Kangda Env (6136.HK) Continuing to Expand in Purchase Mode

Hong Kong | Environmental protection | Update Report

Accelerate to Purchase New Projects

In H2 of 2014, the company continued to expand its project scale in the purchase mode. It finished the purchase of 70% stock rights of Zhengzhou Shinnakasu in December with the processing capacity of 60 thousand tons. It purchased 80% stock rights of Pingdingshan Sewage Treatment Factory Stage 2 with the processing capacity of 130 thousand tons, as well as Laiyang Sewage Treatment Factory with the processing capacity of 20 thousand tons. By the end of January 2015, the sewage treatment scale of the company had reached 2.47 million tons, increasing by 42.5% yoy. Among that 2.08 million tons had been put into operation, increasing by 44.9% yoy. The management of the company reveals that the company plans to complete the purchase target of about 1.5 million tons before the end of 2015. We think the purchase mode can make the company enlarge the project scale rapidly, but the accompanying capital pressure may be increased. We will mainly pay attention to the financing method and cost changes of the company in the future.

Emphasize Technological Research and Development

The company has established Environmental Nano-engineering Technology Institute together with Shenzhen Institute of Tsinghua University, and the main research directions are the membrane technology sewage treatment and digitized waterworks system. Both the two technologies are the development trend of the future sewage treatment industry. The management of the company also reveals that the business in the future will be expanded to industrial sewage and sludge treatment and other fields. We think although it won't affect the operation situation of the company in a short period, a more diversified business mode is beneficial to the development of the company as well as the promotion of the valuation of the company at the same time from a long-term perspective.

Valuation

As a privately owned enterprise of sewage treatment, which is in the leading ranks in the industry, the company has always kept being undervalued at relatively low levels. The company has kept expanding all the time by means of acquisition followed by the subsequent new operation of the acquired business. The speed of expansion has been relatively fast but the mode of expansion has been relatively simple and unitary. The company will also move gradually to the other areas of sewage treatment in the future. From the long-term viewpoint, we expect that the company will perform well. We shall maintain the target price for the company at HK\$4.05, and upgrade the company to "buy" rating.



3 March 2015

Accumulate (Upgrade)

CMP	HKD 3.37
TARGET	HKD 4.05

COMPANY DATA

O/S SHARES(MN) :	2068
MARTKET CAP (HKD BN) :	69.68
52-WK HI/LO (HKD) :	2.47/ 4.32

SHARE HOLDING PARTTEN • %

Kangda Holdings Company Limited:: 52.96 Baring Private Equity Asia V Holding Limited 19.59

PRICE PERFORMANCE > %

	1MTH	3MTH	1YR
6136HK	-8.29	-10.34	-
HSI	-8.13	-13.82	-





Source: Phillip Securities (HK) Research

FYE	12/12	12/13	12/14F	12/15F
Operating Profit (HKD 000)	366,969	445,372	462,308	566,641
Net Profit, adj. (HKD 000)	196,540	231,563	254,751	323,948
EPS, adj. (HKD)	0.13	0.15	0.13	0.16
P/E (X)	23.6	20.4	23.6	19.2
BV PS (HKD)	0.74	0.89	1.28	1.42
P/B (X)	4.1	3.4	2.4	2.2
DPS (HKD)	0.00	0.00	0.02	0.03
Div. Yield	0.0%	0.0%	0.7%	1.1%
Source: Bloomberg, PSR est.				

*All multiples & yields based on current market price

Phillip Research (+ 86 21 51699400-104)

research@phillip.com.cn

Financials

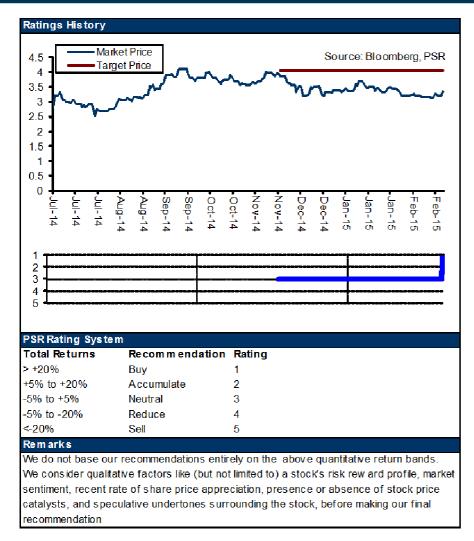
For Financial Summary at the end of report

Valuation Ratios 1111 1112 1113	FYE	FY11	FY12	FY13	FY14F	FY15F
PE (X) 30.6 23.6 20.4 23.6 19.2 PB (X) 6.7 4.1 3.4 2.4 2.2 Dividend Payout ratio 0.00% 0.00% 0.00% 0.00% 0.65% 0.08% Devidend Yieki 0.00% 0.00% 0.00% 0.65% 0.08% Per share data (RMB) 0.10 0.13 0.15 0.13 0.16 PS, reported 0.10 0.13 0.15 0.13 0.16 0.03 BVRS 0.46 0.74 0.89 1.28 1.42 Growth 28.3% 21.4% 3.8% 22.6% Net home, adj. - 25.3% 17.8% 10.0% 42.2% Net profit margin 21.39% 155.51% 144.31% 147.00% 113.70% Gross profit margin 41.09% 13.37% 13.99% 4.224% 4.05.9% 4.05.9% 4.224% Net profit margin 21.35% 19.67% 17.28% <td< td=""><td></td><td></td><td></td><td>1110</td><td></td><td>11101</td></td<>				1110		11101
PHB (X) 6.7 4.1 3.4 2.4 2.2 Dividend Payout ratio 0.00% 0.00% 0.00% 0.00% 0.00% 0.08% 0.88% 15.38% 18.75% Dividend Yield 0.00% 0.00% 0.00% 0.00% 0.08% 0.88% 19.87% Per share data (RMB) E E E E E E ERS, reported 0.10 0.13 0.15 0.13 0.16 DPS 0.00 0.00 0.00 0.00 0.00 2.03 BVPS 0.46 0.74 0.89 1.28 1.42 Growth - 28.8% 21.4% 3.80% 22.6% Ket none, adj. - 21.39% 155.51% 144.31% 147.00% 113.70% Growth - 21.90% 18.25% 16.93% 42.24% Net norange assits 70.00% 71.21% 71.30% 58.66% 60.30% Returm on average assits 70.00%		30.6	23.6	20.4	23.6	19.2
Dividend Payout ratio 0.00% 0.00% 0.00% 0.00% 0.60% 0.60% Per share data (RMB) 0.10 0.13 0.15 0.13 0.16 EPS, reported 0.10 0.13 0.15 0.13 0.16 DPS 0.00 0.00 0.00 0.00 0.00 0.00 DVES 0.046 0.74 0.89 1.28 1.42 Growth 28.6% 21.4% 3.8% 22.6% Net norm, adj. - 25.5% 17.8% 10.05% 42.24% Aver profit margin 46.00% 44.21% 38.32% 40.05% 42.24% Net profit margin 46.00% 71.21% 143.37% 10.9% 12.25% Return on average assets - 5.83% 5.39% 46.24% 48.1% Income statement (thous and RMB) FY11 FY12 FY13 FY14F FY14F FY14F FY14F FY14F CY17.0% 13.30% 19.	. ,					
Dividend Yield 0.00% 0.00% 0.00% 0.66% 0.98% Fer share data (RMB) EFS, reported 0.10 0.13 0.15 0.13 0.16 EFS, reported 0.00						
Fer share data (RME) Image: Constraint of the state of t	-					
EPS, reported 0.10 0.13 0.15 0.13 0.16 EPS, adj. 0.10 0.13 0.15 0.13 0.16 DPS 0.00 0.00 0.00 0.00 0.00 BVFS 0.46 0.74 0.89 1.28 1.42 Growth - 28.8% 21.4% 3.8% 22.6% Net Income, adj. - 25.3% 17.8% 10.0% 27.2% Key Ratios - 25.3% 17.8% 10.0% 42.24% Net profit margin 46.00% 44.21% 38.32% 40.59% 42.24% Net profit margin 21.35% 19.67% 17.28% 18.99% 12.02% Return on average assets - 5.83% 5.39% 4.62% 4.62% Cost of good sell (396.621) (557.537) (626.256) (684.128) (67.364) Operating profit 338.065 441.776 513.421 610.772 711.780 Operating profit 239.669 <td></td> <td>0.0070</td> <td>0.0070</td> <td>0.0070</td> <td>0.0070</td> <td>0.0070</td>		0.0070	0.0070	0.0070	0.0070	0.0070
EPS, adj. 0.10 0.13 0.15 0.13 0.16 DPS 0.00 0.00 0.00 0.00 0.00 0.02 0.03 BVPS 0.46 0.74 0.89 1.28 1.42 Growth - 28.8% 21.4% 3.8% 22.6% Net norme, adj. - 25.3% 17.8% 10.0% 27.2% Gross profit margin 46.00% 44.21% 38.32% 40.05% 42.4% Net profit margin 21.35% 19.67% 17.2% 16.33% 12.02% Neturn on average assets - 5.83% 5.39% 4.62% 4.81% Return on average assets - 5.83% 5.39% 4.62% 4.81% Inbility/asset 76.00% 71.21% 71.30% 59.55% 60.30% Icot good sell (396.821) (557.537) (526.258) (88.418) (164.378) Operating profit 22.219 10,129 48.455 19.630 19.630 <t< td=""><td></td><td>0.10</td><td>0.13</td><td>0.15</td><td>0.13</td><td>0.16</td></t<>		0.10	0.13	0.15	0.13	0.16
DPS 0.00 0.00 0.00 0.02 0.03 BVPS 0.46 0.74 0.89 1.28 1.42 Revenue - 36.0% 34.1% 12.3% 12.0% Operating income - 28.8% 21.4% 3.8% 22.6% Net Income, adj. - 25.3% 17.8% 10.0% 27.2% Current ratio 121.39% 155.51% 144.31% 147.00% 113.70% Gross profit margin 46.00% 44.21% 38.32% 40.59% 42.24% Net profit margin 21.35% 196.7% 17.28% 16.93% 12.22% Neturn on average assets - 5.83% 5.33% 4.62% 4.81% Return on average assets - 71.30% 59.55% 60.39% Liability/asset 76.00% 71.21% 71.48 610.772 711.780 Operating revenue 734.886 999.315 1.339.679 1.56.300 1.66.300 Gross profit 338.0	•					
BV PS 0.46 0.74 0.89 1.28 1.42 Growth						
Growth	-					
Revenue - 36.0% 34.1% 12.3% 12.0% Operating income - 28.8% 21.4% 3.8% 22.6% Ket Income, adj. - 25.3% 17.8% 10.0% 27.2% Key Ratios - 25.3% 17.8% 10.0% 113.70% Correst profit margin 46.00% 44.21% 38.32% 40.63% 19.22% Return on average assets - 5.83% 5.39% 4.62% 4.81% Return on average equity - 21.90% 18.91% 13.09% 12.02% Cost of good sell (396,821) (557,537) (826,258) (894,128) (973,480) Gross profit 338,065 441.778 513.421 610,772 711,780 Other net profit 238,656 441.78 513.421 610,772 711,780 Other net profit 238,065 441.78 513.421 610,772 711,780 Other net profit 284,233 366,694 453.72 462,308 566,6		0.40	0.74	0.00	1.20	1.72
Operating income - 28.8% 21.4% 3.8% 22.6% Net Income, adj. - 25.3% 17.8% 10.0% 27.2% Key Ratios - - 25.3% 17.8% 10.0% 27.2% Gursen tratio 121.39% 155.51% 144.31% 147.00% 113.70% Gross profit margin 46.00% 44.21% 38.32% 40.05% 42.24% Net profit margin 21.35% 19.67% 17.28% 16.03% 19.22% Return on average assets - 5.83% 5.39% 4.62% 4.81% Return on average equity - 21.90% 18.91% 13.09% 15.02% Cost of good sell (396.821) (55.757) (26.26.81) (97.46.0) 16.85.260 Cost of good sell (396.821) (55.757) (26.26.81) (97.46.0) 19.630 Operating revenue 734.886 999.315 1,339.679 1,504.900 1,685.260 Cost of good sell (396.251) (531.631) <			36.0%	34.1%	12.3%	12.0%
Net Income, adj. - 25.3% 17.8% 10.0% 27.2% Key Ratios - - 25.3% 17.8% 10.0% 27.2% Current ratio 121.39% 155.51% 144.31% 147.00% 113.70% Gross profit margin 21.35% 19.67% 17.28% 16.03% 12.2% Return on average assets - 5.83% 5.39% 4.62% 4.81% Return on average equity - 21.90% 18.91% 13.09% 12.02% Liability/asset 76.00% 71.21% FY13 FY14F FY15F Operating revenue 734,886 999,315 1339,679 15.04900 1,685,260 Cost of good sell (396,821) (157,577) (826,258) (894,128) (973,480) Gross profit 333,065 441,778 513,421 610,772 711,780 Ober at spore (68,283) (73,631) (103,906) (158,648) (158,378) Operating profit 284,923 366,696 444		-				
Key Ratios Intervent ratio		-				
Current ratio 121.39% 155.51% 144.31% 147.00% 113.70% Gross profit margin 46.00% 44.21% 38.32% 40.59% 42.24% Net profit margin 21.35% 19.67% 17.28% 16.93% 19.22% Return on average assets - 5.83% 5.39% 4.62% 4.81% Return on average equity - 21.90% 18.91% 13.09% 19.22% Income statement (thousand RMB) FY11 FY12 FY13 FY14F FY15F Operating revenue 734,886 999,315 1,339,679 1,504,900 1,685,260 Cost of good sell (396,821) (557,537) (826,258) (894,128) (973,480) Gross profit 338,055 441,778 513,421 610,772 711,780 Other net profit 22,219 10,129 48,455 19,630 196,530 Operating profit 28,623 (133,900) (167,689) (141,564) (159,020) Income tax (28,31) (35,686) </td <td></td> <td></td> <td>20.070</td> <td>11.070</td> <td>10.070</td> <td>21.270</td>			20.070	11.070	10.070	21.270
Gross profit margin 46.00% 44.21% 38.32% 40.59% 42.24% Net profit margin 21.35% 19.67% 17.28% 16.93% 19.22% Return on average assets - 5.83% 5.39% 46.25% 4.81% Return on average assets 76.00% 71.21% 71.30% 59.55% 60.30% Income statement (thousand RMB) FY11 FY12 FY13 FY14F FY15F Operating revenue 734,886 999,315 1,339,679 1,504,900 1,685,260 Cost of good sell (396,821) (557,537) (826,258) (97,340) 19,630 Operating profit 22,219 10,129 44,55 19,630 19,630 Operating profit 284,923 366,969 241,679 321,449 411,926 Income tax (28,631) (35,696) (47,689) (144,564) (150,020) Profit for the period 156,890 197,373 232,629 255,751 323,449 Minority interest 0 833		121.39%	155.51%	144.31%	147.00%	113.70%
Net profit margin 21.35% 19.67% 17.28% 16.93% 19.22% Return on average assets - 5.83% 5.39% 4.62% 4.81% Return on average equity - 21.90% 18.91% 13.09% 12.02% Iability/asset 76.00% 71.21% FY13 FY14F FY15F Operating revenue 734,886 999,315 1,339,679 1,504,900 1,685,260 Cost of good sell (366,821) (557,537) (526,255) (689,122) 173,480) Other net profit 22,219 10,129 48,455 19,630 19,630 Adiministractive expenses (68,283) (73,631) (103,906) (158,648) (154,378) Operating profit 284,923 366,969 445,372 462,308 566,641 Income tax (185,521 233,069 281,679 321,449 411,326 Income tax (28,631) (35,696) (44,564) (150,000) 0 0 0 0 0 0						
Return on average assets - 5.83% 5.39% 4.62% 4.81% Return on average equity - 21.90% 18.91% 13.09% 12.02% Liability/asset 76.00% 71.21% 71.30% 59.55% 60.30% Income statement (thousand RMB) FY11 FY13 FY14F FY15F Operating revenue 734,886 999,315 1,339,679 1,504,900 1,685,260 Cost of good sell (396,821) (557,537) (826,258) (884,128) (973,480) Other net profit 22,219 10,129 48,455 19,630 19,630 Adiministractive expenses (68,283) (73,631) (103,906) (158,648) (154,378) Interest expense (133,900) (167,698) (144,564) (159,020) Profit before tax 185,521 233,069 281,679 321,449 411,326 Income tax 126,890 196,540 231,563 254,751 324,948 Minority interest 0 833 1,066						
Return on average equity 21.90% 18.91% 13.09% 12.02% Liability/asset 76.00% 71.21% 71.30% 59.55% 60.30% Income statement (thousand RMB) FY11 FY12 FY13 FY14F FY13 Operating revenue 734,886 999,315 1,339,679 1,504,900 1,685,260 Cost of good sell (396,821) (557,537) (826,258) (894,128) (973,480) Other net profit 22,219 10.129 48,455 19,630 196,30 Adiministractive expenses (68,283) (73,631) (103,906) (158,648) (154,378) Operating profit 284,923 366,969 4445,372 462,308 566,641 Interest expense (99,402) (133,900) (167,698) (144,564) (159,020) Profit before tax 185,521 233,069 281,679 321,449 411,326 Income tax (28,631) (35,696) (49,050) (65,688) (66,378) Effective income tax rate 156,890<		-				
Liability/asset 76.00% 71.21% 71.30% 59.55% 60.30% Income statement (thousand RMB) FY11 FY12 FY13 FY14F FY15F Operating revenue 734,886 999,315 1,339,679 1,504,900 1,685,260 Cost of good sell (567,537) (826,2258) (894,128) (973,480) Other net profit 22,219 10,129 48,455 19,630 19,630 Adiministractive expenses (68,283) (73,631) (103,906) (158,648) (154,378) Operating profit 224,923 366,969 445,372 462,308 566,641 Income tax (28,631) (133,900) (167,698) (144,564) (158,90,20) Profit before tax 185,521 233,069 281,679 321,449 411,326 Income tax rate 15,43% 15.32% 17,41% 20.44% 21.00% Net profit tatributable to equity holders 0 833 1,066 1,000 1,000 Bedance Sheet (thousand RMB) FY11	•	-				
Income statement (thousand RMB) FY11 FY12 FY13 FY14F FY15F Operating revenue 734,886 999,315 1,339,679 1,504,900 1,685,260 Cost of good sell (396,821) (557,537) (826,258) (894,128) (973,480) Gross profit 338,065 441,778 513,421 610,772 711,780 Other net profit 22,219 10,129 48,455 19,630 19,630 Adiministractive expenses (68,283) (73,631) (103,900) (158,648) (154,378) Operating profit 284,923 366,969 445,372 462,308 566,6641 Interest expense (199,402) (133,900) (157,698) (144,564) (159,020) Profit before tax 185,521 233,069 281,679 321,449 411,326 Income tax (28,631) (35,696) (49,050) (65,698) (86,378) Effective income tax rate 156,890 196,540 231,563 254,751 323,948 Dividend paid <td></td> <td>76.00%</td> <td></td> <td></td> <td></td> <td></td>		76.00%				
Operating revenue 734,886 999,315 1,339,679 1,504,900 1,685,260 Cost of good sell (396,821) (557,537) (826,258) (894,128) (973,480) Gross profit 22,219 10,129 48,455 19,630 19,630 Adiministractive expenses (68,283) (73,631) (103,906) (158,648) (154,378) Operating profit 284,923 366,969 445,372 462,308 566,641 Interest expense (99,402) (133,900) (167,698) (144,564) (159,020) Profit before tax 185,521 233,069 281,679 321,449 411,326 Income tax (28,631) (35,696) (49,050) (65,698) (86,378) Effective income tax rate 156,890 197,373 232,629 255,751 324,948 Dividend paid 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Cost of good sell (396,821) (557,537) (826,258) (894,128) (973,480) Gross profit 338,065 441,778 513,421 610,772 711,780 Other net profit 22,219 10,129 48,455 19,630 19,630 Adiministractive expenses (68,283) (73,631) (103,906) (158,648) (154,378) Operating profit 284,923 366,969 445,372 462,308 566,641 Interest expense (99,402) (133,900) (167,698) (144,564) (159,020) Profit before tax 185,521 233,069 281,679 321,449 411,326 Income tax 128,631 (35,696) (49,050) (66,598) (86,378) Effective income tax rate 154,3% 15.32% 17.41% 20.44% 21.00% Ninority interest 0 833 1,066 1,000 1,000 Nonority interest 0 0 0 0 0 40,002 Account receivable 425,774	· · · · · · · · · · · · · · · · · · ·			-		
Gross profit338,065441,778513,421610,772711,780Other net profit22,21910,12948,45519,63019,630Adiministractive expenses(68,283)(73,631)(103,906)(158,648)(154,378)Operating profit284,923366,969445,372462,308566,641Interest expense(99,402)(133,900)(167,698)(144,564)(159,020)Profit before tax185,521233,069281,679321,449411,326Income tax(28,631)(35,696)(49,050)(65,698)(86,378)Effective income tax rate154,39%15,32%17,41%20,44%21,00%Net profit for the period156,890197,373232,629255,751324,948Minority interest08331,0661,0001,000Balance Sheet (thousand RMB)FY11FY12FY13FY14FFY15FCash or cash eqivalent245,774543,754275,562546,417300,529Account receivable428,155541,868714,388836,786920,465Inventory5,2145,3133,1084,0024,002Receivables under service concession arrai1,486,8871,826,3962,571,2743,612,020Att Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341		•				
Other net profit 22,219 10,129 48,455 19,630 19,630 Adiministractive expenses (68,283) (73,631) (103,906) (158,648) (154,378) Operating profit 284,923 366,969 445,372 462,308 566,641 Interest expense (99,402) (133,900) (167,698) (144,564) (159,020) Profit before tax 185,521 233,069 281,679 321,449 411,326 Income tax rate 15,43% 15,32% 17,41% 20,44% 21,00% Net profit for the period 156,890 197,373 232,629 255,751 323,948 Dwidend paid 0 833 1,066 1,000 1,000 Balance Sheet (thousand RMB) FY11 FY12 FY13 FY14F FY15F Cash or cash eqivalent 245,774 543,754 275,562 546,417 300,529 Account receivable 428,155 541,868 714,338 83,6786 920,465 Inventory 5,214 5,3	-					
Adiministractive expenses (68,283) (73,631) (103,906) (158,648) (154,378) Operating profit 284,923 366,969 445,372 462,308 566,641 Interest expense (99,402) (133,900) (167,698) (144,564) (159,020) Profit before tax 185,521 233,069 281,679 321,449 411,326 Income tax (28,631) (35,696) (49,050) (65,698) (86,378) Effective income tax rate 15.43% 15.32% 17.41% 20.44% 21.00% Net profit for the period 156,890 197,373 232,629 255,751 323,948 Dividend paid 0 833 1,066 1,000 1,000 Balance Sheet (thousand RMB) FY11 FY12 FY13 FY14F FY15F Cash or cash eqivalent 245,774 543,754 275,562 546,417 300,529 Account receivable 428,155 541,868 714,398 836,766 920,465 hventory 5,214	-		•			
Operating profit 284,923 366,969 445,372 462,308 566,641 Interest expense (99,402) (133,900) (167,698) (144,564) (159,020) Profit before tax 185,521 233,069 281,679 321,449 411,326 Income tax (28,631) (35,696) (49,050) (65,698) (86,378) Effective income tax rate 154,33% 153,23% 17,41% 20.44% 21.00% Net profit for the period 156,890 197,373 232,629 255,751 324,948 Minority interest 0 833 1,066 1,000 1,000 Net profit attributable to equity holders 156,890 196,540 231,563 254,751 323,948 Dividend paid 0 0 0 40,000 60,000 Balance Sheet (thousand RMB) FY11 FY12 FY13 FY14F FY157 Cash or cash eqivalent 245,774 543,754 275,562 546,417 300,529 Account receivables under service concession arra	•	-			-	
Interest expense(99,402)(133,900)(167,698)(144,564)(159,020)Profit before tax185,521233,069281,679321,449411,326Income tax(28,631)(35,696)(49,050)(65,698)(86,378)Effective income tax rate15.43%15.32%17.41%20.44%21.00%Net profit for the period156,890197,373232,629255,751324,948Minority interest08331,0661,0001,000Net profit attributable to equity holders156,890196,540231,563254,751322,948Dividend paid00040,00060,000Balance Sheet (thousand RMB)FY11FY12FY13FY14FFY15FCash or cash eqivalent245,774543,754275,562546,417300,529Account receivable428,155541,868714,398836,786920,465Inventory5,2145,3133,1084,0024,002Receivables under service concession arrai1,486,8871,828,3962,571,2743,612,0204,614,424PPE68,21073,01680,30380,50680,506Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan1,006,8271,415,6321,802,048 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Profit before tax 185,521 233,069 281,679 321,449 411,326 Income tax (28,631) (35,696) (49,050) (65,698) (86,378) Effective income tax rate 15.43% 15.32% 17.41% 20.44% 21.00% Net profit for the period 156,890 197,373 232,629 255,751 324,948 Minority interest 0 833 1,066 1,000 1,000 Net profit attributable to equity holders 156,890 196,540 231,563 254,751 322,948 Dividend paid 0 0 0 40,000 60,000 Balance Sheet (thousand RMB) FY11 FY12 FY13 FY14F FY15F Cash or cash eqivalent 245,774 543,754 275,562 546,417 300,529 Account receivable 428,155 541,868 714,398 836,786 920,465 Inventory 5,214 5,313 3,108 4,002 4,002 Receivables under service concession arrai 1,486,887		•			•	
hcome tax(28,631)(35,696)(49,050)(65,698)(86,378)Effective income tax rate15.43%15.32%17.41%20.44%21.00%Net profit for the period156,890197,373232,629255,751324,948Minority interest08331,0661,0001,000Net profit attributable to equity holders156,890196,540231,563254,751323,948Dividend paid00040,00060,000Balance Sheet (thousand RMB)FY11FY12FY13FY14FFY15FCash or cash eqivalent245,774543,754275,562546,417300,529Account receivable428,155541,868714,398836,786920,465Inventory5,2145,3133,1084,0024,002Receivables under service concession arrai1,486,8871,828,3962,571,2743,612,0204,614,424PPE68,21073,01680,30380,50680,506Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other on-current liability98,109123,113177,865213,742213,742Long term loan1,006,8271,415,6321,802,048 <td>•</td> <td></td> <td></td> <td></td> <td>· · · · · · · · · · · · · · · · · · ·</td> <td></td>	•				· · · · · · · · · · · · · · · · · · ·	
Effective income tax rate15.43%15.32%17.41%20.44%21.00%Net profit for the period156,890197,373232,629255,751324,948Mnority interest08331,0661,0001,000Net profit attributable to equity holders156,890196,540231,563254,751323,948Dividend paid000040,00060,000Balance Sheet (thousand RMB)FY11FY12FY13FY14FFY15FCash or cash eqivalent245,774543,754275,562546,417300,529Account receivable428,155541,868714,398836,786920,465Inventory5,2145,3133,1084,0024,002Receivables under service concession arrai1,486,8871,828,3962,571,2743,612,0204,614,424PPE68,21073,01680,30380,50680,506Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan6,62,412768,171785,341976,6791,269,683Other rurent liability36,60546,68858,37153,72353,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109 <td>Income tax</td> <td></td> <td>•</td> <td>•</td> <td></td> <td></td>	Income tax		•	•		
Minority interest 0 833 1,066 1,000 1,000 Net profit attributable to equity holders 156,890 196,540 231,563 254,751 323,948 Dividend paid 0 0 0 0 40,000 60,000 Balance Sheet (thousand RMB) FY11 FY12 FY13 FY14F FY15F Cash or cash eqivalent 245,774 543,754 275,562 546,417 300,529 Account receivable 428,155 541,868 714,398 836,786 920,465 Inventory 5,214 5,313 3,108 4,002 4,002 Receivables under service concession arrai 1,486,887 1,828,396 2,571,274 3,612,020 4,614,424 PPE 68,210 73,016 80,303 80,506 80,506 Other non-current assets 8,212 75,106 69,053 83,872 83,872 Total Assets 2,869,617 3,876,800 4,713,807 6,311,515 7,151,710 Cash payable 377,077	Effective income tax rate					
Minority interest 0 833 1,066 1,000 1,000 Net profit attributable to equity holders 156,890 196,540 231,563 254,751 323,948 Dividend paid 0 0 0 0 40,000 60,000 Balance Sheet (thousand RMB) FY11 FY12 FY13 FY14F FY15F Cash or cash eqivalent 245,774 543,754 275,562 546,417 300,529 Account receivable 428,155 541,868 714,398 836,786 920,465 Inventory 5,214 5,313 3,108 4,002 4,002 Receivables under service concession arrai 1,486,887 1,828,396 2,571,274 3,612,020 4,614,424 PPE 68,210 73,016 80,303 80,506 80,506 Other non-current assets 8,212 75,106 69,053 83,872 83,872 Total Assets 2,869,617 3,876,800 4,713,807 6,311,515 7,151,710 Cash payable 377,077	Net profit for the period	156,890	197,373	232,629	255,751	324,948
Net profit attributable to equity holders156,890196,540231,563254,751323,948Dividend paid00040,00060,000Balance Sheet (thousand RMB)FY11FY12FY13FY14FFY15FCash or cash eqivalent245,774543,754275,562546,417300,529Account receivable428,155541,868714,398836,786920,465Inventory5,2145,3133,1084,0024,002Receivables under service concession arrai1,486,8871,828,3962,571,2743,612,0204,614,424PPE68,21073,01680,30380,50680,506Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,450 <td></td> <td>-</td> <td></td> <td></td> <td>•</td> <td></td>		-			•	
Dividend paid0040,00060,000Balance Sheet (thousand RMB)FY11FY12FY13FY14FFY15FCash or cash eqivalent245,774543,754275,562546,417300,529Account receivable428,155541,868714,398836,786920,465Inventory5,2145,3133,1084,0024,002Receivables under service concession arrai1,486,8871,828,3962,571,2743,612,0204,614,424PPE68,21073,01680,30380,50680,506Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,		156,890	196,540	-		
Cash or cash eqivalent245,774543,754275,562546,417300,529Account receivable428,155541,868714,398836,786920,465Inventory5,2145,3133,1084,0024,002Receivables under service concession arrai1,486,8871,828,3962,571,2743,612,0204,614,424PPE68,21073,01680,30380,50680,506Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,4507,28312,34913,27813,278Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710		-	•			
Cash or cash eqivalent245,774543,754275,562546,417300,529Account receivable428,155541,868714,398836,786920,465Inventory5,2145,3133,1084,0024,002Receivables under service concession arrai1,486,8871,828,3962,571,2743,612,0204,614,424PPE68,21073,01680,30380,50680,506Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,4507,28312,34913,27813,278Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Balance Sheet (thousand RMB)	FY11	FY12	FY13	FY14F	FY15F
Inventory5,2145,3133,1084,0024,002Receivables under service concession arrai1,486,8871,828,3962,571,2743,612,0204,614,424PPE68,21073,01680,30380,50680,506Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710		245,774	543,754	275,562	546,417	300,529
Receivables under service concession arrai1,486,8871,828,3962,571,2743,612,0204,614,424PPE68,21073,01680,30380,50680,506Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Account receivable	428,155	541,868	714,398	836,786	920,465
PPE68,21073,01680,30380,50680,506Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Inventory	5,214	5,313	3,108	4,002	4,002
Other non-current assets8,21275,10669,05383,87283,872Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Receivables under service concession arra	1,486,887	1,828,396	2,571,274	3,612,020	4,614,424
Total Assets2,869,6173,876,8004,713,8076,311,5157,151,710Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	PPE	68,210	73,016	80,303	80,506	80,506
Cash payable377,077407,695537,452694,128763,541Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Other non-current assets	8,212	75,106	69,053	83,872	83,872
Short term loan662,412768,171785,341976,6791,269,683Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Total Assets	2,869,617	3,876,800	4,713,807	6,311,515	7,151,710
Other current liability36,60546,08858,37153,72353,723Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Cash payable	377,077	407,695	537,452	694,128	763,541
Long term loan1,006,8271,415,6321,802,0481,820,5032,011,528Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Short term loan	662,412	768,171	785,341	976,679	1,269,683
Other non-current liability98,109123,113177,865213,742213,742Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity688,5871,116,1011,352,7302,552,7402,839,493Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Other current liability	36,605	46,088	58,371	53,723	53,723
Total Liabilities2,181,0302,760,6993,361,0773,758,7754,312,217Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Long term loan	1,006,827	1,415,632	1,802,048	1,820,503	2,011,528
Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity688,5871,116,1011,352,7302,552,7402,839,493Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Other non-current liability	98,109	123,113	177,865	213,742	213,742
Shareholders' equity686,1371,108,8181,340,3812,552,7402,839,493Minority interest2,4507,28312,34913,27813,278Total shareholders' equity688,5871,116,1011,352,7302,552,7402,839,493Total shareholders' equity and liabilities2,869,6173,876,8004,713,8076,311,5157,151,710	Total Liabilities	2,181,030	2,760,699	3,361,077	3,758,775	4,312,217
Total shareholders' equity 688,587 1,116,101 1,352,730 2,552,740 2,839,493 Total shareholders' equity and liabilities 2,869,617 3,876,800 4,713,807 6,311,515 7,151,710	Shareholders' equity					
Total shareholders' equity 688,587 1,116,101 1,352,730 2,552,740 2,839,493 Total shareholders' equity and liabilities 2,869,617 3,876,800 4,713,807 6,311,515 7,151,710	Minority interest	2,450	7,283	12,349	13,278	13,278
Total shareholders' equity and liabilities 2,869,617 3,876,800 4,713,807 6,311,515 7,151,710		688,587	1,116,101	1,352,730	2,552,740	2,839,493
Source: PSR	Total shareholders' equity and liabilities					
	Source: PSR					



Kangda Env

UPDATE REPORT





Kangda Env

PHILLIP RESEARCH STOCK SELECTION SYSTEMS

Total Return	Recommendation	Rating	Remarks
>+20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20%upside from the current price
-5% to +5%	Neutral	3	Trade within ± 5% from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
<-20%	Sell	5	>20% downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

GENERAL DISCLAIMER

This publication is prepared by Phillip Securities (Hong Kong) Ltd ("Phillip Securities"). By receiving or reading this publication, you agree to be bound by the terms and limitations set out below.

This publication shall not be reproduced in whole or in part, distributed or published by you for any purpose. Phillip Securities shall not be liable for any direct or consequential loss arising from any use of material contained in this publication.

The information contained in this publication has been obtained from public sources which Phillip Securities has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the "Research") contained in this publication are based on such information and are expressions of belief only. Phillip Securities has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete or verified or should be relied upon as such. Any such information or Research contained in this publication is subject to change, and Phillip Securities shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will Phillip Securities be liable for any special, indirect, incidental or consequential damages which may be incurred from the use of the information or Research made available, even if it has been advised of the possibility of such damages.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this material are as of the date indicated and are subject to change at any time without prior notice.

This material is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this material may not be suitable for all investors and a person receiving or reading this material should seek advice from a financial adviser regarding the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This publication should not be relied upon as authoritative without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this publication has been made available constitutes neither a recommendation to enter into a particular transaction nor a representation that any product described in this material is suitable or appropriate for the recipient. Recipients should be aware that many of the products which may be described in this publication involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in this research should take into account existing public information, including any registered prospectus in respect of such security.

Disclosure of Interest

Analyst Disclosure: Neither the analyst(s) preparing this report nor his associate has any financial interest in or serves as an officer of the listed corporation covered in this report.

Firm's Disclosure: Phillip Securities does not have any investment banking relationship with the listed corporation covered in this report nor any financial interest of 1% or more of the market capitalization in the listed corporation. In addition, no executive staff of Phillip Securities serves as an officer of the listed corporation.

Availability

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

Information contained herein is based on sources that Phillip Securities (Hong Kong) Limited ("PSHK") believed to be accurate. PSHK does not bear responsibility for any loss occasioned by reliance placed upon the contents hereof. PSHK (or its affiliates or employees) may have positions in relevant investment products. For details of different product's risks, please visit the Risk Disclosures Statement on http://www.phillip.com.hk.

© 2015 Phillip Securities (Hong Kong) Limited

Kangda Env

Contact Information (Regional Member Companies)

MALAYSIA

Phillip Capital Management Sdn Bhd B-3-6 Block B Level 3, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur Tel (60) 3 2162 8841 Fax (60) 3 2166 5099

www.poems.com.my

CHINA

Phillip Financial Advisory (Shanghai) Co. Ltd. No 436 Heng Feng Road, Green Tech Tower Unit 604 Shanghai 200 070 Tel (86) 21 5169 9400 Fax: (86) 21 6091 1155 www.phillip.com.cn

FRANCE King & Shaxson Capital Ltd. 3rd Floor, 35 Rue de la Bienfaisance 75008 Paris France Tel (33) 1 4563 3100 Fax : (33) 1 4563 6017 www.kingandshaxson.com

AUSTRALIA

PhillipCapital Australia Level 12, 15 William Street, Melbourne, Victoria 3000, Australia Tel: (61) 3 9618 8238 Fax: (61) 3 9200 2277 www.phillipcapital.com.au

HONG KONG Phillip Securities (HK) Ltd 11/F United Centre 95 Queensway Hong Kong Tel (852) 2277 6600 Fax: (852) 2868 5307 www.phillip.com.hk

JAPAN Phillip Securities Japan, Ltd 4-2 Nihonbashi Kabutocho, Chuo-ku

Tokyo 103-0026 Tel: (81) 3 3666 2101 Fax: (81) 3 3664 0141 www.phillip.co.jp

INDIA PhillipCapital (India) Private Limited

No. 1, 18th Floor, Urmi Estate, 95 Ganpatrao Kadam Marg, Lower Parel West, Mumbai 400013 Tel: (9122) 2300 2999 Fax: (9122) 6667 9955 www.phillipcapital.in

UNITED KINGDOM

King & Shaxson Ltd. 6th Floor, Candlewick House, 120 Cannon Street London, EC4N 6AS Tel (44) 20 7929 5300 Fax: (44) 20 7283 6835 www.kingandshaxson.com

SRI LANKA

Asha Phillip Securities Limited Level 4, Millennium House, 46/58 Navam Mawatha, Colombo 2, Sri Lanka Tel: (94) 11 2429 100 Fax: (94) 11 2429 199 www.ashaphillip.net/home.htm

Phillip Securities Pte Ltd 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101 Tel : (65) 6533 6001 Fax: (65) 6535 3834

www.phillip.com.sg

INDONESIA

PT Phillip Securities Indonesia ANZ Tower Level 23B, Jl Jend Sudirman Kav 33A, Jakarta 10220, Indonesia Tel (62) 21 5790 0800 Fax: (62) 21 5790 0809 www.phillip.co.id

THAILAND

Phillip Securities (Thailand) Public Co. Ltd.

15th Floor, Vorawat Building, 849 Silom Road, Silom, Bangrak, Bangkok 10500 Thailand Tel (66) 2 2268 0999 Fax: (66) 2 2268 0921 www.phillip.co.th

UNITED STATES

Phillip Futures Inc. 141 W Jackson Blvd Ste 3050 The Chicago Board of Trade Building Chicago, IL 60604 USA Tel (1) 312 356 9000 Fax: (1) 312 356 9005



Page | 5 | PHILLIPCAPITAL HONGKONG RESEARCH