

Morning Note

What's catching our eyes...

- Hanergy (0566 HK): Stage one of the solar project in Xinjiang province has been completed.
- Hanergy Investment, the largest shareholder of Hanergy, increased its stake last Wednesday.
- The chairman recently announced the potential for upcoming M&A.

Research Team

(852) 2533 3700

sbiezresearch@sbiezcapital.com

What's New: Hanergy (0566 HK), a clean energy generation company, plans to invest RMB30.0b to establish a solar energy base with an expected output capacity of 2,000 MW/year in Xinjiang province. Last week, the company announced that stage one of the project was complete, which is expected to generate 27.3m kwh of electricity every year. The first portion of the base is scheduled to go online Dec 10 and is expected to reduce the province's coal usage by 87 million tons each year.

Last Wednesday, the company's largest shareholder, Hanergy Investment, increased its owned shares in the company by 8m shares. Hanergy Investment now owns more than 77% of the company.

Yesterday Li Hejun, chairman of Hanergy, held a press briefing in which he announced that the company is planning to acquire another solar company. The name of the target is still unclear, but in that meeting chairman Hejun also alluded to the notion that he expects that the cost of electricity per kwh produced by Hanergy will decrease to RMB 0.5 by 2015. Currently the cost of electricity per kwh is around RMB 0.9.

Our View: Hanergy currently has projects in both Xinjiang province and Qinghai Province. Once these projects start to bear fruit, the amount of electricity created annually is expected to top 183m kwh. Based on Hanergy's planning, the sales price of the produced electricity should be RMB 1 for each kwh. We are of the opinion that if that level is met, the company's gross margin in 2013 will settle around 65%, with the new project generating gross profit of RMB 119m. This accounts for about 6% of gross profit in 2012.

We are also very interested in the company's plans for acquisition. Even though we are yet aware of the target company, we still look forward to witnessing Hanergy's post-M&A performance. In this year Hanergy completed two acquisitions: one of Miasole and the other of Global Solar Energy on January 9 and July 25, respectively. Its stock price increased dramatically during this period. As well, with Hanergy Investment increasing its stake in the company, many signs indicate management's confidence in the company's performance in the months to come.

Stock Data (566 HK)

Rating	Not Rated
Price (HK\$)	1.3
Target Price (HK\$)	n.a.
12m Price Range (HK\$)	0.25-1.49
Market cap. (HK\$m)	36,304.9
Daily t/o (HK\$)	225,254,177.8
Free float (%)	58.9

Source: Bloomberg



Source: Bloomberg

Market Dynamics...

Macro

The Commerce Department in the US said yesterday that the retail sales excluding automobiles, gasoline and building materials increased 0.5% last month after advancing 0.3 percent in September. The figure surpassed the market expectation of 0.2%.

Federal Reserve's last meeting said the central bank could begin to scale back its stimulus program at one of its next few meetings.

Corporate News (sourced from HKEx)...

Consumer

Wai Yuen Tong Medicine (0897 HK) – announced the interim result for 1H FY03/14. Revenue was up by 14.5% YoY to HKD418.6m. As gross margin was up by 1.6 ppt to 45.5%, SG&A to sales ratio was down by 1.7 ppt to 42.4%, and share of result of associate turned around from loss to profit, net profit attributable to shareholders was up by 65.9% YoY to HKD63.1m

Property

Wang On Group (1222 HK) – announced the interim result for 1H FY03/14. Revenue was up by 99.1% YoY to HKD321.1m, which was mainly driven by the increase in property investment, which was up by 3.4x YoY to HKD222.2m. Profit attributable to shareholders was up by 107.8% YoY to HKD149.3m

China Water Property (2349 HK) – announced the company will issue 12% senior notes with aggregate

principle of HKD350m. The notes will be due in 2016 and the net proceeds is expected to be HKD331.9m, which will be used for existing and new property projects and for general corporate purposes.

Other

PNG Resources Holdings (0221 HK) – announced Wang Bain Better Investment Limited, a wholly owned subsidiary of Wai Yuen Tong Medicine (0897 HK), has entered into the top-up placing agreement with the placing agent, Kingston Securities. Under the agreement, Wang Bain Better Investment Limited will place 1,538m shares at a placing price of HKD0.1 per share, representing a 14.5% discount to yesterday's closing price. Net proceeds from the placing is expected to be HKD148.9m., which will mainly be used for financing future development and investment opportunities. Upon the completion of the placing, Wang Bain Better Investment Limited's stake in the company will decrease from 34.6% to 28.9%.

PNG Resources Holdings (0221 HK) – announced the interim result for 1H 03/14. Revenue was up by 2.4x to HKD525.1m. However, as gross margin was down by 17.5 ppt to 18.0% and there is loss of HKD50.0m for the fair value of plantation assets, the company recorded loss of HKD3.7m, as compared to HKD16.9m in 1H FY03/13. The loss was mainly borne by non-controlling shareholders and the company recorded profit attributable to shareholders of HKD14.8m, as compared to net loss attributable to shareholders of HKD10.4m.

Upcoming events

Date	Company	Ticker	Events
21/11/2013	Sun East Technology Holdings Ltd	365	S1 2014 Earnings Release
	Sincere Watch Hong Kong Ltd	444	S1 2014 Earnings Release
	China Railsmedia Corp Ltd	745	S1 2014 Earnings Release
	Grand Investment International Ltd	1160	S1 2014 Earnings Release
	Kingmaker Footwear Holdings Ltd	1170	S1 2014 Earnings Release
22/11/2013	Louis XIII Holdings Ltd	577	S1 2014 Earnings Release
	PYI Corp Ltd	498	S1 2014 Earnings Release
	Neway Group Holdings Ltd	55	S1 2014 Earnings Release
	South East Group Ltd	726	S1 2014 Earnings Release
	Walker Group Holdings Ltd	1386	S1 2014 Earnings Release
	Texwinca Holdings Ltd	321	S1 2014 Earnings Release
	Cheong Ming Investments Ltd	1196	S1 2014 Earnings Release
	Pacific Textiles Holdings Ltd	1382	S1 2014 Earnings Release
	Zhidao International Holdings Ltd	1220	S1 2014 Earnings Release
	Joyce Boutique Holdings Ltd	647	S1 2014 Earnings Release
	International Entertainment Corp	1009	S1 2014 Earnings Release
	Oriental Press Group	18	S1 2014 Earnings Release
	Hao Tian Development Group Ltd	474	S1 2014 Earnings Release
	Termbray Industries International Holdings Ltd	93	S1 2014 Earnings Release
	Rising Development Holdings Ltd	1004	S1 2014 Earnings Release
	Longrun Tea Group Co Ltd	2898	S1 2014 Earnings Release
	Kingston Financial Group Ltd	1031	S1 2014 Earnings Release
	Emperor Entertainment Hotel Ltd	296	S1 2014 Earnings Release
	Emperor International Holdings	163	S1 2014 Earnings Release
	Great Harvest Maeta Group Holdings Ltd	3683	S1 2014 Earnings Release
	Daisho Microline Holdings Ltd	567	S1 2014 Earnings Release
	HKC International Holdings Ltd	248	S1 2014 Earnings Release
	Quam Ltd	952	S1 2014 Earnings Release
	Nan Nan Resources Enterprise Ltd	1229	S1 2014 Earnings Release
	Next Media Ltd	282	S1 2014 Earnings Release
	Quali-Smart Holdings Ltd	1348	S1 2013 Earnings Release
	Zhong Fa Zhan Holdings Ltd	475	S1 2014 Earnings Release
Hong Kong Finance Group Co Ltd	1273	S1 2013 Earnings Release	
24/11/2013	TPV Technology Ltd	903	Q3 2013 Earnings Release
25/11/2013	Hong Kong Building & Loan Agency Ltd/The	145	S1 2013 Earnings Release
	Jiwa Bio-Pharm Holdings Ltd	2327	S1 2014 Earnings Release
	Hong Kong Economic Times Holdings Ltd	423	S1 2014 Earnings Release
	Modern Beauty Salon Holdings Ltd	919	S1 2014 Earnings Release
	Dingyi Group Investment Ltd	508	S1 2014 Earnings Release
	Bauhaus International Holdings Ltd	483	S1 2014 Earnings Release
	Mobicon Group Ltd	1213	S1 2014 Earnings Release
	PetroAsian Energy Holdings Ltd	850	S1 2014 Earnings Release
	Sinocop Resources Holdings Ltd	476	S1 2014 Earnings Release
	Upbest Group Ltd	335	S1 2014 Earnings Release
	Goldin Properties Holdings Ltd	283	S1 2014 Earnings Release
	Mongolia Energy Corp Ltd	276	S1 2014 Earnings Release
	Yau Lee Holdings Ltd	406	S1 2014 Earnings Release
	Golden Meditech Holdings Ltd	801	S1 2014 Earnings Release
	OTO Holdings Ltd	6880	S1 2014 Earnings Release
	Skyworth Digital Holdings Ltd	751	S1 2014 Earnings Release
	AV Concept Holdings Ltd	595	S1 2014 Earnings Release
	Daiwa Associate Holdings	1037	S1 2014 Earnings Release
	Midas International Holdings Ltd	1172	S1 2014 Earnings Release
	Sunley Holdings Ltd	1240	S1 2014 Earnings Release
26/11/2013	Bright Smart Securities and Commodities Group	1428	S1 2014 Earnings Release
	Easyknit Enterprises Holdings Ltd	2951	S1 2014 Earnings Release
	Huabao International Holdings Ltd	336	S1 2014 Earnings Release

	Asia Standard Hotel Group Ltd	292	S1 2014 Earnings Release
	Asia Standard International Group Ltd	129	S1 2014 Earnings Release
	Asia Orient Holdings Ltd	214	S1 2014 Earnings Release
	Hanison Construction Holdings Ltd	896	S1 2014 Earnings Release
	Sparkle Roll Group Ltd	970	S1 2014 Earnings Release
	Vantage International Holdings Ltd	15	S1 2014 Earnings Release
	BEP International Holdings Ltd	2326	S1 2014 Earnings Release
	Tianda Pharmaceuticals Ltd	455	S1 2014 Earnings Release
	Dorsett Hospitality International Ltd	2266	S1 2014 Earnings Release
	Chinlink International Holdings Ltd	997	S1 2014 Earnings Release
	Tern Properties	277	S1 2014 Earnings Release
	Strong Petrochemical Holdings Ltd	852	S1 2014 Earnings Release
	China Gas Holdings Ltd	384	S1 2014 Earnings Release
	KFM Kingdom Holdings Ltd	3816	S1 2014 Earnings Release
	Pyxis Group Ltd	516	S1 2014 Earnings Release
	Chow Tai Fook Jewellery Group Ltd	1929	S1 2014 Earnings Release
	China Water Affairs Group Ltd	855	S1 2014 Earnings Release
	Deson Development International Holdings	262	S1 2014 Earnings Release
	Birmingham International Holdings Ltd	2309	Y 2013 Earnings Release
	Ngai Shun Holdings Ltd	1246	S1 2014 Earnings Release
27/11/2013	China-Hongkong Photo Products Holdings Ltd	1123	S1 2014 Earnings Release
	HKR International Ltd	480	S1 2014 Earnings Release
	Chen Hsong Holdings	57	S1 2014 Earnings Release
	Suga International Holdings Ltd	912	S1 2014 Earnings Release
	New Century Group Hong Kong Ltd	234	S1 2014 Earnings Release
	G-Vision International Holdings Ltd	657	S1 2014 Earnings Release
	Chun Wo Development Holdings Ltd	711	S1 2014 Earnings Release
	Chuang's China Investments Ltd	298	S1 2014 Earnings Release
	Vitasoy International Holdings Ltd	345	S1 2014 Earnings Release
	TAI Cheung Holdings	88	S1 2014 Earnings Release
	Mexan Ltd	22	S1 2014 Earnings Release
	Shun Cheong Holdings	650	S1 2014 Earnings Release
	Bestway International Holdings Ltd	2950	S1 2014 Earnings Release
	Styland Holdings Ltd	211	S1 2014 Earnings Release
	Golden Resources Development International Ltd	677	S1 2014 Earnings Release
	Allan International Holdings	684	S1 2014 Earnings Release
	IDT International Ltd	167	S1 2014 Earnings Release
	Sun Hing Vision Group Holdings Ltd	125	S1 2014 Earnings Release
	Far East Consortium International Ltd/HK	35	S1 2014 Earnings Release
	New Island Development Holdings Ltd	377	S1 2014 Earnings Release
	Freeman Financial Corp Ltd	279	S1 2014 Earnings Release
	Luk Fook Holdings International Ltd	590	S1 2014 Earnings Release
	Starlite Holdings Ltd	403	S1 2014 Earnings Release
	One Media Group Ltd	426	Q2 2014 Earnings Release
	Media Chinese International Ltd	685	Q2 2014 Earnings Release
	Man Sang International Ltd	938	S1 2014 Earnings Release
	Veeko International Holdings Ltd	1173	S1 2014 Earnings Release
	CST Mining Group Ltd	985	S1 2014 Earnings Release
	CSPC Pharmaceutical Group Ltd	1093	Q3 2013 Earnings Release
	Carrianna Group Holdings Co Ltd	126	S1 2014 Earnings Release
	Culturecom Holdings Ltd	343	S1 2014 Earnings Release
	Yeebo International Hldg	259	S1 2014 Earnings Release
	Hongkong Chinese Ltd	655	S1 2014 Earnings Release
	Lippo Ltd	226	S1 2014 Earnings Release
	Lippo China Resources Ltd	156	S1 2014 Earnings Release
28/11/2013	NetDragon Websoft Inc	777	Q3 2013 Earnings Release
	National Arts Entertainment and Culture Group Ltd	8228	Q3 2013 Earnings Release
	Gold Peak Industries Holding Ltd	40	S1 2014 Earnings Release
	Citic 21CN Co Ltd	241	S1 2014 Earnings Release
	Wai Chun Group Holdings Ltd	1013	S1 2014 Earnings Release
	Safety Godown Co Ltd	237	S1 2014 Earnings Release

Perfect Shape PRC Holdings Ltd	1830	S1 2014 Earnings Release
China Properties Investment Holdings Ltd	736	S1 2014 Earnings Release
Fujikon Industrial Holdings Ltd	927	S1 2014 Earnings Release
Asia Coal Ltd	835	S1 2014 Earnings Release
Fairwood Holdings Ltd	52	S1 2014 Earnings Release
Asia Resources Holdings Ltd	899	S1 2014 Earnings Release
Wah Ha Realty Co Ltd	278	S1 2014 Earnings Release
Lung Cheong International Holdings Ltd	348	S1 2014 Earnings Release
China Motion Telecom International Ltd	989	S1 2014 Earnings Release
OP Financial Investments Ltd	1140	S1 2014 Earnings Release
Pioneer Global Group Ltd	224	S1 2014 Earnings Release
Cosmopolitan International Holdings Ltd	120	S1 2014 Earnings Release
Get Nice Holdings Ltd	64	S1 2014 Earnings Release
Chanco International Group	264	S1 2014 Earnings Release
Elegance Optical International Holdings Ltd	907	S1 2014 Earnings Release
ICube Technology Holdings Ltd	139	S1 2014 Earnings Release
Culture Landmark Investment Ltd	674	S1 2014 Earnings Release
Travel Expert Asia Enterprises Ltd	1235	S1 2014 Earnings Release
Chinney Investment Ltd	216	S1 2014 Earnings Release
Goldbond Group Holdings Ltd	172	S1 2014 Earnings Release
Karrie International Hldgs	1050	S1 2014 Earnings Release
Dickson Concepts International Ltd	113	S1 2014 Earnings Release
Herald Holding Ltd	114	S1 2014 Earnings Release
AMS Public Transport Holdings Ltd	77	S1 2014 Earnings Release
Starlight International Hldg	485	S1 2014 Earnings Release
Associated International Hotels Ltd	105	S1 2014 Earnings Release
Tian Teck Land	266	S1 2014 Earnings Release
Chevalier International Holdings Ltd	25	S1 2014 Earnings Release
Stelux Holdings International Ltd	84	S1 2014 Earnings Release
Poly Capital Holdings Ltd	1141	S1 2014 Earnings Release
Chuang's Consortium International Ltd	367	S1 2014 Earnings Release
Agritrade Resources Ltd	1131	S1 2014 Earnings Release
Tack Fiori International Group Ltd	928	S1 2014 Earnings Release
Group Sense International Ltd	601	S1 2014 Earnings Release
Hanny Holdings Ltd	275	S1 2014 Earnings Release
Noble Century Investment Holdings Ltd	2322	S1 2014 Earnings Release
Computime Group Ltd	320	S1 2014 Earnings Release
Kin Yat Holdings Ltd	638	S1 2014 Earnings Release
National Electronic Hldgs	213	S1 2014 Earnings Release
LK Technology Holdings Ltd	558	S1 2014 Earnings Release
Henry Group Holdings Ltd	859	S1 2014 Earnings Release
Tsui Wah Holdings Ltd	1314	S1 2014 Earnings Release
China Environmental Energy Investment Ltd	986	S1 2014 Earnings Release
Southeast Asia Properties & Finance Ltd	252	S1 2014 Earnings Release
Climax International Co Ltd	439	S1 2014 Earnings Release
Coastal Greenland Ltd	1124	S1 2014 Earnings Release
Tungtex Holdings	518	S1 2014 Earnings Release
Ping Shan Tea Group Ltd	364	Y 2013 Earnings Release
Integrated Waste Solutions Group Holdings Ltd	923	S1 2014 Earnings Release
Bosideng International Holdings Ltd	3998	S1 2014 Earnings Release
Hon Kwok Land Investment Co Ltd	160	S1 2014 Earnings Release

Source: HKEx

Coverage Summary															
Company	Ticker	Latest update	Rating	Target (HK\$)	Spot (HK\$)	Market cap (US\$m)	Fiscal year end	Target P/E (x)	P/E (x)			ROE (%)			
								Current	1-Yr	2-Yr	Current.	1-Yr	2-Yr	(%)	
Everbright Int'l	257 HK	6/9/2013	BUY	8.00	7.97	4167.8	12/2012	34.7	27.5	24.2	27.1	n.a.	n.a.	15.0	
Comtec Solar	712 HK	26/3/2013	HOLD	1.40	1.74	298.9	12/2012	15.7	10.8	8.4	n.a.	38.0	38.0	-3.6	
Chu Kong Pipe	1938 HK	2/4/2013	BUY	5.49	2.8	365.2	12/2012	5.8	4.5	n.a.	10.5	14.1	14.1	7.0	
IRC	1029 HK	14/3/2013	HOLD	1.26	0.82	456.1	12/2012	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-5.3	
Larry Jewelry	8351 HK	9/11/2012	BUY	1.05	0.182	35.1	12/2012	2.6	2.6	2.6	n.a.	n.a.	n.a.	-18.0	
Leoch Intl	842 HK	5/2/2013	HOLD	1.03	0.9	155.2	12/2012	3.5	2.7	n.a.	n.a.	n.a.	n.a.	-10.4	
Tongda	698 HK	18/3/2013	BUY	0.63	0.43	269.5	12/2012	5.1	3.6	2.8	6.5	n.a.	n.a.	15.1	
Technovator	1206 HK	2/8/2013	BUY	2.80	3.05	205.2	12/2012	12.9	10.8	9.2	14.6	n.a.	n.a.	18.7	

Source: Bloomberg, SBI E2-Capital

Research archive

Date	Company	Ticker	Rating	Report (click title to get full report)	Analyst
20/11/13	RM Group	8185 HK	Not Rated	Turning Health Supplements into Healthy Earnings	SBI Research
28/10/13	Ping Shan Tea Group	0364 HK	Not Rated	Diversify into tea business	Nelson Lee
25/09/13	CW Group	1322 HK	Not Rated	Setting its way to tap China market	Nelson Lee
06/09/13	China Everbright Int'	0257 HK	BUY	Turning Trash into Treasure	Nelson Lee
02/09/13	CITIC Telecom	1883 HK	Not Rated	Termination of coverage	Kant Leung
08/08/13	Pearl Oriental Oil	0632 HK	Not Rated	Earning accretive oilfield acquisition	SBI Research
02/08/13	Technovator	1206 HK	BUY	Energy-savings: Watt a deal!	Kant Leung
16/07/13	Zhongsheng	2623 HK	Not Rated	Strong reserve fogged by near-term uncertainty	Kant Leung
16/07/13	China Everbright Int'	0257 HK	Not Rated	Positive profit alert not a surprise	Nelson Lee
21/05/13	China Fiber Optic	3777 HK	Not Rated	Termination notice	Kevin Mak
10/05/13	CW Group	1322 HK	Not Rated	One-stop precision engineering solutions provider	Kevin Mak
23/04/13	M Dream Inworld	8100 HK	Not Rated	Web security software backed by IDG and Tencent	SBI Research
05/04/13	OTO Holdings	6880 HK	Not Rated	Attractive valuation for entry	Isaac Lau
05/04/13	SBI strategy 1Q13	--	--	SBI strategy 2Q13	SBI Research
02/04/13	China Fiber Optic	3777 HK	BUY	Distressed valuation opportunity	Kevin Mak
02/04/13	China Solar	0155 HK	Not Rated	Green solution to food safety concern	SBI Research
02/04/13	Chu Kong Pipe	1938 HK	BUY	At the beginning of a bull market	Isaac Lau
26/03/13	Comtec Solar	0712 HK	HOLD	Concern over new leadership in China	Kevin Mak
25/03/13	China Fiber Optic	3777 HK	BUY	Clarification on media coverage	Kevin Mak
22/03/13	Tontine	0389 HK	BUY	Profit drop on weak ASP in 2H	SBI Research
18/03/13	Tongda	0698 HK	BUY	Margin expansion may continue	Kevin Mak
14/03/13	Legend Strategy	8160 HK	Not Rated	FY12/12A result update	SBI Research
14/03/13	IRC	1029 HK	HOLD	Operating loss in FY12/12A as expected	Isaac Lau
08/03/13	Wealth Glory	8269 HK	Not Rated	Strategic Resources Trading Hub	SBI Research
04/03/13	Sun International	8029 HK	Not Rated	Major technological breakthrough	SBI Research
01/03/13	Hosa International	2200 HK	Not Rated	Stand out from the sportswear industry strait	SBI Research
15/02/13	CITIC Telecom	1883 HK	BUY	Transformation to telecom service provider	Kevin Mak
05/02/13	Leoch International	0842 HK	HOLD	Anhui operation to be improved	Kevin Mak
29/01/13	New Times Energy	0166 HK	Not Rated	From exploration towards production in 2013	SBI Research
24/01/13	Sunley Holdings	1240 HK	Not Rated	Construction bloom ahead	SBI Research
16/01/13	IRC	1029 HK	HOLD	Rally in price is yet to form a turnaround in 13F result	Isaac Lau
09/01/13	China Fiber Optic	3777 HK	BUY	Recent pressure from export sales	Kevin Mak
02/01/13	SBI strategy 1Q13	--	--	SBI strategy 1Q13	SBI Research
27/12/12	Tongda	698 HK	BUY	Bringing in strategic investor	Kevin Mak
30/11/12	Sunshine Paper	2002 HK	Not Rated	Paper board supplier for F&B package manufacturer	Isaac Lau
28/11/12	SBI strategy 4Q12	--	--	SBI strategy 4Q12	SBI Research
12/11/12	Comtec Solar	0712 HK	BUY	Sufficient cash and cash flow to repurchase CB	Kevin Mak
09/11/12	Larry Jewelry	8351 HK	BUY	Shining luster in a raw stone	SBI Research
09/11/12	Chiho-Tiande	0976 HK	Not Rated	Copper recycler resuming profitability	SBI Research
07/11/12	Legend Strategy	8160 HK	Not Rated	Quality accommodation at an affordable rate	Isaac Lau
26/10/12	China Oriental Culture	2371 HK	Not Rated	Competitive solution to professional training	SBI Research
18/10/12	Brilliant Circle	1008 HK	Not Rated	Stand out from the crowd	Isaac Lau
18/10/12	IRC	1029 HK	HOLD	Rocky Mountain Way	Isaac Lau
10/10/12	Singyes Solar	0750 HK	Not Rated	BIPV construction engineering that matters	Kevin Mak
27/09/12	NewOcean Energy	0342 HK	Not Rated	Gas business continues to drive growth	Kevin Mak
24/09/12	Asian Citrus	0073 HK	Not Rated	12A year end result recorded solid core earnings growth	SBI Research

Source: SBI E2-Capital

SBI E2-Capital is a dedicated small/mid cap investment banking/ stockbrokerage house. Find our research on: sbie2capital.com, thomsononeanalytics.com, factset.com and multex.com

SBI E2-Capital stock ratings:

STRONG BUY	: absolute upside of >50% over the next three months
BUY	: absolute upside of >10% over the next six months
HOLD	: absolute return of -10% to +10% over the next six months
SELL	: absolute downside of >10% over the next six months

Investors should assume that SBI E2-Capital is seeking or will seek investment banking or other related businesses with the companies in this report.

Analyst certification: The views expressed in this report accurately reflect the analyst's personal views of the subject securities and that the analyst has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report.

Disclaimer:

This research report is not an offer to sell or the solicitation of an offer to buy or subscribe for any securities. The securities referred to in this report may not be eligible for sale in some jurisdictions. The information contained in this report has been compiled by the Research Department of SBI E2-Capital Financial Services Limited ('SBI E2-Capital') from sources that it believes to be reliable but no representation, warranty or guarantee is made or given by SBI E2-Capital or any other person as to its accuracy or completeness. All opinions and estimates expressed in this report are (unless otherwise indicated) entirely those of SBI E2-Capital as of the date of this report only and are subject to change without notice. Neither SBI E2-Capital nor any other person, accepts any liability whatsoever for any loss howsoever arising from any use of this report or its contents or otherwise arising in connection therewith. Each recipient of this report shall be solely responsible for making its own independent investigation of the business, financial condition and prospects of the companies referred to in this report. SBI E2-Capital and their respective officers, directors and employees, including persons involved in the preparation or issuance of this report, may from time to time (1) have positions in, and buy or sell, the securities of companies referred to in this report (or related investments); (2) have a consulting, investment banking or broking relationship with any company referred to in this report; and (3) to the extent permitted under applicable law, have acted upon or used the information contained or referred to in this report including effecting transactions for their own account in an investment (or related investment) in respect of any company referred to in this report, prior to or immediately following its publication. This report may not have been distributed to all recipients at the same time. This report is issued only for the information of and may only be distributed to professional investors and dealers in securities and must not be copied, published, reproduced or redistributed (in whole or in part) by any recipient for any purpose. This report is distributed in Hong Kong by SBI E2-Capital. Any recipient of this report who requires further information regarding any securities referred to in this report should contact the relevant office of SBI E2-Capital located in such recipient's home jurisdiction.

Copyright© SBI E2-Capital Financial Services Limited. All rights reserved.