

STOCK CALLS

CHINA ENV

60 cents | Buy

UOB KayHian starts coverage with \$0.76 target price. Says maker of waste gas treatment systems is major beneficiary of China's focus on environmental protection, with Beijing investing 23 billion yuan (\$4.7 billion) during Q4'08 to Q1'09. Adds group's experienced management team, innovative range of products and services enable it to tender for many projects in various industries.

KSH HOLDINGS

27.5 cents | Buy

DMG upgrades from "Neutral" following Q2'10 results, maintains \$0.33 target price. Says results in line with expectations; tips revenue, profits to gain momentum on back of resilient orders. Says strong order book provides earnings visibility, recent Watten Residences project win gives reassurance order pipeline remains solid.

SYNEAR FOOD

29.5 cents | Hold

Deutsche Bank upgrades from "Sell", increases target price to \$0.28 from \$0.14 following better-than-expected results. Says results show signs of a recovery in margins led by lower raw material prices and cost reductions. Raises FY10-11 net profit forecasts by 28.3 and 31.6 per cent to factor in recovery in sales and margins.

FROM BROKERAGE RESEARCH AND AGENCY REPORTS

Disclaimer: Readers should seek independent financial advice before making any investment decision. Today cannot be held liable for any consequence arising from the use of this information.

MARKET INFO

SUNDAY STOCK CLOSING			
FRI	2,589.21	▲ 1.01%	
Thursday	2,629.35	▼ 0.73%	
Wednesday	2,648.64	▲ 1.03%	
Tuesday	2,621.55	▼ 0.90%	
Monday	2,645.43	▼ 0.22%	
MARKETS CLOSE			
Hang Seng	23,829.72	▲ 1.63%	
Nikkei	9,789.35	▲ 0.71%	
Shanghai	3,166.04	▲ 1.88%	
Seoul	2,572.46	▲ 1.30%	
Mumbai	16,158.28	▲ 0.53%	
Malaysia	1,260.76	▲ 0.54%	
FOREIGN EXCHANGE			
US\$1	\$1.393	VS100	\$1.550
£1	\$2.314	HK\$100	\$17.97
1 euro	\$2.068	RMB100	\$20.40
A\$1	\$1.280	RS100	\$2.975
RM1	\$0.420	RP10,000	\$1.473

TOP 10 IN SINGAPORE

Rank in S'pore	Rank in study*		Score in 2009	Score in 2008
1	22	City Developments	74.5%	66.1%
2	81	SingTel	42.2%	33.9%
2	81	Singapore Airlines	42.2%	30.6%
4	101	Keppel Corp	36.3%	34.7%
5	108	Shangri-La Asia	34.3%	29.8%
6	113	ST Engineering	32.4%	18.5%
6	113	Sembcorp Marine	32.4%	25.0%
8	123	Capitaland	29.4%	23.4%
9	129	Wilmar International	28.4%	34.7%
9	129	Noble Group	28.4%	18.5%

*Ranked out of 200 companies in the Asia-Pacific region

SOURCE: ASIAN SUSTAINABILITY RATING; PHOTO: BLOOMBERG

CORPORATE SOCIAL RESPONSIBILITY

Singapore companies list and ... don't tell

Report finds local firms rarely disclose enough information about their CSR efforts

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SINGAPORE — Companies still have a long way to go in showcasing their corporate social responsibility (CSR) initiatives compared to other firms in the region.

Locally-listed firms have made great strides in their efforts towards ensuring good corporate governance. Many have also been given awards in recognition for their unrelenting efforts in maintaining good corporate transparency.

However, a recent survey has found that one area that Singapore companies tend to falter in is the level of disclosure on their CSR initiatives.

According to an annual study by CSR Asia, the level of CSR disclosure among Mainboard-listed firms is so low, that Singapore is ranked second from the bottom in Asia, after Pakistan.

The report, known as the Asian Sustainability Rating, also showed that this situation has not improved as Singapore companies recorded just a marginal increase in the level of CSR disclosure compared to a year earlier.

Using publicly available information, the study ranked firms based on 51 indicators. Among them were initiatives on governance, CSR strategy, marketplace practices and supply chain, workplace and personnel, environment, and community investment and development.

"Only one in five companies disclose specific information about the environment or workplace issues. Even fewer disclosed information in other areas. Singapore seems particularly out of step with other countries in the region," said the report, which covered the top 20 companies by market

capitalisation, in 10 markets in the Asia-Pacific region.

"Most of the disclosure that can be found in Singapore tends to be general in nature with an emphasis on governance, policies and codes of conduct," said the report, which was previously known as the CSR Asia Business Barometer.

Australia, India and Japan are ranked at the top in the study.

"Given the developed economy in Singapore, it is surprising to see such low levels of disclosure," said the report.

"Only City Developments had anything close to world-class reporting and a full 50 per cent of Singaporean companies were in the lowest quartile," the report added. (See table)

"Surprisingly for large companies, often with a significant overseas presence, we find that the provision of information to stakeholders and reporting is so underdeveloped," the report continued.

It also said that this is possibly due to "a lack of pressure to disclose environment, social and governance issues from government, financial intermediaries and stakeholders".

Analysts said that CSR disclosures are becoming more important these days because more consumers and investors tend to prefer companies that are seen to be doing the right thing.

This will eventually have an impact on the companies' profitability and its share price, analysts added.

However, some observers said that there is a difference between what is disclosed and what is actually practised, as some firms may not see the need to devote pages of their annual report to highlight their "green" efforts.

The CSR Asia report also said that the government and institutions such as the stock exchange can play a role "to encourage further disclosure as we have seen in neighbouring Malaysia".

The biggest private bank in China goes public

HONG KONG — China Minsheng Banking Corporation, the nation's first privately-owned lender, plans to raise as much as HK\$31.54 billion (\$4.07 billion) in the biggest public stock sale in Hong Kong since April 2007.

Informed sources say Minsheng will sell 3.32 billion new shares, or a 15-per-cent stake, at HK\$8.50 to HK\$9.50 each. The top end of the range values the Beijing-based bank at 1.8 times its 2010 book value as estimated by banks involved in the sale, the sources added.

BOC International, China International Capital Corporation, Macquarie Group and UBS are managing the sale.

Chairman Dong Wenbiao is seeking to plug a shortfall in the bank's capital adequacy ratio, which fell to the second-lowest among the nation's 14 listed lenders in the second quarter and threatens to stunt profit growth.

The planned sale, shelved four years ago because of market conditions, comes as the Hang Seng Finance Index rose 58 per cent this year.

"Proceeds from placement will provide the bank with new expansion opportunities," Ms Grace Li, a Shanghai-based analyst at Shenyin Wanguo Securities, wrote in a report last week. She estimates Minsheng's profit to increase 43 per cent this year.

Minsheng, which was founded by 59 private investors, had indicated that it is aiming to increase profit by at least 40 per cent this year to 11 billion yuan (\$1.6 billion). The bank will be the seventh Chinese lender to trade in Hong Kong.

Minsheng, with about 400 outlets nationwide, had 1.4 trillion yuan of assets as of the end of September.

It expanded lending by 234 billion yuan in the first nine months of this year, up 36 per cent from December. BLOOMBERG