

What's Hot Today:

- Plover Bay Tech (PBT) (1523 HK) 2016 results conference call takeaway

Corporate News Commentary / Reports Summary

- Plover Bay Tech (PBT) (1523 HK – HK\$0.75) 2016 results conference call takeaway

	2H16	YoYΔ	HoHΔ	2016	YoYΔ
Revenue (US\$m)	16.3	46.7%	35.7%	28.4	29.7%
Gross profit (US\$m)	10.0	48.6%	26.5%	17.9	41.4%
GPM	61.4%	0.8 ppt	-4.5 ppt	63.3%	5.2 ppt
Net profit (US\$m)	2.4	23.7%	-12.9%	5.2	56.1%
Basic EPS (US¢)	0.24	-7.2%	-34.7%	0.60	34.1%
DPS (HK¢)	1.93	N/A	11.6%	3.66	N/A

Source: Company data

Focusing on industrial applications – PBT will continue to focus on four main industries namely transportation, public safety, maritime and unmanned systems. PBT aims to market its high-end routers which support multi-cellular connections (e.g. the Max HD4 router supports 4 LTE connections).

Maritime is another application worth-mentioning. PBT cooperates with satellite and mobile service providers to roll out global data coverage. For example, cargo vessels can subscribe to such a service whereby the router will connect to Verizon and Sprint in the US and Indosat in Indonesia. We view by cooperating with service providers PBT's position would further consolidate in the SD-WAN realm, thus maintaining its company-wide GPM at above 60%.

Top-line guidance at 20% – Management guidance of revenue growth is 20% for 2017. The main bulk of the growth is likely to come from 40% gain in wireless SD-WAN routers (50% of revenue in FY16), used in the industrial applications mentioned above. Core profit is expected to grow 33% to US\$8.67m.

Valued at 11x 2017F P/E – Our 2017 revenue and EPS estimates for the company are US\$35.6m and 0.87 US cents respectively. PBT is trading at 11.1x 2017F P/E, which we believe is attractive given the SD-WAN market is expected to achieve 50% CAGR up to 2020. (Phelix Lee)

China Market News

- China stocks fell last Friday as trading sentiment remained weak before the annual parliament meeting.
- Material and energy shares led the decliners. Financial shares also weighed on the index.

China & HK Indices	CLOSE	1D	YTD
HSI	23,552	-0.7%	7.9%
HSCEI	10,144	-1.0%	9.6%
HSCCI	3,851	-0.5%	7.4%
CSI300	3,427	-0.2%	4.3%
Shanghai A	3,370	-0.4%	1.5%
Shanghai B	346	-0.3%	1.5%
Shenzhen A	2,094	0.2%	1.7%
Shenzhen B	1,151	0.1%	2.1%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	21,005	0.0%	6.3%
S&P 500	2,383	0.1%	6.4%
Nasdaq	5,870	0.2%	9.1%
NIKKEI Index	19,406	-0.3%	1.5%
FTSE Index	7,374	-0.1%	3.2%
CAC Index	4,995	0.6%	2.7%
DA-X Index	12,027	-0.3%	4.8%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	1,234	0.0%	7.7%
STEEL (US\$/oz.)	1,196	-3.0%	13.1%
SILVER (US\$/oz.)	17	1.1%	12.6%
CRUDE OIL (US\$/bb)	53	-40.7%	-1.0%
COPPER (US\$/oz.)	5,917	-1.6%	6.9%
ALUMINIUM (US\$/oz.)	1,892	-2.9%	11.8%
PLATINUM (US\$/oz.)	999	1.2%	10.7%
ZINC (US\$/oz.)	2,775	-3.0%	7.7%
WHEAT (US\$/bu)	433	-0.4%	6.3%
CORN (US\$/bu)	380	-0.3%	6.5%
SUGAR (US\$/lb)	N/A	N/A	0.8%
SOYBEAN (US\$/bu)	1,037	-1.4%	2.5%
PVC (US\$/t)	N/A	N/A	15.8%
CRB	189	-0.8%	3.0%
BDI	939	7.8%	-2.3%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.763	0.941	114.040	1.008	6.904
HKD	0.129		0.121	14.685	12.980	0.889
EUR	1.062	8.247		121.130	0.934	7.276
JPY	0.009	6.808	0.826		0.884	0.060
CHF	0.992	7.704	0.934	113.195		6.874
RMB	0.145	1.125	0.137	16.578	0.146	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	10	-4.4%

Source: Bloomberg

Latest Research Reports		
Date	Company	Analyst
3-Mar	Crosstec Group (3893 HK)	Jerry Fan
2-Mar	Xinyi Glass (868 HK)	Phelix Lee
1-Mar	Xinyi Solar (968 HK)	Phelix Lee
22-Feb	Smartphone hardware	Phelix Lee
11-Jan	Q Tech (1478 HK)	Phelix Lee
4-Jan	Comtec Solar (712 HK)	Hanson Zheng
15-Dec	Xinyi Solar (968 HK)	Phelix Lee
15-Dec	Xinyi Glass (868 HK)	Phelix Lee
7-Dec	Q Tech (1478 HK)	Phelix Lee

Kingsway Events		
Date	Company	Event
10-Feb	Hybrid Kinetic (1188 HK)	Luncheon
8-Feb	Dynam Japan (6889 HK)	Company Visit
26-Oct	Ourgame (6899 HK)	Company Visit
24-Oct	Plover Bay Tech (1523)	Company Visit
21-Oct	Flat Glass Group (6865 HK)	Site Visit
22-Aug	Tongda Group (698 HK)	Roadshow
3-Aug	Xinyi Solar (968 HK) & Xinyi Glass (868 HK)	Roadshow
15-Jul	Luk Fook (590 HK)	Company Visit
14-Jul	Chow Tai Fook (1929 HK)	Company Visit

Kingsway coverage list

Name	Ticker	Market Cap (HK\$'m)	Price (HK\$)	1D (%)	Rec.	TP (HK\$)	Upside (%)	PER (X)*			Dividend FY2	Absolute performance			Latest report date
								Hist	FY1	FY2		FY2	5D%	1M%	
HANG SENG INDEX	HSI		23,552.72	(1.6)				13.0	11.9	10.8	3.7%	(0.9)	1.8	3.8	
HANG SENG CHINA ENT INDX	HSCEI		10,144.47	(1.8)				8.3	8.4	7.6	3.8%	(1.1)	5.5	4.1	
CSI 300 INDEX	ISZ300		3,427.86	(0.5)				15.3	13.1	11.5	2.5%	(0.9)	1.9	(3.1)	
BELLE INTL	1880 HK	44,533	5.28	(0.2)	HOLD	8.10	53.4	15.3	11.2	11.5	4.8%	(2.9)	6.0	16.0	28-Oct-15
BOSSINI	592 HK	786	0.48	0.0	BUY	1.40	191.7	2.7	N/A**	N/A**	N/A**	(2.0)	5.5	4.3	18-Sep-14
CHINA LILANG LTD	1234 HK	6,443	5.33	(1.1)	SHORT	3.75	(29.6)	9.3	10.5	10.7	5.6%	(1.1)	3.5	18.2	8-Sep-16
CHINA STATE CONS	3311 HK	59,423	13.24	(1.2)	HOLD	14.70	11.0	11.6	12.3	10.3	3.0%	2.8	1.4	10.3	15-Aug-14
CHOW SANG SANG	116 HK	11,981	17.70	(0.6)	BUY	18.80	6.2	15.7	14.8	12.7	3.1%	0.9	9.3	18.0	28-Aug-15
CHOW TAI FOOK	1929 HK	71,500	7.15	(0.3)	HOLD	4.50	(37.1)	27.5	23.9	20.8	2.9%	0.4	5.9	8.3	11-Jan-16
COMTEC SOLAR	712 HK	534	0.345	(4.2)	NEUTRAL	0.268	(22.3)	N/A**	30.7	N/A**	N/A**	(5.5)	3.0	(2.8)	4-Jan-17
DAPHNE INTERNATI	210 HK	1,270	0.77	(1.3)	HOLD	1.00	29.9	N/A**	N/A**	N/A**	0.6%	(7.2)	(2.5)	(6.1)	26-Mar-15
DIFFER GROUP	6878 HK	3,558	0.84	0.0	LONG	1.00	19.0	26.7	N/A**	N/A**	N/A**	(1.2)	15.1	44.8	11-Aug-16
FUTURE BRIGHT	703 HK	500	0.72	0.0	BUY	2.34	225.0	N/A**	N/A**	N/A**	N/A**	(1.4)	(10.0)	(20.9)	11-May-15
GCL POLY ENERGY	3800 HK	18,959	1.02	(1.9)	NEUTRAL	1.08	5.9	5.7	7.3	7.3	0.0%	(4.7)	2.0	0.0	25-Aug-16
HEC PHARM	1558 HK	7,160	15.84	(0.8)	LONG	23.00	45.2	17.8	15.9	12.6	1.0%	(1.6)	1.0	5.5	16-Aug-16
JU TENG INTL	3336 HK	3,302	2.91	(4.0)	LONG	3.04	4.5	4.5	6.4	4.7	4.6%	(0.3)	14.6	14.6	16-Aug-16
LEE'S PHARM	950 HK	3,735	6.33	(2.0)	NEUTRAL	8.00	26.4	14.4	15.9	14.7	1.8%	(3.4)	(6.2)	(8.0)	7-Sep-16
LUK FOOK	590 HK	12,828	21.85	(0.7)	HOLD	15.50	(29.1)	13.9	14.0	13.1	4.3%	(2.5)	(9.0)	1.0	14-Jan-16
MAN WAH HOLDINGS	1999 HK	19,250	5.04	(0.8)	BUY	10.56	109.5	12.2	12.0	11.1	5.9%	(1.2)	5.0	(8.5)	21-May-15
Q-TECH	1478 HK	6,585	6.01	5.3	NEUTRAL	4.84	(19.5)	45.2	26.5	16.0	1.1%	(5.5)	2.5	38.3	11-Jan-17
SINGYES SOLAR	750 HK	3,061	3.67	0.0	NEUTRAL	4.04	10.1	5.1	5.6	5.4	1.0%	1.9	(3.2)	(1.3)	1-Sep-16
SUCCESS DRAGON	1182 HK	1,497	0.85	10.4	BUY	1.07	25.9	N/A**	N/A**	N/A**	N/A**	21.4	32.8	117.9	30-May-16
SUNNY OPTICAL	2382 HK	56,002	51.05	(0.2)	SHORT	31.38	(38.5)	53.1	40.4	28.4	0.9%	(4.9)	12.5	27.1	19-Aug-16
TIANNENG POWER	819 HK	8,438	7.49	5.8	LONG	8.38	11.9	10.1	8.8	7.0	3.7%	8.6	6.7	3.5	23-Aug-16
TONGDA GROUP	698 HK	14,939	2.58	(0.8)	LONG	3.24	25.6	18.7	15.5	12.2	2.5%	0.4	21.4	14.0	17-Aug-16
TRINITY LTD	891 HK	1,083	0.62	0.0	SELL	1.31	111.3	N/A**	N/A**	N/A**	0.0%	(1.6)	5.1	8.8	18-Mar-15
XINYI GLASS	868 HK	28,028	7.20	(0.6)	LONG	7.75	7.6	8.7	7.7	7.1	7.0%	0.4	2.7	26.3	2-Mar-17
XINYI SOLAR	968 HK	17,614	2.61	(3.0)	LONG	3.49	33.7	8.9	7.4	6.4	6.8%	(0.4)	1.5	2.6	1-Mar-17
XTEP INTERNATIONAL	1368 HK	7,946	3.58	(0.3)	LONG	4.51	26.0	10.5	10.2	9.2	5.7%	2.0	7.8	2.9	23-Aug-16
YGM TRADING	375 HK	1,211	7.30	(3.2)	HOLD	16.00	119.2	N/A**	N/A**	N/A**	N/A**	0.6	1.5	3.5	8-Jul-14
ZHONGYU GAS	3633 HK	5,227	2.07	0.0	BUY	2.62	26.6	196.4	N/A**	N/A**	N/A**	2.0	1.0	2.0	24-Mar-15
361 DEGREES	1361 HK	6,058	2.93	0.0	LONG	3.51	19.8	10.3	10.4	9.0	4.4%	1.0	(10.1)	(6.4)	17-Aug-16

* Calculated by Sunwah Kingsway Research.

** PER is not available, due to : (1) the company went public only recently, or (2) no consensus earnings estimate, or (3) net loss, etc.

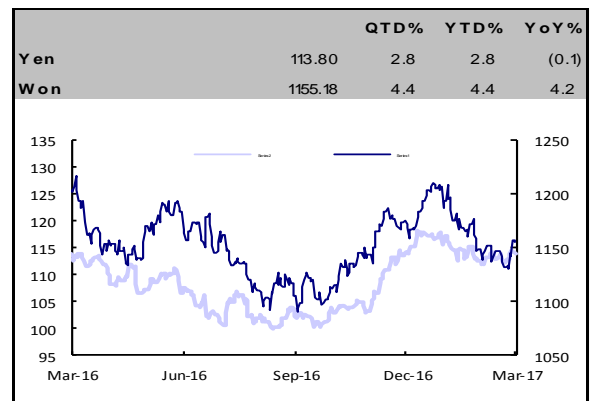
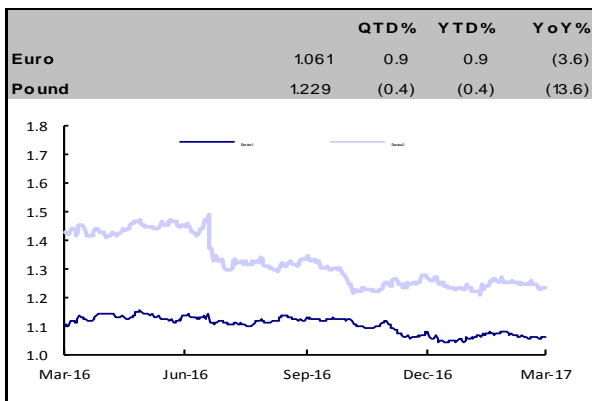
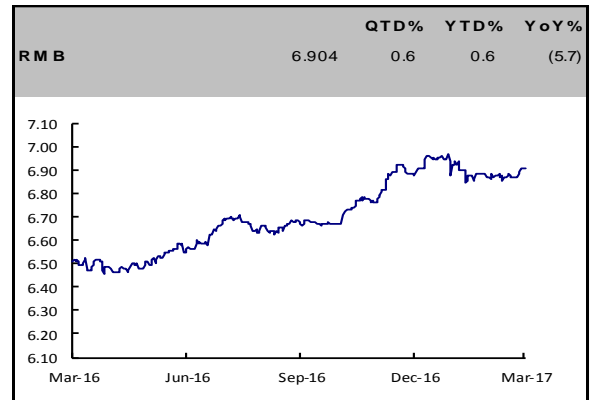
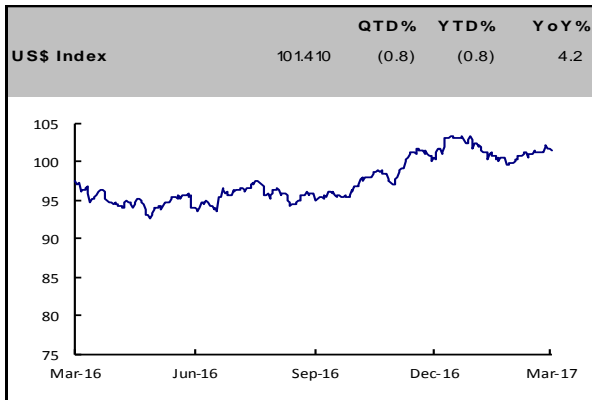
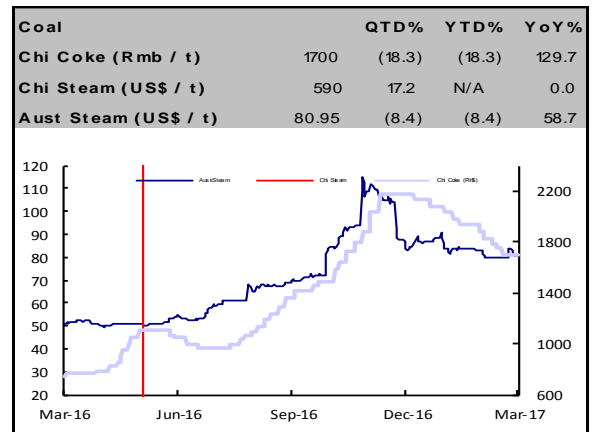
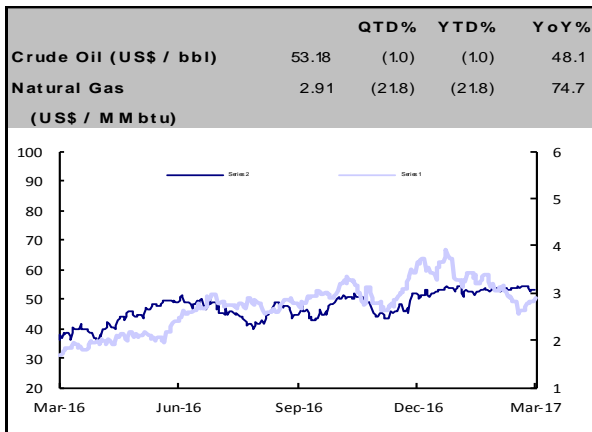
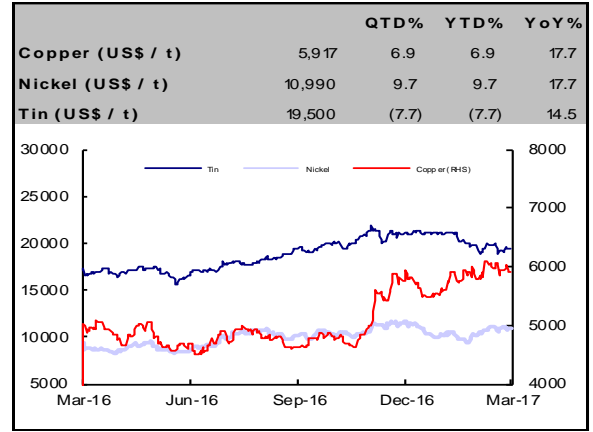
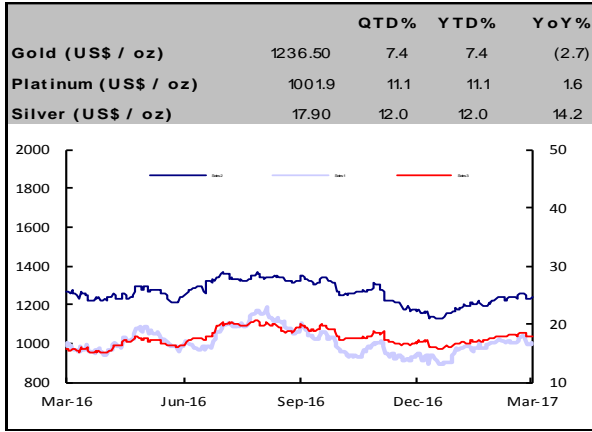
Radar Screen issued during past 12 months

Name	Ticker	Market Cap (HK\$'m)	Price (HK\$)	1D (%)	Price on report issue date (HK\$)	Performance since report issued (%)	PER (X)*			Dividend FY2	Absolute performance			Latest report date
							Hist	FY1	FY2		FY2	5D%	1M%	
CROSSTEC GROUP	3893 HK	317	0.132	(3.65)	0.137	-3.65	N/A**	N/A**	N/A**	N/A**	5.6	2.3	(2.9)	3-Mar-17
YUEYUN TRANS	3399 HK	4,607	5.76	0.2	4.25	35.53	11.7	N/A**	N/A**	2.3%	11.6	21.8	34.6	14-Jul-16
UNI MEDICAL	2666 HK	11,671	6.80	(0.7)	5.65	20.35	13.2	11.5	8.4	1.6%	(1.6)	4.1	(7.7)	8-Jan-16
CHINA TIANYI	756 HK	1,469	1.09	(0.9)	0.79	37.97	18.9	N/A**	N/A**	1.2%	0.9	10.1	(9.2)	9-Feb-15
LOUIS XIII	577 HK	2,026	2.20	(1.3)	3.62	-39.23	N/A**	N/A**	14.2	0.0%	(2.7)	(3.9)	(12.0)	28-Jan-15
JIASHILI GROUP	1285 HK	1,071	2.58	(1.1)	3.30	-21.82	8.6	7.6	5.7	4.9%	(2.6)	(4.4)	(21.3)	10-Dec-14
GOLDPAC GROUP	3315 HK	1,742	2.09	(3.2)	7.18	-70.89	7.3	N/A**	N/A**	5.3%	(3.2)	(5.0)	(6.3)	31-Oct-14
UNI-BIO	690 HK	812	0.16	(1.3)	0.17	-7.06	N/A**	N/A**	N/A**	0.0%	7.5	4.6	(0.6)	28-Oct-14
TOWN HEALTH	3886 HK	9,624	1.24	0.0	1.36	-8.82	366.1	N/A**	N/A**	N/A**	0.0	(0.8)	(0.8)	10-Sep-14
BAGUJO GREEN	1397 HK	374	0.90	(2.2)	1.43	-37.06	16.8	N/A**	N/A**	N/A**	(2.2)	(5.3)	N/A**	30-Jul-14
YUANDA CHINA	2789 HK	1,142	0.18	(2.1)	0.67	-72.54	N/A**	N/A**	N/A**	N/A**	0.5	2.2	5.1	21-Jul-14
JUMEI	JMEI US	582	3.970	(1.49)	2.67	48.69	33.4	7.9	6.2	N/A**	(2.7)	(8.3)	N/A**	15-Jul-14
FUGUINIAO	1819 HK	5,189	3.88	0.0	8.85	-56.16	11.8	N/A**	N/A**	N/A**	0.0	0.0	0.0	7-Jul-14
INTERNATIONAL HOUSEWARES RETAIL	1373 HK	1,157	1.61	0.6	3.94	-59.14	14.5	11.5	10.1	8.1%	0.6	(6.9)	1.3	2-Apr-14
MAN YUE	894 HK	390	0.820	(1.20)	2.67	-69.29	N/A**	N/A**	N/A**	N/A**	3.8	3.8	1.2	19-Mar-14
RM GROUP	932 HK	1,713	3.24	0.3	1.85	75.14	229.3	N/A**	N/A**	N/A**	(9.7)	0.0	(0.9)	11-Mar-14

* Calculated by Sunwah Kingsway Research.

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Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Durable Goods Orders	MoM		6-Mar-17
Factory Orders	MoM		6-Mar-17
Trade Balance	MoM		7-Mar-17
Wholesale Inventories	MoM		8-Mar-17
Initial Jobless Claims	WoW		9-Mar-17
Employment Report	MoM		10-Mar-17
PPI	MoM		14-Mar-17
CPI	MoM		15-Mar-17
Business Inventories	MoM		15-Mar-17
Retail Sales	MoM		15-Mar-17
Housing Starts / Building Permits	MoM		16-Mar-17
Industrial Production	MoM		17-Mar-17
Existing Home Sales	MoM		22-Mar-17
New home Sales	MoM		23-Mar-17
Consumer Confidence	MoM		28-Mar-17
GDP	QoQ		30-Mar-17
Personal Income & Spending	MoM		31-Mar-17
Auto Sales	MoM		3-Apr-17
ISM Manufacturing PMI	MoM		3-Apr-17

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Mar-17
Trade Balance	MoM		8-Mar-17
PPI	MoM		9-Mar-17
CPI	MoM		9-Mar-17
Money Supply - M2	MoM		10-Mar-17
PMI Manufacturing	MoM		31-Mar-17
Industrial Production	MoM		17-Apr-17
Retail Sales	MoM		17-Apr-17
GDP	YoY		17-Apr-17

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Currency Reserve	MoM		7-Mar-17
Industrial Production	QoQ		13-Mar-17
Producer Prices Index	QoQ		13-Mar-17
Unemployment Rate	MoM		16-Mar-17
Composite Interest Rate	MoM		17-Mar-17
CPI	MoM		21-Mar-17
Trade Balance	MoM		27-Mar-17
Money Supply - M2	MoM		31-Mar-17
PMI	MoM		6-Apr-17
Retail Sales	MoM		5-May-17
GDP	QoQ		12-May-17

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