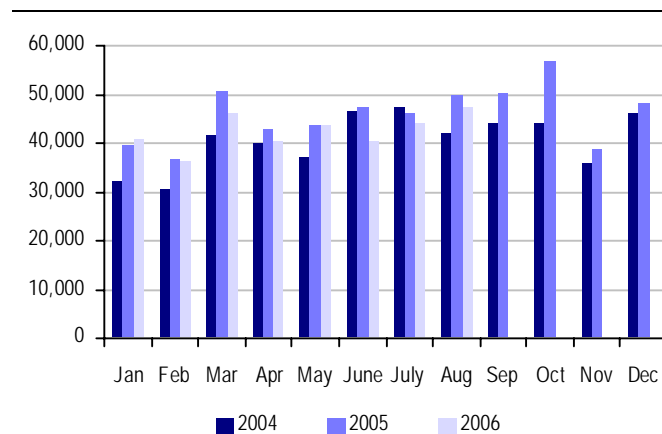
Company	Ticker	Rating	Mkt cap (US\$m)	Price 6-Dec-06	Target Price	Upside/ Downside	Div yield 2007E	PE (x)		EPS CAGR (2006-08E)	EV/EBITDA (x)		EBIT CAGR (2006-08E)	PBV 2006E	ROE 2006E	Net gearing 2006E
China Mobile	HK0941	B2	163,517	64.60	80.00	23.8%	4.0%	19.3x	14.7x	24.1%	7.1x	5.9x	22.9%	4.2x	23.4%	-45.6%
China Telecom	HK0728	N1	37,656	3.87	3.30	-14.7%	2.5%	14.5x	14.0x	3.8%	4.4x	4.1x	-2.0%	1.6x	11.5%	42.3%
China Unicom	HK0762	B2	15,040	9.31	10.20	9.6%	2.0%	20.9x	17.7x	12.3%	4.4x	3.9x	9.6%	1.4x	7.3%	24.8%
China Netcom	HK0906	N2	14,560	17.16	15.80	-7.9%	3.0%	10.9x	10.2x	7.3%	4.1x	3.8x	0.4%	1.6x	15.6%	85.8%
PCCW	HK0008	B2	4,201	4.85	5.29	9.1%	2.2%	18.1x	18.2x	3.4%	7.0x	6.9x	-1.3%	-4.1x	-21.4%	-165.3%
SmarTone	HK0315	R2	573	7.62	7.77	2.0%	1.2%	71.0x	53.9x	8.4%	4.2x	3.2x	5.1%	1.5x	2.1%	-61.8%
Telkom	TLKM.JK	B2 (CBE)	23,343	10,550	11,000	4.3%	4.3%	18.7x	15.1x	17.6%	6.8x	5.6x	17.7%	7.6x	47.0%	44.9%
Indosat	ISAT.JK	B1 (CBE)	3,353	5,900	6,600	11.9%	3.0%	19.2x	15.0x	26.7%	5.6x	4.9x	21.7%	2.1x	9.8%	65.0%
Bharti Airtel	BHTV.BO	B2 (CBE)	27,197	646.80	675.00	4.4%	0.0%	25.9x	31.4x	64.3%	14.3x	17.3x	65.4%	6.4x	29.5%	49.2%
SK Telecom	KS17670	N2	19,667	219,000	225,000	2.7%	4.5%	11.7x	10.1x	11.2%	4.7x	4.5x	4.4%	2.0x	17.9%	28.0%
KT	KS30200	N2	14,752	47,450	48,000	1.2%	4.2%	11.2x	10.8x	2.3%	4.5x	4.4x	0.4%	1.5x	14.5%	57.5%
KTF	KQ32390	N2	6,027	30,000	29,500	-1.7%	2.2%	13.9x	12.3x	8.8%	3.6x	3.3x	8.2%	1.4x	10.2%	22.6%
LG Telecom	KQ32640	N2 (CBE)	3,253	10,750	12,300	14.4%	4.2%	12.7x	8.5x	26.2%	4.6x	4.0x	9.6%	2.0x	17.2%	52.7%
Hanaro Telecom	KQ33630	R2	2,003	7,920	6,200	-21.7%	0.0%	-32.2x	129.9x	NA	4.8x	4.2x	115.7%	1.2x	-3.7%	43.7%
Telekom Malaysia	TLMM.KL	B2	9,403	9.90	12.40	25.3%	4.0%	15.2x	13.2x	10.9%	5.6x	5.2x	10.6%	1.6x	11.1%	31.6%
Maxis	MAXS.KL	N2	7,098	10.20	8.85	-13.2%	4.5%	15.2x	15.4x	1.2%	6.6x	6.6x	0.1%	3.7x	25.4%	-10.2%
Digi.com	DSOM.KL	N2	3,043	14.40	11.50	-20.1%	4.9%	16.8x	15.4x	4.7%	6.8x	6.5x	0.5%	7.7x	35.3%	-11.9%
PLDT	TEL.PS	B2	8,554	2,495	#N/A	#N/A	3.4%	15.1x	13.1x	11.3%	6.0x	5.3x	12.5%	4.6x	35.5%	43.4%
Globe	GLO.PS	B2	3,371	1,265	1,400	10.7%	7.6%	13.1x	12.1x	9.1%	5.2x	4.7x	7.7%	2.7x	21.3%	42.7%
Singapore Telecom	TELE.SI	B1	30,090	2.91	2.91	0.0%	3.7%	13.9x	15.7x	-14.0%	9.6x	11.2x	-7.8%	2.0x	20.5%	22.0%
StarHub	STAR.SI	B2	2,786	2.36	2.75	16.5%	6.8%	15.0x	13.2x	9.6%	8.2x	7.7x	10.4%	9.9x	40.6%	137.7%
MobileOne	MBNE.SI	B1	1,343	2.12	2.50	17.9%	7.1%	12.3x	11.9x	4.3%	6.5x	6.4x	4.3%	5.7x	40.7%	38.9%
Adv Info Service	ADVAF.BK	B2	6,958	84.00	107.90	28.5%	7.8%	13.6x	10.9x	22.1%	6.1x	5.1x	20.6%	3.2x	23.0%	24.8%
True Corporation	TAF.BK	B2	1,086	8.60	14.30	66.3%	0.0%	-12.6x	11.0x	NA	6.8x	4.7x	129.1%	82.6x	NA	NA
Chunghwa Telecom	TWCHT	N1	17,291	58.90	57.20	-2.9%	6.3%	13.3x	12.1x	6.7%	5.6x	5.1x	5.1%	1.8x	13.4%	-20.6%
Taiwan Mobile	TWO4901	B2	4,687	31.45	34.90	11.0%	7.9%	9.7x	10.9x	-4.9%	5.7x	5.6x	1.6%	1.8x	18.7%	-9.7%
Far EasTone	TWO4904	B2	4,324	36.70	43.00	17.2%	8.3%	11.0x	10.9x	4.1%	5.0x	4.8x	5.8%	1.9x	17.6%	-3.4%
Total Access	TACC.SI	B2	2,019	4.26	6.59	54.7%	0.0%	16.9x	7.0x	62.2%	6.4x	4.2x	38.8%	1.8x	12.0%	89.6%
Average							3.7%	11.3x	12.8x	24.5%	5.9x	6.3x	39.1%	3.8x	19.4%	32%

Source: UBS estimates

Auto sector (Neutral): Buy UMW Holdings

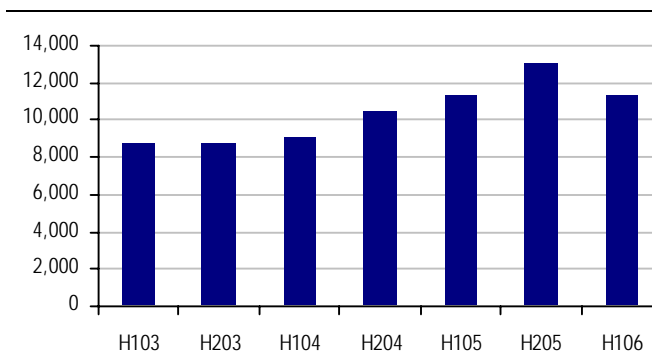
- ◆ **Current downturn can be attributed to:** 1) rising inflation, 2) credit tightening by the banks 3) falling used car prices. We think the latter two issues will continue to exist over the next six months, thus capping earnings upside for the sector.
- ◆ **UMW:** Growing contribution from its oil & gas operations and Perodua operations should mitigate a slowdown from Toyota operations.
- ◆ **Proton:** Realising a meaningful improvement in its operations will remain challenging, even after its recent strategic alliance with PSA.

Chart 1: Monthly auto sales January 2004 to August 2006



Source: Malaysian Automotive Association

Chart 2: Revenue trend of selected auto companies (RM)

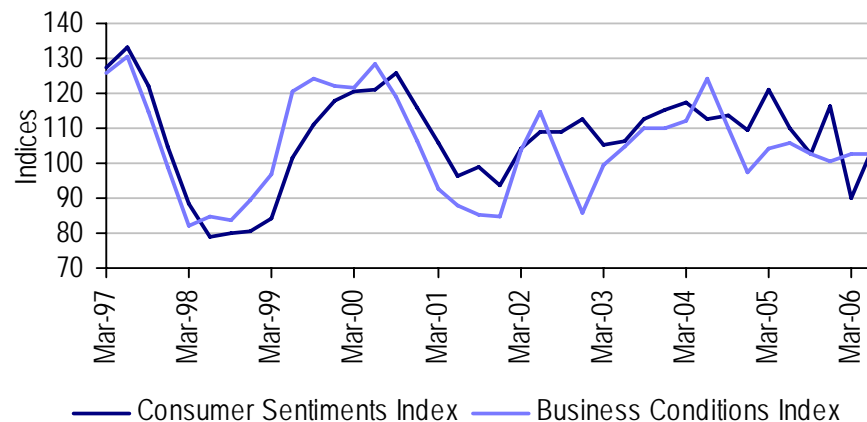


Source: UBS estimates

Consumer sector (Underweight)

- ◆ **Consumers likely to stay cautious in H206** in view of limited recovery in purchasing power and continued weakness in income outlook.
- ◆ **Media:** Challenging outlook with forecast c2% adex growth, higher cost base – newsprint, overseas start-up
- ◆ **BAT:** We expect the recent hike in retail prices for cigarettes to lead to a 5% decline in volumes in 2006 and flat volumes in 2007.
- ◆ **Astro:** Successful launch of MEASAT3 key to re-rating

Chart 1: Consumer and Business sentiment index



Source: MIER

Foreign ownership – market remains under-owned

Stocks	Latest date	Stake (%)	Stake at Dec 05 (%)
Astro All Asia Networks	Jun 06	14*	17*
Berjaya Sports Toto	Jun 06	15	17
British American Tobacco Malaysia	Jun 06	26*	26*
Bumiputra-Commerce Holdings	Jun 06	41	37
Digi.Com	Jun 06	26*	23*
Gamuda	Jun 06	38	33
Genting	Jun 06	48	46
Hong Leong Bank	Jun 06	11	12
IJM	Jun 06	46	31
IOI Corp	Jun 06	39	39
Kuala Lumpur Kepong	Jun 06	19	18
Malakoff	Jun 06	20*	20*
Malayan Banking	Jun 06	16	16
Maxis Communications	Jun 06	17*	17*
MISC	Jun 06	11	16
Petronas Gas	Jun 06	1	1
PLUS Expressways	Jun 06	7	8
Public Bank	Sep 06	26	27
Resorts	Jun 06	35	34
Roadbuilder	Jun 06	32	25
Sime Darby	Jun 06	23	23
Tanjong	Jun 06	40	42
Telekom Malaysia	Jun 06	13	16
Tenaga Nasional	Oct 06	17	10
UMW	Jun 06	19	15

*Excludes foreign parent stake

Source: Company data, Bursa Malaysia

Risks

- ◆ Stock markets are influenced by several factors, internal and external, that make predictions of market direction inherently difficult. Our stock ratings are based on earnings estimates that are subject to changes because of changes in the operating environments of the respective companies.
- ◆ Please refer to the following reports (Malaysian Market/Sector Strategy - Q406: Make or break, dated 29 September 2006) for individual risk sections on the stocks and sector mentioned in this presentation.

Disclosures & Analyst Certification

Required Disclosures

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UBS Investment Research: Global Equity Ratings Definitions and Allocations

UBS rating	Definition	UBS rating	Definition	Rating category	Coverage ¹	IB services ²
Buy 1	FSR is > 6% above the MRA, higher degree of predictability	Buy 2	FSR is > 6% above the MRA, lower degree of predictability	Buy	49%	34%
Neutral 1	FSR is between -6% and 6% of the MRA, higher degree of predictability	Neutral 2	FSR is between -6% and 6% of the MRA, lower degree of predictability	Hold/Neutral	38%	32%
Reduce 1	FSR is > 6% below the MRA, higher degree of predictability	Reduce 2	FSR is > 6% below the MRA, lower degree of predictability	Sell	12%	27%

1: Percentage of companies under coverage globally within this rating category.

2: Percentage of companies within this rating category for which investment banking (IB) services were provided within the past 12 months.

Source: UBS. Ratings allocations are as of 30 September 2006.

Disclosures & Analyst Certification (cont.)

KEY DEFINITIONS

Forecast Stock Return (FSR) is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.

Market Return Assumption (MRA) is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).

Predictability Level The predictability level indicates an analyst's conviction in the FSR. A predictability level of '1' means that the analyst's estimate of FSR is in the middle of a narrower, or smaller, range of possibilities. A predictability level of '2' means that the analyst's estimate of FSR is in the middle of a broader, or larger, range of possibilities.

Under Review (UR) Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation.

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Companies mentioned

Company Name	Reuters	Rating	Price	Price date/time	Company Name	Reuters	Rating	Price	Price date/time
AirAsia ²⁰	AIRA.KL	Suspended	RM1.47	06 Dec 2006 23:38 HKT	Malaysian Pac. I.	MPIM.KL	Neutral 2	RM10.70	06 Dec 2006 23:38 HKT
AMMB Holdings ¹⁰	AMMB.KL	Buy 2	RM3.24	06 Dec 2006 23:38 HKT	Maxis Communications	MXSC.KL	Neutral 2	RM10.20	06 Dec 2006 23:38 HKT
Astro All Asia ^{2a}	AAAN.KL	Neutral 2	RM5.65	06 Dec 2006 23:38 HKT	MISC	MISCe.KL	Buy 2	RM9.30	06 Dec 2006 23:38 HKT
BAT (Malaysia)	BATO.KL	Neutral 2	RM43.50	06 Dec 2006 23:38 HKT	Petronas Gas	PGAS.KL	Neutral 2	RM9.00	06 Dec 2006 23:38 HKT
Berjaya Sports Toto	BSTB.KL	Neutral 2	RM4.78	06 Dec 2006 23:38 HKT	PLUS Expressways	PLUE.KL	Buy 2	RM2.87	06 Dec 2006 23:38 HKT
Bumiputra-Commerce	BUCM.KL	Buy 2	RM7.80	06 Dec 2006 23:38 HKT	PPB Oil Palms	PPBO.KL	Buy 2	RM9.30	06 Dec 2006 23:38 HKT
Bursa Malaysia ^{2b,4a,20}	BMYS.KL	Reduce 2 (CBE)	RM8.20	06 Dec 2006 23:38 HKT	Proton	PROT.KL	Reduce 2	RM6.10	06 Dec 2006 23:38 HKT
Digi.com	DSOM.KL	Neutral 2	RM14.40	06 Dec 2006 23:38 HKT	Public Bank ⁸	PUBMe.KL	Neutral 2	RM8.00	06 Dec 2006 23:38 HKT
EON Capital Bhd.	EONP.KL	Buy 2	RM6.80	06 Dec 2006 23:38 HKT	Resorts World	RWBW.KL	Buy 2	RM13.50	06 Dec 2006 23:38 HKT
Gamuda	GAMU.KL	Neutral 2	RM5.05	06 Dec 2006 23:38 HKT	RHB Capital ^{2a,13}	RHBC.KL	Neutral 2	RM3.60	06 Dec 2006 23:38 HKT
Genting	GENT.KL	Buy 2	RM29.75	06 Dec 2006 23:38 HKT	Road Builder	ROAD.KL	Buy 2	RM3.48	06 Dec 2006 23:38 HKT
Golden Hope Pl.	GHOP.KL	Buy 2	RM5.60	06 Dec 2006 23:38 HKT	Sime Darby (M)	SIME.KL	Buy 1	RM6.80	06 Dec 2006 23:38 HKT
Hong Leong Bank ^{2b,4a}	HLBB.KL	Buy 2	RM5.75	06 Dec 2006 23:38 HKT	SP Setia	SETI.KL	Buy 2	RM4.50	06 Dec 2006 23:38 HKT
IGB Corporation	IGBS.KL	Buy 2	RM1.84	06 Dec 2006 23:38 HKT	Star Cruises PLC	SARC.SI	Reduce 2	US\$0.20	06 Dec 2006 23:38 HKT
IJM Corp.	IJMS.KL	Buy 2	RM7.55	06 Dec 2006 23:38 HKT	Star Publications	STAR.KL	Neutral 2	RM3.24	06 Dec 2006 23:38 HKT
IOI Corporation ^{2b}	IOIB.KL	Neutral 2	RM18.90	06 Dec 2006 23:38 HKT	Tanjong plc ⁵	TJPL.KL	Buy 2	RM14.30	06 Dec 2006 23:38 HKT
KL Kepong	KLKK.KL	Reduce 2	RM13.80	06 Dec 2006 23:38 HKT	Telekom Malaysia ^{2c,4b,23}	TLMM.KL	Buy 2	RM9.90	06 Dec 2006 23:38 HKT
KLCC Property	KCCP.KL	Buy 1	RM2.81	06 Dec 2006 23:38 HKT	Tenaga Nasional	TENA.KL	Buy 2	RM11.40	06 Dec 2006 23:38 HKT
Lafarge MC	LMCE.KL	Neutral 2	RM1.20	06 Dec 2006 23:38 HKT	Uchi Technologies	UCHI.KL	Buy 2	RM3.30	06 Dec 2006 23:38 HKT
Magnum Corp	MGMS.KL	Buy 2	RM2.50	06 Dec 2006 23:38 HKT	UMW Holdings	UMWS.KL	Buy 2	RM7.85	06 Dec 2006 23:38 HKT
Malakoff	MLKF.KL	Neutral 2	RM10.00	06 Dec 2006 23:38 HKT	YTL Corp.	YTLS.KL	Neutral 2	RM6.95	06 Dec 2006 23:38 HKT
Malayan Banking ²³	MBBM.KL	Buy 2	RM11.80	06 Dec 2006 23:38 HKT	YTL Power Int'l ^{2b,4b}	YTLP.KL	Buy 2	RM2.31	06 Dec 2006 23:38 HKT

Source: UBS. HKT: Hong Kong time.

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