Enviro-Hub

Picking up the pieces

BUY

Price	**$0.61**
Target	**$0.73**
ST Index	**2,814.81**

♦ The integrated e-waste recycler

E-Hub is a major environment management group and e-waste recycler in Asia Pac. The group's turnkey capabilities in recycling and refining base metals, ferrous metals, precious metals, engineering plastics and glass, makes it the only recycler to offer turnkey services for the e-waste industry. Customers include Possehl, Solectron, Seagate, Sony Ericsson, Hewlett-Packard and Hitachi Cable. Since the company's placement exercise of 55m shares at $0.37/share, strong market interest in the stock has been driven by prospects of E-Hub's new copper refining plant, which will be a major catalyst for the group going forward.

♦ Copper - catalyst in 2007 and beyond

The copper refining plant is currently under trial production and on schedule to achieve its 10,000 tpa copper cathodes processing capacity. E-Hub is able to produce copper cathodes of at least 99.95% purity, which conforms to the London Metal Exchange's specifications. Globally, copper inventory stock levels of 150,000 tonnes are considered low compared to the 800,000 tonne levels five years ago. In light of this backdrop, we expect a positive market environment for copper prices and brisk market activity for E-Hub's copper refining activities in the foreseeable mid-term.

♦ Fast capacity ramp and international growth offer re-rating upside

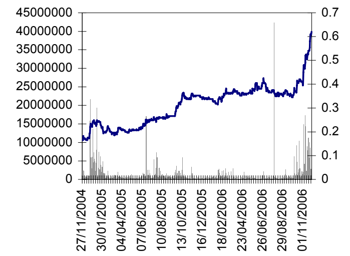
Since its signatory to 1996 Basel Convention, Singapore has grown in prominence as a choice location for e-waste recycling, competing directly with traditional markets in India/China for this US$7b industry. In Singapore, we believe E-Hub has sufficient landbank to facilitate additional capacity ramp if required. E-Hub's copper production-density ratio of 0.03 tonnes/sq ft of factory space is low versus AdvanceSCT's 0.28 tonnes/ sq ft. Technically, E-Hub's copper refining capacity could grow six fold before optimum capacity is reached. We also see huge potential in E-Hub's platinum group metal and engineering plastics recycling business. Cimelia is reportedly in discussions with the Indian State governments to set up a recycling plant in South India. The 217,800 sqft plant would be ready by February 2007, which would be comparable with Cimelia's 200,000 sqft Singapore plant. We believe these prospects have yet been factored in by market investors.

♦ Buy recommendation

We are recommending a Buy on E-Hub based on our sum of parts valuation of $0.73/share, which implies 20% upside. Assumptions are supported by (1) 16x PE for the core refining business (2) revaluation of HLS Electronics given its IPO status and (3) revaluation of E-Hub's property assets.. Key risks include the execution risks of the copper smelting facility, leveraged balance sheet and volatile raw material prices.

Year End Dec	2004	2005	2006F	2007F	2008F
Sales (S$m)	34.0	36.6	94.1	258.3	323.3
Pretax profit (S$m)	(1.4)	4.4	9.5	29.5	36.5
Net profit (S$m)	(1.2)	2.0	6.9	24.4	30.6
EPS (cts)	(0.9)	0.9	1.7	3.8	4.7
EPS growth (%)	nm	nm	93.3	123.1	25.3
PER (x)	n.m	70.0	36.2	16.2	13.0
EV/EBITDA (x)	209.1	41.5	21.8	7.2	5.5
DPS (cts)	0.0	0.0	0.0	0.0	0.0
Yield (%)	0.0	0.0	0.0	0.0	0.0

Historical Chart



Stock Information

Ticker code	ENVH SP
Market Cap (S$m)	312.2
52-week high ($)	0.620
52-week low ($)	0.315
Shares issued (m)	511.7
6m avg. daily vol (m)	2.04
Free float (%)	27.3
Major Shareholders (%)	
	Raymond Ng (34.1)
	Seow Siew Lan (12.7)

Key Indicators

ROE (%)	3.9
Net Gearing (%)	23.1
NTA (S c)	11.64
Interest cover (x)	6.8

Analyst :
Geraldine Eu
Geraldineeu@kimeng.com
(65) 6432 1469

www.kelive.com

Co. REg No. : 198700034E
MICA (P): 021/01/2006

E-Hub is a major environment management group in Asia Pacific. The global e-waste recyling industry is a US$7b industry growing at 8.8% CAGR over the next three years. In the e-waste category, metals and plastics form the bulk of recycling activity. E-Hub is a beneficiary of this go-green trend and its niche in metals and plastics recycling is set to position the company for a period of strong growth over the next few years. Despite E-Hub's stellar stock performance since its placement exercise of 55m share at $0.37/share, the stock trades at a 16% discount to its sum-of-parts value and an undemanding PEG ratio of 0.2x.

Singapore: A choice location for recycling e-waste

On the macro front, Singapore has also grown in prominence as a e-waste recycling hub since it became a signatory to the Basel Convention in 1996. Essentially, the Basel enforces restrictions on the dumping of e-wastes across international boundaries, particularly to developing nations. In this respect, exporters must show proof that waste can be treated in an environmentally sound manner in the country of import before it is granted an export permit.

While traditional import destinations like China and India are more cost effective, the infrastructure in these countries is inadequate to support efficient recycling. Conversely, recycling hubs in Japan and South Korea are operationally efficient but recycling fees are prohibitive because of high inland logistics costs. In South East Asia, Singapore has emerged as an alternative hub of choice because the city-state has:

- An efficient port infrastructure and low inland freight charges
- Strong government regulations and enforcement of the Basel Convention
- One stop recycling capabilities

Table 1: Regulations Controlling Disposal of E-Waste

	Whole Circuit Board	Shredded Circuit Board	Cathode Ray Tubes	PVC or Plastics Coated or Impregnated with Brominated Flame Retardants	Whole Computers or Monitors
Basel Convention	Controlled	Controlled	Controlled	-	Controlled
China	Import Banned	Import Controlled	Import Banned	Import Controlled	Import Banned
Australia	Controlled	Controlled	Controlled	-	Controlled
Austria	Not Controlled for Exports to OECD but Controlled for Non-OECD	Controlled	Controlled	-	Controlled
Switzerland	Controlled	Controlled	Controlled		Controlled
United States	Not Controlled	Not Controlled	Not Controlled	Not Controlled	Not Controlled

Source: Company data; KELIVE

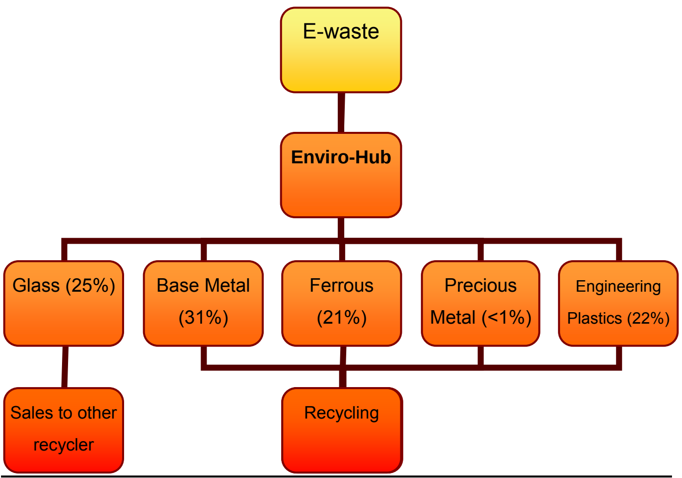
Company Background

E-Hub is an amalgamation of four businesses. The company was formerly known as Leong Hin before Exec Chairman Raymond Ng (an ex founder of Citiraya) bought a stake in the loss-making construction company in 2004. Leong Hin's education and property businesses have since been sold, leaving behind only the piling, machinery sale/rental division. The company was renamed to E-Hub, which then acquired a 63.7% stake in Cimelia and a 65% stake in HLS Electronics. Cimelia recycles precious metals such as gold, silver, platinum and palladium and was set up by ex Citiraya senior managers in 2004. The company is the first recycler in Singapore to hold the integrated quality ISO 9001, the environmental protection ISO 14001 and the health- and safety-related OHSAS 18001 certifications. HLS on the other hand specialises in the recycling of plastics and integrated circuit trays. E-Hub customers include many blue chip electronic and semiconductor companies which count Possehl, Solectron, Seagate, Dell, Sony Ericson, Hewlett-Packard and Hitachi Cable to name a few.

E-Hub's 100% Yield Proposition

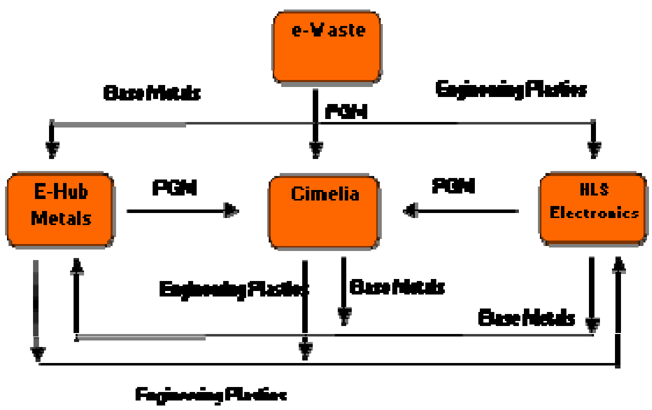
In a recent analyst brief, management provided an update on the group's full turnkey potential. With E-Hub Metals specialising in base metals (copper, nickel), Cimelia in platinum group and ferrous metals and HLS in plastics and IC trays, E-Hub claims to be the only e-waste recycler to offer the full service suite for e-waste recycling. In comparison with its two closest peers, the former Citiraya and Advanced SCT/GreenWorld niches lie in specific areas rather than participate in the full recycling value chain.

Figure 2: 100% Yield at E-Hub



Source: Company data; KELIVE

Figure 3: E-Hub's Turnkey Model



Source: Company data; KELIVE

By virtue of the fact that E-Hub can recycle all three e-waste constituent groups, the company can effectively close the input-output process flow into a continuous loop so that the by-product output from one recycling activity becomes a feedstock component for another activity. Fig 3 best illustrates this symbiotic relationship. The recycling of engineering plastics results in by-product sludge, which is then sent to E-Hub Metals where base metals are extracted. Subsequently, sludge output from E-Hub Metals is again redirected to Cimelia for Platinum Group Metals (PGMs) extraction. Not only does the operations process allow E-Hub to enjoy higher yields because of raw material synergies, E-Hub is also able to conform and surpass the strictest global regulations and environment laws because of its zero land-fill status and ability to recycle 100% of e-waste.

Table 2: E-Hub Margins versus Comparables

	Green World (1H06)	E-Hub (1H06)	Advance SCT (FY06)
S$m			
Revenue	203.6	40.9	114.8
COGS	(194.7)	(31.1)	(103.2)
Gross Profit	**8.9**	**9.8**	**11.6**
Other Operating Income	0.2	0.9	1.2
SG&A	(4.6)	(5.8)	(6.0)
Other Operating Expenses	0.0	(0.2)	(1.3)
Operating Profit	**4.5**	**4.8**	**5.5**
Total non operating income	(0.7)	(1.1)	(1.1)
Pre tax Profit	**3.8**	**3.7**	**4.5**
Tax	(0.7)	0.0	(0.7)
MI	0.0	(1.1)	(0.1)
Net Profit	**3.1**	**2.7**	**3.6**
Key Ratios (%)			
Gross margin	4%	24%	10%
Operating margin	2%	17%	5%
Pretax margin	2%	14%	4%
Net profit margin	2%	12%	3%

Source: Company data; KELIVE

The company relies on two models for sourcing raw materials: (1) it buys e-waste/scrap outright or (2) it pays for the collection and shipment of waste material to Singapore where the relevant metals are recovered and recycled. Enviro-Hub then sells its metal products in the open market and depending on the purchasing model, it either retains its surplus or profit shares with the multinational electronics giants that it has tie-ups with. This diversification bolsters the natural hedge of the raw material costs and market selling prices of the final product.

While its competitors also adopt this model in part or whole, Table 2 indicates that E-Hub margins are far superior compared to its peers. Primarily, we attribute this effect to the higher margins from turnkey recycling activities from HLS and Cimelia.

2007 Catalyst: Copper Refining and Overseas Plant

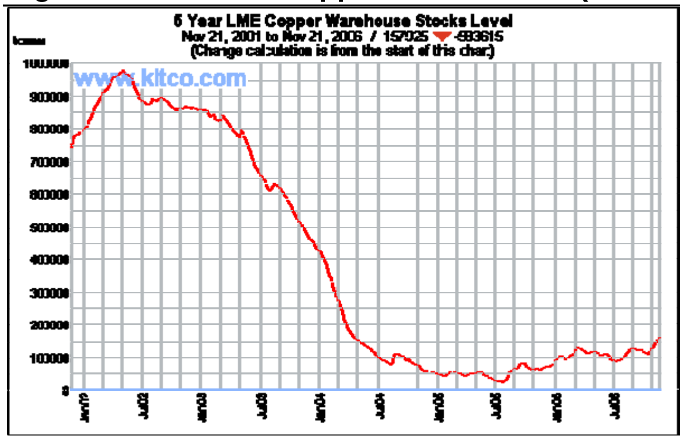
Copper refining will be a major catalyst for the group in 2007 and beyond. Located in 20 Gul Way, the copper refining plant is currently under trial production but is expected to be fully operational to achieve its production run-rate of 10,000 tonnes of copper cathodes annually. E-Hub is able to produce copper cathodes of at least 99.95% pure copper, which conforms to the London Metal Exchange's specifications.

While long-run copper recyling margins of 5% are lower than 20% range commanded by precious metals, we are anticipating supernormal margins of c10% for FY07 because E-Hub's copper inventory stock was accumulated over the last year when market prices averaged US$4500/tonne versus market forecast consensus of US$6115/tonne in 2007. Although this would mean that margins are likely to come off from FY08 onwards, we expect copper refining to double asset turnover from 0.55x in FY06E to 0.96x in FY07E, which should result in an ROE lift to 18.7% in FY07E from 8% in FY06E.

Figure 4: Five-Year Copper Prices (US$/lb)

Source: www.kitco.com; KELIVE

Figure 5: Five-Year Copper Stock Levels (tonnes)



Source: www.kitco.com; KELIVE

In our view, the low copper stocking levels and strong demand from India and China are factors that will underpin a high copper price environment. India has annouced a $350b infrastructure spending programme and although China has implemented credit tightening to curb FDI, they will need to restock their low inventories soon to support a new rail and underground infrastructure that is touted to be one of the world's largest transportation systems.

In addition, another catalyst could be overseas plants/ventures. An article in the Hindu Businessline.com dated 5 Jun 06 quoted that Cimelia is in talks to set up a recycling plant in India by 1Q07. The plant land area is reported to be 217,800 sq ft (20,234 sqm), which would be comparable with Cimelia's 200,000 sq ft Singapore plant is with recycling capacity of 25,000 tonnes per annum. India suffers from an acute shortage of recycling capabiltiies with only two recycling plants in the country - Eparisara and Trishyiraya Recycling India – which are insufficient in handling India's e-waste annual tonnage flows of 80,000-150,000 tonnes.

9M06 Results Review

E-Hub's fast capacity ramp in copper refining should underpin a 74% EPS CAGR from FY07-FY08 EPS. For 9M06, E-Hub reported topline growth of +309% y/y and net profit of $5.2m (+134% y/y). E-Hub's business mix has also reversed from a 65%/35% ratio comprising piling (ex Leong Hin) / e-waste recycling in 2005 to 20%/80% in 2006. To date, the 9M06 results have met 75% of our FY06E profit forecast.

Currently, 9M06 excludes the contribution from the copper smelting and refining plant. This plant has a land size of 828,247 sq ft with a 317,807 sq ft built-in area and will have a copper cathode production capacity of 10,000 tpa. In contrast to AdvanceSCT/Greenworld's copper refinery plant with 36,000 tpa refining capacity, sits on a land size area of 130,000 sq ft. From a production-density standpoint, E-Hub's tonnage capacity per square feet of available factory space of 0.03 tonnes /sq ft appears small relative to AdvanceSCT's design of 0.28 tonnes/sq ft. Technically, E-Hub's copper refining capacity could grow six fold before its production density reaches par with AdvanceSCT, suggesting room for upside expansion.

FY07E NPAT is expected to accelerate to S$24m on the back of maiden contribution from copper refinining and its E-waste business. Based on a production capacity of 10,000 tonnes per annum, we have assumed 90% utilisation rate and copper prices of US$6,115 in 2007; this should deliver an additional topline boost of S$86m. In addition, our model also assumes the sale of silver. We estimate S$12.4m contribution from this segment based on 10,000 tonnes of scrap, retrieval rate of 3.5Kg silver / scrap ton, 60% load utilisation and silver market price of US$377/kg.

Fast capacity ramp in the Singapore copper refining plant and the possibility of Cimelia's new Indian plant venture will be the key risks to our forecasts.

Table 3: E-Hub FY06 Quarterly Results

S$m	1Q06	2Q06	3Q06	4Q06F	FY06F
Revenue	19.6	21.3	24.2	28.9	94.1
COGS	(16.0)	(15.1)	(19.8)	(23.5)	(74.3)
Gross Profit	**3.6**	**6.3**	**4.4**	**5.5**	**19.8**
Other Operating Income	2.4	0.2	0.5	0.3	3.5
SG&A	(2.5)	(2.7)	(2.8)	(3.0)	(11.0)
Other Operating Expenses	(0.0)	(0.3)	0.1	(0.1)	(0.4)
Operating Profit	**3.4**	**3.5**	**2.2**	**2.7**	**11.9**
Total non operating income	(0.4)	(0.6)	(0.7)	(0.6)	(2.3)
Pre tax Profit	**2.9**	**2.9**	**1.6**	**2.1**	**9.5**
Tax	0.5	(0.5)	(0.8)	(0.3)	(1.0)
MI	(0.4)	(0.7)	(0.4)	(0.1)	(1.6)
Net Profit	**3.1**	**1.7**	**0.4**	**1.7**	**6.9**
EPS (S c)	0.8	0.4	0.1	0.4	1.7
Key Ratios (%)					
Gross margin	18%	29%	18%	19%	21%
Operating margin	17%	17%	9%	9%	13%
Pretax margin	15%	14%	6%	7%	10%
Net profit margin	16%	8%	2%	6%	7%

Source: Company data; KELIVE estimates

Balance sheet net gearing currently stands at 56% (as of Sep 2006) versus 23% in 2005. The increased gearing is mainly due to rise in trust receipts, which were used to finance the purchase of inventory. Stock turnover is expected to increase from 194 days in FY05 to 219 days in FY06. The inventory build-up is to support the new copper plant and should stabilise to 33 days by FY08 once the plant settles into steady state production.

E-Hub's Valuation Range

We have adopted a sum-of-parts approach to value E-Hub. We believe the core business can be priced at 16x FY07E PE using a 20% discount to peer group. Secondly, we have revalued HLS Electronics as a public company since E-Hub announced in March 2006 that it has begun due process to list its 65% subsidiary on SGX Mainboard. Third, we have revalued E-Hub's properties at 20 Gul Way and 3 Tuas Avenue 2 - the current sites of the copper recycling plant and Cimelia's plant. E-Hub acquired these land parcels over 2004-2005 at a collective cost of c.$15m. For these land parcels, we have used JTC building rentals and Cambridge REITS's "*Gul"* industrial area to estimate our rental yields and capitalisation rates.

Using scenario analysis, we derive a valuation range of $0.61-$0.80/share for E-Hub. In view of the potential of new revenue streams from overseas plants and capacity ramp at the copper refining plant, we have used the average SOP/share values of $0.67/share (under base case) and $0.80/share (optimistic) to derive our fair value target of $0.73/share. We recommend a Buy on E-Hub based on the aforementioned metrics.

Key risks include the execution risks of the copper smelting facility, leveraged balance sheet and volatile raw material prices.

Table 4: E-Hub SOP Scenario Screen

S$m	Pessimistic Case 80% Copper Load	Base Case 90% Copper Load	Optimistic Case 120% Copper Load
Revenue	232.0	241.6	270.2
COGS	(190.5)	(198.1)	(221.5)
Gross Profit	**41.5**	**43.5**	**48.6**
Other Operating Income	0.0	0.0	0.0
SG&A	(14.2)	(14.2)	(14.2)
Other Operating Expenses	(0.8)	(0.8)	(0.8)
Operating Profit	**26.6**	**28.5**	**33.7**
Total non operating income	(2.9)	(2.9)	(2.9)
Pre tax Profit	**23.7**	**25.6**	**30.8**
Tax	(2.8)	(3.1)	(3.7)
MI	0.0	0.0	0.0
Net Profit	**20.8**	**22.5**	**27.1**
Value of recycling ops ex HLS based on 16X PE (S$ m)	**333.2**	**360.6**	**433.1**
	HLS IPO	**HLS IPO**	**HLS IPO**
HLS FY07E EBITDA	6.0	7	7
Assumption	@ 6x EV/EBITDA	*@ 7x EV/EBITDA*	*@ 8x EV/EBITDA*
Enterprise Value (S$ m)	**36.1**	**46.3**	**57.7**
Value of E-HUB'S Implied share in HLS (S$ m)	**23.4**	**30.1**	**37.5**
Gross Floor Area for 20 Gul Way (sqm)	**29,525**	**29,525**	**29,525**
Average rental/month/sqm ($)	7.5	7.9	8.5
Projected rental /annum (S$ m)	2.7	2.8	3.0
Capitalisation rate	8.0%	7.7%	7.5%
Revaluation of 20 Gul Way	**33.2**	**36.4**	**40.2**
Gross Floor Area for 3 Tuas Ave 2 (sqm)	**4,645.1**	**4,645.1**	**4,645.1**
Average rental/month/sqm ($)	7.5	7.9	8.5
Projected rental /annum (S$ m)	0.4	0.4	0.5
Capitalisation rate	8.0%	7.7%	7.5%
Revaluation of 3 Tuas Ave 2	**5.2**	**5.7**	**6.3**
Revaluation of E-Hub Properties	**38.4**	**42.1**	**46.5**
Assumptions using benchmark properties			
JTC's Land and Building Rents	*Floor Area (sqm)*	*Land & Building Rent*	*Rental/sqm/month ($)*
Tuas South St 5 Property 1(Unit No 4)	*3364.0*	*$27,139.34*	*8.1*
Tuas South St. 5 Property (Unit No. 8/10/18)	*4203.0*	*$32,881.66*	*7.8*
Average rental/month/sqm ($)			**7.9**
SUM OF PARTS VALUATION	**$395.1**	**$432.7**	**$517.1**
Shares out (Fully Diluted; m)	**649.7**	**649.7**	**649.7**
SOP / share ($)	**$0.61**	**$0.67**	**$0.80**

Source: Company data; KELIVE estimates

QUARTERLY PERFORMANCE (S$m)

3M Data ($ m)	Sep-06	Sep-05	% yoy	Jun-06	% qoq
Turnover	24.2	7.8	210%	187.2	-87%
Operating Profit	2.2	2.7	-18%	6.9	-68%
Pretax Profit	1.6	2.8	-44%	4.1	-62%
Net Profit	0.4	1.3	-72%	2.2	-83%
EPS Cents	0.1	0.3	-72%	2.0	-96%
Key ratios					
Operating Margin	9%	35%		17%	
Pretax Margin	6%	36%		14%	
Net Margin	2%	17%		8%	

PROFIT & LOSS (S$m)

Year end Dec	2004	2005	2006	2007F	2008F
Turnover	34.0	36.6	94.1	258.3	323.3
COGS	(33.7)	(29.3)	(74.3)	-209.6	-265.1
Gross Profit	0.3	7.3	19.8	48.7	58.2
Other Operating Income	1.6	3.0	3.5	0.0	0.0
Distribution Costs	(0.5)	(0.5)	(2.7)	-3.9	-4.4
Administration Expenses	(1.8)	(4.1)	(8.3)	-11.6	-12.9
Other Operating Expenses	(0.8)	(0.7)	(0.4)	-0.8	-0.9
Operating Profit	(1.2)	5.0	11.9	32.5	40.0
Interest Expense	(0.2)	(0.8)	(2.4)	-3.0	-3.5
Associates	0.1	0.1	0.1	0.1	0.1
Exceptionals	0.0	0.0	0.0	0.0	0.0
Pretax Profit	(1.4)	4.4	9.5	29.5	36.5
Taxation	0.2	(1.0)	(1.0)	-3.5	-4.4
Minority Interests	0.0	(1.4)	(1.6)	-1.6	-1.6
Net Profit	(1.2)	2.0	6.9	24.4	30.6
EPS (¢)	(0.9)	0.9	1.7	3.8	4.7
EPS Growth	-80.3%	-197.6%	93.3%	123%	25%
Gross DPS (¢)	0.0	0.0	0.0	0%	0%
Sales Growth	63.6%	7.6%	157.1%	175%	25%
Gross Profit Growth	-89.1%	2066.0%	170.8%	147%	19%
Operating Profit Growth	-80.5%	-509.3%	136.4%	174%	23%
Pretax Profit Growth	-78.7%	-412.3%	118.3%	210%	24%
Net Profit Growth	-80.3%	-259.0%	247.8%	255%	25%
Gross Margin	1.0%	19.9%	21.0%	19%	18%
Operating Margin	-3.6%	13.7%	12.6%	13%	12%
Pretax Margin	-4.1%	11.9%	10.1%	11%	11%
Effective Tax Rate	11.0%	21.9%	11.0%	12%	12%
Interest Cover (x)	(4.9)	6.8	5.0	1084%	1144%
Dividend Cover (x)	0.0	0.0	0.0	0.0	0.0

Sources: Company data, KE estimates

BALANCE SHEET (S$m)

As at Dec	2004	2005	2006	2007F	2008F
Current Assets	26.8	61.9	106.6	202.1	236.7
Cash & ST Invts	1.8	7.9	12.4	137.4	181.6
Receivables	21.0	19.0	16.1	38.9	22.8
Development Properties	4.0	35.0	78.1	25.8	32.3
Others	0.0	0.0	0.0	0.0	0.0
Fixed Assets	13.6	38.4	46.4	96.8	141.2
Receivables	0.4	0.1	0.1	0.1	0.1
Associates	0.3	0.4	0.4	0.4	0.4
Investments	0.1	0.1	0.1	0.1	0.1
Other Assets	0.0	43.5	43.3	41.0	40.0
Total Assets	41.2	144.4	196.9	340.5	418.5
Current Liabilities	20.8	37.5	78.5	106.9	132.2
ST Borrowings	17.3	16.6	52.6	82.6	112.6
Payables	3.4	19.5	25.3	21.0	15.9
Others	0.2	1.4	0.7	3.4	3.7
LT Loans	0.7	10.5	14.5	44.5	64.5
Deferred Liabilities	1.0	1.8	1.8	1.8	1.8
Total Liabilities	22.5	49.8	94.9	153.2	198.5
Share Capital	27.9	68.5	97.6	155.8	155.8
Reserves	(9.2)	14.8	(8.4)	16.0	46.6
Minority Interests	0.0	11.2	13.4	15.5	17.6
Total Equity + MI	18.6	94.6	102.6	187.3	220.0
Debtors Turnover (days)	36	85	49	26	18
Creditors Turnover	29	64	63	25	13
Current Ratio (x)	1.3	1.7	1.4	1.9	1.8
Net Debt/Equity (x)	87.0%	23.1%	61.4%	-6.0%	-2.2%
Total Debt/Equity (x)	96.3%	32.5%	75.2%	74.0%	87.5%
NBV/Share (S$)	13.37	11.64	8.96	20.13	25.00
ROCE	-3.3%	2.4%	4.6%	10.0%	8.5%
ROE	-6.3%	3.9%	8.0%	18.7%	16.3%
ROA	-3.0%	2.1%	4.0%	9.1%	8.1%

CASH FLOW (S$m)

Year end Dec	2004	2005	2006	2007F	2008F
Pretax Profit	(1.4)	4.4	9.5	29.5	32.8
Depreciation	2.8	3.0	4.9	9.6	14.6
(Profit)/Loss on Sale of	0.0	0.0	0.0	0.0	0.0
Associates Profits	0.1	0.1	0.1	0.1	0.1
Tax Paid	(0.1)	1.1	(1.8)	(0.9)	(4.1)
Change in Working capital	(17.8)	(18.8)	(28.2)	25.2	6.2
Operating Cash Flow	(16.4)	(10.3)	(15.5)	63.5	49.6
Net Capex	13.9	(27.8)	(12.9)	(60.0)	(40.0)
Associates & Investments	0.0	(0.1)	(0.1)	(0.1)	(0.1)
Change in Other Assets	(0.3)	(43.2)	0.1	2.3	1.0
Investing Cash Flow	13.6	(71.1)	(12.8)	(57.7)	(39.1)
Change in Share Capital	0.0	62.6	0.0	58.2	0.0
Net Change in Debt	0.0	9.8	40.0	60.0	40.0
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Others	0.0	9.8	0.5	0.5	0.5
Financing Cash Flow	2.2	87.6	33.3	118.8	40.5
Net Cash Flow	(0.6)	6.2	5.0	124.6	51.0
Cash/(Debt) at Beg of yr	2.4	1.7	7.9	12.9	137.4
Cash/(Debt) at End of yr	1.7	7.9	12.9	137.4	188.5
Cash Earnings	1.6	5.0	11.8	34.0	40.9
Free Cash Flow	(19.5)	(24.3)	(35.5)	3.5	9.6
Cash Earnings Int Cover	2.6	6.0	12.8	35.0	41.9
Free Cash Flow Int	(18.5)	(23.3)	(34.5)	4.5	10.6
CFPS (¢)	(11.8)	(4.5)	(3.8)	9.8	7.6
CEPS (¢)	1.1	2.2	2.9	5.2	6.3
FCF/Share (¢)	(14.0)	(10.7)	(8.7)	0.5	1.5

Sources: Company data, KE estimates

TERMS FOR PROVISION OF REPORT AND DISCLAIMERS

This report, and any electronic access to it, is restricted to and intended only for clients of Kim Eng Research Pte. Ltd. ("KER") or a related entity to KER (as the case may be) who are institutional investors (for the purposes of both the Singapore Securities and Futures Act ("SFA") and the Singapore Financial Advisers Act ("FAA")) and who are allowed access thereto (each an "Authorised Person") **and is subject to the terms and disclaimers below**.

IF YOU ARE NOT AN AUTHORISED PERSON OR DO NOT AGREE TO BE BOUND BY THE TERMS AND DISCLAIMERS SET OUT BELOW, YOU SHOULD DISREGARD THIS REPORT IN ITS ENTIRETY AND LET KER OR ITS RELATED ENTITY (AS RELEVANT) KNOW THAT YOU NO LONGER WISH TO RECEIVE SUCH REPORTS.

This report provides information and opinions as reference resource only. This report is not intended to be and does not constitute financial advice, investment advice, trading advice or any other advice. It is not to be construed as a solicitation or an offer to buy or sell any securities or related financial products. The information and commentaries are also not meant to be endorsements or offerings of any securities, options, stocks or other investment vehicles.

The report has been prepared without regard to the individual financial circumstances, needs or objectives of persons who receive it. The securities discussed in this report may not be suitable for all investors. Readers should not rely on any of the information herein as authoritative or substitute for the exercise of their own skill and judgment in making any investment or other decision. Readers should independently evaluate particular investments and strategies, and are encouraged to seek the advice of a financial adviser before making any investment or entering into any transaction in relation to the securities mentioned in this report. The appropriateness of any particular investment or strategy whether opined on or referred to in this report or otherwise will depend on an investor's individual circumstances and objectives and should be confirmed by such investor with his advisers independently before adoption or implementation (either as is or varied). You agree that any and all use of this report which you make, is solely at your own risk and without any recourse whatsoever to KER, its related and affiliate companies and/or their employees. You understand that you are using this report AT YOUR OWN RISK.

This report is being disseminated to or allowed access by Authorised Persons in their respective jurisdictions by the Kim Eng affiliated entity/entities operating and carrying on business as a securities dealer or financial adviser in that jurisdiction (collectively or individually, as the context requires, "Kim Eng") **which has, vis-à-vis a relevant Authorised Person, approved of, and is solely responsible in that jurisdiction for, the contents of this publication in that jurisdiction**.

Kim Eng, its related and affiliate companies and/or their employees may have investments in securities or derivatives of securities of companies mentioned in this report, and may trade them in ways different from those discussed in this report. Derivatives may be issued by Kim Eng its related companies or associated/affiliated persons.

Kim Eng and its related and affiliated companies are involved in many businesses that may relate to companies mentioned in this report. These businesses include market making and specialized trading, risk arbitrage and other proprietary trading, fund management, investment services and corporate finance.

Except with respect the disclosures of interest made above, this report is based on public information. Kim Eng makes reasonable effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. The reader should also note that unless otherwise stated, none of Kim Eng or any third-party data providers make ANY warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data.

Proprietary Rights to Content. The reader acknowledges and agrees that this report contains information, photographs, graphics, text, images, logos, icons, typefaces, and/or other material (collectively "Content") protected by copyrights, trademarks, or other proprietary rights, and that these rights are valid and protected in all forms, media, and technologies existing now or hereinafter developed. The Content is the property of Kim Eng or that of third party providers of content or licensors. The compilation (meaning the collection, arrangement, and assembly) of all content on this report is the exclusive property of Kim Eng and is protected by Singapore and international copyright laws. The reader may not copy, modify, remove, delete, augment, add to, publish, transmit, participate in the transfer, license or sale of, create derivative works from, or in any way exploit any of the Content, in whole or in part, except as specifically permitted herein. If no specific restrictions are stated, the reader may make one copy of select portions of the Content, provided that the copy is made only for personal, information, and non-commercial use and that the reader does not alter or modify the Content in any way, and maintain any notices contained in the Content, such as all copyright notices, trademark legends, or other proprietary rights notices. Except as provided in the preceding sentence or as permitted by the fair dealing privilege under copyright laws, the reader may not reproduce, or distribute in any way any Content without obtaining permission of the owner of the copyright, trademark or other proprietary right. Any authorised/permitted distribution is restricted to such distribution not being in violation of the copyright of Kim Eng only and does not in any way represent an endorsement of the contents permitted or authorised to be distributed to third parties.
Additional information on mentioned securities is available on request.

Jurisdiction Specific Additional Disclaimers:

THIS RESEARCH REPORT IS STRICTLY CONFIDENTIAL TO THE RECIPIENT, MAY NOT BE DISTRIBUTED TO THE PRESS OR OTHER MEDIA, AND MAY NOT BE REPRODUCED IN ANY FORM AND MAY NOT BE TAKEN OR TRANSMITTED INTO THE REPUBLIC OF KOREA, OR PROVIDED OR TRANSMITTED TO ANY KOREAN PERSON. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF SECURITIES LAWS IN THE REPUBLIC OF KOREA. BY ACCEPTING THIS REPORT, YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

THIS RESEARCH REPORT IS STRICTLY CONFIDENTIAL TO THE RECIPIENT, MAY NOT BE DISTRIBUTED TO THE PRESS OR OTHER MEDIA, AND MAY NOT BE REPRODUCED IN ANY FORM AND MAY NOT BE TAKEN OR TRANSMITTED INTO MALAYSIA OR PROVIDED OR TRANSMITTED TO ANY MALAYSIAN PERSON. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF SECURITIES LAWS IN MALAYSIA. BY ACCEPTING THIS REPORT, YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply if the reader is receiving or accessing this report in or from other than Singapore.

As of 27 November, 2006, Kim Eng Research Pte. Ltd. and the covering analysts do not have any interest in EnviroHub Holdings

Singapore
Kim Eng Securities Pte Ltd
Kim Eng Research Pte Ltd
9 Temasek Boulevard
#39-00 Suntec Tower 2
Singapore 038989

Tel: +65 6336 9090
Fax: +65 6339 6003

LAU Wai Kwok (sales)
lauwk@kimeng.com

Sebastian HENG (research)
sebastianheng@kimeng.com

London
Kim Eng Securities (London) Ltd
6/F, 20 St. Dunstan's Hill
London EC3R 8HY, UK

Tel: +44 20 7621 9298
Dealers' Tel: +44 20 7626 2828
Fax: +44 20 7283 6674

David PIRKIS (sales)
dpirkis@kimeng.co.uk

Geoff HO (sales)
gho@kimeng.co.uk

James JOHNSTONE (sales)
jjohnstone@kimeng.co.uk

New York
Kim Eng Securities USA Inc
406, East 50th Street
New York, NY 10022, U.S.A.

Tel: +1 212 688 8886
Fax: +1 212 688 3500

Sunny YOON
syoon@kesusa.com

Jeffrey S. SEO
jseo@kesusa.com

Lucy CHUAH
lchuah@kesusa.com

Lynda KOMMEL-BROWNE
lkommel@kesusa.com

Jonathan NASSER
jnasser@kesusa.com

South Korea
Kim Eng Research Pte Ltd
Korea Branch Office
10th Floor, Seoul Finance Center,
84 Taepyung-ro 1-ka,
Chung-ku,
Seoul, Korea 100-768

Tel: +82 2 6730 1550
Fax: +82 2 6730 1564

Woo-Kyun CHANG (research)
wkchang@kimeng.co.kr

Taiwan
Yuanta Core Pacific Securities
11/F, No 225, Nanking East Rd
Section 3
Taipei, Taiwan

Tel: +886 2 2717 6391
Fax: +886 2 2545 6394

Gary CHIA (sales)
Gary.chia@yuanta.com.tw

Hong Kong
Kim Eng Securities (HK) Ltd
Level 30,
Three Pacific Place,
1 Queen's Road East,
Hong Kong

Tel: +852 2268 0800
Fax: +852 2877 0104

Ray LUK (sales)
rluk@kimeng.com.hk

Stephen BROWN (research)
stephenbrown@kimeng.com.hk

Thailand
Kim Eng Securities (Thailand)
Public Company Limited
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road, Pathumwan,
Bangkok 10330, Thailand

Tel: +66 2 658 6300
Fax: +66 2 658 6384

Vikas KAWATRA (sales)
vkawatra@kimeng.co.th

Ron GARCHA (sales)
ron@kimeng.co.th

David BELLER (research)
david.b@kimeng.co.th

Indonesia
PT Kim Eng Securities
9/F, Deutsche Bank Bldg
Jl. Imam Bonjol 80
Jakarta 10310, Indonesia

Tel: +62 21 3983 1360
Fax: +62 21 3983 1361

Kurnia SALIM (sales)
ksalim@kimeng.co.id

Katarina SETIAWAN (research)
ksetiawan@kimeng.co.id

Philippines
ATR-Kim Eng Securities Inc.
17/F, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: +63 2 849 8888
Fax: +63 2 848 5738

Lorenzo ROXAS (sales)
lorenzo_roxas@atr.com.ph

Ed BANCOD (research)
ed_bancod@atr.com.ph

Malaysia
Kim Eng Research Sdn Bhd
16/F, Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

Tel: +603 2141 1555
Fax: +603 2141 1045

YEW Chee Yoon (research)
cheeyoon@kimengkl.com

South Asia Sales Trading
Connie TAN
connie@kimeng.com
Tel: +65 6333 5775
US Toll Free: +1 866 406 7447

North Asia Sales Trading
Vivian LAU
vivianlau@kimeng.com.hk
Tel: +852 2268 0800
US Toll Free: +1 866 598 2267

North America Sales Trading
Howard KEUM
hkeum@kesusa.com
Tel: +1 212 688 8886

Ong Seng Yeow Director, Retail Research