


**PROPERTY**

**Niki Yeung**  
 +852 2103 9411  
 niki.yeung@hk.oskgroup.com

**KY Ng**  
 +852 2103 5844  
 kongyong.ng@hk.oskgroup.com

**BUY**

**Target Price** **HKD0.500**  
**Previous Price** **HKD0.500**  
**Price** **HKD0.325**

**PROPERTIES**

CSI Properties is principally engaged in commercial property trading, and premium residential property development in Hong Kong and China. The Group has a proven track record in adding value through the repositioning of properties.

**Stock Statistics**

|                           |              |
|---------------------------|--------------|
| Bloomberg Ticker          | 497 HK       |
| Share Capital (m)         | 8,306        |
| Market Cap (HKDm)         | 2,699        |
| 52 week H L Price (HKD)   | 0.340  0.156 |
| Avg 3 mth Turnover (USDm) | 0.6          |
| Avg 3 mth Volume (m)      | 16.3         |
| YTD returns (%)           | 44.4         |
| Beta (x)                  | 0.65         |

**OSK vs Bloomberg consensus EPS HKD**

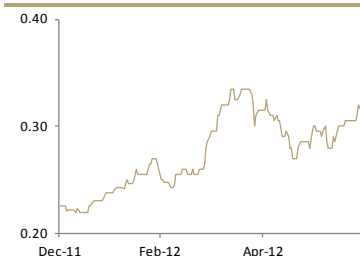
|       | OSK   | Consensus | Diff (%) |
|-------|-------|-----------|----------|
| FY13F | 0.213 | N.A       | N.A      |
| FY14F | 0.209 | N.A       | N.A      |

**Major Shareholders (%)**

|            |       |
|------------|-------|
| Mico Chung | 50.93 |
|------------|-------|

**Share Performance (%)**

| Month | Absolute | Relative |
|-------|----------|----------|
| 1m    | 10.2     | 10.3     |
| 3m    | 10.2     | 19.0     |
| 6m    | 44.4     | 40.0     |
| 12m   | 31.0     | 52.0     |

**6-month Share Price Performance**

**FY3/12 Results Review**
**CSI Properties (497.HK)**
**Strong results with higher DPS**

- CSI reported its FY3/12 result on 27<sup>th</sup> June. FY3/12 revenue and net profit increased (y-o-y) by 17.2% to HKD3,217.9m and 104.5% to HKD1,754.1m, 6.7% and 4.1% above our forecast respectively.
- More importantly, management delivered on their guidance to declare a higher final dividend of HKD0.024/share, similar to our estimate and significantly above FY3/11's HKD0.010. This represents a payout of 11.3% vs our 12% estimate and above FY3/11's 9.5%.
- In FY3/13, CSI plans to sell: i) the remaining 8 floors of AXA Centre offices, ii) H8, iii) the remaining 6 units of The Hampton and iv) its 25% stake in Cubus in FY3/13F. We estimate the combined sales will contribute HKD3.2bn in revenue and HKD1.7bn in gross profit.
- We see a further re-rating of CSI's shares on: i) improved investor confidence, ii) further sales of properties in HK/China and iii) attractive FY3/13F yield of 7.4% (based on 11.3% payout). Our TP is unchanged at HKD0.50, based on a 57% discount to our end FY3/13F NAV estimate of HKD1.17/share. Re-iterate BUY.

**Higher dividends: boosting credibility** In FY3/13F, we keep our forecast of the same HKD0.024 DPS based on: i) forecast EPS (Basic) of HKD0.213 from further sales of properties in HK/China and ii) 11.3% payout ratio, which is in line with management's guidance. We see FY3/12's higher DPS as significantly boosting management's credibility, as they have disappointed on this front in the past. Moreover, it also shows that the interests of CSI's Chairman and largest shareholder (c.51% stake) are finally more aligned with minority shareholders.

**Strong project pipeline** The Group currently has 5 disclosed projects in the pipeline with a combined attributable GFA of 468,226 sqft (138,226 sqft in HK and 330,000 sqft in China). With the recent acquisition of the Kau To Shan and Jardine's Lookout properties, we see their luxury development arm, Couture Homes, becoming a significant earnings driver in the longer term.

**Further re-rating: maintain BUY** We see a further re-rating of CSI's shares. Hence we have maintained our BUY rating with our target price unchanged at HKD0.500, based on a 57% discount to our end-FY3/13 ENAV of HKD1.17, compared to a 72% discount now. Our TP implies 53.8% upside.

| FYE Mar (HKDm)            | FY10A | FY11A | FY12A | FY13F    | FY14F    |
|---------------------------|-------|-------|-------|----------|----------|
| Total revenue             | 1,448 | 2,745 | 3,218 | 3,087    | 3,262    |
| Net profit                | 546   | 858   | 1,754 | 1,755    | 1,723    |
| Chg y-o-y (%)             | 775.8 | 57.0  | 104.5 | 0.0      | (1.8)    |
| EPS (Basic)               | 0.073 | 0.105 | 0.213 | 0.213    | 0.209    |
| DPS                       | 0.005 | 0.010 | 0.024 | 0.024    | 0.024    |
| Dividend payout ratio (%) | 6.8   | 9.5   | 11.3  | 11.3     | 11.5     |
| Dividend yield (%)        | 1.5   | 3.1   | 7.4   | 7.4      | 7.4      |
| PER (x)                   | 4.9   | 3.4   | 1.6   | 1.6      | 1.6      |
| PBR (x)                   | 0.78  | 0.68  | 0.46  | 0.33     | 0.28     |
| ROE (%)                   | 18.6  | 22.4  | 34.4  | 24.5     | 19.0     |
| Net debt/equity (%)       | 91.5  | 18.0  | 3.5   | net cash | net cash |

Sources: Company data; OSK Securities Hong Kong Limited  
 Based on 28 June 2012 closing price.

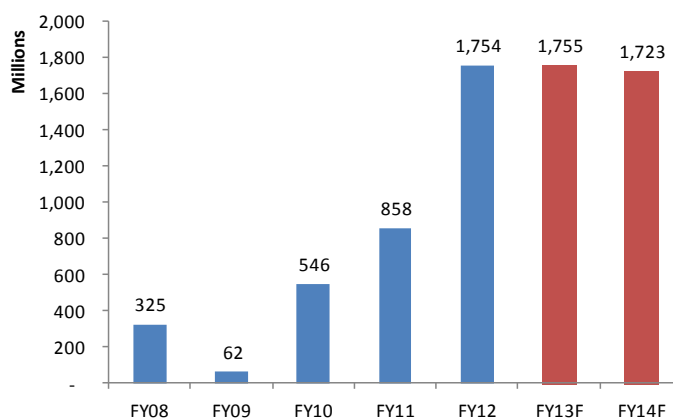
## FY3/12 Results Review and Past 5 years' 1-year forward PB bands

### Exhibit 1: Core P&L

| HKD m                             | FY11           | FY12           | y-o-y (%)    | OSK forecast   | Diff (%)     |
|-----------------------------------|----------------|----------------|--------------|----------------|--------------|
| Sales of Prop Held for Sale       | 2,467.7        | 2,992.9        | 21.3         | 2,740.7        | 9.2          |
| Rental Income                     | 277.6          | 225.0          | (18.9)       | 276.2          | (18.5)       |
| <b>TOTAL REVENUE</b>              | <b>2,745.3</b> | <b>3,217.9</b> | <b>17.2</b>  | <b>3,017.0</b> | <b>6.7</b>   |
| Cost of Sales                     | (1,773.1)      | (1,551.6)      | (12.5)       | (1,206.8)      | 28.6         |
| <b>GROSS PROFIT</b>               | <b>972.2</b>   | <b>1,666.3</b> | <b>71.4</b>  | <b>1,810.2</b> | <b>(8.0)</b> |
| <i>Gross Profit Margin (%)</i>    | 35.4           | 51.8           |              | 60.0           |              |
| Other Income                      | 5.6            | 24.3           | 332.4        | 0.4            | 6,298.9      |
| Other Gains                       | 41.7           | 132.2          | 217.2        | 20.0           | 561.2        |
| Administrative expenses           | (98.6)         | (163.2)        | 65.5         | (97.4)         | 67.6         |
| <b>OPERATING PROFIT</b>           | <b>920.9</b>   | <b>1,659.5</b> | <b>80.2</b>  | <b>1,733.2</b> | <b>(4.2)</b> |
| <i>Operating Margin (%)</i>       | 33.5           | 51.6           |              | 57.4           |              |
| Finance Costs                     | (80.0)         | (52.9)         | (33.9)       | (89.0)         | (40.6)       |
| Share of Profits of JCE           | 55.8           | 31.6           | (43.3)       | 30.2           | 4.7          |
| Share of Profits of Asso          | 26.4           | 185.3          | 601.3        | 156.0          | 18.8         |
| Income and Gain from Investments  | 17.3           | 63.2           | 265.3        | 18.2           | 247.0        |
| <b>PROFIT BEFORE TAX</b>          | <b>940.4</b>   | <b>1,886.8</b> | <b>100.6</b> | <b>1,848.5</b> | <b>2.1</b>   |
| Current tax                       | (84.1)         | (118.5)        | 40.9         | (165.3)        | (28.3)       |
| <i>Effective tax rate (%)</i>     | (8.9)          | (6.3)          |              | (8.9)          |              |
| <b>PROFIT AFTER TAX</b>           | <b>856.3</b>   | <b>1,768.3</b> | <b>106.5</b> | <b>1,683.2</b> | <b>5.1</b>   |
| MI                                | (1.4)          | 14.2           | (1,099.0)    | (2.3)          | (713.4)      |
| <b>CORE NET PROFIT</b>            | <b>857.7</b>   | <b>1,754.1</b> | <b>104.5</b> | <b>1,685.5</b> | <b>4.1</b>   |
| <i>Core net profit margin (%)</i> | 31.2           | 54.5           |              | 55.9           |              |

Sources: Company Data, OSK Securities HK Limited

### Exhibit 2: CSI core net profit



Sources: Company Data, OSK Securities HK Limited

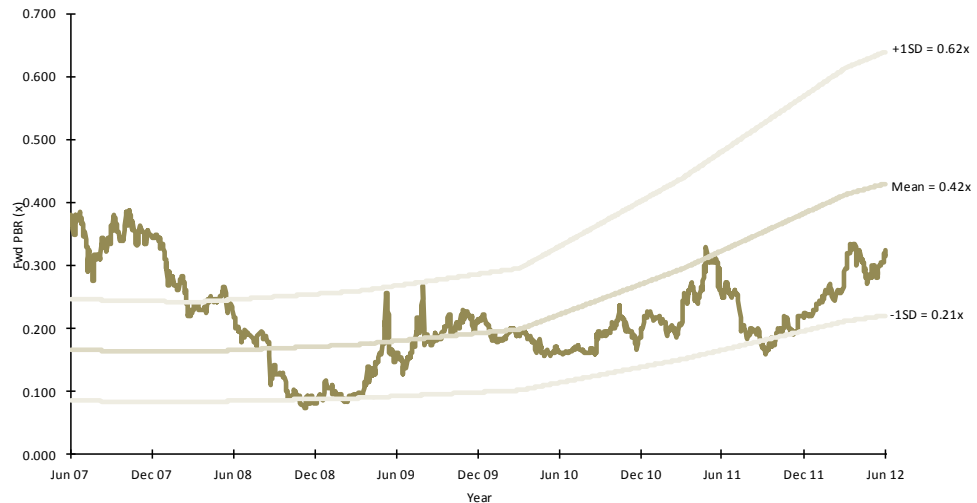
### Exhibit 3: Changes in earnings estimates

| HKD m            | New     |         | Old     |         | Changes (%) |       |
|------------------|---------|---------|---------|---------|-------------|-------|
|                  | FY13F   | FY14F   | FY13F   | FY14F   | FY13F       | FY14F |
| Revenue          | 3,086.5 | 3,261.7 | 3,086.5 | 3,261.7 | 0.0         | 0.0   |
| Gross Profit     | 1,774.8 | 1,859.2 | 1,774.8 | 1,859.2 | 0.0         | 0.0   |
| Operating Profit | 1,684.8 | 1,820.6 | 1,753.2 | 1,873.6 | (3.9)       | (2.8) |
| Net Profit       | 1,754.6 | 1,723.1 | 1,771.1 | 1,714.4 | (0.9)       | 0.5   |
| EPS (Basic)      | 0.213   | 0.209   | 0.215   | 0.208   | (0.9)       | 0.5   |

Sources: OSK Securities HK Limited

## VALUATION COMPARABLES

Exhibit 4: Past 5 years' 1-year forward PB band



Sources: Company data, OSK Securities HK Limited

Exhibit 5: Valuation Comparables I

| Company                     | Ticker        | Price        | Mkt cap (US\$m) | 3-mth avg t/o (US\$m) | PER Hist (x) | PER FY1 (x) | PER FY2 (x) | EPS FY1 YoY%  | EPS FY2 YoY% | 3-Yr EPS Cagr (%) | Div yld Hist (%) | Div yld FY1 (%) | P/B Hist (x) | P/B FY1 (x) |
|-----------------------------|---------------|--------------|-----------------|-----------------------|--------------|-------------|-------------|---------------|--------------|-------------------|------------------|-----------------|--------------|-------------|
| <b>Csi Properties</b>       | <b>497 HK</b> | <b>0.325</b> | <b>348</b>      | <b>0.6</b>            | <b>1.6</b>   | <b>1.6</b>  | <b>1.6</b>  | <b>0.0</b>    | <b>(1.8)</b> | <b>(0.4)</b>      | <b>7.4</b>       | <b>7.4</b>      | <b>0.68</b>  | <b>0.46</b> |
| HSI                         |               | 19,025       |                 |                       | 9.2          | 9.9         | 8.9         | (6.3)         | 10.4         | 4.7               | 3.8              | 4.0             | 1.32         | 1.25        |
| HSCEI                       |               | 9,336        |                 |                       | 7.9          | 7.3         | 6.6         | 7.7           | 11.7         | 9.9               | 3.9              | 4.3             | 1.26         | 1.17        |
| CSI300                      |               | 2,426        |                 |                       | 12.0         | 10.3        | 8.7         | 16.2          | 18.0         | 16.4              | 1.8              | 2.2             | 1.79         | 1.60        |
| <b>Adjusted sector avg*</b> |               |              |                 |                       | <b>2.4</b>   | <b>9.5</b>  | <b>7.6</b>  | <b>(21.5)</b> | <b>13.7</b>  | <b>(26.6)</b>     | <b>3.8</b>       | <b>4.2</b>      | <b>0.41</b>  | <b>0.39</b> |
| Hysan Develop Co            | 14 HK         | 29.05        | 3,975           | 5.5                   | 3.6          | 20.9        | 16.9        | (82.8)        | 23.9         | (38.5)            | 2.7              | 2.9             | 0.63         | 0.63        |
| Great Eagle                 | 41 HK         | 19.80        | 1,605           | 1.1                   | 3.0          | 7.9         | 7.9         | (62.5)        | (0.3)        | (27.8)            | 3.1              | 3.2             | 0.37         | 0.37        |
| Wing Tai Propert            | 369 HK        | 3.98         | 683             | 0.3                   | 2.4          | 8.9         | 7.3         | (73.4)        | 22.5         | (28.5)            | 2.9              | 2.8             | 0.41         | 0.39        |
| Emperor Intl                | 163 HK        | 1.46         | 690             | 0.4                   | 1.2          | 1.3         | 1.8         | (11.1)        | (24.9)       | N/A               | 7.0              | 7.5             | 0.36         | 0.27        |
| Soundwill Hldgs             | 878 HK        | 11.28        | 401             | 0.2                   | 1.4          | 10.8        | 4.6         | 136.9         | 59.6         | (11.5)            | 1.2              | 3.3             | 0.31         | 0.28        |
| Tai Cheung Hldgs            | 88 HK         | 5.26         | 419             | 0.1                   | 4.4          | 6.9         | 6.8         | (36.1)        | 1.3          | N/A               | 5.7              | 5.7             | 0.63         | N/A         |
| Lai Sun Dev                 | 488 HK        | 0.11         | 287             | 0.2                   | 0.7          | N/A         | N/A         | N/A           | N/A          | N/A               | N/A              | N/A             | 0.17         | N/A         |

Exhibit 6: Valuation Comparables II

| Company                     | Rev Hist (US\$m) | NP Hist (US\$m) | EV/Ebitda Hist | EV/Ebitda Cur Yr | Net gearing Hist (%) | Net gearing FY1 (%) | Unlev beta  | Gross margin Hist (%) | Net margin Hist (%) | ROIC Hist (%) | ROE Hist (%) | ROE FY1 (%) | Sh px 1-mth % | Sh px 3-mth % |
|-----------------------------|------------------|-----------------|----------------|------------------|----------------------|---------------------|-------------|-----------------------|---------------------|---------------|--------------|-------------|---------------|---------------|
| <b>Csi Properties</b>       | <b>415</b>       | <b>226</b>      | <b>3.0</b>     | <b>N/A</b>       | <b>3.5</b>           | <b>net cash</b>     | <b>0.74</b> | <b>51.8</b>           | <b>54.5</b>         | <b>11.2</b>   | <b>34.4</b>  | <b>24.5</b> | <b>16.1</b>   | <b>14.0</b>   |
| HSI                         |                  |                 |                |                  |                      |                     |             |                       |                     |               | 14.3         | 12.7        | 1.2           | (8.9)         |
| HSCEI                       |                  |                 |                |                  |                      |                     |             |                       |                     |               | 16.0         | 16.0        | (3.2)         | (12.8)        |
| CSI300                      |                  |                 |                |                  |                      |                     |             |                       |                     |               | 14.9         | 15.5        | (7.2)         | (2.0)         |
| <b>Adjusted sector avg*</b> |                  |                 | <b>16.6</b>    | <b>9.6</b>       | <b>17.8</b>          | <b>7.7</b>          | <b>0.8</b>  | <b>53.9</b>           | <b>152.9</b>        | <b>4.0</b>    | <b>17.5</b>  | <b>5.4</b>  | <b>0.3</b>    | <b>1.6</b>    |
| Hysan Develop Co            | 248              | 1,101           | 24.2           | 20.5             | 6.6                  | 7.6                 | 0.83        | 86.4                  | 444.6               | 2.8           | 19.1         | 3.0         | (6.3)         | (8.5)         |
| Great Eagle                 | 612              | 545             | 9.9            | 7.6              | 2.6                  | 0.3                 | 1.05        | 33.0                  | 89.1                | 2.7           | 13.4         | 4.6         | 1.4           | (13.3)        |
| Wing Tai Propert            | 352              | 285             | 14.8           | 13.2             | 27.0                 | N/A                 | 0.48        | 46.1                  | 80.9                | 3.8           | 18.5         | 4.3         | (3.2)         | 35.8          |
| Emperor Intl                | 381              | 575             | 19.3           | N/A              | 47.4                 | N/A                 | 0.69        | 74.5                  | 150.7               | 2.9           | 30.5         | N/A         | 14.1          | 5.0           |
| Soundwill Hldgs             | 116              | 272             | 31.5           | 5.8              | 28.9                 | 15.2                | 0.69        | 35.6                  | 55.0                | 1.5           | 3.2          | 6.7         | (4.9)         | 2.7           |
| Tai Cheung Hldgs            | 178              | 95              | 0.4            | 0.8              | 0.0                  | N/A                 | 0.48        | 50.2                  | 53.4                | 13.3          | 15.8         | 8.6         | 1.5           | 2.7           |
| Lai Sun Dev                 | 154              | 302             | 15.7           | N/A              | 12.0                 | N/A                 | 1.24        | 51.3                  | 196.5               | 1.4           | 21.9         | N/A         | (0.9)         | (13.3)        |

\* "N/A" entries are excl. from the calculation of averages.

Sources: Bloomberg estimates, OSK Research estimates

Based on 28 June 12 closing prices

## Financial Summary (FYE 31 March)

| Valuation and Growth    |       |       |       |       |       |
|-------------------------|-------|-------|-------|-------|-------|
|                         | FY10A | FY11A | FY12A | FY13F | FY14F |
| <b>Valuation Ratios</b> |       |       |       |       |       |
| PER (x)                 | 4.9   | 3.4   | 1.6   | 1.6   | 1.6   |
| Dividend yield (%)      | 1.5   | 3.1   | 7.4   | 7.4   | 7.4   |
| P/BV (x)                | 0.78  | 0.68  | 0.46  | 0.33  | 0.28  |
| <b>Growth (%)</b>       |       |       |       |       |       |
| Revenue                 | 116.3 | 89.6  | 17.2  | (4.1) | 5.7   |
| Gross profit            | 28.4  | 261.5 | 71.4  | 6.5   | 4.8   |
| Net profit              | 775.8 | 57.0  | 104.5 | 0.0   | (1.8) |

| Per Share Data   |       |       |       |       |       |
|------------------|-------|-------|-------|-------|-------|
| (HKD)            | FY10A | FY11A | FY12A | FY13F | FY14F |
| EPS (Basic)      | 0.073 | 0.105 | 0.213 | 0.213 | 0.209 |
| DPS              | 0.005 | 0.010 | 0.024 | 0.024 | 0.024 |
| Payout ratio (%) | 6.8   | 9.5   | 11.3  | 11.3  | 11.5  |
| BV/S             | 0.418 | 0.477 | 0.708 | 0.979 | 1.145 |

| Income Statement         |              |              |              |              |              |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| (HKDm)                   | FY10A        | FY11A        | FY12A        | FY13F        | FY14F        |
| <b>TOTAL REVENUE</b>     | <b>1,448</b> | <b>2,745</b> | <b>3,218</b> | <b>3,087</b> | <b>3,262</b> |
| Cost of Sales            | (1,179)      | (1,773)      | (1,552)      | (1,312)      | (1,403)      |
| <b>GROSS PROFIT</b>      | <b>269</b>   | <b>972</b>   | <b>1,666</b> | <b>1,775</b> | <b>1,859</b> |
| Other Income             | 48           | 6            | 24           | 3            | 2            |
| Other Gains              | 331          | 42           | 132          | 113          | 155          |
| Administrative expenses  | (81)         | (99)         | (163)        | (205)        | (195)        |
| <b>OPERATING PROFIT</b>  | <b>568</b>   | <b>921</b>   | <b>1,660</b> | <b>1,685</b> | <b>1,821</b> |
| Finance Costs            | (55)         | (80)         | (53)         | (76)         | (61)         |
| Share of Profits of JCE  | (7)          | 56           | 32           | 27           | 38           |
| Share of Profits of Asso | (4)          | 26           | 185          | 272          | 69           |
| Income from Investments  | 65           | 17           | 63           | 18           | 27           |
| <b>PROFIT BEFORE TAX</b> | <b>567</b>   | <b>940</b>   | <b>1,887</b> | <b>1,926</b> | <b>1,894</b> |
| Current tax              | (22)         | (84)         | (119)        | (171)        | (169)        |
| <b>PROFIT AFTER TAX</b>  | <b>545</b>   | <b>856</b>   | <b>1,768</b> | <b>1,755</b> | <b>1,726</b> |
| MI                       | (1)          | (1)          | 14           | 0            | 2            |
| <b>CORE NET PROFIT</b>   | <b>546</b>   | <b>858</b>   | <b>1,754</b> | <b>1,755</b> | <b>1,723</b> |

| Cashflow Statement       |                |              |              |              |              |
|--------------------------|----------------|--------------|--------------|--------------|--------------|
| (HKDm)                   | FY10A          | FY11A        | FY12A        | FY13F        | FY14F        |
| Profit Before Tax        | 567            | 940          | 1,887        | 1,926        | 1,894        |
| Adj for Non-Cash items   | (355)          | (624)        | (155)        | (151)        | 19           |
| Chg in Working Capital   | (1,917)        | (834)        | 150          | (37)         | 118          |
| Interest paid            | (39)           | (66)         | (53)         | (76)         | (61)         |
| Income tax paid          | (13)           | (13)         | (119)        | (171)        | (169)        |
| <b>CFO</b>               | <b>(1,757)</b> | <b>(596)</b> | <b>1,710</b> | <b>1,492</b> | <b>1,801</b> |
| (Acquisitions)/Disposals | (28)           | 12           | 329          | 0            | 977          |
| Other CFI items          | (136)          | 1,525        | (1,112)      | (600)        | 323          |
| <b>CFI</b>               | <b>(164)</b>   | <b>1,537</b> | <b>(783)</b> | <b>(600)</b> | <b>1,300</b> |
| Change in Debt           | 1,081          | 248          | 33           | (271)        | (700)        |
| Net shares issues        | 406            | 0            | 0            | 0            | 0            |
| Dividends paid           | (19)           | (41)         | (82)         | (197)        | (198)        |
| Other CFF items          | (163)          | (8)          | (174)        | 0            | 0            |
| <b>CFF</b>               | <b>1,304</b>   | <b>199</b>   | <b>(223)</b> | <b>(468)</b> | <b>(898)</b> |
| Net cash chg             | (616)          | 1,140        | 703          | 423          | 2,204        |
| Cash opening             | 1,198          | 582          | 1,722        | 2,425        | 2,848        |
| <b>Cash ending</b>       | <b>582</b>     | <b>1,722</b> | <b>2,425</b> | <b>2,848</b> | <b>5,052</b> |

Sources: OSK Securities HK Limited

| Financial Ratios                |       |       |       |          |          |
|---------------------------------|-------|-------|-------|----------|----------|
|                                 | FY10A | FY11A | FY12A | FY13F    | FY14F    |
| <b>Profitability Ratios (%)</b> |       |       |       |          |          |
| Gross margin                    | 18.6  | 35.4  | 51.8  | 57.5     | 57.0     |
| Operating margin                | 39.2  | 33.5  | 51.6  | 54.6     | 55.8     |
| Net margin                      | 37.7  | 31.2  | 54.5  | 56.8     | 52.8     |
| ROA                             | 7.9   | 11.1  | 21.0  | 17.2     | 14.7     |
| ROE                             | 18.6  | 22.4  | 34.4  | 24.5     | 19.0     |
| <b>Balance Sheet Ratios</b>     |       |       |       |          |          |
| Current ratio (x)               | 5.0   | 5.6   | 5.8   | 9.3      | 12.4     |
| Gross debt/equity (%)           | 109.5 | 61.9  | 44.5  | 28.6     | 17.2     |
| Net debt/equity (%)             | 91.5  | 18.0  | 3.5   | Net cash | Net cash |
| Inventory days                  | 1,141 | 590   | 419   | 435      | 448      |
| Receivable days                 | 4     | 12    | 12    | 12       | 18       |
| Payable days                    | 36    | 64    | 70    | 60       | 80       |

| Balance Sheet                        |                |                |                |                 |                 |
|--------------------------------------|----------------|----------------|----------------|-----------------|-----------------|
| (HKDm)                               | FY10A          | FY11A          | FY12A          | FY13F           | FY14F           |
| Property, Plant and Equipment        | 135.9          | 126.5          | 732.6          | 659.3           | 593.4           |
| Conversion options                   | 3.8            | 0.0            | 20.2           | 0.0             | 0.0             |
| Club memberships                     | 6.9            | 6.9            | 6.9            | 6.9             | 6.9             |
| Interest in JCE                      | 5.5            | 182.7          | 1,181.5        | 1,781.5         | 481.5           |
| Amounts due from JCE                 | 5.8            | 401.4          | 498.7          | 1,098.7         | 1,098.7         |
| Interests in Asso                    | 8.2            | 11.3           | 47.3           | 47.3            | 47.3            |
| Receivables due from Asso            | 99.9           | 89.4           | 0.8            | 0.8             | 0.8             |
| Investments in securities            | 29.1           | 5.0            | 67.4           | 67.4            | 67.4            |
| Deposits paid                        | 0.0            | 0.0            | 118.4          | 0.0             | 0.0             |
| Long-term loan receivable            | 0.0            | 0.0            | 14.0           | 0.0             | 0.0             |
| <b>Total Non-Current Assets</b>      | <b>295.0</b>   | <b>823.1</b>   | <b>2,687.7</b> | <b>3,661.8</b>  | <b>2,295.9</b>  |
| Prop Held for Sale                   | 4,724.3        | 4,150.5        | 3,241.8        | 4,109.3         | 3,905.5         |
| Deposits paid                        | 48.0           | 245.4          | 72.9           | 0.0             | 0.0             |
| Other deposit                        | 1,820.5        | 0.0            | 0.0            | 0.0             | 0.0             |
| Trade and other receivables          | 20.5           | 164.5          | 41.7           | 154.3           | 163.1           |
| AFS securities                       | 0.0            | 21.5           | 0.0            | 0.0             | 0.0             |
| Securities held for trading          | 258.1          | 412.7          | 551.4          | 551.4           | 551.4           |
| Taxation recoverable                 | 6.5            | 7.1            | 9.3            | 27.3            | 29.9            |
| Bank balances and cash               | 581.7          | 1,721.8        | 2,425.0        | 2,848.2         | 5,051.9         |
| Pledged bank deposits                | 35.2           | 137.6          | 20.8           | 20.8            | 20.8            |
| <b>Total Current Assets</b>          | <b>7,494.9</b> | <b>6,861.2</b> | <b>6,362.9</b> | <b>7,711.3</b>  | <b>9,722.7</b>  |
| <b>Total Assets</b>                  | <b>7,789.9</b> | <b>7,684.3</b> | <b>9,050.6</b> | <b>11,373.2</b> | <b>12,018.6</b> |
| Trade and other payables             | 107.0          | 511.4          | 85.4           | 344.9           | 270.2           |
| Taxation payable                     | 25.1           | 104.7          | 214.6          | 171.4           | 168.6           |
| Amounts due to JCE                   | 5.1            | 0.4            | 0.5            | 0.5             | 0.5             |
| Amounts due to Asso                  | 2.0            | 12.2           | 68.4           | 68.4            | 68.4            |
| Amounts due to Minority              | 299.1          | 11.2           | 28.7           | 28.7            | 28.7            |
| Convertible notes                    | 2.0            | 78.7           | 9.4            | 0.0             | 0.0             |
| Short term borrowings                | 1,056.6        | 1,008.0        | 726.2          | 715.0           | 505.0           |
| <b>Total Current Liabilities</b>     | <b>1,496.8</b> | <b>1,726.6</b> | <b>1,133.1</b> | <b>1,328.9</b>  | <b>1,041.4</b>  |
| Convertible notes                    | 167.0          | 87.1           | 0.0            | 0.0             | 0.0             |
| Long term borrowings                 | 2,682.5        | 1,614.0        | 1,928.3        | 1,668.4         | 1,178.4         |
| Derivative financial instruments     | 9.2            | 10.4           | 7.3            | 7.3             | 7.3             |
| Deferred tax liability               | 20.7           | 9.3            | 8.5            | 8.5             | 8.5             |
| <b>Total Non-Current Liabilities</b> | <b>2,879.4</b> | <b>1,720.9</b> | <b>1,944.2</b> | <b>1,684.3</b>  | <b>1,194.3</b>  |
| Share capital                        | 65.3           | 65.3           | 65.9           | 65.9            | 65.9            |
| Reserves                             | 3,348.1        | 4,172.2        | 5,894.0        | 8,280.6         | 9,701.0         |
| Minority Interests                   | 0.2            | (0.7)          | 13.5           | 13.6            | 16.1            |
| <b>Total Equity</b>                  | <b>3,413.6</b> | <b>4,236.8</b> | <b>5,973.4</b> | <b>8,360.0</b>  | <b>9,783.1</b>  |
| <b>Total Equity and Liabilities</b>  | <b>7,789.9</b> | <b>7,684.3</b> | <b>9,050.6</b> | <b>11,373.2</b> | <b>12,018.6</b> |

Sources: OSK Securities HK Limited

**OSK Research Guide to Investment Ratings**

**Buy:** Share price may exceed 10% over the next 12 months

**Trading Buy:** Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain

**Neutral:** Share price may fall within the range of +/- 10% over the next 12 months

**Take Profit:** Target price has been attained. Look to accumulate at lower levels

**Sell:** Share price may fall by more than 10% over the next 12 months

**Not Rated (NR):** Stock is not within regular research coverage

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| <b>Malaysia Research Office</b><br>OSK Research Sdn. Bhd.<br>6 <sup>th</sup> Floor, Plaza OSK<br>Jalan Ampang<br>50450 Kuala Lumpur<br>Malaysia<br>Tel : +(60) 3 9207 7688<br>Fax : +(60) 3 2175 3202     | <b>Hong Kong Office</b><br>OSK Securities<br>Hong Kong Ltd.<br>12 <sup>th</sup> Floor,<br>World-Wide House<br>19 Des Voeux Road<br>Central, Hong Kong<br>Tel : +(852) 2525 1118<br>Fax : +(852) 2810 0908     | <b>Singapore Office</b><br>DMG & Partners<br>Securities Pte. Ltd.<br>10 Collyer Quay<br>#09-08 Ocean Financial<br>Centre<br>Singapore 049315<br>Tel : +(65) 6533 1818<br>Fax : +(65) 6532 6211    |
| Jakarta   | Shanghai  | Phnom Penh  |
| <b>PT OSK Nusadana Securities Indonesia</b><br>Plaza CIMB Niaga,<br>14th Floor,<br>Jl. Jend. Sudirman Kav.25,<br>Jakarta Selatan 12920,<br>Indonesia.<br>Tel : (6221) 2598 6888<br>Fax : (6221) 2598 6777 | <b>Shanghai Office</b><br>OSK (China) Investment<br>Advisory Co. Ltd.<br>Room 6506, Plaza 66<br>No.1266, West Nan Jing Road<br>200040 Shanghai<br>China<br>Tel : +(8621) 6288 9611<br>Fax : +(8621) 6288 9633 | <b>OSK Indochina Securities Limited</b><br>No. 263, Ang Duong Street (St. 110),<br>Sangkat Wat Phnom, Khan Daun<br>Penh,<br>Phnom Penh, Cambodia.<br>Tel: (855) 2399 2833<br>Fax: (855) 2399 1822 |