



ANALYSING THE ANALYSTS

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ABSOLUTE HOUSES BENEFIT FROM ASIAN MARKET RALLY IN WAKE OF US ELECTIONS

- UBS REMAINS HIGHEST SCORING HOUSE FOR THIRD QUARTER IN
SUCCESSION; KIM ENG CLAIMS SECOND PLACE-

(Embargoed: 22.00 GMT 14 December, 2004)

Hong Kong and London, 14 December, 2004 — AQ Research, the independent research analysis firm, today publishes its third analysis of the accuracy of brokers' buy/hold/sell recommendations on the 300 largest Asian stocks (excluding Japan). The report evaluates the performance of absolute and relative recommendations from 40 research houses over the 12 months ending November 12, 2004. (Copies of the complete report and country and sector tables are available on request.)

“The strong performance of Asian markets in September, October and November gave a big boost to the scores of houses with absolute recommendations,” says AQ Research managing director, Graham Field. “But there were opportunities for houses with relative recommendations to shine in sectors and markets such as technology and Taiwan which performed less well”.

Highlights of the RQ Asia analysis are as follows:-

- Across the top 300 stocks, **UBS** again produced the **best overall** average performance and ranked highest on **Hong Kong, Malaysian, Philippine** and **Thai** stocks. It also topped the rankings in the **consumer goods, F&B, property** and **utilities** sectors. UBS analysts also finished in first place on a total of 57 individual companies and had the two highest scoring individual analysts in the report. **Heather Lee** called the turn in LG and CJ Home Shopping with impressive timing to become the highest-scoring above average analyst.
- **Second place** overall went to Singapore-based **Kim Eng**, which was again the highest placed house in the **telecoms** sector and which finished first in the **automobiles** sector. Kim Eng also finished second in Indonesia, which was the strongest-performing market in the region.
- **Citigroup's** analysts again finished in **third place**, having had the highest scores in both the **technology** sector, where reduce calls brought many of the best scores, and **media**, where the resurgent Phoenix Satellite Television was the crucial stock to get right.

- **Deutsche Bank** moved up into **fourth position**, having achieved the best average scores in the **financial services, industrial goods** and **transport** sectors. Stacy Shi was again the outstanding analyst in transport.
- **Macquarie Equities** – the former ING Asia – improved its showing to finish **fifth overall**. Macquarie was a big beneficiary of the strong market rally in **Indonesia** and buy calls on the Indonesian banks also secured it first place in the **banking** sector.
- **CLSA Asia-Pacific Markets** was the **highest placed of the relative houses** and achieved the highest scores in two sectors – **chemicals** and **construction**. In chemicals, Mark Barthelemy had some very good calls which made him one of the top five analysts overall in the report. Ann Rujivatra of CLSA Asia-Pacific Markets was the third highest individual analyst overall.
- **Daiwa Institute of Research** is added to the analysis this quarter and **finished ninth** overall, with three top placings on individual stocks. **HSBC** has been removed from the analysis following its decision to stop making recommendations.
- On the companies from **China** in the report, **South China Research** had the **highest average score**, and the Hong Kong based brokerage was also top in the **conglomerates** sector.
- In **Singapore** and **South Korea**, local knowledge also came to the fore, with **UOB Kay Hian** and **Dongwon** respectively achieving the **highest average scores**. Korea's Goodmorning Shinhan was top rated in **basic resources** and Phatra Securities of Thailand in the **energy** sector.
- The most rewarding company in the report was **SK Corporation**, with nearly every broker calling it a buy as its share price more than doubled.

ASIAN OVERALL RESULTS: 15 houses eligible by virtue of being analysed on at least 20% of the top 300 stocks

Broker	Average RQ*	No of Recs**	Top RQs ***	Rec type
UBS	11.33	258	57	Ab
Kim Eng	6.36	134	16	Ab
Citigroup Smith Barney	5.8	204	28	Ab
Deutsche Bank	5.74	215	31	Ab
Macquarie Equities	5.21	201	17	Ab
CLSA Asia Pacific Markets	5.15	243	31	IR
DBS Vickers	4.98	204	17	Ab
Sun Hung Kai	3.88	62	5	Ab
Daiwa Institute Of Research	2.33	83	3	IR
CSFB	1.49	226	17	IR
JP Morgan	1.2	229	13	IR
Goldman Sachs	0.35	177	10	SR
Lehman Brothers	0.16	86	4	SR

Ab=Absolute SR = Sector Relative IR =Index Relative

Source: AQ Research (www.aqresearch.com)

* Average RQ: the average score achieved by analysts across all the companies on which a broker is analysed. Only those who achieved a positive overall score are included here. An indication of the degree of outperformance which a house's recommendations have achieved against its relevant benchmark.

** No of Recommendations: the number of stocks on which a house has been analysed. Research houses need to cover a minimum of 20% of the top 300 stocks to qualify for inclusion in this table.

*** Top RQs: the number of companies on which that firm's analysts had the highest scores.

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Sean has joined AQ Asia as Managing Director as of December 2004. He previously worked as General Manager/Director of Broker Relations for Multex throughout the Asia-Pacific region. Sean has extensive experience in sales of information products, having worked previously for SEMA, Nomura International and ICC among others.

Notes to Editor:

About AQ Research

AQ Research provides quantitative analysis of analysts' recommendations and eps forecasts in Europe and Asia, using data obtained from the broking houses involved. AQ's database product AQUOTE has been launched in conjunction with Bureau van Dijk Electronic Publishing, the specialist electronic financial information provider. AQ has been analysing the accuracy of eps forecasts since 1998 and began publishing its RQ series of reports in 2003. In addition, it provides detailed analysis of the accuracy of research in specific national markets in a series of dedicated country reports.

'RQ' Methodology

AQ scores research houses differently, depending on whether they have absolute or relative recommendations. The period over which we are examining recommendations in this report is the 12 months ending November 12, 2004. Each recommendation made during this period is assessed over its "lifetime" (i.e. until it is changed).

Analysts are scored on the basis of the percentage share price movement (+ or -) during the lifetime of a particular recommendation. Those with absolute recommendations are measured on the basis of the percentage change in the share price during the lifetime of the recommendation, while those with relative recommendations are measured on the price movement relative to the price of the relevant index. This is a country index (e.g. KOSPI or SET) for those houses which make recommendations on a local index basis. Alternatively, it is

a sector index (based on the average price movement of the companies analysed in the sector) for those which make sector relative recommendations.

Scores have been calculated as follows:

- A Strong Buy recommendation receives the percentage share price movement x 1.25.
- A Buy recommendation receives the percentage share price movement times x 1.
- A Hold has no score.
- A Reduce recommendation receives the percentage share price movement x -1.
- A Sell recommendation receives the percentage share price movement x -1.25.