

What's Hot Today:

- ▶ Plover Bay Tech (1523 HK) SD-WAN expansion intact, strong cash flow

Corporate News Commentary / Reports Summary

- ▶ Plover Bay Tech (1523 HK – HK\$1.44) SD-WAN expansion intact, strong cash flow

2019 likely to be free of supply woes – One of the reasons for 2018 top-line achieving 'only' 13% growth was a shortage of capacitors (MLCC). Chances of another shortage is slim in 2019 as both Japanese (TDK, Kyocera, Murata) and Chinese suppliers have adjusted their production schedules. Memory also ended a yearlong shortage after Micron, SK Hynix and Samsung increased production.

5G seals the deal – One of market's concerns is 5G prompting customers to wait for 5G-ready routers. We believe this concern does not apply to PBT as 1) most routers on shelf are 5G capable, with replaceable SIM card ports; 2) exponential device growth from IoT give rise to demand for more capable routers; 3) short range and low penetration of 5G signals mean more routers are needed to cover a same area; 4) limited geographic availability of 5G will require multi-SIM routers to harness networks of different carriers.

As PBT is one of the handful companies offering multi-connection SD-WAN routers, it can appeal to clients seeking to transition to a 5G-based infrastructure quickly.

Valued at 15x 2019 P/E – We estimate PBT to incur US\$50.13m revenue and US\$12.73m net profit in 2019. The company is still attractive even after a 15% rally since releasing results given the long-term potential of SD-WAN proliferation and recurring software & warranty revenue forming a larger share of the company's top-line. PBT's commitment to distribute >85% net profit as dividends is another 'reassurance' to investors. (Phelix Lee)

Appendix: 2018 results were in-line with expectations

	2H18	YoYΔ	HoHΔ	2018	YoYΔ
Revenue (US\$m)	22.08	14.1%	11.9%	41.81	12.6%
Gross profit (US\$m)	13.74	10.2%	10.4%	26.19	14.0%
GPM	62.2%	-2.2 ppt	-0.9 ppt	62.6%	0.8 ppt
Net profit (US\$m)	5.88	27.2%	23.9%	10.62	21.3%
Basic EPS (US¢)	0.58	25.3%	24.0%	1.04	19.5%
DPS (HK¢)*	5.88	68.0%	101.4%	8.80	44.7%

Source: Company data, Bloomberg

*Includes a special dividend of HK¢1.52

China Market News

- ▶ Chinese stocks climbed yesterday after the government vowed to cut taxes and expand infrastructure investment to support the economy.
- ▶ IT and computer-related sectors led the gains. The banking sector, however, inched lower.

China & HK Indices	CLOSE	1D	YTD
HSI	28,961	0.0%	12.1%
HSCFI	11,582	0.1%	14.4%
HSCCI	4,545	-0.3%	9.0%
CSI300	3,816	0.6%	26.8%
Shanghai A	3,199	0.9%	14.1%
Shanghai B	309	1.4%	14.1%
Shenzhen A	1,710	2.3%	29.1%
Shenzhen B	1,016	0.8%	21.5%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	25,806	-0.1%	10.6%
S&P500	2,789	-0.1%	11.3%
Nasdaq	7,576	-0.0%	14.2%
NIKKEI Index	21,618	-0.5%	8.0%
FTSE Index	7,183	0.7%	6.8%
CAC Index	5,297	0.2%	12.0%
DAX Index	11,620	0.2%	10.1%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	1,288	0.1%	0.5%
STEEL (US\$/oz.)	1,168	0.1%	15.3%
SILVER (US\$/oz.)	15	0.3%	-2.2%
CRUDE OIL (US\$/bbl)	56	-37.1%	23.7%
COPPER (US\$/oz.)	6,478	0.0%	8.6%
ALUMINIUM (US\$/oz.)	1,874	-2.3%	1.5%
PLATINUM (US\$/oz.)	837	0.0%	5.3%
ZINC (US\$/oz.)	2,780	-0.2%	12.7%
WHEAT (US\$/bu)	454	0.1%	-9.7%
CORN (US\$/bu)	375	0.7%	-1.9%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	913	0.2%	0.7%
PVC (US\$/t)	N/A	N/A	6.8%
CRB	181	0.2%	3.0%
BDI			-47.4%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.850	0.884	111.890	1.004	6.708
HKD	0.127		0.113	14.254	12.791	0.854
EUR	1.131	8.877		126.530	0.881	7.575
JPY	0.009	7.016	0.790		0.898	0.060
CHF	0.996	7.816	0.881	111.436		6.678
RMB	0.149	1.170	0.132	16.699	0.150	

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	14	-2.8%

Source: Bloomberg

Latest Research Reports		
Date	Company	Analyst
27-Feb	Xinyi Glass (868 HK)	Phelix Lee
26-Feb	Xinyi Solar (968 HK)	Phelix Lee
25-Jan	IGG (799 HK)	Ingrid He
12-Nov	Sunny Optical (2382 HK)	Phelix Lee
10-Oct	Q Tech (1478 HK)	Phelix Lee
4-Sep	Tianneng Power (819 HK)	Phelix Lee
28-Aug	Q Tech (1478 HK)	Phelix Lee
27-Aug	Ju Teng INTL (3336 HK)	Phelix Lee
24-Aug	361 Degrees (1361 HK)	Hugo Suen

Kingsway Events		
Date	Company	Event
14-Feb	Meidong Auto (1268 HK)	Roadshow
22-Jan	Huazhong In-vehicle (6830 HK)	Roadshow
20-Dec	Inspur International (596 HK)	Company Visit
14-Dec	NetDragon (777 HK)	Roadshow
11-Dec	Digital China Holdings (861 HK)	Company Visit
22-Nov	Sinosoft Tech (1297 HK)	Company Visit
2-Nov	IGG (799 HK)	Company Visit
9-Oct	INKE (3700 HK)	Company Visit
19-Sep	Evergreen PG (1962 HK)	Company Visit

Kingsway coverage list

Name	Ticker	Market Cap (HK\$'m)	Price (HK\$)	1D (%)	Rec.	TP (HK\$)	Upside (%)	PER (X)*			Dividend	Absolute performance			Latest report date
								Hist	FY1	FY2		FY2	5D%	1M%	
HANG SENG INDEX	HSI		28,961.60	0.0				11.1	11.1	10.2	3.9%	0.7	3.5	10.7	
HANG SENG CHINA ENT INDX	HSCEI		11,582.61	0.1				9.2	8.5	7.8	4.3%	0.3	4.9	10.5	
CSI 300 INDEX	SHSZ300		3,816.01	0.6				14.5	12.2	10.7	3.0%	3.6	17.5	19.9	
CHINA LILANG	1234 HK	9,017	7.53	0.3	NEUTRAL	9.66	28.3	11.3	10.3	8.8	6.7%	(1.7)	10.4	12.6	14-Aug-18
DAPHNE INTL	210 HK	412	0.25	0.0	NEUTRAL	0.82	228.0	N/A**	N/A**	N/A**	N/A**	(3.8)	(2.0)	(9.1)	31-Aug-17
IGG	799 HK	16,005	12.50	6.3	LONG	12.89	3.1	11.8	10.6	9.7	0.4%	11.2	3.0	32.0	25-Jan-19
JU TENG INTL	3336 HK	2,554	2.19	2.8	NEUTRAL	1.48	(32.4)	N/A**	33.2	11.1	2.7%	(2.2)	4.8	(4.4)	27-Aug-18
POU SHENG INTL	3813 HK	8,785	1.64	3.1	NEUTRAL	1.45	(11.6)	18.2	15.6	12.4	1.6%	3.8	6.5	9.3	13-Apr-18
Q TECH	1478 HK	7,741	6.84	2.1	SHORT	3.02	(55.8)	34.8	208.7	18.3	0.8%	3.0	52.0	52.7	10-Oct-18
SUNNY OPTICAL	2382 HK	106,504	97.10	1.4	NEUTRAL	82.60	(14.9)	31.1	35.8	23.5	0.9%	1.1	24.5	38.8	12-Nov-18
TIANNENG POWER	819 HK	8,766	7.78	1.2	LONG	11.36	46.0	6.0	5.9	5.3	4.9%	(8.0)	1.0	16.8	4-Sep-18
TONGDA GROUP	698 HK	5,961	0.92	1.1	LONG	1.32	43.5	4.9	10.0	6.4	5.2%	(3.2)	(9.8)	7.0	23-Aug-18
XINYI GLASS	868 HK	37,789	9.46	(2.0)	LONG	11.00	16.3	8.9	8.5	7.1	7.1%	1.6	0.2	12.8	27-Feb-19
XINYI SOLAR	968 HK	30,799	4.02	3.9	NEUTRAL	4.10	2.0	16.1	13.1	10.9	4.3%	2.3	19.3	36.7	26-Feb-19
XTEP INTL	1368 HK	11,823	5.27	(1.3)	LONG	5.85	11.0	20.6	15.5	13.2	3.7%	1.7	5.8	26.1	23-Aug-18
361 DEGREES	1361 HK	3,287	1.59	0.0	NEUTRAL	1.94	22.0	5.9	6.3	5.5	5.7%	1.9	(4.2)	(14.1)	24-Aug-18

* 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.

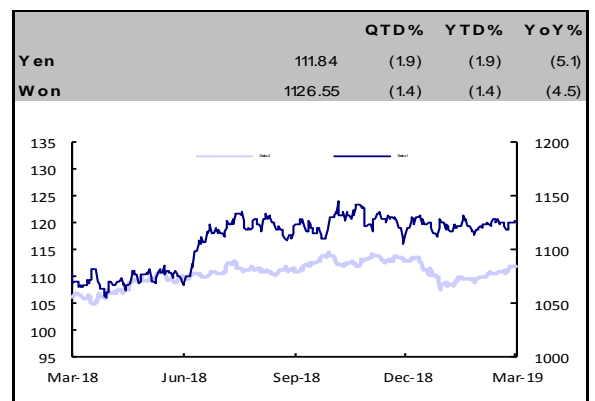
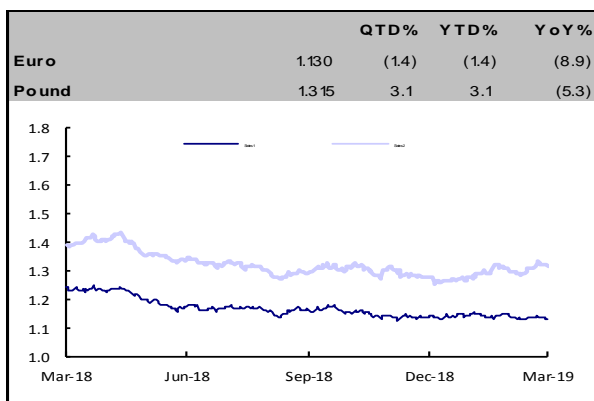
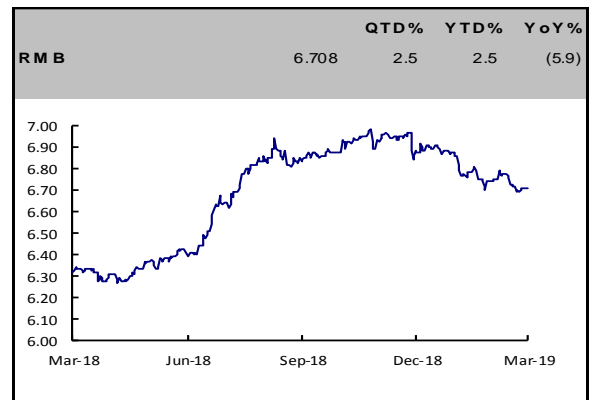
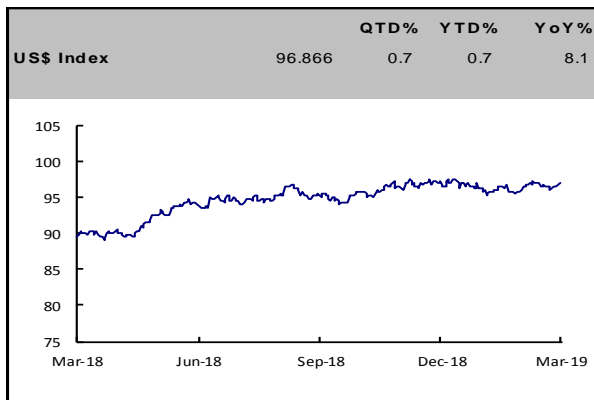
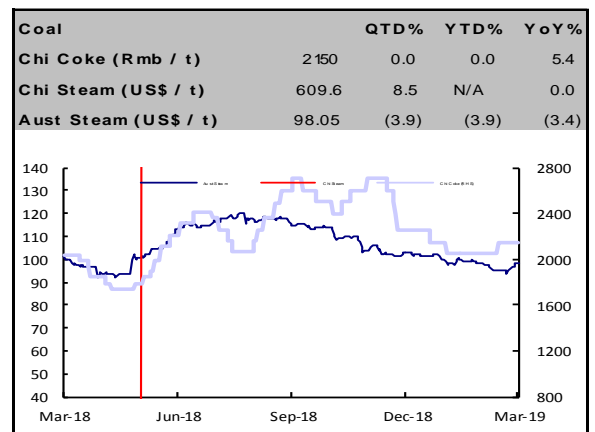
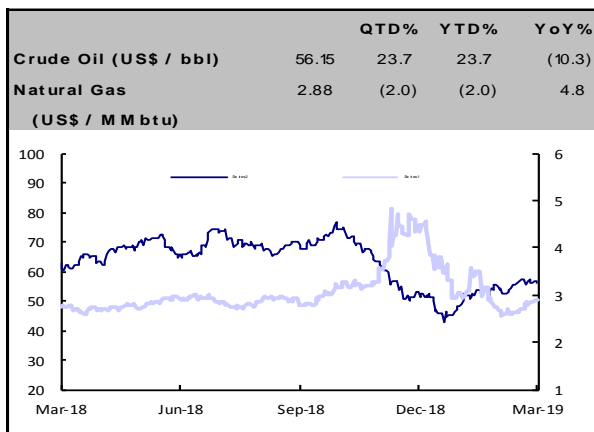
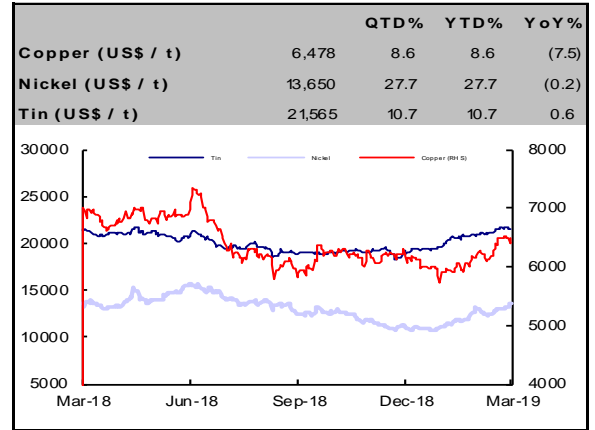
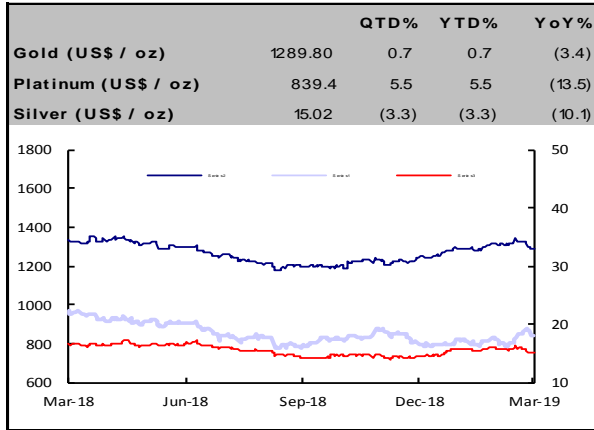
Radar Screen issued during past 12 months

Name	Ticker	Market Cap (HK\$'m)	Price (HK\$)	1D (%)	Price on report issue date (HK\$)	Performance since report issued (%)	PER (X)*			Dividend	Absolute performance			Latest report date
							Hist	FY1	FY2		FY2	5D%	1M%	
MEITU	1357 HK	15,683	3.73	1.08	11.66	-68.01	N/A**	N/A**	N/A**	80.4%	19.2	42.9	20.7	24-Oct-17
DYNAM JAPAN	6889 HK	8,196	10.70	0.19	14.90	-28.19	8.5	7.5	10.5	N/A**	4.1	8.2	5.5	25-Apr-17
CROSSTEC	3893 HK	187	0.078	0.00	0.137	-43.07	N/A**	N/A**	N/A**	N/A**	8.3	36.8	14.7	3-Mar-17
YUEYUN TRANS	3399 HK	2,472	3.09	0.3	4.25	-27.29	5.3	N/A**	N/A**	5.2%	0.0	3.7	2.0	14-Jul-16
UNI MEDICAL	2666 HK	13,130	7.65	2.0	5.65	35.40	8.6	8.0	6.5	2.6%	7.4	16.3	26.4	8-Jan-16
SUMMI	756 HK	260	0.19	0.5	0.79	-75.57	N/A**	N/A**	N/A**	0.0%	(3.5)	(5.4)	(3.5)	9-Feb-15
JIASHILI GP	1285 HK	751	1.81	0.6	3.30	-45.15	5.9	N/A**	N/A**	8.3%	0.6	2.8	2.8	10-Dec-14
GOLDPAC GROUP	3315 HK	1,775	2.13	1.4	7.18	-70.33	8.8	N/A**	N/A**	4.7%	0.9	4.9	13.3	31-Oct-14
UNI-BIO GROUP	690 HK	779	0.13	2.4	0.17	-25.88	N/A**	N/A**	N/A**	0.0%	6.8	23.5	65.8	28-Oct-14
TOWN HEALTH	3886 HK	5,193	0.69	0.0	1.36	-49.26	N/A**	N/A**	N/A**	N/A**	0.0	0.0	0.0	10-Sep-14
BAGUIO GREEN	1397 HK	282	0.68	0.0	1.43	-52.45	15.6	N/A**	N/A**	N/A**	(1.4)	0.0	N/A**	30-Jul-14
YUANDA CHINA	2789 HK	664	0.11	(0.9)	0.67	-84.03	8.2	N/A**	N/A**	N/A**	7.0	8.1	32.1	21-Jul-14
JUMEI	JMEI US	371	2.47	(0.80)	2.67	-7.49	20.8	N/A**	N/A**	N/A**	(10.2)	(4.6)	N/A**	15-Jul-14
FUGUINIAO	1819 HK	5,189	3.88	0.0	8.85	-56.16	11.3	N/A**	N/A**	N/A**	0.0	0.0	0.0	7-Jul-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
New home Sales	MoM		5-Mar-19
Trade Balance	MoM		6-Mar-19
Initial Jobless Claims	WoW		7-Mar-19
Housing Starts / Building Permits	MoM		8-Mar-19
Employment Report	MoM		8-Mar-19
Business Inventories	MoM		11-Mar-19
Retail Sales	MoM		11-Mar-19
CPI	MoM		12-Mar-19
Durable Goods Orders	MoM		13-Mar-19
PPI	MoM		13-Mar-19
Industrial Production	MoM		15-Mar-19
Factory Orders	MoM		19-Mar-19
Wholesale Inventories	MoM		22-Mar-19
Existing Home Sales	MoM		22-Mar-19
Consumer Confidence	MoM		26-Mar-19
GDP	QoQ		28-Mar-19
Personal Income & Spending	MoM		29-Mar-19
ISM Manufacturing PMI	MoM		1-Apr-19
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Mar-19
Trade Balance	MoM		8-Mar-19
PPI	MoM		9-Mar-19
CPI	MoM		9-Mar-19
Money Supply - M2	MoM		10-Mar-19
PMI Manufacturing	MoM		31-Mar-19
Industrial Production	MoM		17-Apr-19
Retail Sales	MoM		17-Apr-19
GDP	YoY		17-Apr-19

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Currency Reserve	MoM		7-Mar-19
Industrial Production	QoQ		14-Mar-19
Producer Prices Index	QoQ		14-Mar-19
Unemployment Rate	MoM		19-Mar-19
Composite Interest Rate	MoM		19-Mar-19
CPI	MoM		21-Mar-19
Trade Balance	MoM		26-Mar-19
Money Supply - M2	MoM		29-Mar-19
Retail Sales	MoM		1-Apr-19
PMI	MoM		3-Apr-19
GDP	QoQ		2-May-19

Notice of interest disclosure filed by substantial shareholders for the two previous trading days

Name of listed corporation	Name of substantial share holder	No. of shares bought/sold/involved	Average price per share
Flat Glass Group Co., Ltd. - H Shares	MOVING LIMITED	4,500,000(L)	HKD 3.7330
Allied Sustainability & Environmental Consultants Group Ltd.	Kwok May Han Grace	50,000(L)	HKD 0.1570
Allied Sustainability & Environmental Consultants Group Ltd.	Wu Dennis Pak Kit	50,000(L)	HKD 0.1570
Amax International Holdings Ltd.	WONG KAM WAH	21,212,121(L)	HKD 0.3300
China Resources and Transportation Group Ltd.	Fung Tsun Pong	9,600,000(L)	HKD 0.0451
Flat Glass Group Co., Ltd. - H Shares	MOVING LIMITED	4,500,000(L)	HKD 3.8480
Hypebeast Ltd.	Lee Yuen Tung Janice	1,700,000(L)	HKD 0.7926
Hypebeast Ltd.	Ma Pak Wing Kevin	1,700,000(L)	HKD 0.7926
New Concepts Holdings Ltd.	Zhu Yongjun	100,000(L)	HKD 1.6900
Sino Harbour Holdings Group Ltd.	Chan Heung Ling	500,000(L)	HKD 0.2330
Sino Harbour Holdings Group Ltd.	Wong Lam Ping	500,000(L)	HKD 0.2330

Source: HKEx

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