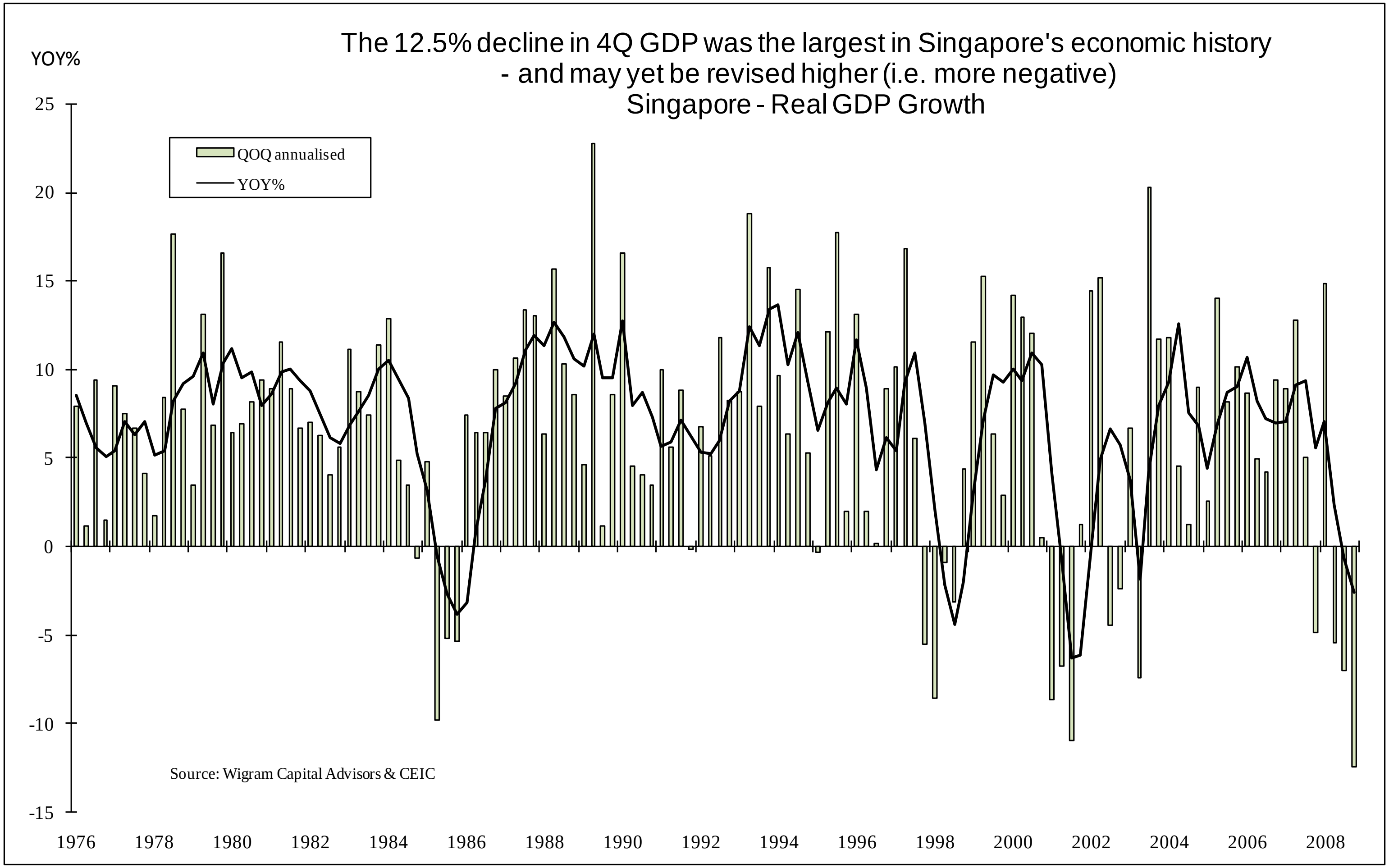
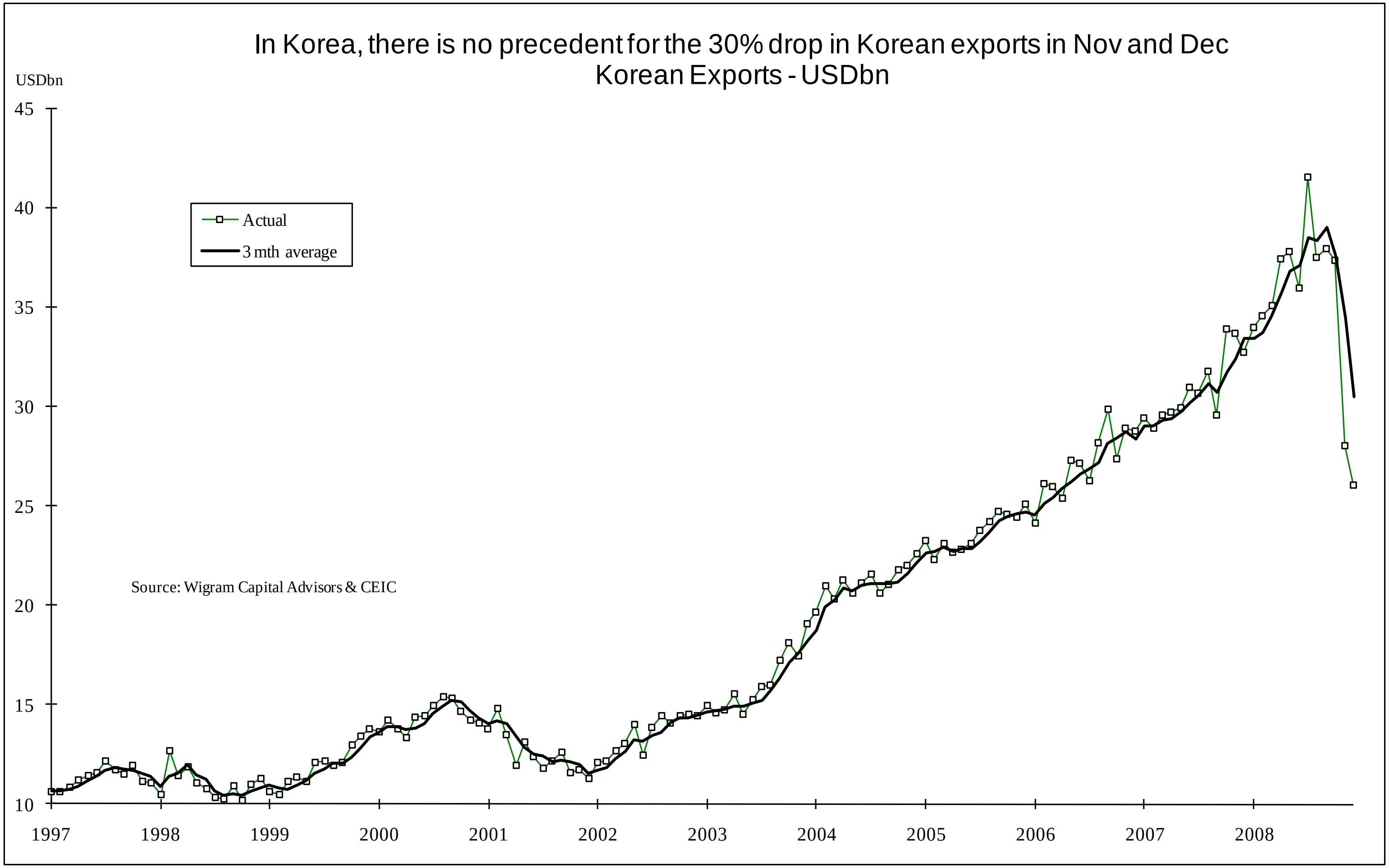
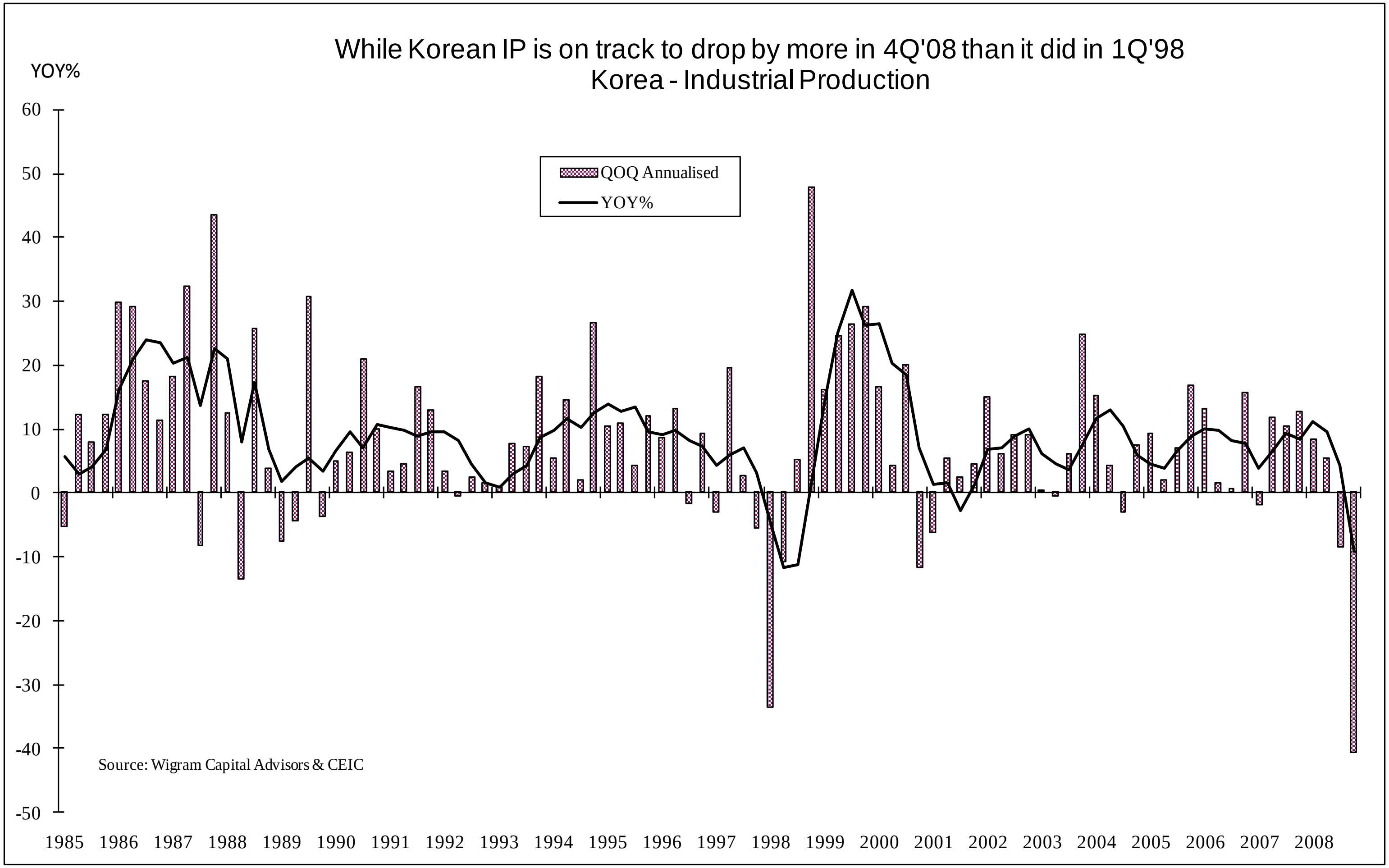
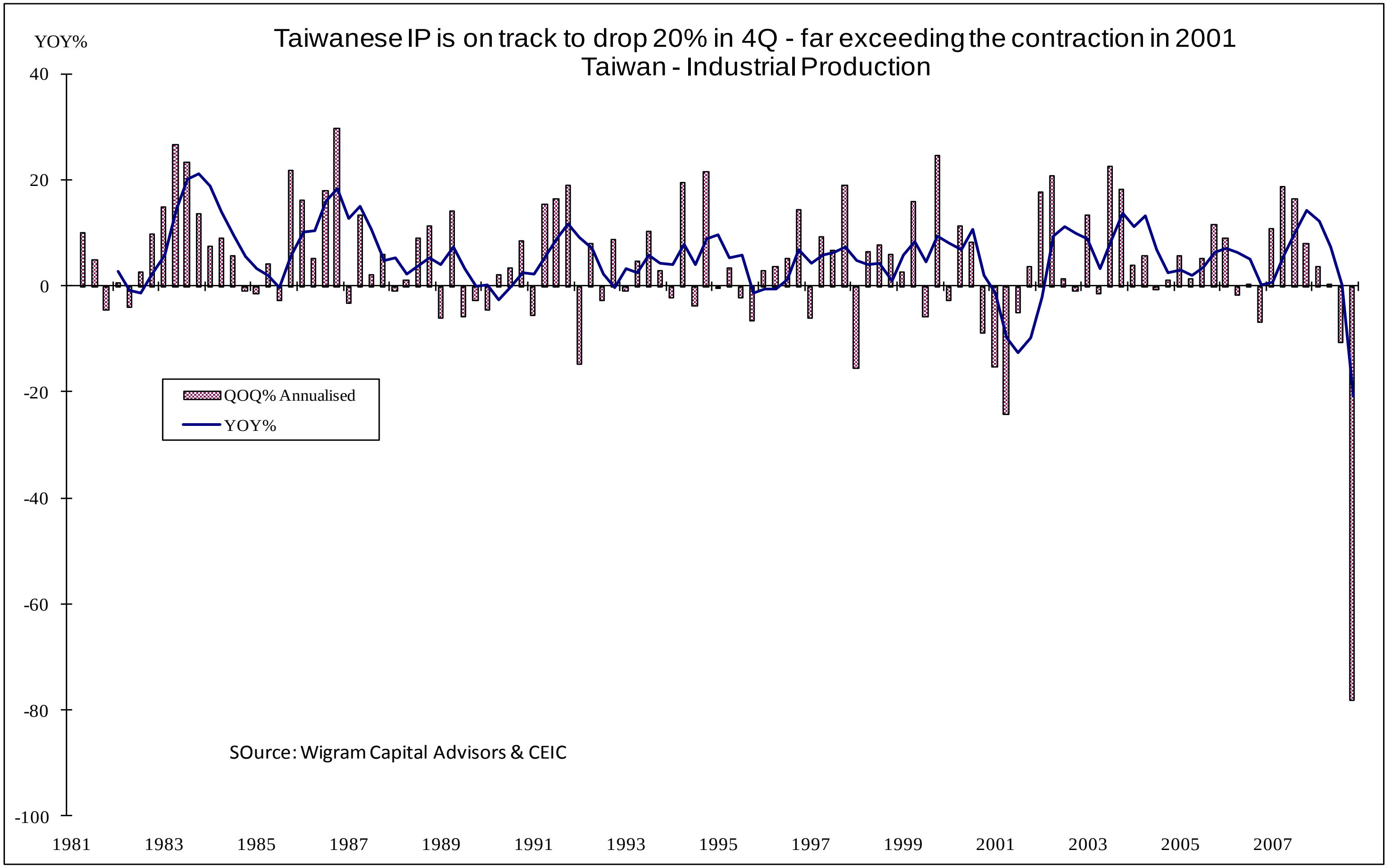

The 12.5% decline in 4Q GDP was the largest in Singapore's economic history
- and may yet be revised higher (i.e. more negative)
Singapore - Real GDP Growth
YOY%
QOQ annualised
YOY%
25
20
15
10
5
0
-5
-10
-15
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
Source: Wigram Capital Advisors & CEIC

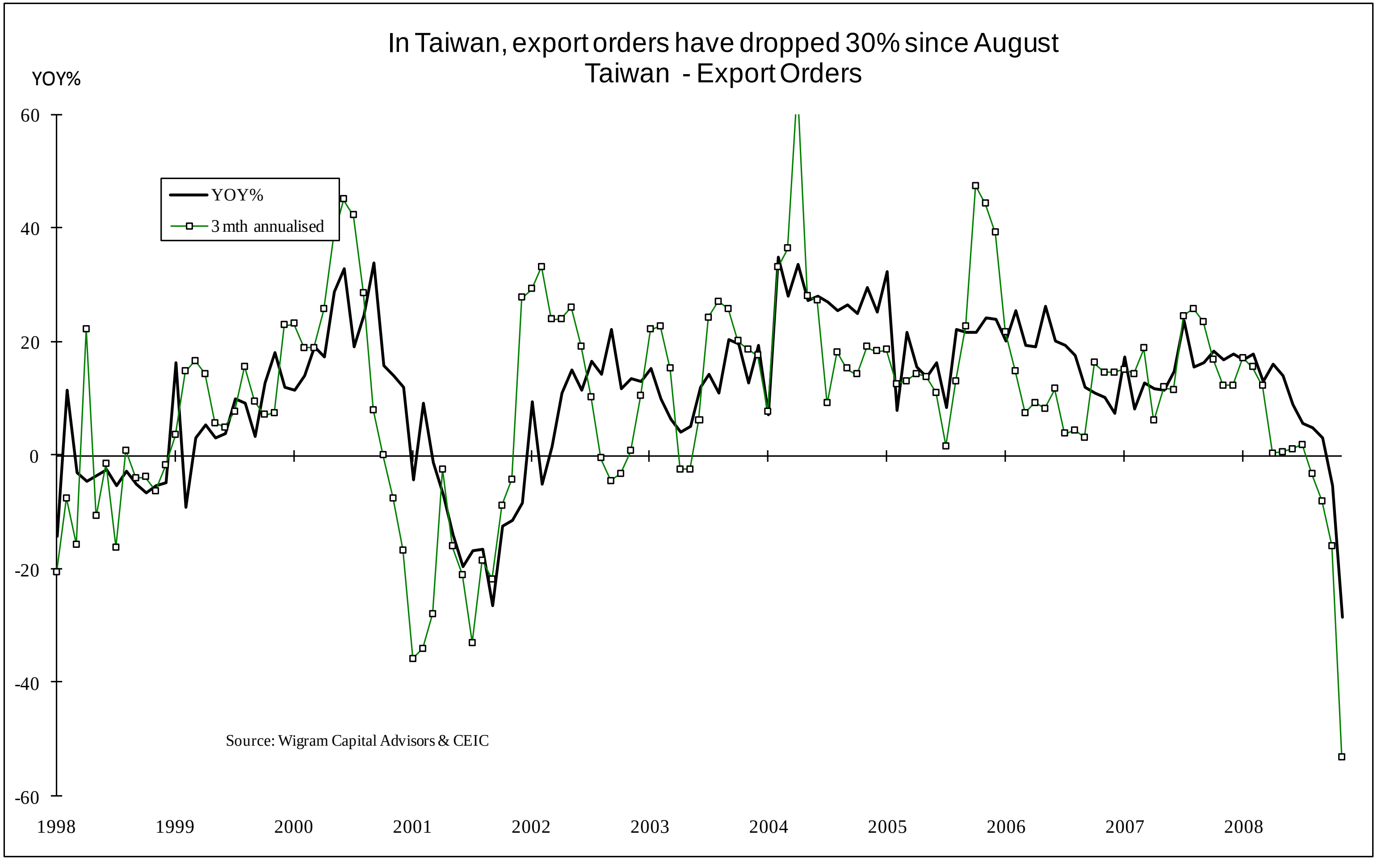


In Korea, there is no precedent for the 30% drop in Korean exports in Nov and Dec
Korean Exports - USDbn
USDbn
45
40
35
30
25
20
15
10
Actual
3 mth average
Source: Wigram Capital Advisors & CEIC
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008

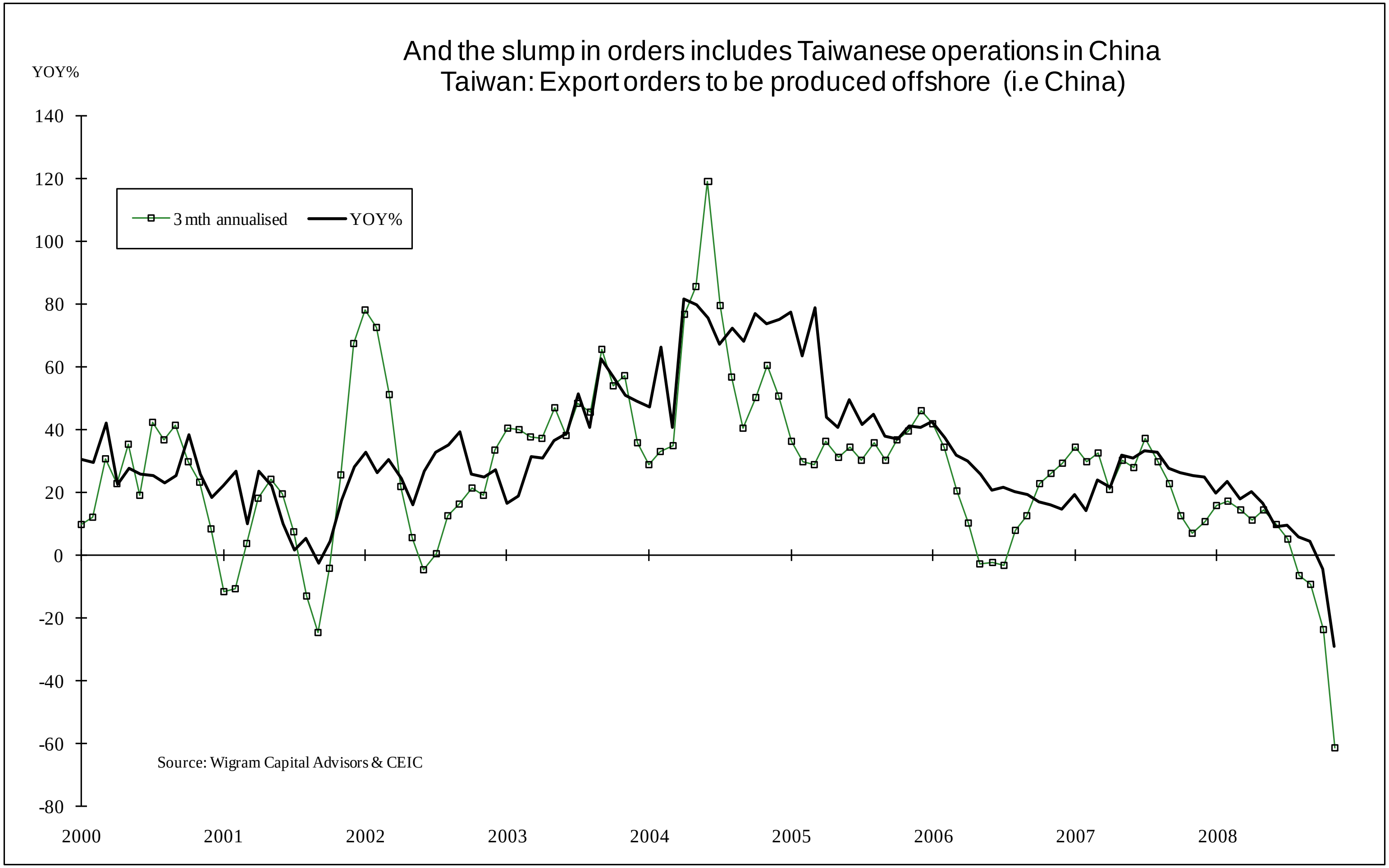

While Korean IP is on track to drop by more in 4Q'08 than it did in 1Q'98
Korea - Industrial Production
YOY%
QOQ Annualised
YOY%
60
50
40
30
20
10
0
-10
-20
-30
-40
-50
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
Source: Wigram Capital Advisors & CEIC



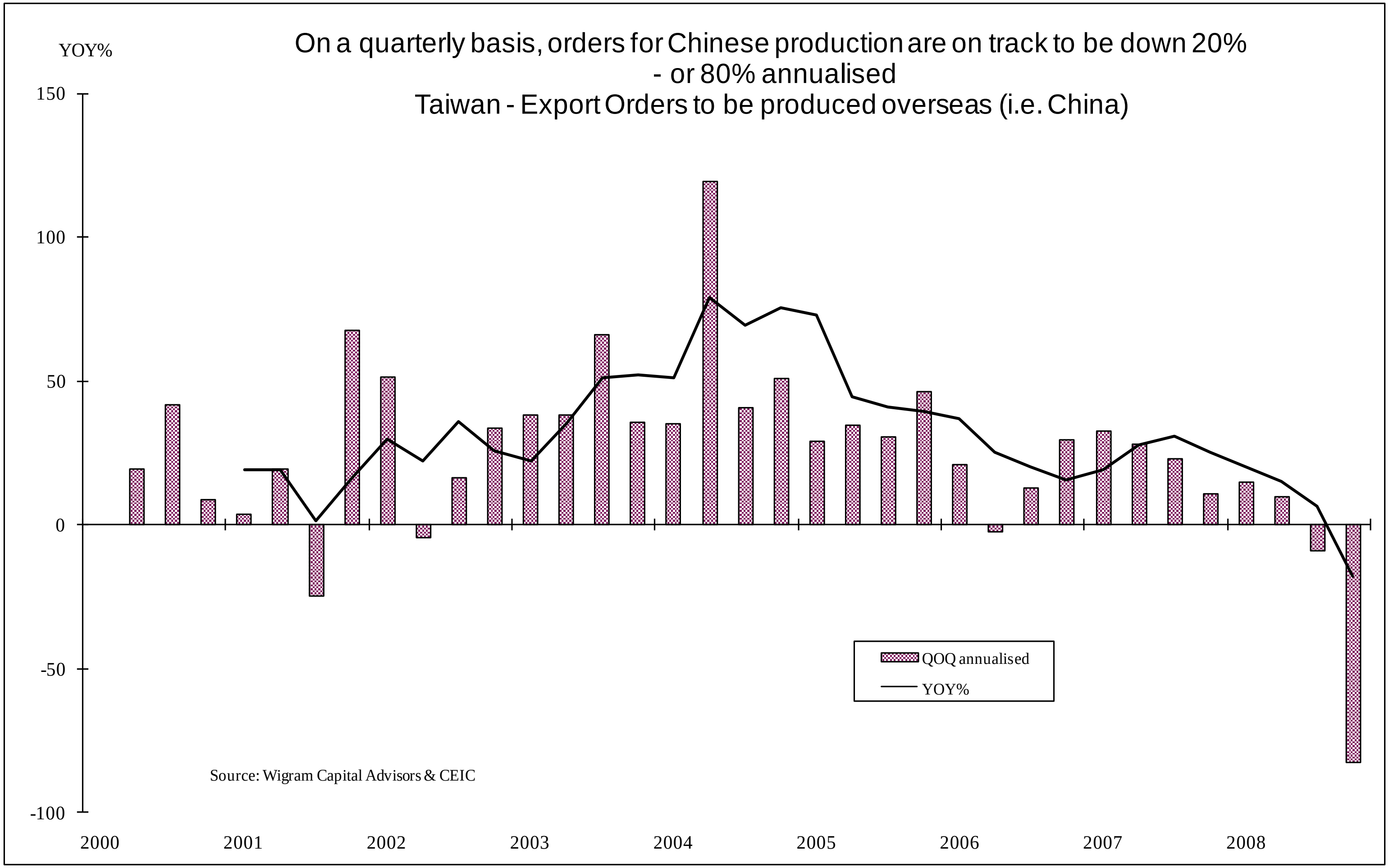
Taiwanese IP is on track to drop 20% in 4Q - far exceeding the contraction in 2001
Taiwan - Industrial Production
YOY%
40
20
0
-20
-40
-60
-80
-100
QOQ% Annualised
YOY%
SOurce: Wigram Capital Advisors & CEIC
1981
1983
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
2007

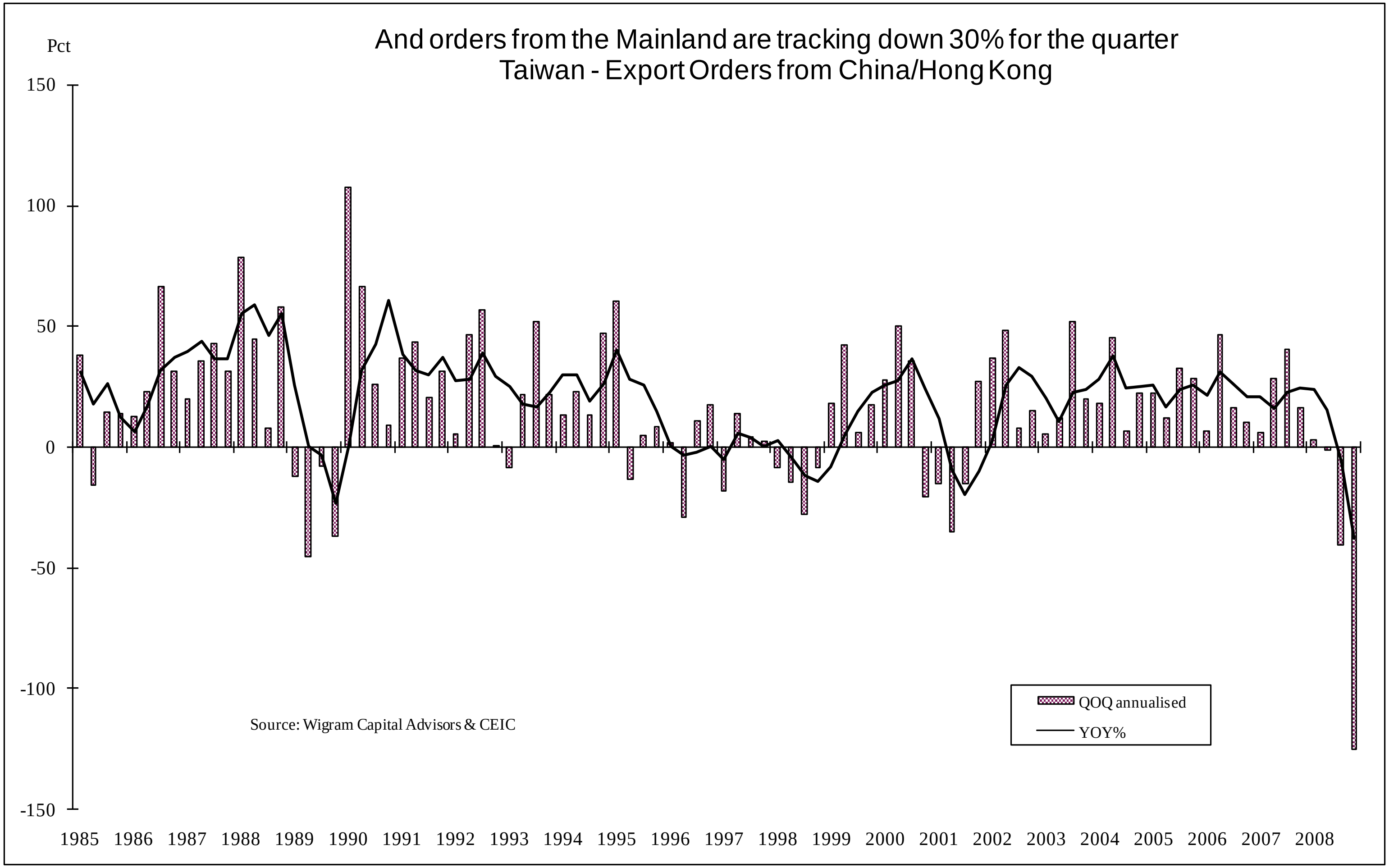


In Taiwan, export orders have dropped 30% since August
Taiwan - Export Orders
YOY%
60
40
20
0
-20
-40
-60
YOY%
3 mth annualised
Source: Wigram Capital Advisors & CEIC
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008

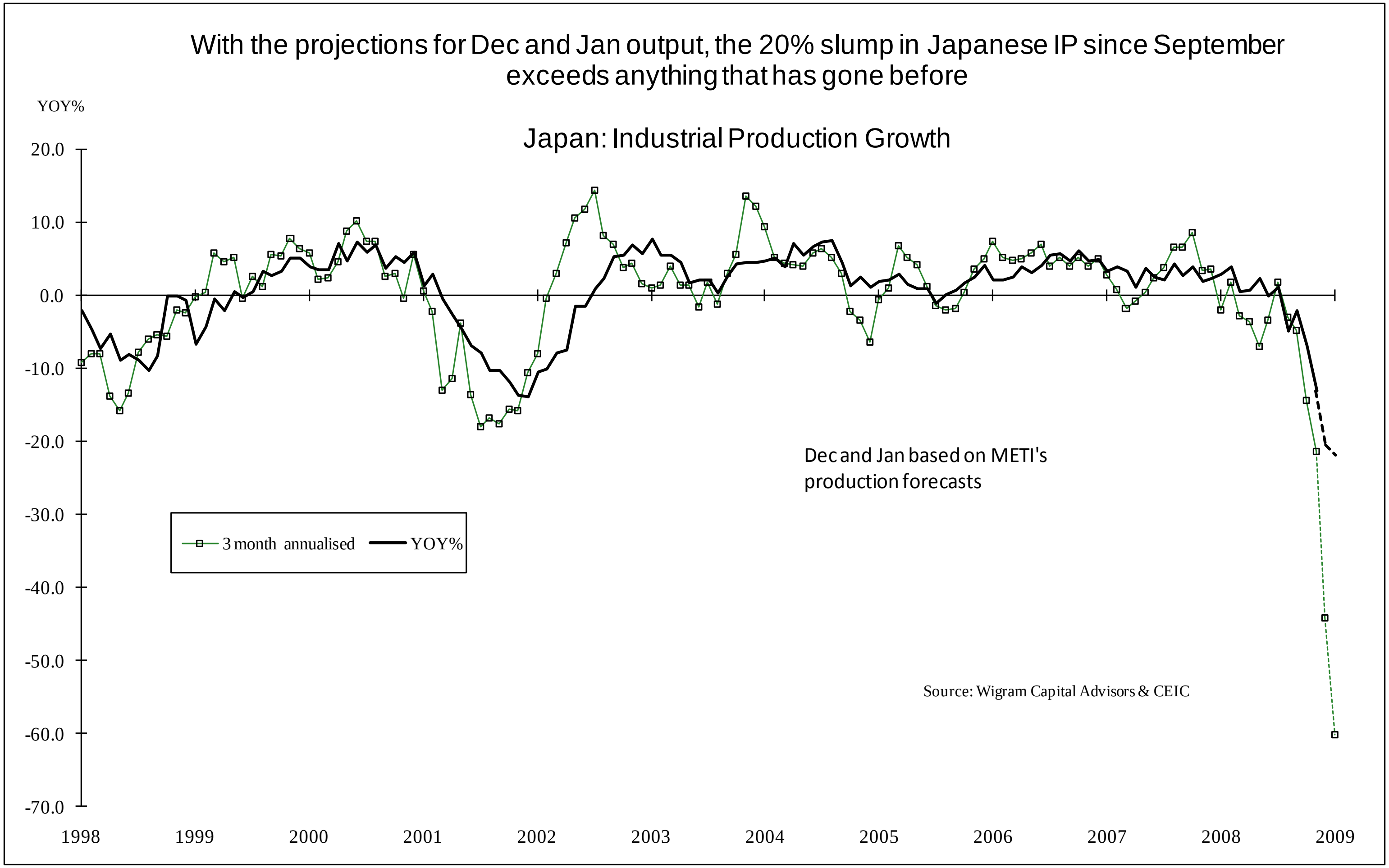


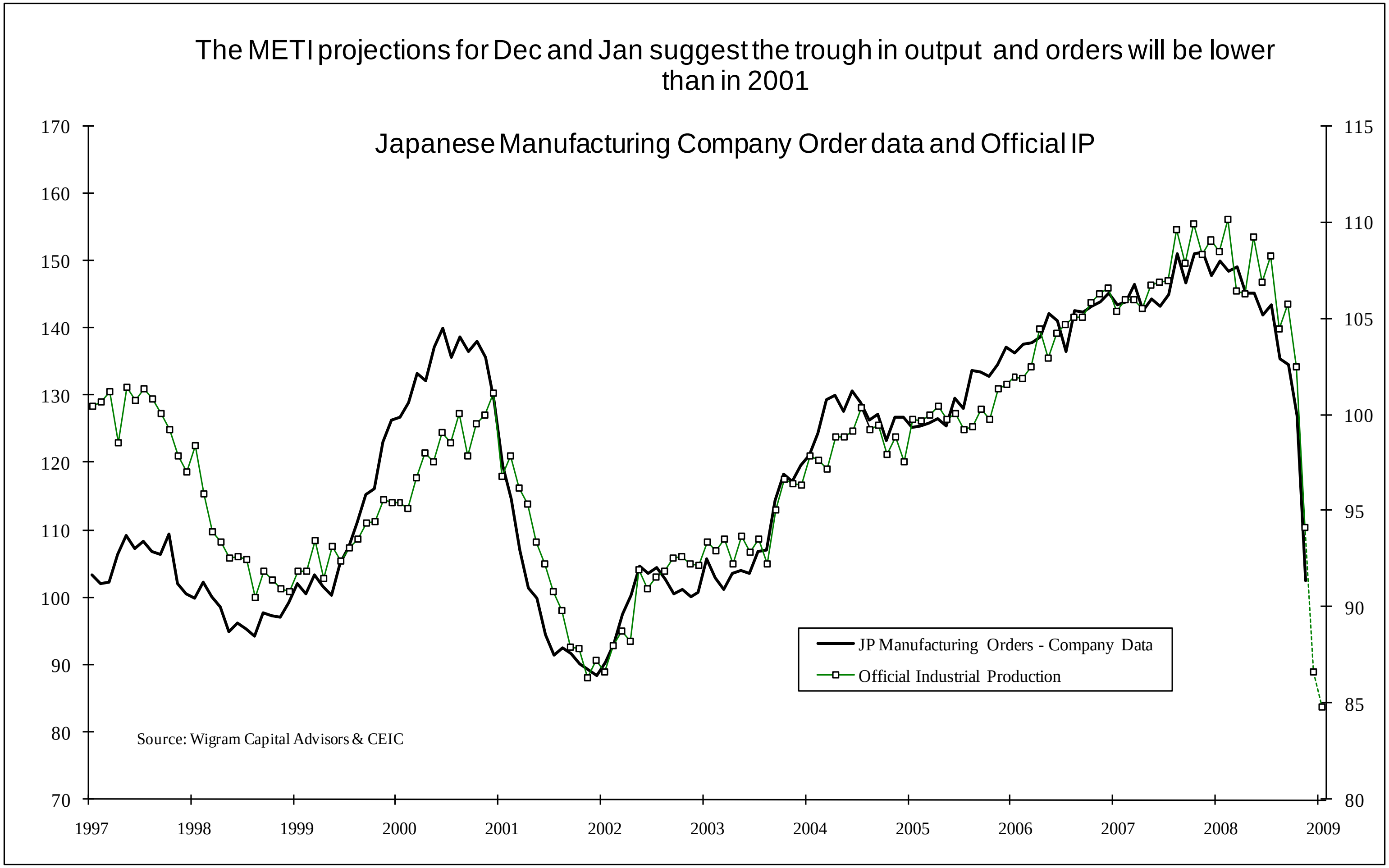
And the slump in orders includes Taiwanese operations in China
Taiwan: Export orders to be produced offshore (i.e China)
YOY%
140
120
100
80
60
40
20
0
-20
-40
-60
-80
3 mth annualised
YOY%
Source: Wigram Capital Advisors & CEIC
2000
2001
2002
2003
2004
2005
2006
2007
2008


On a quarterly basis, orders for Chinese production are on track to be down 20%
- or 80% annualised
Taiwan - Export Orders to be produced overseas (i.e. China)
YOY%
150
100
50
0
-50
-100
2000
2001
2002
2003
2004
2005
2006
2007
2008
QOQ annualised
YOY%
Source: Wigram Capital Advisors & CEIC

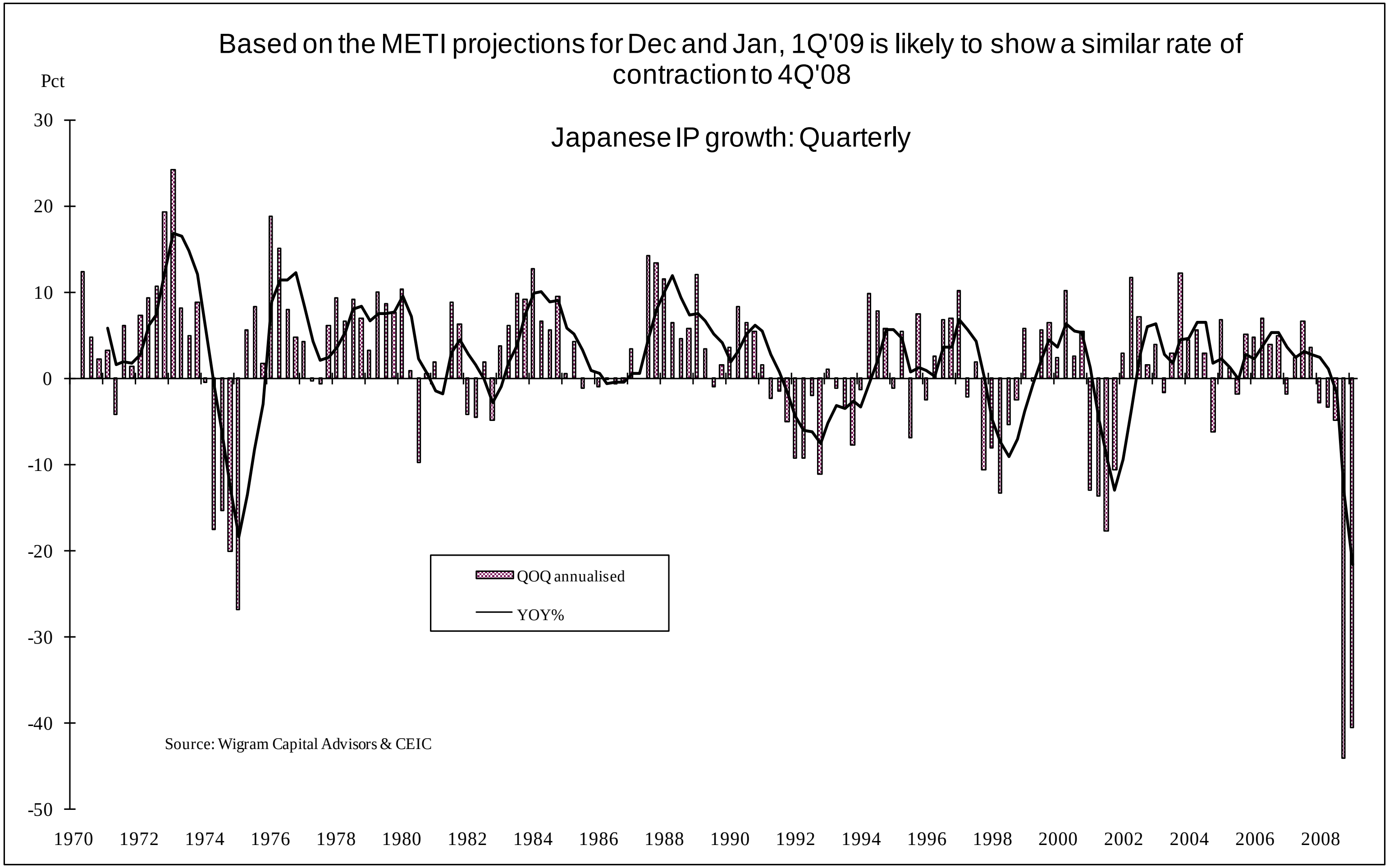


And orders from the Mainland are tracking down 30% for the quarter
Taiwan - Export Orders from China/Hong Kong
Pct
150
100
50
0
-50
-100
-150
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
Source: Wigram Capital Advisors & CEIC
QOQ annualised
YOY%

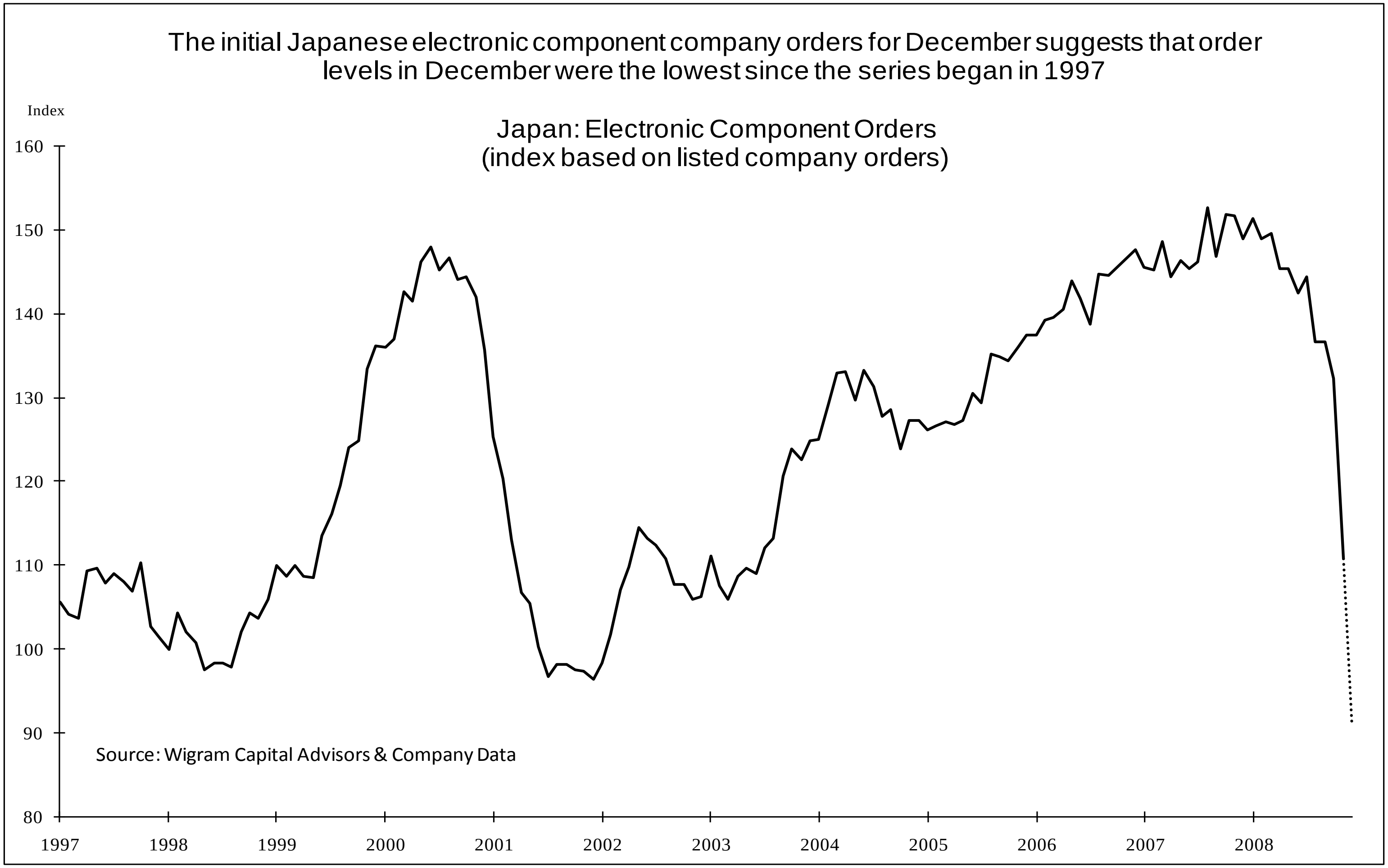

With the projections for Dec and Jan output, the 20% slump in Japanese IP since September exceeds anything that has gone before
YOY%
Japan: Industrial Production Growth
20.0
10.0
0.0
-10.0
-20.0
-30.0
-40.0
-50.0
-60.0
-70.0
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
3 month annualised
YOY%
Dec and Jan based on METI's production forecasts
Source: Wigram Capital Advisors & CEIC



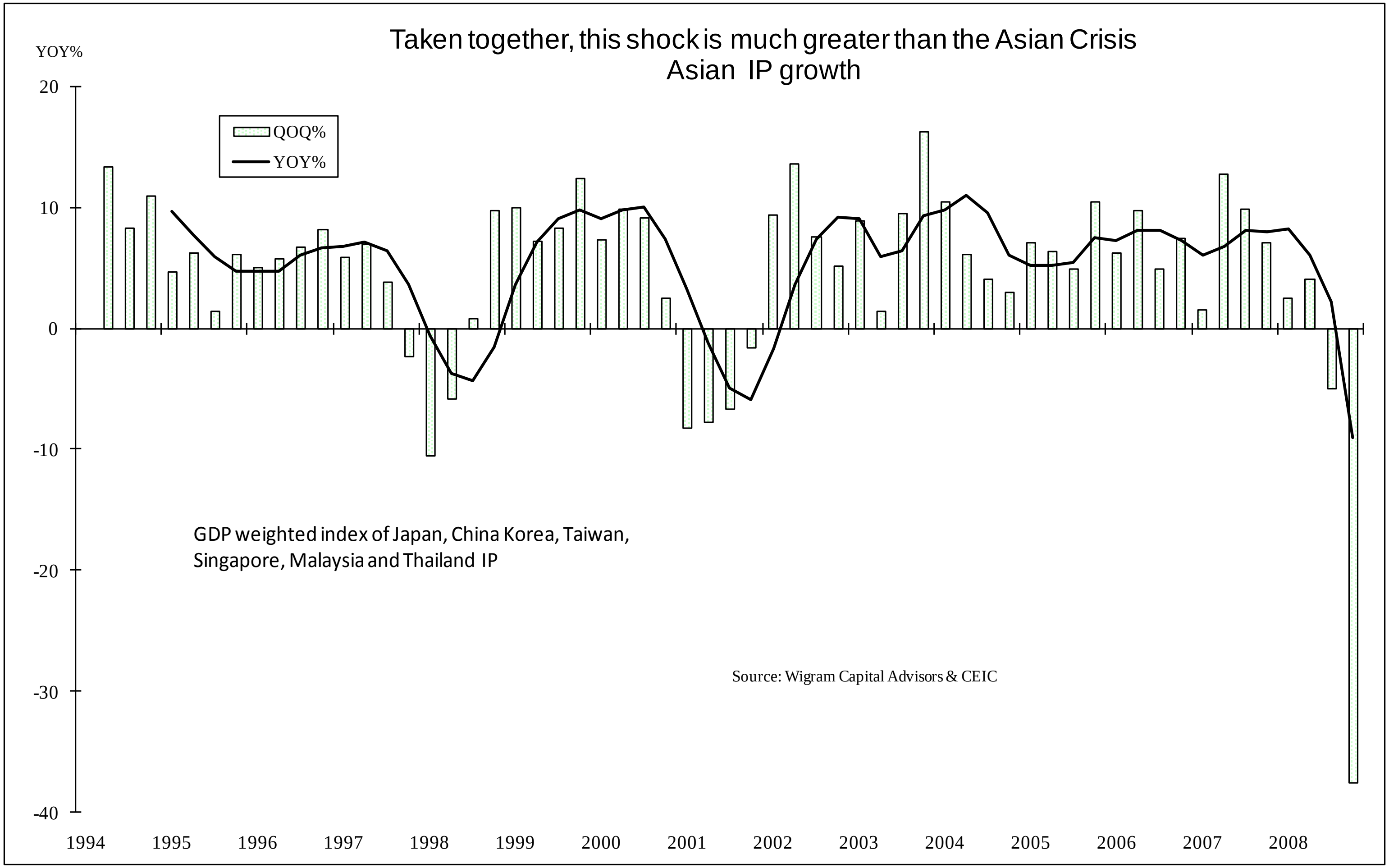
The METI projections for Dec and Jan suggest the trough in output and orders will be lower than in 2001
Japanese Manufacturing Company Order data and Official IP
170
160
150
140
130
120
110
100
90
80
70
115
110
105
100
95
90
85
80
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
JP Manufacturing Orders - Company Data
Official Industrial Production
Source: Wigram Capital Advisors & CEIC



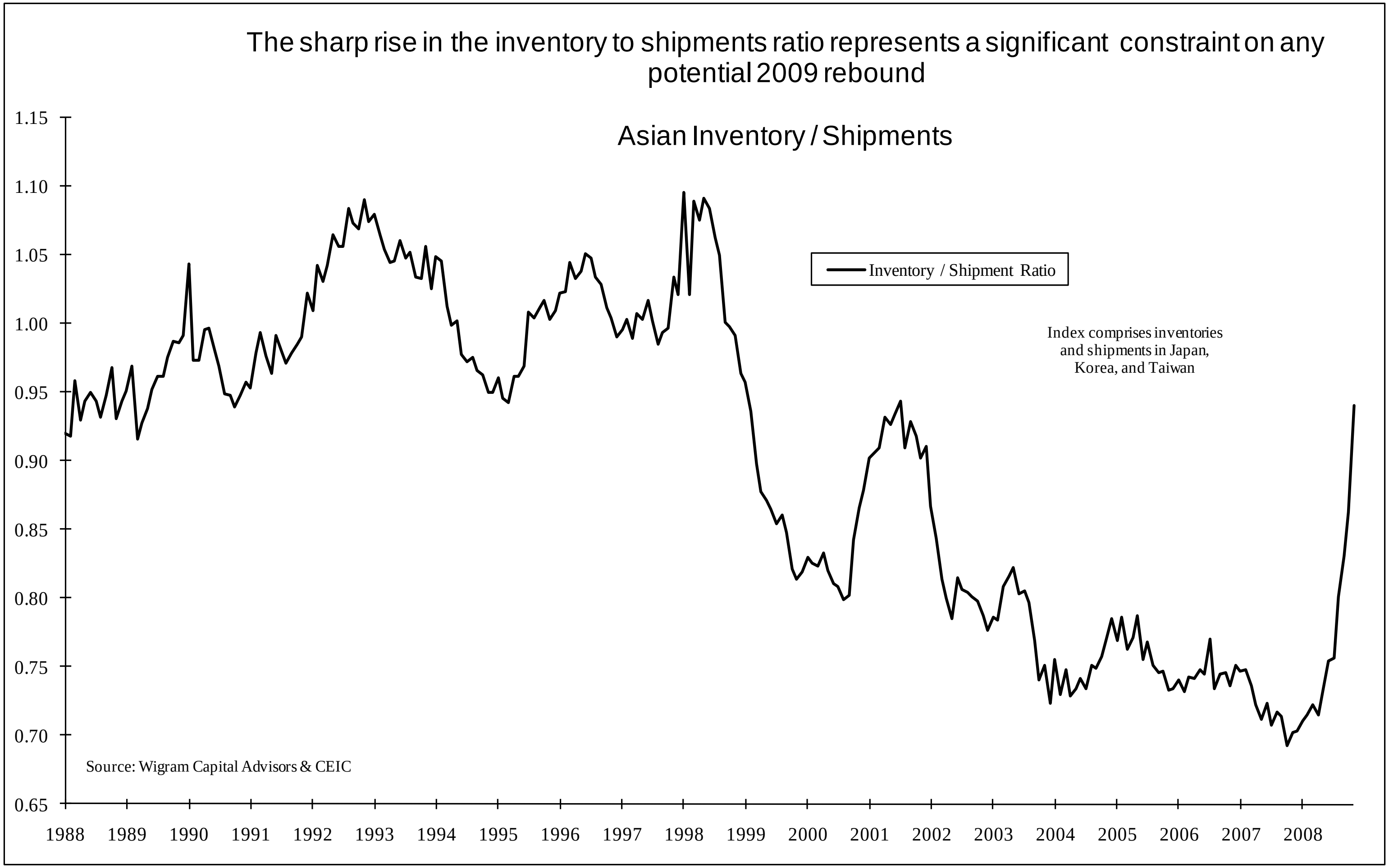
Based on the METI projections for Dec and Jan, 1Q'09 is likely to show a similar rate of contraction to 4Q'08
Japanese IP growth: Quarterly
Pct
30
20
10
0
-10
-20
-30
-40
-50
1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
QOQ annualised
YOY%
Source: Wigram Capital Advisors & CEIC

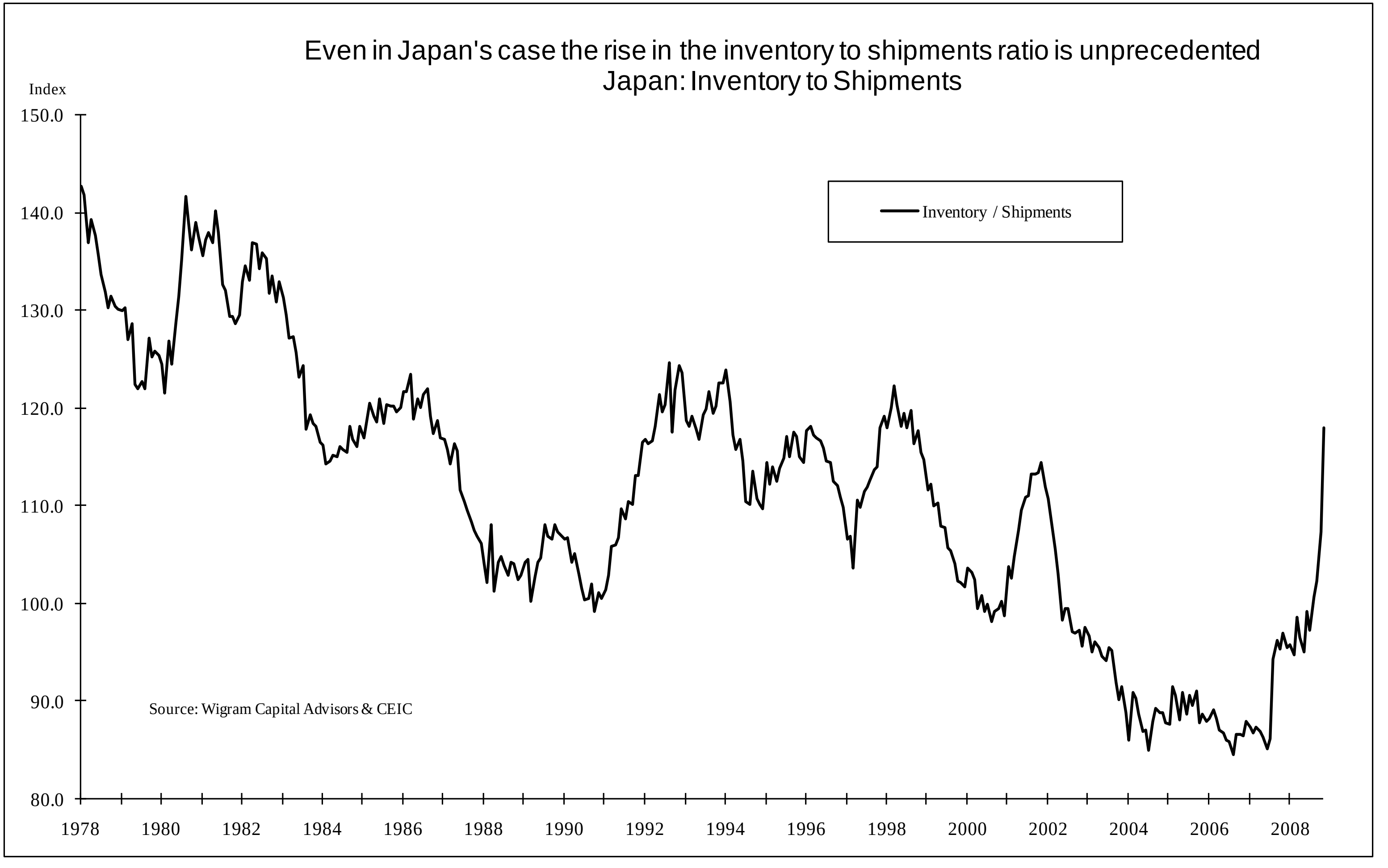


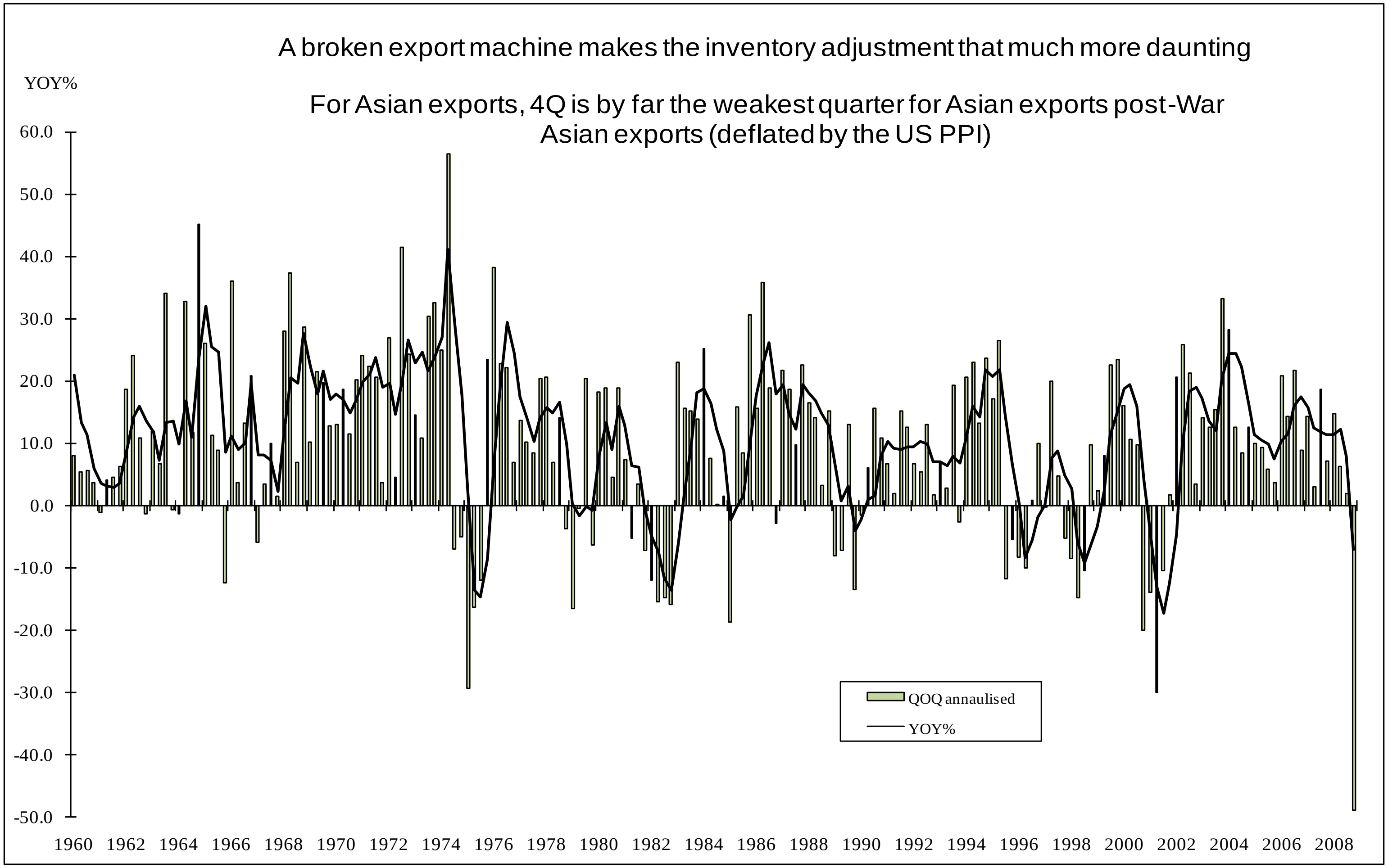
The initial Japanese electronic component company orders for December suggests that order levels in December were the lowest since the series began in 1997
Index
Japan: Electronic Component Orders
(index based on listed company orders)
160
150
140
130
120
110
100
90
80
Source: Wigram Capital Advisors & Company Data
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008

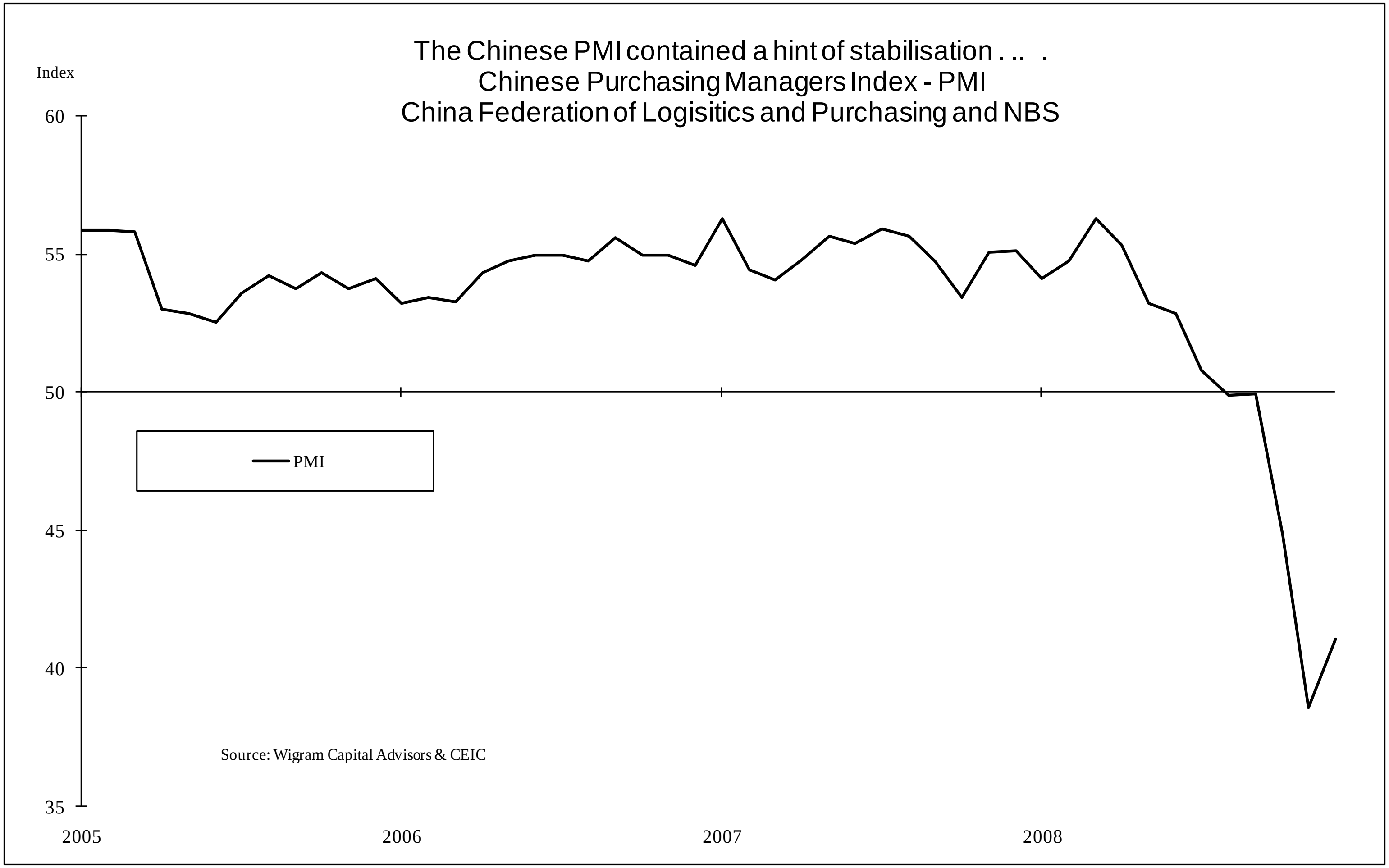


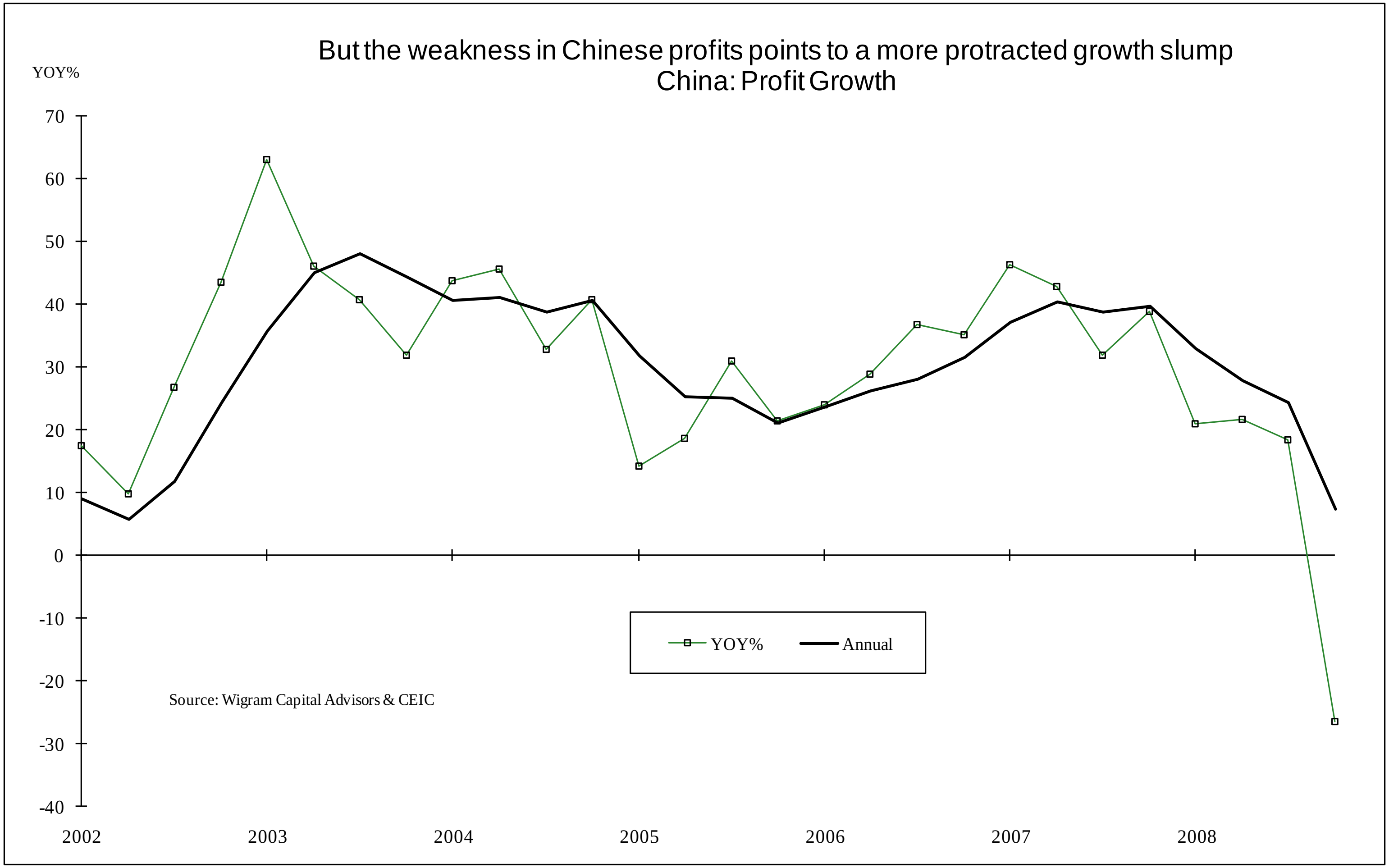
Taken together, this shock is much greater than the Asian Crisis
Asian IP growth
YOY%
20
10
0
-10
-20
-30
-40
QOQ%
YOY%
GDP weighted index of Japan, China Korea, Taiwan,
Singapore, Malaysia and Thailand IP
Source: Wigram Capital Advisors & CEIC
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008


The sharp rise in the inventory to shipments ratio represents a significant constraint on any potential 2009 rebound
Asian Inventory / Shipments
Inventory / Shipment Ratio
Index comprises inventories and shipments in Japan, Korea, and Taiwan
Source: Wigram Capital Advisors & CEIC
1.15
1.10
1.05
1.00
0.95
0.90
0.85
0.80
0.75
0.70
0.65
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008

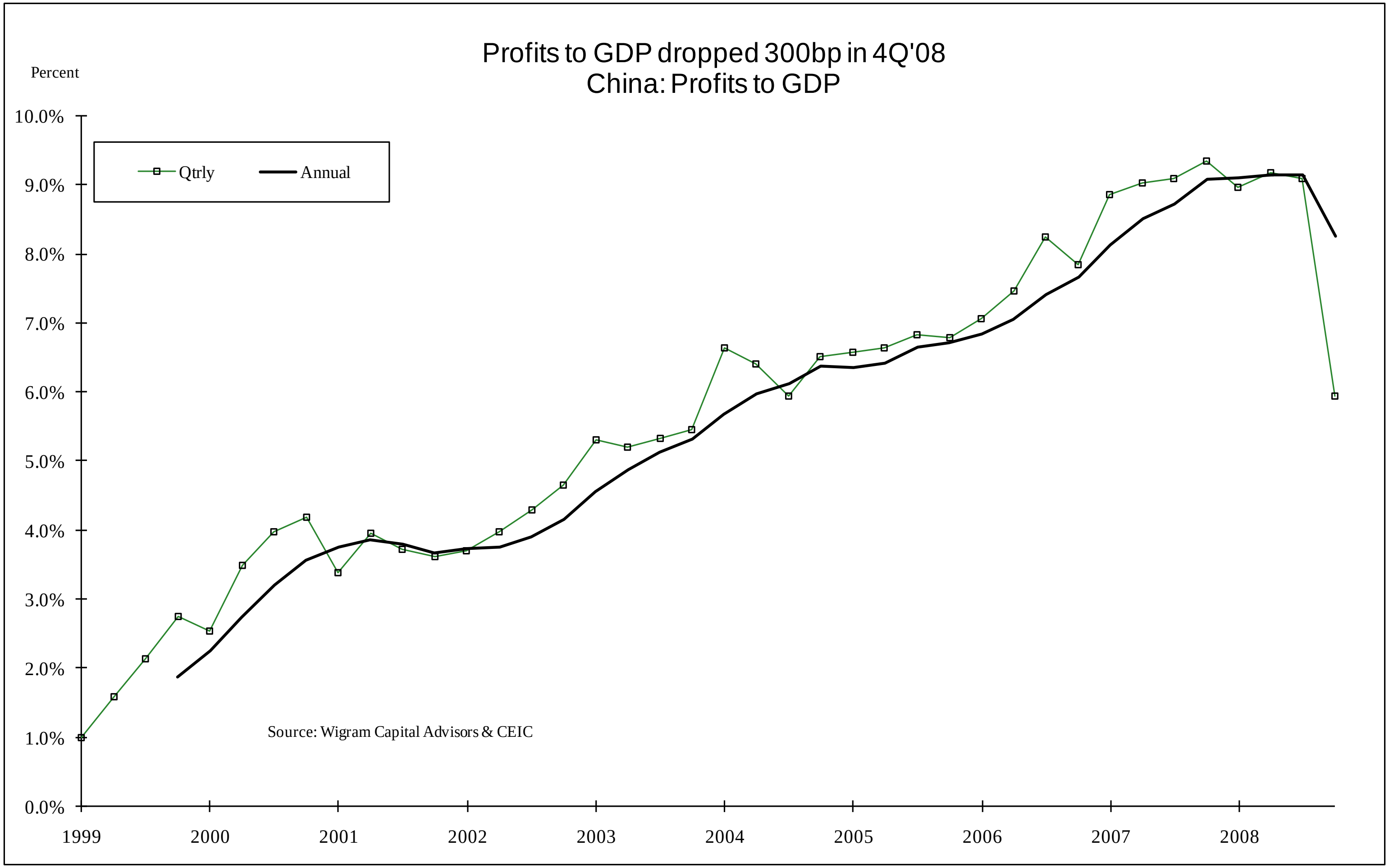

Even in Japan's case the rise in the inventory to shipments ratio is unprecedented
Japan: Inventory to Shipments
Index
150.0
140.0
130.0
120.0
110.0
100.0
90.0
80.0
Inventory / Shipments
Source: Wigram Capital Advisors & CEIC
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008

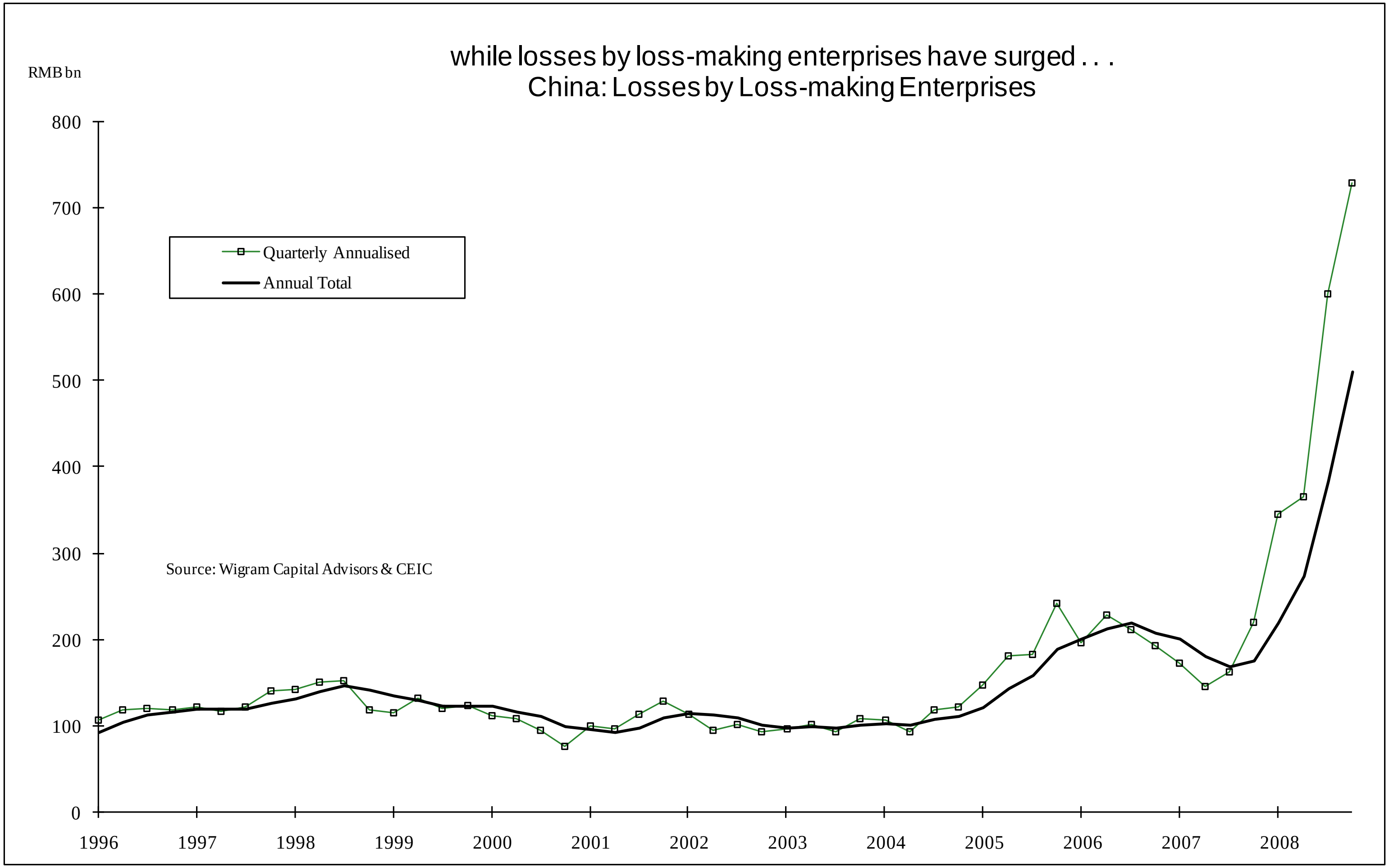

A broken export machine makes the inventory adjustment that much more daunting
For Asian exports, 4Q is by far the weakest quarter for Asian exports post-War
Asian exports (deflated by the US PPI)
YOY%
60.0
50.0
40.0
30.0
20.0
10.0
0.0
-10.0
-20.0
-30.0
-40.0
-50.0
1960 1962 1964 1966 1968 1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008
QOQ annaulised
YOY%


The Chinese PMI contained a hint of stabilisation . .. .
Chinese Purchasing Managers Index - PMI
China Federation of Logisitics and Purchasing and NBS
Index
60
55
50
45
40
35
2005
2006
2007
2008
PMI
Source: Wigram Capital Advisors & CEIC

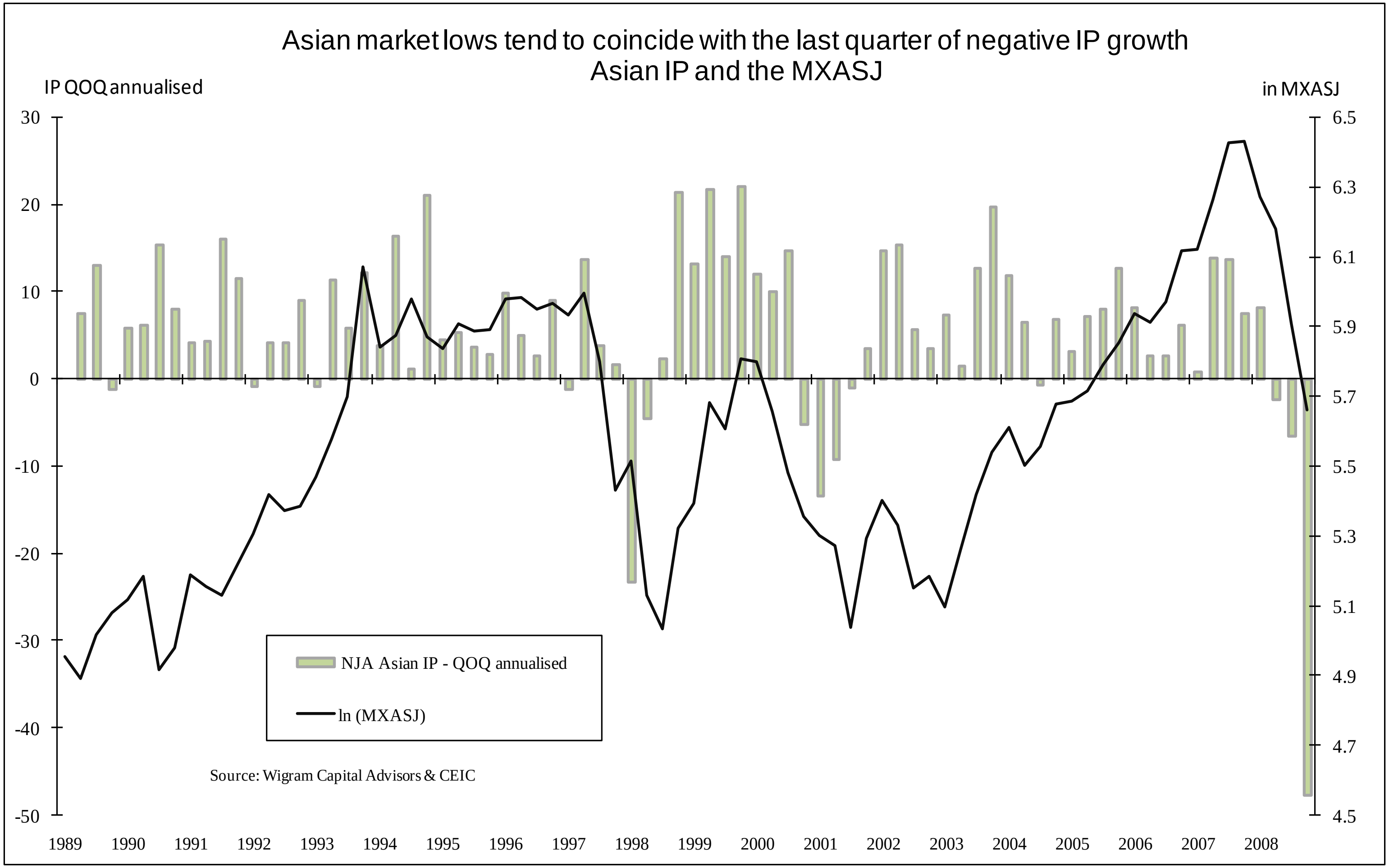


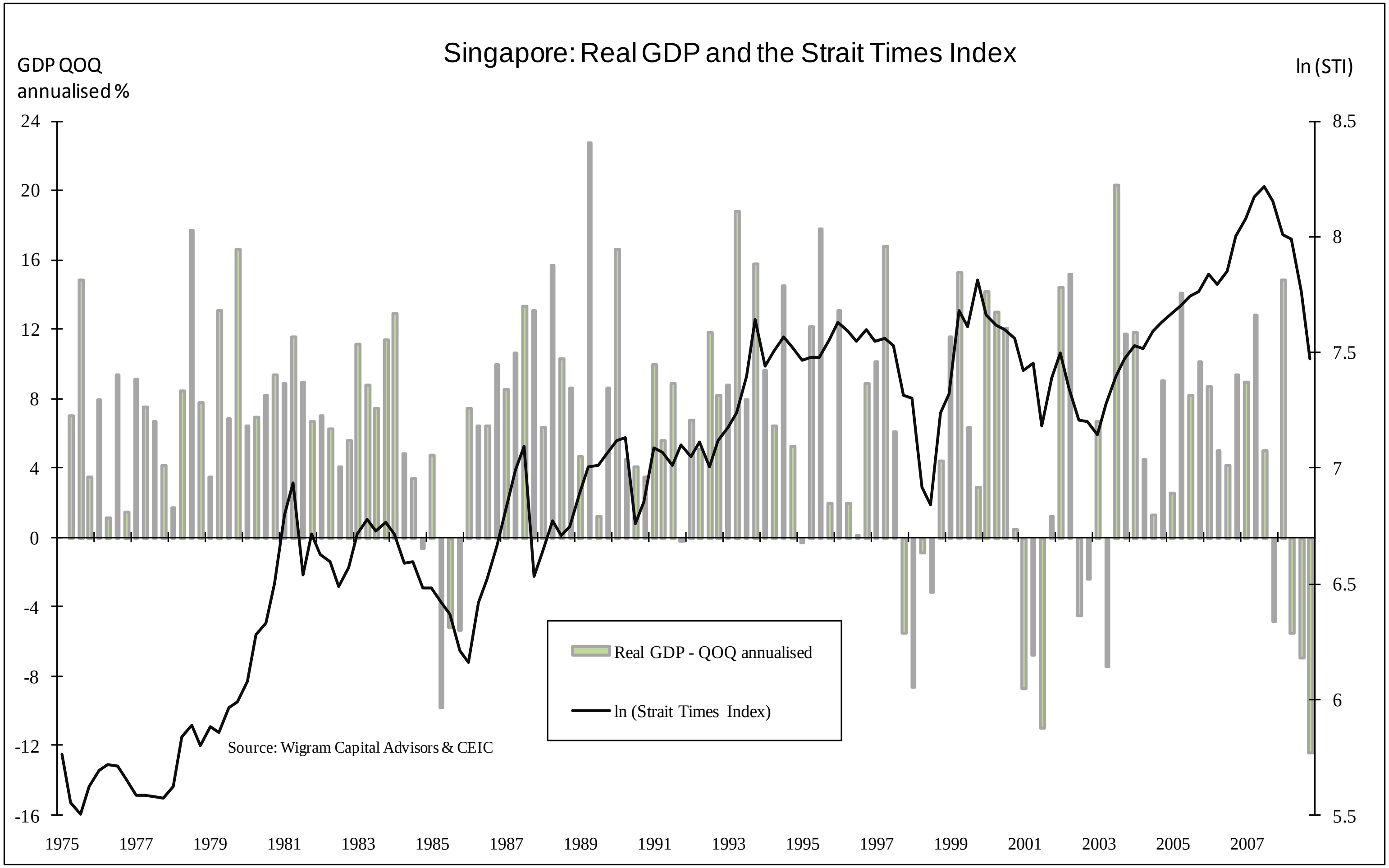
But the weakness in Chinese profits points to a more protracted growth slump
China: Profit Growth
YOY%
70
60
50
40
30
20
10
0
-10
-20
-30
-40
2002
2003
2004
2005
2006
2007
2008
YOY%
Annual
Source: Wigram Capital Advisors & CEIC


Profits to GDP dropped 300bp in 4Q'08
China: Profits to GDP
Percent
10.0%
9.0%
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
Qtrly
Annual
Source: Wigram Capital Advisors & CEIC
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008

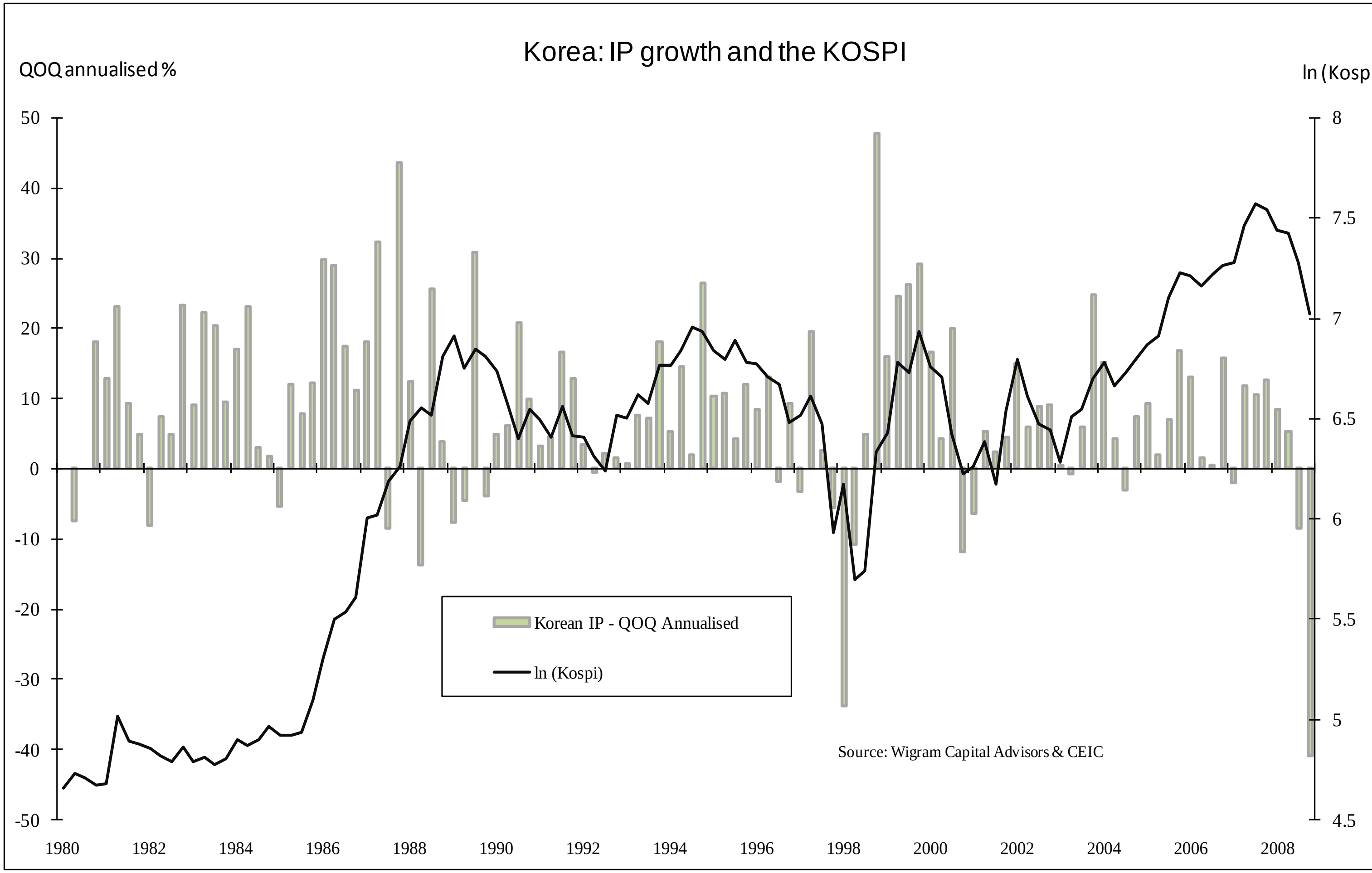


while losses by loss-making enterprises have surged . . .
China: Losses by Loss-making Enterprises
RMB bn
800
700
600
500
400
300
200
100
0
Quarterly Annualised
Annual Total
Source: Wigram Capital Advisors & CEIC
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008

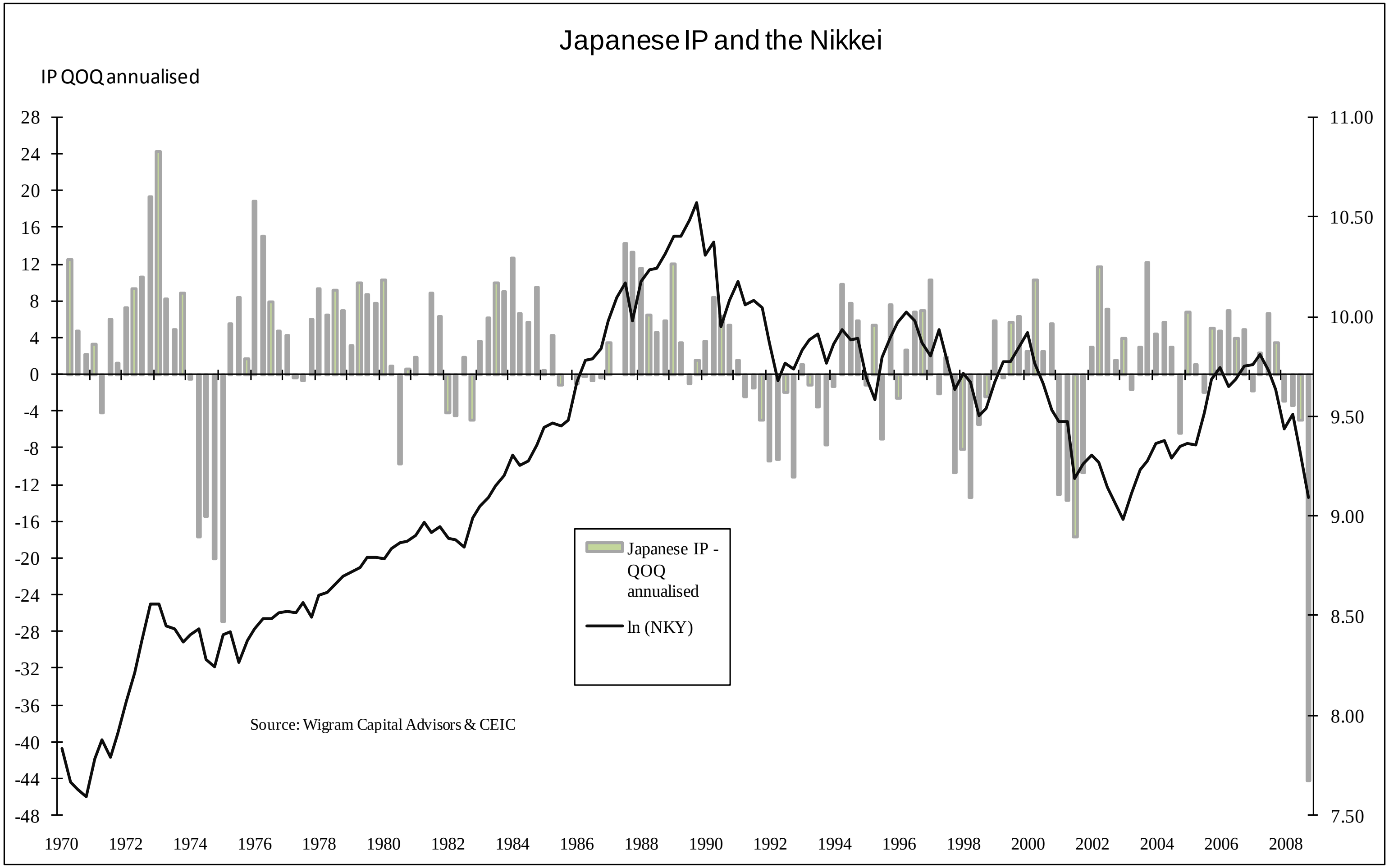

Asian market lows tend to coincide with the last quarter of negative IP growth
Asian IP and the MXASJ
IP QOQ annualised
in MXASJ
30
20
10
0
-10
-20
-30
-40
-50
6.5
6.3
6.1
5.9
5.7
5.5
5.3
5.1
4.9
4.7
4.5
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
NJA Asian IP - QOQ annualised
ln (MXASJ)
Source: Wigram Capital Advisors & CEIC



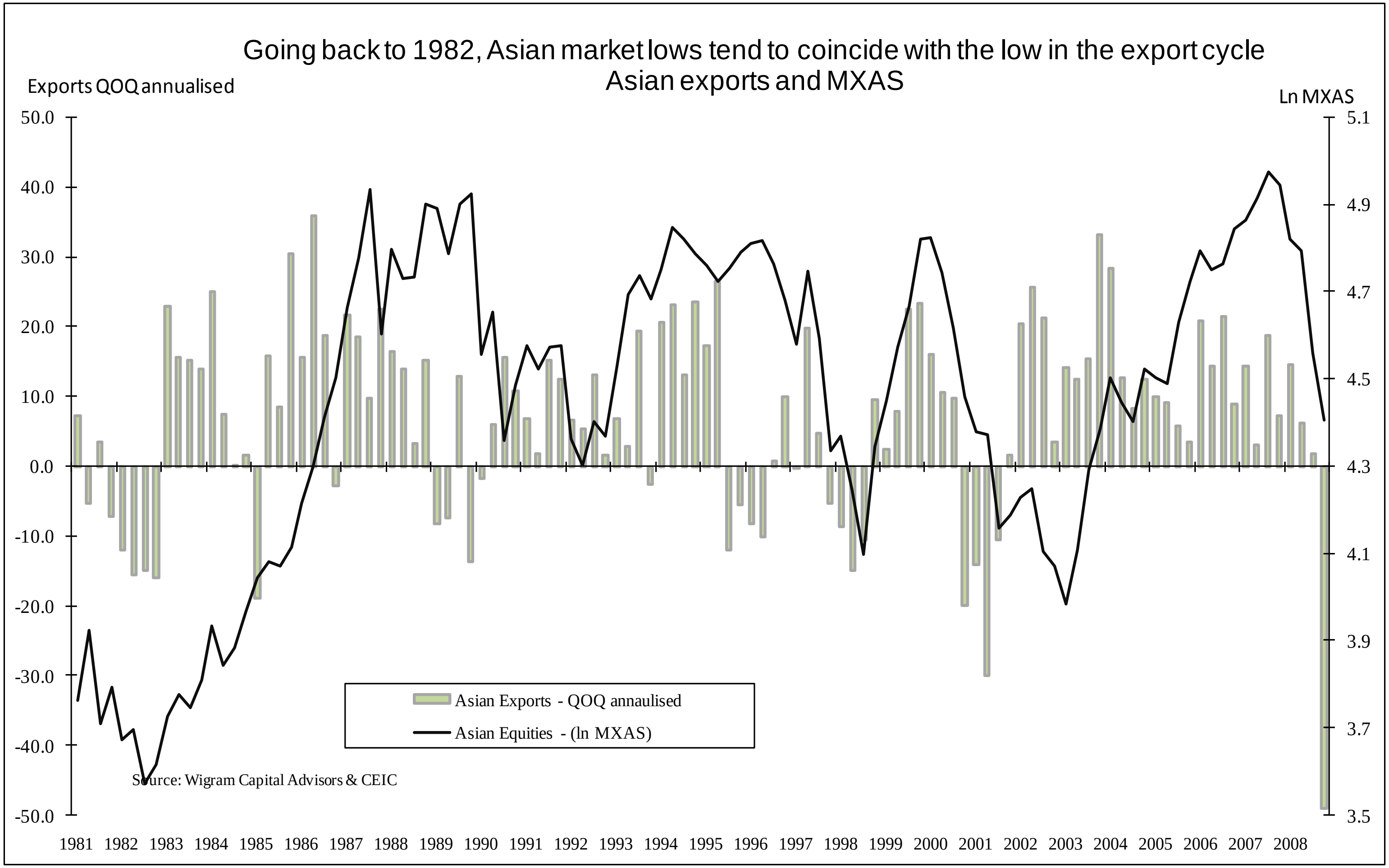
Singapore: Real GDP and the Strait Times Index
GDP QOQ annualised %
ln (STI)
Real GDP - QOQ annualised
ln (Strait Times Index)
Source: Wigram Capital Advisors & CEIC
24
20
16
12
8
4
0
-4
-8
-12
-16
8.5
8
7.5
7
6.5
6
5.5
1975
1977
1979
1981
1983
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
2007

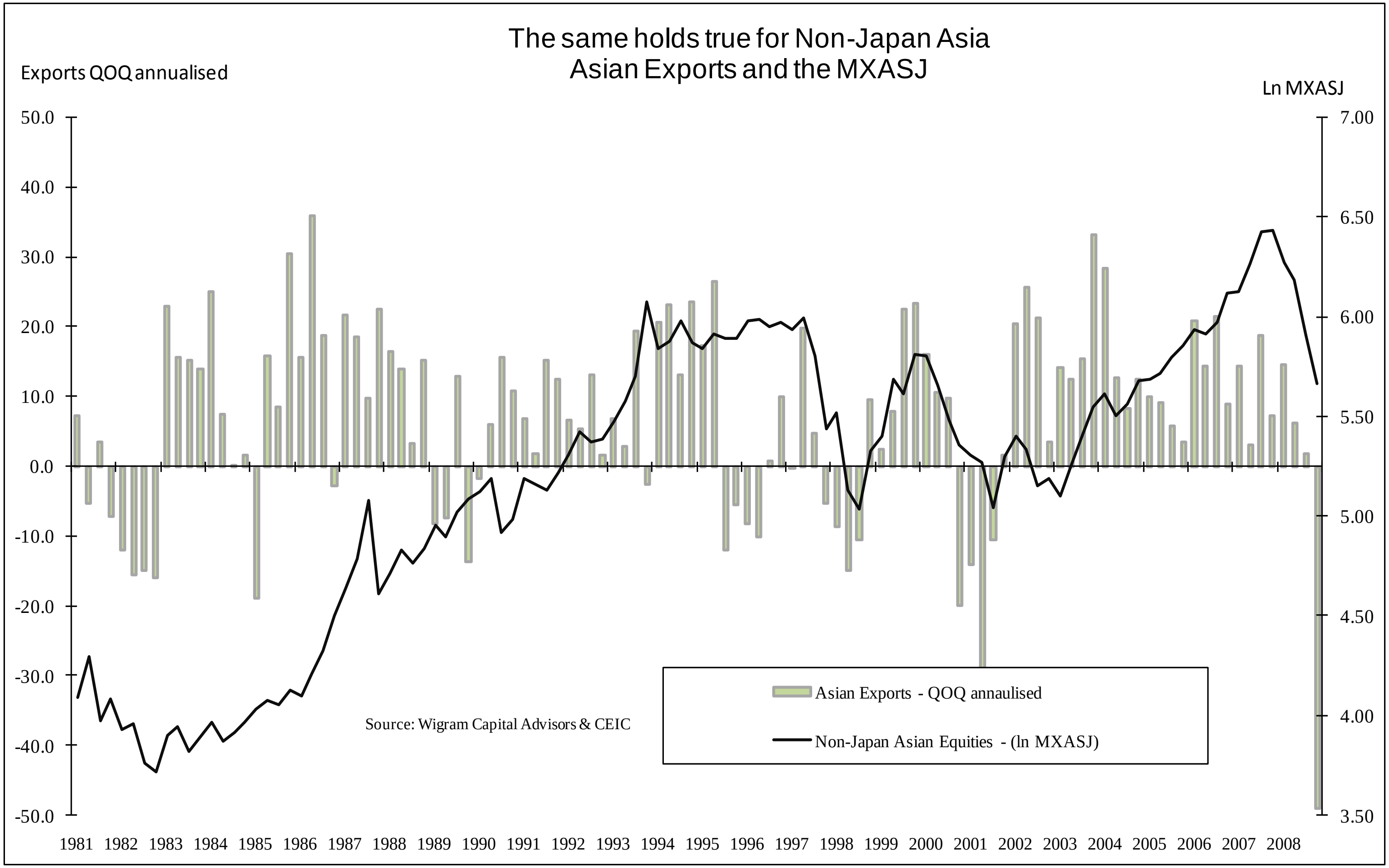


Korea: IP growth and the KOSPI
QOQ annualised %
ln (Kospi)
50
40
30
20
10
0
-10
-20
-30
-40
-50
8
7.5
7
6.5
6
5.5
5
4.5
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
Korean IP - QOQ Annualised
ln (Kospi)
Source: Wigram Capital Advisors & CEIC



Japanese IP and the Nikkei
IP QOQ annualised
28
24
20
16
12
8
4
0
-4
-8
-12
-16
-20
-24
-28
-32
-36
-40
-44
-48
11.00
10.50
10.00
9.50
9.00
8.50
8.00
7.50
1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
Japanese IP - QOQ annualised
ln (NKY)
Source: Wigram Capital Advisors & CEIC


Going back to 1982, Asian market lows tend to coincide with the low in the export cycle
Asian exports and MXAS
Exports QOQ annualised
Ln MXAS
50.0
40.0
30.0
20.0
10.0
0.0
-10.0
-20.0
-30.0
-40.0
-50.0
5.1
4.9
4.7
4.5
4.3
4.1
3.9
3.7
3.5
1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008
Asian Exports - QOQ annaulised
Asian Equities - (ln MXAS)
Source: Wigram Capital Advisors & CEIC



The same holds true for Non-Japan Asia
Asian Exports and the MXASJ
Exports QOQ annualised
Ln MXASJ
50.0
40.0
30.0
20.0
10.0
0.0
-10.0
-20.0
-30.0
-40.0
-50.0
7.00
6.50
6.00
5.50
5.00
4.50
4.00
3.50
1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008
Asian Exports - QOQ annaulised
Non-Japan Asian Equities - (ln MXASJ)
Source: Wigram Capital Advisors & CEIC