

## Not rated

Share price: HK\$3.44

Samantha KWONG  
samanthakwong@kimeng.com.hk  
(852) 2268 0640

### Stock Information

**Description:** Sitoy manufactures leather products, including luxury handbags, small leather goods, and travel bags. It also retails TUSCAN'S in China and various countries.

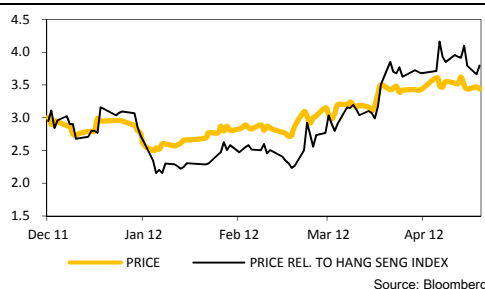
Ticker:	1023 HK
Shares Issued (m):	1,001
Market Cap (US\$m):	441
3-mth Avg Daily Turnover (US\$m):	0.45
HSI:	20,624
Free Float (%):	18.8

<b>Major Shareholders:</b>	%
Yeung Wah Keung	48.60
Yeung Wo Fai	26.17
IDG	6.39
Prada	4.88

### Key Indicators

ROE – annualised (%)	85.1
Net cash (HK\$m):	(5.2)
NTA/shr (HK\$):	N/A
Interest cover (x):	96.5
*As of FY6/11	

### Historical Chart



### Performance:

52-week High/Low HK\$3.69/HK\$2.35

	1-mth	3-mth	6-mth	1-yr	YTD
Absolute (%)	(1.7)	29.3	N/A	N/A	16.6
Relative (%)	(1.8)	26.5	N/A	N/A	4.4

## Sitoy

### Leading Handbag Maker

**Background.** Established in the 1970s and listed in 2011, Sitoy is the market leader in the handbag manufacturing industry globally with market share in terms of revenue of 5% in 2010, according to Frost & Sullivan. The company works closely with global luxury brands such as Coach (6388), Prada, Fossil, Michael Kors and Lacoste.

**Manufacturing business.** Coach has been the company's largest customer, accounting for more than 50% of the group's total revenue in 2011. Management believes revenue reliance on Coach will decrease in the future as order growth from other brands such as Michael Kors and Prada is increasing at a faster rate than that of Coach.

Currently, Europe outsources only 30% of the handbag production. With limited production capacity and ageing of labour force in the European handbag manufacturing industry while global demand for luxury handbag has increased dramatically, management therefore saw a strong sales growth potential from this market.

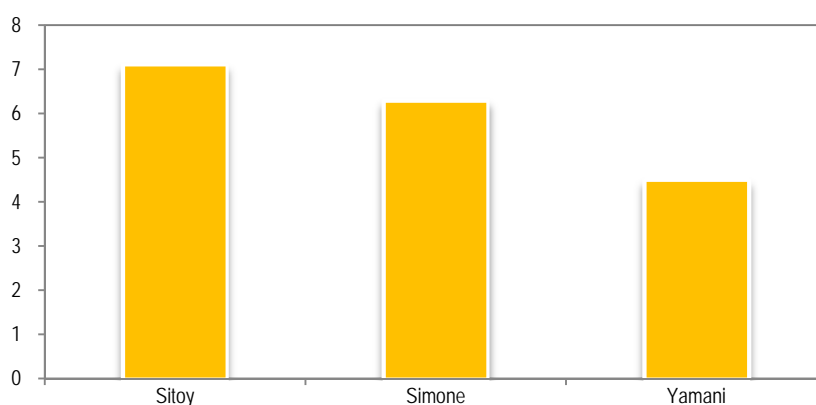
**Expansion of production plants.** Currently, the company has five production plants with 191 production lines, of which four are located in Dongguan and one in Yingde. To satisfy increasing demand, the company is undertaking the development of the second phase of the Yingde factory and expects that it will commence operations in FY6/13.

**New retail business with TUSCAN'S.** Sitoy entered into the retail business in FY11 with the brand TUSCAN'S. TUSCAN'S was originally founded in Italy in 1974 by TUSCAN'S Europe. Sitoy has bought the trademark and has the right to sell goods under the brand TUSCAN'S in China and various countries including China, Japan, Hong Kong, Macau, Taiwan, Thailand, Malaysia, the US, Singapore, South Korea and the United Arab Emirates. TUSCAN'S targets the mid-end market segment in the handbags and small leather goods sector with ASP of around Rmb1,800. Management expects this segment to become a new revenue growth engine in the near future.

**Yet, the retail business is at an infant stage.** As of FY6/11, the company has 17 POS, of which 8 are standalone stores and 9 are department store concession counters in Mainland China and Hong Kong. Management aims to open 100 stores by FY6/14 and expects the business to breakeven by then. However, the segment is still in its infancy; the lack of operating leverage and increasing investment will drag down the group's overall margin in short term.

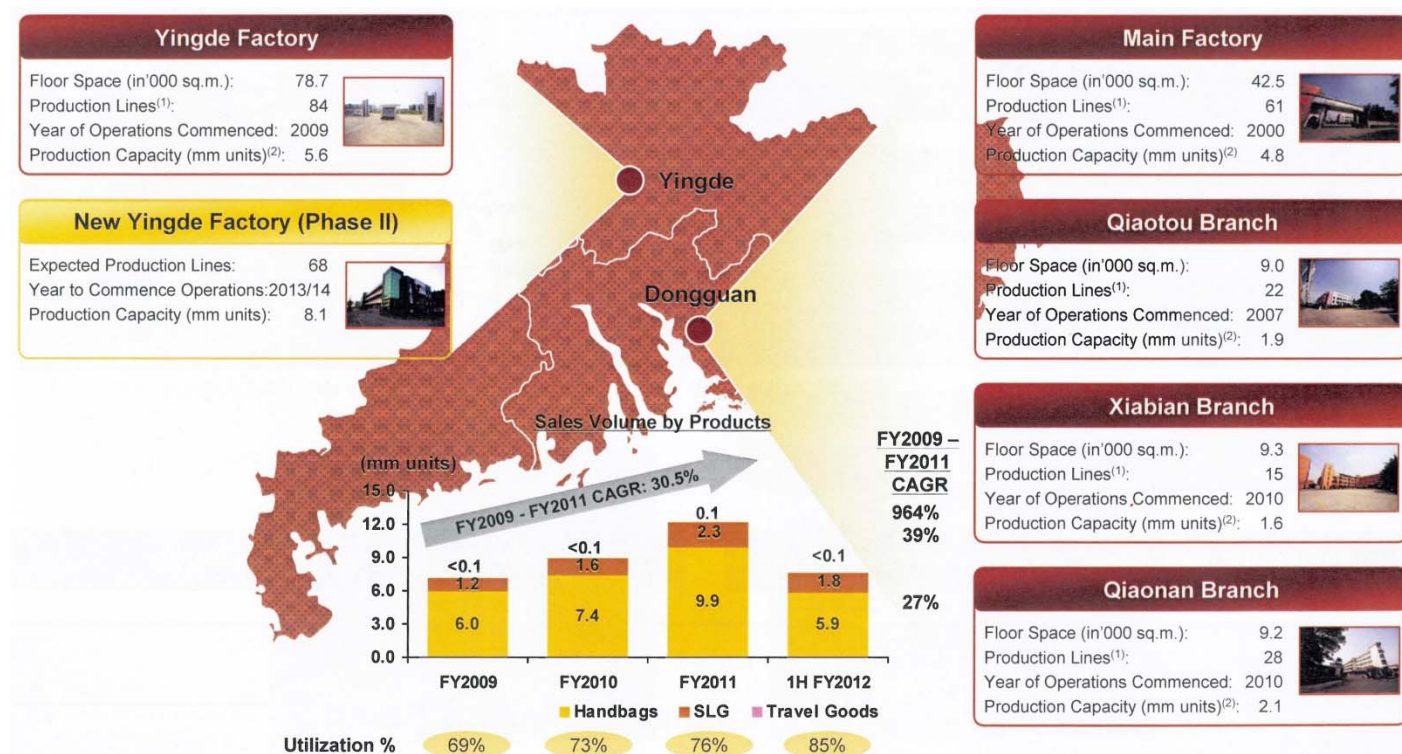
**Undemanding valuation; thin liquidity though.** Sitoy is trading at 7.2x FY6/13 PER, which looks undemanding as compared to Stella's 13.6x and Yue Yuen's 8.8x forward PER. Assuming a 30% payout ratio, the implied yield would be 4.2%, which is fair. Apart from the liquidity concern, re-rating may also be remote unless retail starts to bear fruit.

**Figure 1: Major 3 global luxury handbags & small leather goods manufacturers by sales revenue in 2010**



Source: Company data, Kim Eng Securities

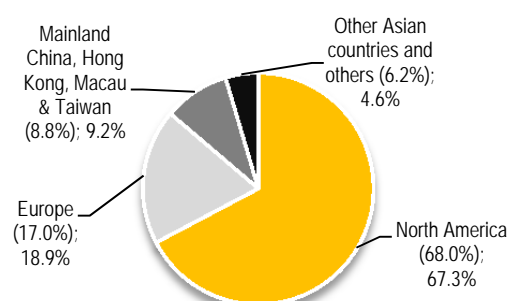
**Figure 2: Manufacturing facilities and capacity**



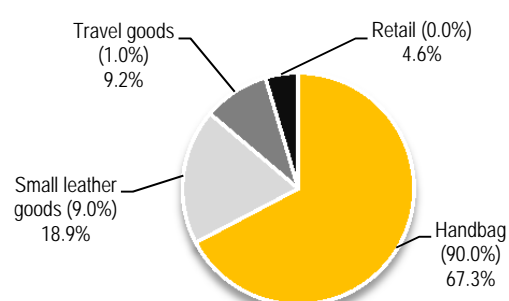
1) As of Dec 31, 2011    2) Estimated annual production capacity in FY11  
Source: Company data, Kim Eng Securities

**Figure 3: TUSCAN retail outlet images**

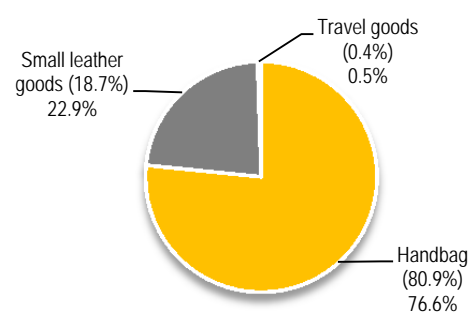
Source: Company data, Kim Eng Securities

**Figure 4: Sales by destination**

Note: H1 FY12 ended Dec 31, 2011, figures in brackets refer to FY11.  
Source: Company data, Kim Eng Securities

**Figure 5: Sales by product type**

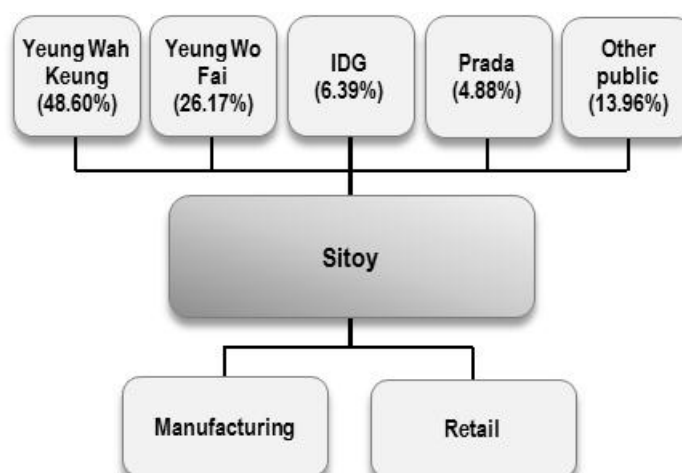
Note: H1 FY12 ended Dec 31, 2011, figures in brackets refer to FY11.  
Source: Company data, Kim Eng Securities

**Figure 6: Volume by product type (related to manufacturing business only)**

Note: H1 FY12 ended Dec 31, 2011, figures in brackets refer to FY11.  
Source: Company data, Kim Eng Securities



Figure 7: Organisation chart



Source: Company data, Kim Eng Securities

Figure 8: Milestones of Sitoy

Year	Key milestones
1977	Acquisition of a property based in Kwun Tong, Hong Kong, which is the first factory owned by Sitoy in Hong Kong
1982	Commencement of operation of Shenzhen Sitoy Handbag Factory in Shenzhen, Guangdong Province, as the first PRC factory of the Group
1987	Commencement of Operation of Dongguan Houjie Qiaotou Sitoy Handbag Factory in Dongguan
1992	Establishment of Sitoy Dongguan and commencement of production of its manufacturing facility in Dongguan
1995	Consolidation of Shenzhen Sitoy Handbag Factory into manufacturing facilities in Dongguan
1998	Commencement of handbag manufacturing business for U.S. luxury brands A shift in business strategy of the Group to focus business on the manufacture of leather goods
2003	Commencement of handbag manufacturing business for European luxury brands
2007	Installation of ETS system and ERP system in manufacturing facilities Diversification of product portfolio to include men's product
2009	Commencement of Yingde manufacturing facility Diversification of production portfolio to include travel goods for leisure and business travel
2010	Further expansion of manufacturing capacities through commencement of production of leased manufacturing facilities of Xiabian Branch and Qiaonan Branch in Dongguan
2011	Introduction of the "TUSCAN'S" brand of handbags and small leather goods and the opening of the first retail store in Guangzhou

Source: Company data, Kim Eng Securities

Figure 9: Valuation table as on 24/4/2012

	Ticker no.	Share Price (HK)	Market Cap (US\$m)	Rating	P/E ratio			ROE (%)
					FY11	FY12	FY13	FY11
Sitoy*	1023 HK	3.4	441.7	NR	8.6	8.7	7.2	85.1
Stella	1836 HK	21.7	2,210.0	NR	15.2	13.6	11.2	17.2
Yue Yuen*	551 HK	25.7	5,422.4	NR	11.1	10.5	8.8	12.8
Average					11.6	10.9	9.1	38.4

\* Note that Sitoy is June year end & Yue Yuen is Sep year end  
Source: Company data, Kim Eng Securities

## RESEARCH OFFICES

REGIONAL	ECONOMICS
<p><b>P K BASU</b> <i>Regional Head, Research &amp; Economics</i> (65) 6432 1821 pk.basu@maybank-ke.com.sg</p> <p><b>WONG Chew Hann, CA</b> <i>Regional Head of Institutional Research</i> (603) 2297 8686 wchewh@maybank-ib.com</p> <p><b>THAM Mun Hon</b> <i>Regional Strategist</i> (852) 2268 0630 thammunhon@kimeng.com.hk</p> <p><b>ONG Seng Yeow</b> <i>Regional Products &amp; Planning</i> (852) 2268 0644 ongsengyeow@maybank-ke.com.sg</p>	<p><b>Suhaimi ILIAS</b> <i>Chief Economist</i> ▪ Singapore   Malaysia (603) 2297 8682 suhaimi_ilias@maybank-ib.com</p> <p><b>Luz LORENZO</b> <i>Economist</i> ▪ Philippines   Indonesia (63) 2 849 8836 luz_lorenzo@maybank-atrke.com</p> <p><b>Chaiyachoke SUWISUTTANGKUL</b> <i>Economist</i> ▪ Thailand (662) 658 6300 chaiyachoke.s@maybank-ke.co.th</p>
MALAYSIA	SINGAPORE
<p><b>Wong Chew Hann, CA</b> <i>Head of Research</i> (603) 2297 8686 wchewh@maybank-ib.com ▪ Strategy ▪ Construction &amp; Infrastructure</p> <p><b>Desmond CH'NG, ACA</b> (603) 2297 8680 desmond.chng@maybank-ib.com ▪ Banking - Regional</p> <p><b>LIaw Thong Jung</b> (603) 2297 8688 tjliaw@maybank-ib.com ▪ Oil &amp; Gas ▪ Automotive ▪ Shipping</p> <p><b>ONG Chee Ting</b> (603) 2297 8678 ct.ong@maybank-ib.com ▪ Plantations</p> <p><b>Mohshin AZIZ</b> (603) 2297 8692 mohshin.aziz@maybank-ib.com ▪ Aviation ▪ Petrochem ▪ Power</p> <p><b>Yin Shao Yang, CPA</b> (603) 2297 8916 samuel.y@maybank-ib.com ▪ Gaming – Regional ▪ Media ▪ Power</p> <p><b>Wong Wei Sum, CFA</b> (603) 2297 8679 weisum@maybank-ib.com ▪ Property &amp; REITs</p> <p><b>LEE Yen Ling</b> (603) 2297 8691 lee.yl@maybank-ib.com ▪ Building Materials ▪ Manufacturing ▪ Technology</p> <p><b>LEE Cheng Hooi</b> <i>Head of Retail</i> chenghooi.lee@maybank-ib.com ▪ Technicals</p>	<p><b>Stephanie Wong</b> <i>Head of Research</i> (65) 6432 1451 swong@maybank-ke.com.sg ▪ Strategy ▪ Small &amp; Mid Caps</p> <p><b>Gregory YAP</b> (65) 6432 1450 gyap@maybank-ke.com.sg ▪ Technology &amp; Manufacturing ▪ Telcos - Regional</p> <p><b>Wilson LIEW</b> (65) 6432 1454 wilsonliew@maybank-ke.com.sg ▪ Hotel &amp; Resort ▪ Property &amp; Construction</p> <p><b>James KOH</b> (65) 6432 1431 jameskoh@maybank-ke.com.sg ▪ Logistics ▪ Resources ▪ Consumer ▪ Small/ Mid cap</p> <p><b>YEAK Chee Keong, CFA</b> (65) 6433 5730 yeakcheek@maybank-ke.com.sg ▪ Healthcare ▪ Offshore &amp; Marine</p> <p><b>Alison FOK</b> (65) 6433 5745 alisonfok@maybank-ke.com.sg ▪ Services ▪ S-chips</p> <p><b>Bernard CHIN</b> (65) 6433 5726 bernardchin@maybank-ke.com.sg ▪ Transport ▪ Shipping ▪ Aviation</p>
HONG KONG / CHINA	INDONESIA
<p><b>Edward FUNG</b> <i>Head of Research</i> (852) 2268 0632 edwardfung@kimeng.com.hk ▪ Construction</p> <p><b>Ivan CHEUNG</b> (852) 2268 0634 ivancheung@kimeng.com.hk ▪ Property ▪ Industrial</p> <p><b>Ivan Li</b> (852) 2268 0641 ivanli@kimeng.com.hk ▪ Banking &amp; Finance</p> <p><b>Jacqueline Ko</b> (852) 2268 0633 jacquelineko@kimeng.com.hk ▪ Consumer Staples</p> <p><b>Andy POON</b> (852) 2268 0645 andypoon@kimeng.com.hk ▪ Telecom &amp; equipment</p> <p><b>Samantha KWONG</b> (852) 2268 0640 samanthakwong@kimeng.com.hk ▪ Consumer Discretionaries</p> <p><b>Alex YEUNG</b> (852) 2268 0636 alexyeung@kimeng.com.hk ▪ Industrial</p> <p><b>Catherine CHAN</b> (852) 2268 0631 catherinechan@kimeng.com.hk ▪ Cement</p> <p><b>Anita HWANG, CFA   Jacky WONG, CFA</b> anitahwang@kimeng.com.hk   jackywang@kimeng.com.hk (852) 2268 0142   (852) 2268 0107 ▪ Special Situations ▪ Quants</p>	<p><b>Katarina SETIAWAN</b> <i>Head of Research</i> (62) 21 2557 1125 ksetiawan@kimeng.co.id ▪ Consumer ▪ Strategy ▪ Telcos</p> <p><b>Lucky ARIESANDI, CFA</b> (62) 21 2557 1127 lariesandi@kimeng.co.id ▪ Base metals ▪ Coal ▪ Oil &amp; Gas</p> <p><b>Rahmi MARINA</b> (62) 21 2557 1128 rmarina@kimeng.co.id ▪ Banking ▪ Multifinance</p> <p><b>Pandu ANUGRAH</b> (62) 21 2557 1137 panugrah@kimeng.co.id ▪ Auto ▪ Heavy equipment ▪ Plantation ▪ Toll road</p> <p><b>Adi N. WICKAKSONO</b> (62) 21 2557 1130 anwicaksono@kimeng.co.id ▪ Generalist</p> <p><b>Anthony YUNUS</b> (62) 21 2557 1134 ayunus@kimeng.co.id ▪ Cement ▪ Infrastructure ▪ Property</p> <p><b>Arwani PRANADJAYA</b> (62) 21 2557 1129 apranadjaya@kimeng.co.id ▪ Technicals</p>
INDIA	PHILIPPINES
<p><b>Jigar SHAH</b> <i>Head of Research</i> (91) 22 6623 2601 jigar@kimeng.co.in ▪ Oil &amp; Gas ▪ Automobile ▪ Cement</p> <p><b>Anubhav GUPTA</b> (91) 22 6623 2605 anubhav@kimeng.co.in ▪ Metal &amp; Mining ▪ Capital goods ▪ Property</p> <p><b>Haripreet BATRA</b> (91) 226623 2606 haripreet@kimeng.co.in ▪ Software ▪ Media</p> <p><b>Ganesh RAM</b> (91) 226623 2607 ganeshram@kimeng.co.in ▪ Telecom ▪ Contractor</p> <p><b>Darpin SHAH</b> (91) 226623 2610 darpin@kimeng.co.in ▪ Banking &amp; Financial Services</p> <p><b>Gagan KWATRA</b> (91) 226623 2612 gagan@kimeng.co.in ▪ Small Cap</p>	<p><b>Luz LORENZO</b> <i>Head of Research</i> +63 2 849 8836 luz_lorenzo@maybank-atrke.com ▪ Strategy</p> <p><b>Laura DY-LIACCO</b> (63) 2 849 8840 laura_dyliacco@maybank-atrke.com ▪ Utilities ▪ Conglomerates ▪ Telcos</p> <p><b>Lovell SARREAL</b> (63) 2 849 8841 lovell_sarreal@maybank-atrke.com ▪ Consumer ▪ Media ▪ Cement ▪ Mining</p> <p><b>Kenneth NERECINA</b> (63) 2 849 8839 kenneth_nerecina@maybank-atrke.com ▪ Conglomerates ▪ Property ▪ Ports/ Logistics</p> <p><b>Katherine TAN</b> (63) 2 849 8843 kat_tan@maybank-atrke.com ▪ Banks ▪ Construction</p>
	THAILAND
	<p><b>Mayuree CHOWVIKIAN</b> <i>Head of Research</i> (66) 2658 6300 ext 1440 mayuree.c@maybank-ke.co.th ▪ Strategy</p> <p><b>Maria BRENDA SANCHEZ LAPIZ</b> <i>Co-Head of Research</i> Dir (66) 2257 0250   (66) 2658 6300 ext 1399 Maria.L@maybank-ke.co.th</p> <p><b>Andrew STOTZ</b> <i>Strategist</i> (66) 2658 6300 ext 1399 Andrew@maybank-ke.co.th</p> <p><b>Suttatip PEERASUB</b> (66) 2658 6300 ext 1430 suttatip.p@maybank-ke.co.th ▪ Media ▪ Commerce</p> <p><b>Sutthichai KUMWORACHAI</b> (66) 2658 6300 ext 1400 sutthichai.k@maybank-ke.co.th ▪ Energy ▪ Petrochem</p> <p><b>Termporn TANTIVIVAT</b> (66) 2658 6300 ext 1520 termporn.t@maybank-ke.co.th ▪ Property</p> <p><b>Woraphon WIROONSRI</b> (66) 2658 6300 ext 1560 woraphon.w@maybank-ke.co.th ▪ Banking &amp; Finance</p> <p><b>Jaroontan WATTANAWONG</b> (66) 2658 6300 ext 1404 jaroontan.w@maybank-ke.co.th ▪ Transportation ▪ Small cap.</p> <p><b>Suchot THIRAWANNARAT</b> (66) 2658 6300 ext 1550 suchot.t@maybank-ke.co.th ▪ Automotive ▪ Construction Materials ▪ Soft commodity</p>
	VIETNAM
	<p><b>Michael KOKALARI, CFA</b> <i>Head of Research</i> +84 838 38 66 47 michael.kokalari@kimeng.com.vn ▪ Strategy</p> <p><b>Nguyen Thi Ngan Tuyen</b> +84 844 55 58 88 x 8081 tuyen.nguyen@kimeng.com.vn ▪ Food and Beverage ▪ Oil and Gas</p> <p><b>Ngo Bich Van</b> +84 844 55 58 88 x 8084 van.ngo@kimeng.com.vn ▪ Banking</p> <p><b>Nguyen Quang Duy</b> +84 844 55 58 88 x 8082 duy.nguyenquang@kimeng.com.vn ▪ Rubber</p> <p><b>Dang Thi Kim Thoa</b> +84 844 55 58 88 x 8083 thoa.dang@kimeng.com.vn ▪ Consumer</p> <p><b>Nguyen Trung Hoa</b> +84 844 55 58 88 x 8088 hoa.nguyen@kimeng.com.vn ▪ Steel ▪ Sugar ▪ Macro</p>

## Definition of Ratings

Kim Eng Research uses the following rating system:

<b>BUY</b>	Total return is expected to be above 15% in the next 12 months
<b>HOLD</b>	Total return is expected to be between -15% to +15% in the next 12 months
<b>SELL</b>	Total return is expected to be below -15% in the next 12 months

## Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

### Some common terms abbreviated in this report (where they appear):

Adex = Advertising Expenditure	FCF = Free Cashflow	PE = Price Earnings
BV = Book Value	FV = Fair Value	PEG = PE Ratio To Growth
CAGR = Compounded Annual Growth Rate	FY = Financial Year	PER = PE Ratio
Capex = Capital Expenditure	FYE = Financial Year End	QoQ = Quarter-On-Quarter
CY = Calendar Year	MoM = Month-On-Month	ROA = Return On Asset
DCF = Discounted Cashflow	NAV = Net Asset Value	ROE = Return On Equity
DPS = Dividend Per Share	NTA = Net Tangible Asset	ROSF = Return On Shareholders' Funds
EBIT = Earnings Before Interest And Tax	P = Price	WACC = Weighted Average Cost Of Capital
EBITDA = EBIT, Depreciation And Amortisation	P.A. = Per Annum	YoY = Year-On-Year
EPS = Earnings Per Share	PAT = Profit After Tax	YTD = Year-To-Date
EV = Enterprise Value	PBT = Profit Before Tax	

## APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLOSURES AND DISCLAIMERS

### Disclaimer

The information, tools and material presented herein are provided for informational purposes only and are not to be used or considered as an offer or a solicitation to sell or an offer or solicitation to buy or subscribe for securities, investment products or other financial instruments, nor to constitute any advice or recommendation with respect to such securities, investment products or other financial instruments. This research report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. You should independently evaluate particular investments and you should consult an independent financial adviser before making any investments or entering into any transaction in relation to any securities mentioned in this report.

The information, tools and material presented herein are not directed at, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication, availability or use would be contrary to applicable law or regulation or which would subject Maybank Kim Eng Holdings Limited and/or its subsidiaries or affiliates (collectively "Maybank Kim Eng") to any registration or licensing requirement within such jurisdiction.

Information and opinions presented in this report have been obtained or derived from sources believed by Maybank Kim Eng to be reliable, but Maybank Kim Eng makes no representation as to their accuracy or completeness and Maybank Kim Eng accepts no liability for loss arising from the use of the material presented in this report where permitted by law and/or regulation. This report is not to be relied upon in substitution for the exercise of independent judgment. Maybank Kim Eng may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them.

The research analyst(s) primarily responsible for the preparation of this report confirms that (a) all of the views expressed in this report accurately reflects his or her personal views about any and all of the subject securities or issuers; and (b) that no part of his or her compensation was, is or will be, directly or indirectly, related to the specific recommendations or views he or she expressed in this report.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance.

Maybank Kim Eng, its directors and employees may have investments in securities or derivatives of any companies mentioned in this report, and may make investment decisions that are inconsistent with the views expressed in this report.

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own investigation and analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

### General Disclosure

Maybank Kim Eng and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. Maybank Kim Eng may, to the extent permitted by law, act upon or use the information presented herein, or the research or analysis on which they are based, before the material is published. One or more directors, officers and/or employees of Maybank Kim Eng may be a director of the issuers of the securities mentioned in this report. Maybank Kim Eng may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment.

This research report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report.

The information contained herein is believed to be reliable, its completeness and accuracy is however not guaranteed. Opinions expressed in this report are subject to change without notice, and no part of this publication is to be construed as an offer, or solicitation of an offer to buy or sell any securities or financial instruments whether referred therein or otherwise. We do not accept any liability whatsoever whether direct or indirect that may arise from the use of information contained in this report. Any transactions by US persons in any security discussed in this report must be carried out through Maybank Kim Eng Securities (USA) Inc which has distributed this report in the USA. In addition, this document has been distributed in the UK for information only and circulated only to existing customers of Maybank Kim Eng, who are not private customers as classified under FSA's Rules.

<p> <b>Malaysia</b>  <b>Maybank Investment Bank Berhad</b>  (A Participating Organisation of  Bursa Malaysia Securities Berhad)  33rd Floor, Menara Maybank,  100 Jalan Tun Perak,  50050 Kuala Lumpur  Tel: (603) 2059 1888;  Fax: (603) 2078 4194</p> <p>Stockbroking Business:  Level 8, Tower C, Dataran Maybank,  No.1, Jalan Maarof  59000 Kuala Lumpur  Tel: (603) 2297 8888  Fax: (603) 2282 5136</p> <p> <b>Philippines</b>  <b>Maybank ATR Kim Eng Securities Inc.</b>  17/F, Tower One &amp; Exchange Plaza  Ayala Triangle, Ayala Avenue  Makati City, Philippines 1200</p> <p>Tel: (63) 2 849 8888  Fax: (63) 2 848 5738</p> <p> <b>South Asia Sales Trading</b>  Connie TAN  connie@maybank-ke.com.sg  Tel: (65) 6333 5775  US Toll Free: 1 866 406 7447</p>	<p> <b>Singapore</b>  <b>Maybank Kim Eng Securities Pte Ltd</b>  <b>Maybank Kim Eng Research Pte Ltd</b>  9 Temasek Boulevard  #39-00 Suntec Tower 2  Singapore 038989</p> <p>Tel: (65) 6336 9090  Fax: (65) 6339 6003</p> <p> <b>Hong Kong</b>  <b>Kim Eng Securities (HK) Ltd</b>  Level 30,  Three Pacific Place,  1 Queen's Road East,  Hong Kong</p> <p>Tel: (852) 2268 0800  Fax: (852) 2877 0104</p> <p> <b>Thailand</b>  <b>Maybank Kim Eng Securities (Thailand) Public Company Limited</b>  999/9 The Offices at Central World,  20<sup>th</sup> - 21<sup>st</sup> Floor,  Rama 1 Road Pathumwan,  Bangkok 10330, Thailand</p> <p>Tel: (66) 2 658 6817 (sales)  Tel: (66) 2 658 6801 (research)</p> <p> <b>North Asia Sales Trading</b>  Eddie LAU  eddielau@kimeng.com.hk  Tel: (852) 2268 0800  US Toll Free: 1 866 598 2267</p>	<p> <b>London</b>  <b>Maybank Kim Eng Securities (London) Ltd</b>  6/F, 20 St. Dunstan's Hill  London EC3R 8HY, UK</p> <p>Tel: (44) 20 7621 9298  Dealers' Tel: (44) 20 7626 2828  Fax: (44) 20 7283 6674</p> <p> <b>Indonesia</b>  <b>PT Kim Eng Securities</b>  Plaza Bapindo  Citibank Tower 17<sup>th</sup> Floor  Jl Jend. Sudirman Kav. 54-55  Jakarta 12190, Indonesia</p> <p>Tel: (62) 21 2557 1188  Fax: (62) 21 2557 1189</p> <p> <b>Vietnam</b>  <i>In association with</i>  <b>Kim Eng Vietnam Securities Company</b>  1st Floor, 255 Tran Hung Dao St.  District 1  Ho Chi Minh City, Vietnam</p> <p>Tel: (84) 838 38 66 36  Fax: (84) 838 38 66 39</p>	<p> <b>New York</b>  <b>Maybank Kim Eng Securities USA Inc</b>  777 Third Avenue, 21st Floor  New York, NY 10017, U.S.A.</p> <p>Tel: (212) 688 8886  Fax: (212) 688 3500</p> <p> <b>India</b>  <b>Kim Eng Securities India Pvt Ltd</b>  2nd Floor, The International 16,  Maharishi Karve Road,  Churchgate Station,  Mumbai City - 400 020, India</p> <p>Tel: (91).22.6623.2600  Fax: (91).22.6623.2604</p> <p> <b>Saudi Arabia</b>  <i>In association with</i>  <b>Anfaal Capital</b>  Villa 47, Tujjar Jeddah  Prince Mohammed bin Abdulaziz  Street P.O. Box 126575  Jeddah 21352</p> <p>Tel: (966) 2 6068686  Fax: (966) 26068787</p>
--	---	---	---

[www.maybank-ke.com](http://www.maybank-ke.com) | [www.kimengresearch.com](http://www.kimengresearch.com) | [www.kimeng.com.hk](http://www.kimeng.com.hk)

#### **Regulatory Disclosures as required by the Hong Kong Securities and Futures Commission**

Policies of Kim Eng Securities (Hong Kong) Limited ("KESHK"):

- Research analysts who publish investment research are not directly supervised by, and do not report directly to, investment banking or sales and trading personnel.
- Research analysts' compensation or remuneration should not be linked to any specific investment banking function or to recommendations in research.
- Research analysts or their associates are prohibited from dealing in the securities or any derivatives of any companies the research analysts review/analyse/cover.
- Research analysts or their associates are prohibited from holding any directorship or other position in any company the research analysts review/analyse/cover.

Group companies of Kim Eng (inclusive of KESHK) which are carrying on a business in Hong Kong in investment banking, proprietary trading or market making or agency broking (the "Firms") are not a market maker in the securities of the subject companies mentioned in this report.

The Firms do not have any investment banking relationship with the companies mentioned in this report within the last 12 months.

As of 25 April 2012, Kim Eng Securities (Hong Kong) Limited and the authoring analyst does not have interests in the said company/companies.

#### **Additional Disclaimers (for purpose of distribution in Singapore)**

This report has been produced as of the date hereof and the information herein maybe subject to change. Maybank Kim Eng Research Pte Ltd ("MBKERPL") in Singapore has no obligation to update such information for any recipient. Recipients of this report are to contact MBKERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MBKERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

As of 25 April 2012, MBKERPL does not have an interest in the said company/companies.

#### **Analyst Certification**

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

© 2012 Kim Eng Securities (Hong Kong) Limited. All rights reserved. Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Kim Eng Securities (Hong Kong) Limited. Kim Eng Securities (Hong Kong) Limited accepts no liability whatsoever for the actions of third parties in this respect.