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INDUSTRY ALERT

Industry Update

Property

HEMRAJ and AMATA beat 2011 land sales expectation

Focus stocks

Amata Corp PCL
(AMAT.BK), THB14.10 Buy, Price
Target THB18.30

Ticon Industrial Connection
(TICN.BK), THB11.10 Buy, Price Tar-
get THB13.40

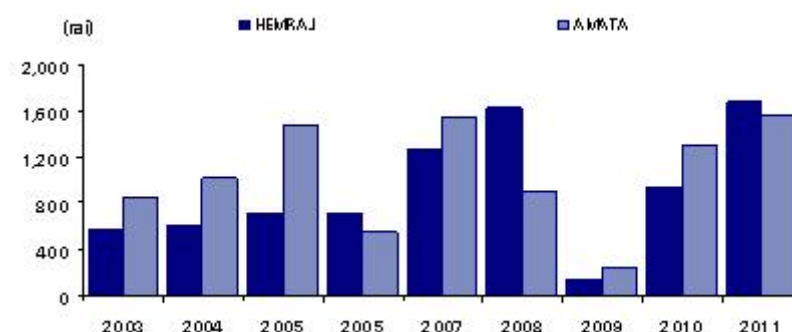
Hemaraj Development
(HEMR.BK), THB2.36 Buy, Price Tar-
get THB2.80

HEMRAJ and AMATA announced final 2011 land presales, which had a combined land sales 13% better than ours and market expectation. A combined land sales for both the firms have been a record high year with aggregate land sales totaling for 3,225 rai, up 45%. Land presales jumped in during 2H11 despite floods in Bangkok. Most of recent land sales were to investors seeking plots smaller than 100 rai, which are likely to yield better gross margins.

For 2011, HEMRAJ reported land presales of 1,670 rai, up 80% YoY (target 1,700 rai) and AMATA reported land presales of 1,555 rai, up 15% YoY (target 1,500 rai). This year, HEMRAJ guided a conservative land sales forecast of 1,500rai which is likely to be revised up in 2H12. While AMATA is aiming for 28% to 2,000 rai in 2012.

We maintain our Overweight rating and continue to recommend HEMRAJ as our top pick due to its diversified income stream and the start of profit contributions from its 35%-owned Gheco-One power plant in early 2012. We also have Buy ratings on AMATA and TICON.

Annual land sales



Source: Deutsche Bank

Nash Shivaruchiwong

Tisco Securities Co, Ltd
Research Analyst
(+66) 2 633 6469
nathavut.shivaruchiwong@db.co
m

Deutsche Bank AG/Hong Kong

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