

Pacific Andes: Riding on inflation

Recommendation: BUY (re-initiating coverage)

China Agriculture

Price	HK\$2.14	Year to	Net profit	EPS	EPS	P/E	P/B	EV/EBITDA	Yield	ROE	ROCE	N. Gear.
Target price	HK\$3.55 (+66%)	Mar	HK\$m	HK\$	Δ %	x	x	x	%	%	%	%
12 mth range	HK\$1.26-3.03	06A	183.1	0.183	12.3	11.9	1.40	14.0	2.4	12.3	10.2	144.6
Market cap.	US\$501.6m	07A	310.8	0.270	47.5	8.1	1.22	7.8	1.9	16.7	12.0	147.4
Daily t/o, 3 mth	US\$0.7m	08F	404.9	0.242	(10.3)	9.0	0.77	4.9	1.8	11.1	12.8	106.5
Free float %	39.3%	09F	649.7	0.355	46.7	6.1	0.69	3.8	3.7	11.9	12.0	73.9
Ticker	1174.HK/1174 HK	10F	764.3	0.418	17.7	5.2	0.63	3.6	4.6	12.6	13.2	54.7

Relative to Hang Seng Index (1 mth, 3 mth, 12 mth): +10.5%, -15.2%, -33.5%

Actual price changes (1 mth, 3 mth, 12 mth): +7.5%, -10.8%, -17.1%

Consensus EPS (05F-06F): HK\$0.265, HK\$0.329

Previous forecasts (08F-10F): n.a.

Key points:

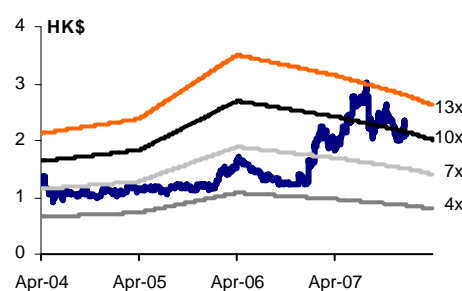
- Beneficiary of inflation thanks to its direct exposure to the food market.
- Fleet expansion in 2007 – nine new super-trawlers, 16 new purse seiner vessels and two transportation ships.
- Three new fishmeal plants in Peru in 2007.
- New processing plant in Qiangdao to be launched in 2008.
- Increased stake in CFGL to 40.8% from 18.4%.
- 1H FY03/08F pulled down by slow delivery but catch up in 2H.
- Net profit to grow at CAGR of 35.0% in FY03/07A-FY03/10F.
- BUY with a target price of HK\$3.55 based on 10.0x FY03/09F P/E.

Investment summary. Pacific Andes International Holdings (PAIH) is a Hong Kong-based seafood supplier. Its sales increased 37.7% to HK\$8,478.6m in FY03/07A, thanks to its second vessel-operating agreement (VOA) signed in Feb 2006, which boosted its super-trawler fleet to 14 ships from 7, and acquisition of 23 purse seiner vessels and four fishmeal plants in Peru during the fiscal year. We believe the company's major growth drivers going forward include:

- ❑ Rising food prices.
- ❑ Expansion of its super-trawler fleet to 23 ships.
- ❑ Purchase of 11 purse seiner vessels and three fishmeal plants in Peru.
- ❑ Addition of two transportation ships (total number of four) this year.
- ❑ New 60,000 tonne Hongdao Processing Complex in Qingdao – to be launched in 2008.
- ❑ Increase of stake in China Fishery Group Ltd (CFGL) to 40.8% from 18.4%.

Although China's tightened food export controls in 1H FY3/08F are likely to affect its 1H earnings due to slower deliveries, we expect the company to catch up in 2H and its full-year net profit to increase 30.3% to HK\$404.9m.

Chart 1: P/E bands



Source: SBI E2-Capital

Table 1: Interim results

Six months to Sep	Turnover (HK\$m)	Gross profit (HK\$m)	Gross margin (%)	Pre-tax profit (HK\$m)	Tax rate (%)	Net profit (HK\$m)	EPS (HK\$)	DPS (HK\$)
1H FY08F	4,780.7	824.8	17.3	368.7	7.4	74.3	0.049	n.a.
1H FY07A	3,789.8	611.1	16.1	382.9	3.1	176.1	0.160	n.a.
YoY (%)	26.1	35.0		(3.7)		(57.8)	(69.1)	

Source: SBI E2-Capital

Business overview. Headquartered in Hong Kong, PAIH is a comprehensive seafood provider, engaged in industrial fishing, frozen fish supply chain management (SCM) and processing & distribution of fish. The three segments represented 21.1%, 41.2% and 37.5%, respectively, of the company's turnover in FY03/07A and 54.9%, 30.1% and 15.6% of operating profit.

Table 2: Major business segments

Segment	Principal activities	Main assets
Industrial fishing	Ocean trawling in Russia and South Pacific, fishmeal processing in Peru	23 super-trawlers, 34 purse seiner vessels and 7 fishmeal plants
Frozen fish SCM	Resource development, global sourcing & supply, transportation & shipping agency	4 transportation ships
Processing & distribution	Seafood processing, global marketing & distribution, food testing	Plants in China with a total processing capacity of 90,000 tonnes p.a.*

Source: Company data

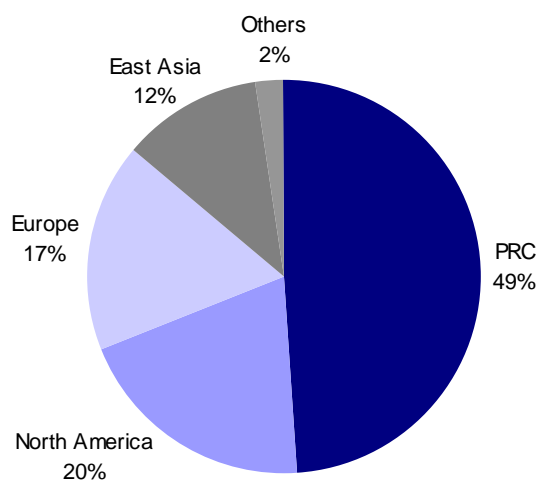
* excludes the new plant in Qingdao, which will launch trial operation at the beginning of 2008

Table 3: FY03/07 results by segment

Segment	Turnover (HK\$m)	% of total	YoY change	Segment results (HK\$m)	% of total	YoY change (%)
Industrial fishing	1,789.3	21.1	188.5	522.1	54.9	89.4
Frozen fish SCM	3,496.7	41.2	17.3	286.2	30.1	42.7
Processing & distribution	3,176.7	37.5	25.2	148.0	15.6	39.5
Others	15.8	0.2	(10.8)	(4.6)	-0.5	n.a.

Source: Company data

Inflation benefits. China's food price index climbed 11.3% in the first ten months of 2007. We expect PAIH, especially its industrial fishing business, which is directly exposed to food-led inflation, to benefit. With its large portion of fixed costs, any increase in selling prices is bound to translate into margin improvement in the fishing segment.

Chart 2: Sales breakdown in FY03/07A

Source: Company data

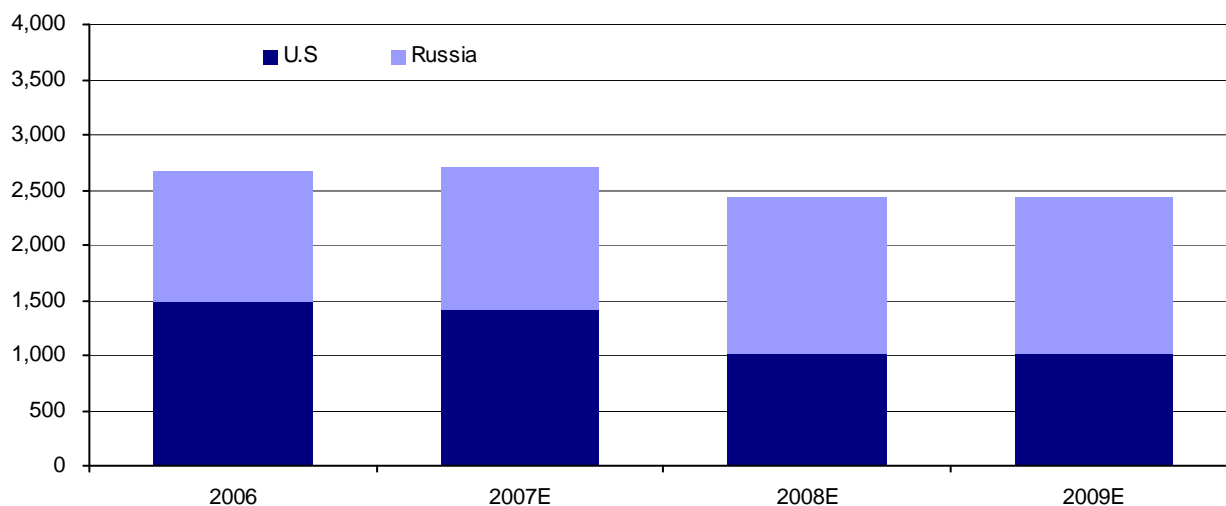
Fishing Business – China Fishery Group Ltd.

Division at a glance. The company conducts its industrial fishing and frozen fish SCM operations through CFGL, a Singapore-listed subsidiary (40.8%), which has two sub-divisions: ocean trawling and fishmeal processing. In FY03/07F, the segmental turnover surged 188.5% YoY to HK\$1,789.3m, thanks to the expansion

of its super-trawler fleet and establishment of a fishmeal operation in Peru.

Reduced supply of pollock. PAIH's ocean trawling business is focused on Alaska pollock, which is processed into headed & gutted pollock, fillet, roe and surimi and end products such as patties and fish fingers. More than 80% of the world's Alaska pollock comes from Russia and the US. However, their supply is expected to decline in 2008 as the US plans to cut its total allowable catch (TAC) to 1.0m tonnes from 1.4m tonnes in 2007.

Chart 3: Supply of Alaska pollock from Russia and US (tonnes '000)



Source: U.S Forest & Fishery Products Division, North Pacific Fishery Management Council, SBI E2-Capital

Pollock price. The price of pollock (headed & gutted) rose from around US\$400 per tonne in 1996 to US\$1,400 in 2007, representing an annual increase of 12.1%, according to PAIH's trading data. The import price (in US dollar terms) of pollock fillet increased 19.4% in Germany this year and 4.4% in France but slipped 0.4% in the UK. We expect CFGL's effective selling price of pollock to rise 10.0% in 2008, 5.0% in 2009 and 3.0% in 2010, due to the effect of lower supply and inflation.

Table 4: Import price of Alaska pollock fillet in major European markets in Jan – Aug

(US\$/kg)	2006	2007	YoY change
Germany	2.1	2.5	19.4
France*	2.2	2.3	4.4
UK	1.5	1.5	-0.4

Source: Globalfish (www.globalfish.org), SBI E2-Capital

* Price in Jan - Jul

Increasing harvest. After signing two VOAs this January, CFGL now operates 23 licensed super-trawlers in the part of the Berling Sea under Russia's jurisdiction and is entitled to an aggregate quota equivalent of around 20% of Russian TAC in the area. In 2007, the TAC was increased to 1.3m tonnes from 1.2m tonnes in 2006. We estimate it to rise to 1.4m tonnes in 2008. Accordingly, CFGL's harvest will be 260,000 tonnes in 2007 and 281,700 tonnes in 2008.

Table 5: Vessel operating agreements

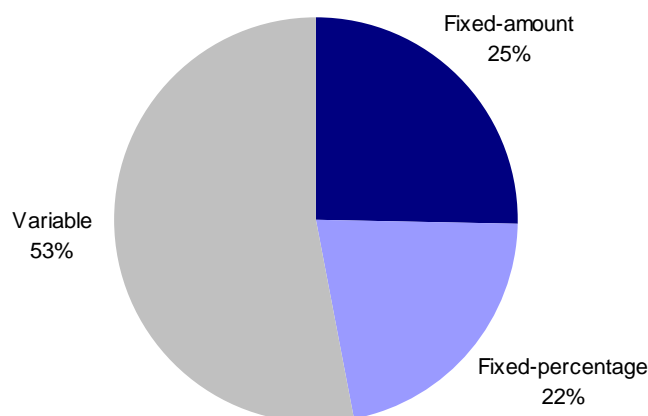
	1st VOA	2nd VOA	3rd VOA	4th VOA
Date of signing	Jan-04	Feb-06	Jan-07	Jan-07
Period	10 years (renewable for 10 years on expiry)	10 years (renewable for 10 years on expiry)	18 years	5 years
Est. catch (based on 2007 TACs)	70,000 tonnes	70,000 tonnes	70,000 tonnes	60,000 tonnes
Number of super-trawlers	7	7	3	6
Fee structure	Prepaid fee US\$56m, 20% operating profit (before amortization of prepaid fee)	Prepaid fee US\$82m, 20% operating profit (before amortization of prepaid fee)	Prepaid fee US\$150m, 20% operating profit (before amortization of prepaid fee)	Daily fee US\$12,000 per vessel, 20% operating profit (after deduction of daily fee)

Source: Company data

Additional fish sources. CFGL also has minor quotas for some other species. To utilize its fleet (currently 15 trawlers in Russian waters to complete quota), the company sends spare ships to public waters in the South Pacific region.

Margin expansion. As most trawling costs are fixed at a certain amount (incl. fixed charter-hire expenses, amortization of deferred charter hire and ship maintenance fees) or as a percentage of sales / operating profit (variable charter hire expenses, compensation to crew), we expect gross margins to widen on higher selling prices.

Chart 2: Cost structure of ocean trawling (2007)



Source: SBI E2-Capital

Exploring the fishmeal market. Fishmeal is a protein-rich product made from fish and used in fertilizer and animal feed. CFGL tapped into this market in 2006 by acquiring a small company called Carmen in Peru. Since then, CFGL has grown into one of Peru's leading fishmeal producers, with 34 purse seiner vessels and seven plants.

Growth via M&A. With abundant anchovy resources, Peru is the world's largest fishmeal producer, accounting for more than 60% of the total. With current regulations capping Peru's total vessel capacity at 210.0m³ and fishmeal production plants capacity at about 8.9k tonnes per hour, the only way for expansion is via mergers & acquisitions. CFGL acquired 18 vessels (5.2k m³), four plants (381 tonnes/hour) in 2006 and 17 vessels (4.2k m³) and three plants (168 tonnes/hour) in 2007.

Table 6: Acquisition timeline in Peru

Date acquired	Acquired company	No. of vessels	Hold capacity (m ³)	No. of plants	Processing capacity (tonnes/hour)	Consideration (US\$m)
May-06	Carmen	2	606			n.a.
Jun-06	(individual)	1	383			n.a.
Oct-06	Alexandra	13	3,839	4	381	103.6
Dec-06	Isla Blanca	2	400			4.4
Feb-07	(individual)	1	243			n.a.
Mar-07	Grenadine Bay	4	1,200			14.0
May-07	Pocoma	3	692			10.5
Jun-07	Maru and Pillar	3	1,056	2	65	26.0
Jun-07	(individual)	5	976			19.5
Oct-07	n.a.			1	103	15.3
Total		34	9,395	7	549	

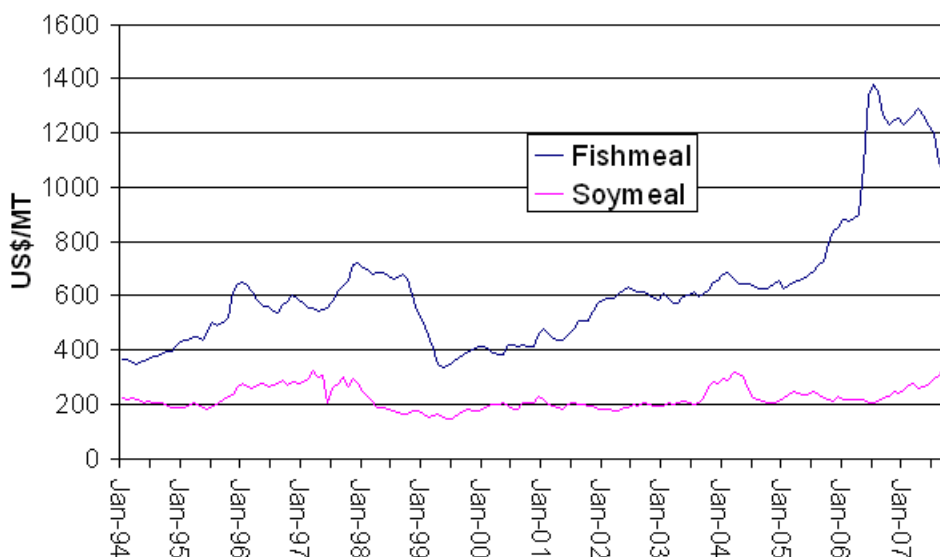
Source: Company data

Output estimates. Peruvian TAC is around 6.0m tonnes each year. As 4.5 tonnes of anchovies is needed to produce one tonne of fishmeal, the country's annual yield of fishmeal is around 1.3m tonne. We estimate CFGL's annual fishmeal output at 82,200 tonnes plus 12,300 tonnes of fish oil (a major by-product), considering that the company holds 6.2% of Peru's total capacity.

Fishmeal price rebound. The price of fishmeal fell from US\$980/tonne a year ago to US\$900/tonne in early November due to low demand in China. Then, in a matter of days, it exceeded US\$1,000/tonne in December, spurred by a sudden buying interest from China, which we believe is a result of increased pig farming activities

stimulated by the soaring pork price in the country. Amid the present inflation environment, we expect this trend to extend into 2008.

Chart 3: Historical fishmeal price (US\$/tonne)



Source: Globalfish (www.globalfish.org)

More self-supply. CFGL's fishing capacity can satisfy around 60% of its own anchovy needs and the company plans to raise its self-supply ratio gradually in the future. We believe that this will drive it to further expand its fleet. The rising selling price of fishmeal should also boost the segment's gross margin.

Frozen fish SCM – Pacific Andes (Holdings) Ltd.

Two news ships. Led by another Singapore-listed subsidiary (63.8%), Pacific Andes (Holding) Ltd (PAH), frozen fish SCM is very close to a trading business. The company doubled its fleet this year by acquiring two transportation ships, which will improve its operation efficiency by reducing reliance on leasing. According to the management, the expansion should boost the gross margin by almost 1pcp.

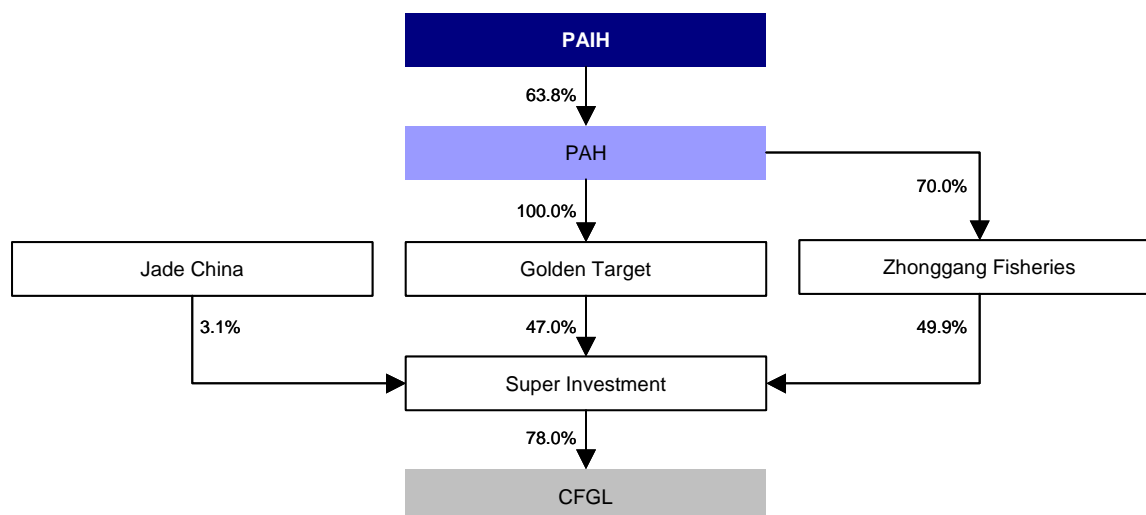
Processing & distribution

New plant in Qingdao. PAIH operates a processing plant in Shandong, China, with a total capacity of 90,000tonnes p.a. Its new 333.0k sqm Hongdao Processing Complex in Qingdao has been completed and trial production will start by end-2007, boosting capacity by 60.0k tonnes. The company plans to restructure and consolidate its existing capacity, shutting down inefficient plants. We estimate its total processing capacity to reach 120.0–130.0k tonnes by end-2008. The Hongdao plant will also largely improve the company's overall efficiency and raw material (fish) utilization rate, according to the management.

Earnings forecast and valuation

Increased interest in CFGL. PAH acquired 35.1% stake in CFGL from Jade China, a third party, in Jul 2007, boosting PAIH's interest in CFGL from 18.4% to 40.8%.

Chart 4: Corporate structure (as at Aug 20, 2007)



Fund raising. We estimate total capex at HK\$3,599.5m in FY3/08F. To facilitate its expansion, PAIH completed a series external financing activities this year, including: (1) issuance of HK\$1,687.6m senior notes in Dec 2006, carrying an annual interest rate of 9.25%; (2) issuance of 600.9m new shares in Jun 2007 at HK\$1.55 each; (3) issuance of HK\$725.4m convertible bonds in Apr 2007 (by PAH), carrying a 4.0% interest rate and an initial conversion price of S\$1.0813; (4) issuance of 675.1m new shares in Jul 2007 (by PAH) at S\$0.52 each.

Weak interim results. Based on July-September results of CFGL and PAH, we estimate PAIH's industrial fishing revenue rose 184.1% YoY to HK\$1,606.6m in 1H FY3/08F and frozen fish SCM revenue 25.9% YoY to HK\$2,118.6m. According to the company, the delivery of its processed products slowed in 1H as the Chinese government strengthened controls over food exports after recurring quality problems. We expect segmental turnover dropped 30.6% YoY to HK\$1,048.3m in 1H FY03/08F and overall top line to rise 26.1% YoY to HK\$4,780.7m. With increased finance expenses, net profit is expected to decrease 57.8% YoY to HK\$74.3m.

Full-year earnings intact. The management expects the delivery problem to be solved and sales to catch up in 2H. Hence we expect full-year turnover to rise 34.5% YoY to HK\$11,407.4m and net profit 30.3% to HK\$404.9m.

BUY, with target at HK\$3.55. Our target price of HK\$3.55 is based on 10.0x FY03/09F P/E, which is at the lower end of the industrial average worldwide.

Table 7: Peers comparison

Company	Ticker	Mkt Cap. (US\$m)	Gross margin (%)	Net gearing (%)	Fwd Yr. 1 P/E (x)	Fwd Yr. 2 P/E (x)	ROE (%)
Zhangzidao	002069 CH	1,152.8	46.4	(19.0)	51.1	42.8	24.3
Homey Aquatic	600467 CH	1,233.1	22.8	28.0	61.5	50.4	11.3
Nippon Suisan	1332 JP	20,506.4	20.8	130.3	13.4	18.7	8.5
Katokichi	2873 JP	14,880.8	14.2	70.1	69.8	37.4	(10.6)
Kyokuyo	1301 JP	2,662.0	11.0	144.8	n.a.	n.a.	10.8
Toyo Suisan Kai	2875 JP	29,426.1	36.1	(16.1)	18.3	17.0	4.5
Yonkyu	9955 JP	1,007.5	12.5	(58.8)	n.a.	n.a.	2.7
Tassal	TGR AU	59.7	41.5	49.7	21.7	16.9	21.7
ITATA	ITATA CI	20,746.3	38.1	(20.2)	n.a.	n.a.	17.8
Aker Seafoods	AKS NO	242.8	n.a.	104.9	22.5	12.4	13.0
Copeinca	COP NO	300.0	49.4	200.8	203.0	32.5	26.4
Marine Harvest	MHG NO	1,556.6	51.7	54.5	16.5	9.8	24.2
Vinnslustodin	VNST IR	n.a.	n.a.	228.6	n.a.	n.a.	15.0
Pescanova	PVA SM	67.4	n.a.	139.8	18.0	15.9	8.9
Average			31.3	74.1	49.6	25.4	12.7
Highest			51.7	228.6	203.0	50.4	26.4
Lowest			11.0	(58.8)	13.4	9.8	(10.6)
Pacific Andes*	1174 HK	501.57	15.6	147.4	8.8	6.0	16.7

Source: Bloomberg, SBI E2-Capital

Note: Estimates from SBI E2-Capital

Table 8: Major assumptions

(calendar year)	06	07F	08F	09F
Applied TAC (tonnes m)				
Russia	1.2	1.3	1.4	1.4
Peru	6.0	6.0	6.0	6.0
YoY Change of ASP				
Pollock		0.0%	10.0%	5.0%
Fishmeal		-10.0%	15.0%	5.0%
(fiscal year end in Mar)	07	08F	09F	10F
Sales (HK\$m)				
Industrial fishing	1,789.3	3,499.7	4,401.4	4,715.8
Frozen fish SCM	3,496.7	4,399.1	5,059.0	5,463.7
Fish fillets processing and distribution	3,176.7	3,494.3	4,076.7	4,199.0
Others	15.8	14.2	12.8	11.5
	8,478.6	11,407.4	13,550.0	14,390.1
Gross margin (%)				
Industrial fishing	34.1%	34.9%	38.6%	39.2%
Frozen fish SCM	10.0%	10.5%	11.0%	11.0%
Fish fillets processing and distribution	11.4%	11.0%	11.5%	11.5%
Others	11.4%	11.0%	11.5%	11.5%
Blended	15.6%	18.1%	20.1%	20.4%

Source: SBI E2-Capital

P & L (HK\$m)	06A	07A	08F	09F	10F	Cash Flow (HK\$m)	06A	07A	08F	09F	10F
Year to Mar						Year to Mar					
Turnover	6,157.0	8,478.6	11,407.4	13,550.0	14,390.1	EBIT	519.6	904.8	1,461.8	1,880.3	2,026.5
% chg	16.2	37.7	34.5	18.8	6.2	Depre./amort.	106.4	225.7	346.9	437.9	442.9
Gross profit	930.5	1,322.0	2,067.9	2,725.8	2,929.8	Net int. paid	(174.8)	(277.6)	(439.6)	(450.7)	(388.5)
EBITDA	626.0	1,130.5	1,808.7	2,318.3	2,469.4	Tax paid	(5.4)	(10.7)	2.6	(29.2)	(73.4)
Depre./amort.	(106.4)	(225.7)	(346.9)	(437.9)	(442.9)	Dividends received					
EBIT	519.6	904.8	1,461.8	1,880.3	2,026.5	Gross cashflow	445.8	842.2	1,371.6	1,838.3	2,007.6
Net int. income/(exp.)	(174.8)	(277.6)	(439.6)	(450.7)	(388.5)	Chgs. in working cap.	(1,342.9)	(348.3)	(1,537.7)	(1,233.1)	(528.3)
Exceptionals	220.0	385.1	0.0	0.0	0.0	Operating cashflow	(897.1)	493.9	(166.0)	605.2	1,479.3
Associates	(0.4)	0.4	0.8	0.9	1.0	Capex	(618.7)	(2,765.3)	(3,599.5)	(70.2)	(70.2)
Jointly-controlled entit.						Free cashflow	(1,515.8)	(2,271.4)	(3,765.5)	535.0	1,409.1
Pre-tax profit	564.5	1,012.6	1,022.9	1,430.5	1,639.1	Dividends paid	(54.2)	(62.5)	(73.9)	(73.1)	(146.3)
Tax	(14.3)	(19.3)	(55.0)	(80.3)	(87.0)	Net distribution to MI	(17.5)	(126.3)	(124.4)	(265.8)	(301.0)
Minority interests	(367.1)	(682.5)	(562.9)	(700.6)	(787.8)	Investments	(1.2)	0.0	0.0	0.0	0.0
Net profit	183.1	310.8	404.9	649.7	764.3	Disposals	34.9	79.6	0.0	0.0	0.0
% chg	12.1	69.8	30.3	60.4	17.7	New shares	18.7	260.2	970.9	0.0	0.0
Dividends	(55.9)	(73.9)	(73.1)	(146.3)	(182.8)	Others	382.5	499.9	1,767.4	(20.7)	(22.5)
Retained earnings	127.2	236.9	331.8	503.4	581.5	Net cashflow	(1,152.6)	(1,620.4)	(1,225.4)	175.4	939.3
EPS (HK\$) - Basic	0.183	0.270	0.242	0.355	0.418	Net (debt)/cash - Beg.	(2,019.4)	(3,172.0)	(4,792.4)	(6,017.8)	(5,842.5)
EPS (HK\$) - F.D.	0.182	0.268	0.242	0.355	0.418	Net (debt)/cash - End.	(3,172.0)	(4,792.4)	(6,017.8)	(5,842.5)	(4,903.1)
DPS (HK\$)	0.052	0.041	0.040	0.080	0.100	Interim Results (HK\$m)	06A	07A			
No. sh.s o/s (m) - W.A.	1,002.7	1,151.8	1,671.5	1,828.1	1,828.1	Six months to Sept					
No. sh.s o/s (m) - Y.E.	1,015.9	1,201.7	1,828.1	1,828.1	1,828.1	Turnover	2,487.5	3,789.8			
No. sh.s o/s (m) - F.D.	1,005.5	1,160.6	1,671.5	1,828.1	1,828.1	% chg		52.4%			
Margins (%)						Profit from operations	208.2	493.8			
Gross	15.1	15.6	18.1	20.1	20.4	Interest expenses	(74.9)	(111.9)			
EBITDA	10.2	13.3	15.9	17.1	17.2	Associates	0.01	1.0			
EBIT	8.4	7.0	12.8	13.9	14.1	Jointly-controlled entit.					
Pre-tax	9.2	11.9	9.0	10.6	11.4	Pre-tax profit	133.4	382.9			
Net	3.0	3.7	3.5	4.8	5.3	Tax	(3.1)	(12.0)			
						Minority interests	(59.1)	(194.7)			
						Net profit	71.2	176.1			
						% chg		147.5%			
						EPS (HK\$) - Basic	0.071	0.160			
						DPS (HK\$)					
Balance Sheet (HK\$m)	06A	07A	08F	09F	10F	Shareholding Structure					
Year to Mar									Shares o/s (m)	%	
Fixed assets	578.2	1,566.5	2,611.8	2,426.3	2,214.4	N.S. Hong Investment			946.7	51.8	
Intangible assets	786.3	2,645.0	4,853.0	4,693.0	4,533.1	Leung Hok Pang			155.3	8.5	
Other LT assets	150.0	151.5	142.7	163.9	180.2	Cheah Cheng Hye & To Hau Yin			126.2	6.9	
Cash	339.1	288.2	424.5	491.8	567.2	Public			600.0	32.8	
Accounts receivable	2,582.6	3,378.3	4,549.9	5,404.5	5,739.6	Total			1,828.1	100.0	
Other receivables	23.1	14.9	19.8	15.9	11.6	Background					
Inventories	1,951.5	1,927.6	2,535.8	3,080.5	3,347.7	PAIH began seafood sourcing and distribution business in 1986 and commence seafood processing in China through contacted factories in 1991. The company listed on Hong Kong stock exchange in 1994 and spun off its frozen fish SCM division under PAH on Singapore exchange in 1996. In 1998, the company launched its inhouse seafood processing operation in the PRC. In 2004 PAIH diversified into upstream fishing by acquiring controlling stake in CFGL, which listed on Singapore exchange in 2006. Also in 2006, PAIH tapped in to fishmeal market through various acquisitions in Peru.					
Due from related co.s	23.6	16.0	21.1	17.2	13.1						
Other current assets	98.0	147.1	118.7	86.1	85.6						
Total assets	6,532.3	10,135.0	15,277.3	16,379.2	16,692.7						
Accounts payable	(362.9)	(776.0)	(1,012.7)	(1,173.7)	(1,242.7)						
Other payable											
Tax payable	(13.9)	(54.5)	(113.5)	(165.5)	(179.4)						
Due to related co.s	(7.8)	(6.9)	(9.2)	(7.4)	(5.4)						
ST debts	(3,302.5)	(2,342.7)	(2,806.2)	(2,767.2)	(2,214.3)						
Other current liab.	0.0	(18.0)	(12.4)	(8.3)	(7.4)						
LT debts	(208.5)	(2,738.0)	(3,636.1)	(3,567.0)	(3,256.0)						
Other LT liabilities	(37.5)	(297.3)	(284.9)	(276.6)	(269.1)						
Total liabilities	(3,933.3)	(6,233.4)	(7,875.1)	(7,965.7)	(7,174.3)						
Share capital	101.6	120.2	182.8	182.8	182.8						
Reserves	1,478.8	2,022.2	4,990.9	5,567.4	6,185.5						
Shareholders' funds	1,580.4	2,142.4	5,173.7	5,750.3	6,368.3						
Minority interest	1,018.7	1,759.2	2,228.5	2,663.3	3,150.0						
Total	2,599.1	3,901.6	7,402.2	8,413.5	9,518.4						
Capital employed	6,110.1	8,982.3	13,844.5	14,747.8	14,988.7						
Net (debt)/cash	(3,172.0)	(4,792.4)	(6,017.8)	(5,842.5)	(4,903.1)						
Key Ratios	06A	07A	08F	09F	10F						
Net gearing (%)	144.6	147.4	106.5	73.9	54.7						
Net ROE (%)	12.3	16.7	11.1	11.9	12.6						
EBIT ROCE (%)	10.2	12.0	12.8	13.2	13.6						
Dividend payout (%)	30.5	23.8	18.1	22.5	23.9						
Effective tax rate (%)	2.5	1.9	5.4	5.6	5.3						
Net interest coverage (x)	3.0	3.3	3.3	4.2	5.2						
A/R turnover (days)	136.3	128.3	126.8	134.1	141.3						
A/P turnover (days)	26.7	24.5	28.6	29.4	30.6						
Stock turnover (days)	117.2	98.9	87.2	94.7	102.4						

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