

13 August 2018

Hong Kong

EQUITIES

MarqueeIdeas

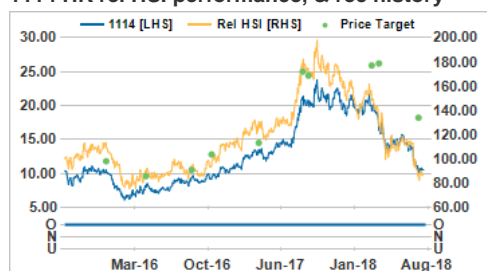
1114 HK Outperform
Price (at 08:58, 13 Aug 2018 GMT) HK\$10.50

Valuation - PER	HK\$	18.20
12-month target	HK\$	18.20
Upside/Downside	%	+73.3
12-month TSR	%	+78.7
Volatility Index		Medium
GICS sector		Automobiles & Components
Market cap	HK\$m	52,973
Market cap	US\$m	6,774
30-day avg turnover	US\$m	31.0
Number shares on issue	m	5,045

Investment fundamentals

Year end 31 Dec		2017A	2018E	2019E	2020E
Revenue	m	5,304.7	5,376.0	5,964.0	9,800.0
EBIT	m	-1468.1	-480.9	-247.4	12.5
EBIT growth	%	-98.0	67.2	48.6	nmf
Reported profit	m	4,376.1	6,351.3	8,384.9	9,252.4
EPS rep	Rmb	0.87	1.26	1.66	1.83
EPS rep growth	%	18.9	45.1	32.0	10.3
PER rep	x	10.6	7.3	5.5	5.0
Total DPS	Rmb	0.09	0.25	0.50	0.73
Total div yield	%	1.0	2.7	5.4	8.0
ROA	%	-4.3	-1.2	-0.5	0.0
ROE	%	17.4	22.0	24.7	23.9
EV/EBITDA	x	10.7	6.9	5.1	4.5
Net debt/equity	%	-2.5	-5.8	-7.8	-15.9
P/BV	x	1.7	1.5	1.3	1.1

1114 HK rel HSI performance, & rec history



Note: Recommendation timeline - if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.

Source: FactSet, Macquarie Research, August 2018

(all figures in Rmb unless noted, TP in HKD)

Analysts

Macquarie Capital Limited



Allen Yuan +86 21 2412 9009
allen.yuan@macquarie.com

Macquarie Capital Securities (Japan) Limited



Janet Lewis, CFA +81 3 3512 7856
janet.lewis@macquarie.com

Brilliance China Automotive

BBA July retail sales +14%; healthy channel

Key points

- ▶ BBA delivered 32k vehicles to customers in July, up 14% YoY, mainly supported by the 5 Series (YTD: 247k units, +15% YoY).
- ▶ The JV's wholesale shipments were 38k units in July, up 25% YoY. YTD total sales were up 15% YoY, well on track to meet our sales estimates.
- ▶ We reiterate Brilliance as our top pick in the China autos sector.

Event

- BMW reported July retail sales data for BMW Brilliance (BBA) during market hours on 13 August.

Impact

- **Retail deliveries up 14% in July:** BBA delivered 32k vehicles to customers in July, up 14% YoY (YTD: 247k units, +15% YoY). The growth was mainly supported by the 5 Series (13k, +103% YoY, incl. 1k 5 Series PHEVs). The localized X3 delivered 3k units in July. Sales of the 3 Series (8k, -23% YoY) and X1 (4k, -39% YoY) both declined. Sales of imported BMW models dropped 4% YoY to 12k units (YTD: 84k, -19% YoY). We believe the decline was mainly impacted by the higher tariffs on SUV models imported from the US, especially the X5.
- **Wholesale shipments grow 25%:** The JV shipped 38k vehicles in July, up 25% YoY (YTD: 247k, +15% YoY). The growth was mainly supported by the 5 Series (13k, +58% YoY), partly due to the low base last year as it was just one month after the launch of the new 5 Series. Sales of the X1 SUV (7k, -7% YoY; YTD: 55k, +9% YoY) and the 3 Series (10k, -3% YoY; YTD: 76k, +5% YoY) both edged down. The JV's total retail deliveries were 2k units higher than wholesale shipments in 7M18, pointing to a healthy channel. The company is on track to meet our 16% YoY sales growth target for 2018.
- **Why we are positive on Brilliance:** As we have detailed in our recent in-depth report ([Profit growth to trump JV structure confusion](#), 27 July), we believe BCA is well positioned to capture the rising replacement demand, leveraging the strength of the BBA JV. We expect the sentiment around Brilliance to gradually recover as the confusion around BBA's future ownership is clarified. The company may benefit from lower procurement costs for imported auto parts in 2H18 following the recent tariff cut. We believe the X3 and potential localisation of the X5 provide major catalysts in 2H18 and 2019. The company is trading on 6x 2019E PER, which we view as very attractive.

Earnings and target price revision

- No change.

Price catalyst

- 12-month price target: HK\$18.20 based on a PER methodology.
- Catalyst: X3 sales trend; confirmation of local production of the X5

Action and recommendation

- We reiterate Brilliance as our top pick in the China auto sector and maintain our Outperform rating.

Analysis

Fig 1 BBA's total retail deliveries are 2k units higher than wholesale shipments in 7M18



Source: CAAM, Company data, Macquarie Research, August 2018

Stocks mentioned

BMW (BMW GR, Not Rated, €83.68)

Macquarie Quant View

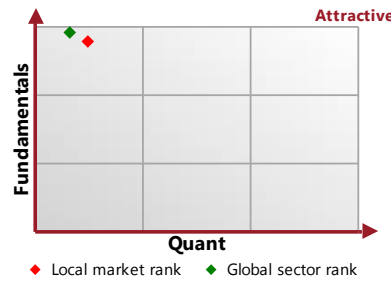
The Quant View page below has been derived from models that are developed and maintained by Sales and Trading personnel at Macquarie. The models are not a product of the Macquarie Research Department.

The quant model currently holds a strong negative view on Brilliance China Automotive. The strongest style exposure is Profitability, indicating this stock is efficiently converting investments to earnings; proxied by ratios like ROE or ROA. The weakest style exposure is Price Momentum, indicating this stock has had weak medium to long term returns which often persist into the future.

384/429

Global rank in
Automobiles & Components

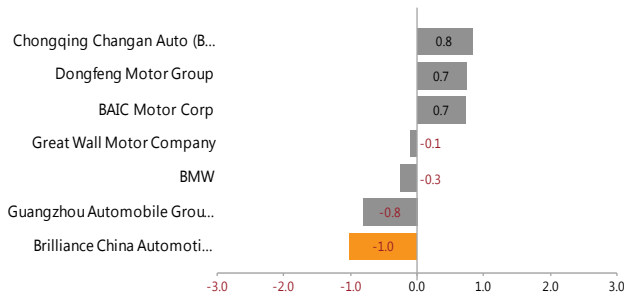
% of BUY recommendations	72% (18/25)
Number of Price Target downgrades	11
Number of Price Target upgrades	14



Displays where the company's ranked based on the fundamental consensus Price Target and Macquarie's Quantitative Alpha model.
Two rankings: Local market (Hong Kong) and Global sector (Automobiles & Components)

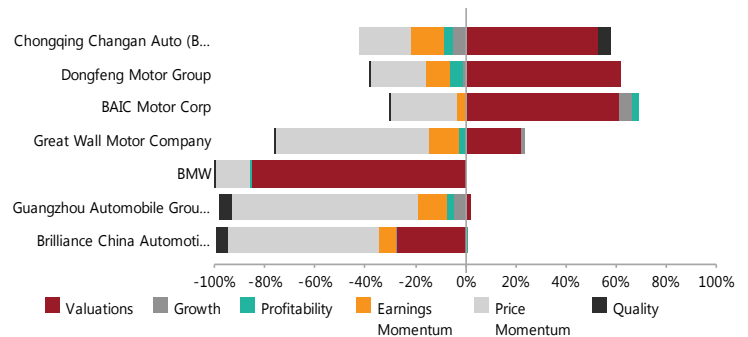
Macquarie Alpha Model ranking

A list of comparable companies and their Macquarie Alpha model score (higher is better).



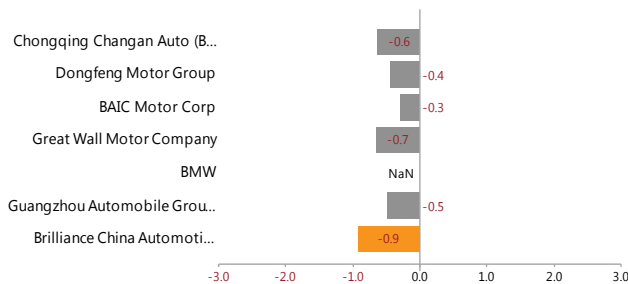
Factors driving the Alpha Model

For the comparable firms this chart shows the key underlying styles and their contribution to the current overall Alpha score.



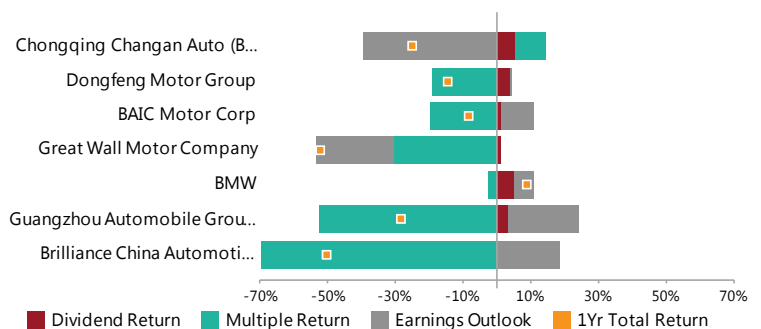
Macquarie Earnings Sentiment Indicator

The Macquarie Sentiment Indicator is an enhanced earnings revisions signal that favours analysts who have more timely and higher conviction revisions. Current score shown below.



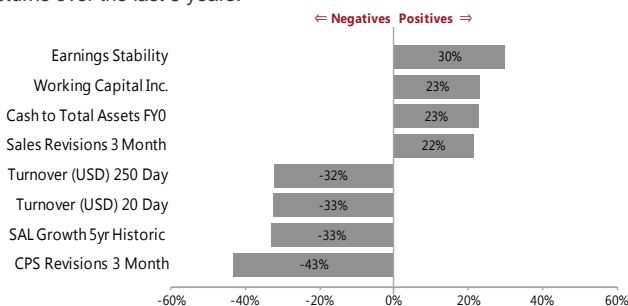
Drivers of Stock Return

Breakdown of 1 year total return (local currency) into returns from dividends, changes in forward earnings estimates and the resulting change in earnings multiple.



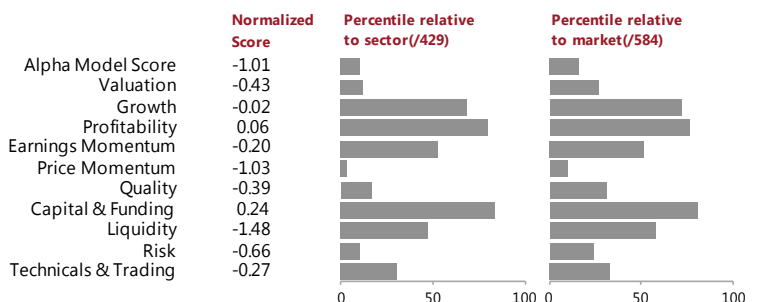
What drove this Company in the last 5 years

Which factor score has had the greatest correlation with the company's returns over the last 5 years.



How it looks on the Alpha model

A more granular view of the underlying style scores that drive the alpha (higher is better) and the percentile rank relative to the sector and market.



Source (all charts): FactSet, Thomson Reuters, and Macquarie Research. For more details on the Macquarie Alpha model or for more customised analysis and screens, please contact the Macquarie Global Quantitative/Custom Products Group (cpq@macquarie.com)

Brilliance China Automotive (1114 HK, Outperform, Target Price: HK\$18.20)

Interim Results					Profit & Loss						
	2H/17A	1H/18E	2H/18E	1H/19E		2017A	2018E	2019E	2020E		
Revenue	m	2,468	2,688	2,688	2,982	Revenue	m	5,305	5,376	5,964	9,800
Gross Profit	m	69	188	188	268	Gross Profit	m	186	376	537	1,176
Cost of Goods Sold	m	2,398	2,500	2,500	2,714	Cost of Goods Sold	m	5,118	5,000	5,427	8,624
EBITDA	m	-654	-81	-81	120	EBITDA	m	-1,190	-163	240	681
Depreciation	m	78	91	91	119	Depreciation	m	149	181	237	312
Amortisation of Goodwill	m	0	0	0	0	Amortisation of Goodwill	m	0	0	0	0
Other Amortisation	m	38	68	68	125	Other Amortisation	m	129	137	250	357
EBIT	m	-770	-240	-240	-124	EBIT	m	-1,468	-481	-247	12
Net Interest Income	m	-44	-60	-60	-60	Net Interest Income	m	-82	-120	-120	-165
Associates	m	2,659	3,546	3,204	5,217	Associates	m	5,450	6,751	8,665	9,431
Exceptionals	m	0	0	0	0	Exceptionals	m	0	0	0	0
Forex Gains / Losses	m	0	0	0	0	Forex Gains / Losses	m	0	0	0	0
Other Pre-Tax Income	m	0	0	0	0	Other Pre-Tax Income	m	0	0	0	0
Pre-Tax Profit	m	1,845	3,246	2,904	5,034	Pre-Tax Profit	m	3,900	6,150	8,298	9,279
Tax Expense	m	-30	-17	-17	-17	Tax Expense	m	-34	-34	-34	-20
Net Profit	m	1,815	3,229	2,887	5,017	Net Profit	m	3,866	6,116	8,264	9,259
Minority Interests	m	251	120	115	62	Minority Interests	m	510	236	121	-6
Reported Earnings	m	2,066	3,349	3,002	5,079	Reported Earnings	m	4,376	6,351	8,385	9,252
Adjusted Earnings	m	2,066	3,349	3,002	5,079	Adjusted Earnings	m	4,376	6,351	8,385	9,252
EPS (rep)		0.41	0.66	0.60	1.01	EPS (rep)		0.87	1.26	1.66	1.83
EPS (adj)		0.41	0.66	0.60	1.01	EPS (adj)		0.87	1.26	1.66	1.83
EPS Growth yoy (adj)	%	9.9	44.9	45.4	51.7	EPS Growth (adj)	%	18.9	45.1	32.0	10.3
						PE (rep)	x	10.6	7.3	5.5	5.0
						PE (adj)	x	10.6	7.3	5.5	5.0
EBITDA Margin	%	-26.5	-3.0	-3.0	4.0	Total DPS		0.09	0.25	0.50	0.73
EBIT Margin	%	-31.2	-8.9	-8.9	-4.1	Total Div Yield	%	1.0	2.7	5.4	8.0
Earnings Split	%	47.2	52.7	47.3	60.6	Basic Shares Outstanding	m	5,041	5,043	5,043	5,043
Revenue Growth	%	-6.5	-5.3	8.9	10.9	Diluted Shares Outstanding	m	5,045	5,045	5,045	5,045
EBIT Growth	%	-85.1	65.6	68.8	48.6						
Profit and Loss Ratios					Cashflow Analysis						
	2017A	2018E	2019E	2020E		2017A	2018E	2019E	2020E		
Revenue Growth	%	3.5	1.3	10.9	64.3	EBITDA	m	-1,190	-163	240	681
EBITDA Growth	%	-150.1	86.3	nmf	184.2	Tax Paid	m	-14	-34	-34	-34
EBIT Growth	%	-98.0	67.2	48.6	nmf	Chgs in Working Cap	m	194	916	145	1,920
Gross Profit Margin	%	3.5	7.0	9.0	12.0	Net Interest Paid	m	301	301	301	301
EBITDA Margin	%	-22.4	-3.0	4.0	6.9	Other	m	-1,837	-5	-495	-460
EBIT Margin	%	-27.7	-8.9	-4.1	0.1	Operating Cashflow	m	-2,547	1,015	157	2,408
Net Profit Margin	%	82.5	118.1	140.6	94.4	Acquisitions	m	0	0	0	0
Payout Ratio	%	10.9	20.0	30.0	40.0	Capex	m	-624	-1,500	-2,000	-2,500
EV/EBITDA	x	10.7	6.9	5.1	4.5	Asset Sales	m	-41	2	2	2
EV/EBIT	x	11.4	7.3	5.4	4.8	Other	m	1,943	3,848	6,098	7,598
Balance Sheet Ratios					Investing Cashflow	m	1,278	2,350	4,100	5,100	
ROE	%	17.4	22.0	24.7	23.9	Dividend (Ordinary)	m	-277	-1,541	-3,203	-4,811
ROA	%	-4.3	-1.2	-0.5	0.0	Equity Raised	m	2	0	0	0
ROIC	%	-6.8	-1.8	-0.8	0.0	Debt Movements	m	1,565	-200	-200	-200
Net Debt/Equity	%	-2.5	-5.8	-7.8	-15.9	Other	m	774	-628	24	1,268
Interest Cover	x	-17.8	-4.0	-2.1	0.1	Financing Cashflow	m	2,064	-2,369	-3,380	-3,743
Price/Book	x	1.7	1.5	1.3	1.1	Net Chg in Cash/Debt	m	795	997	877	3,765
Book Value per Share		5.3	6.2	7.2	8.1	Free Cashflow	m	-3,171	-485	-1,843	-92
					Balance Sheet		2017A	2018E	2019E	2020E	
					Cash	m	3,551	4,550	5,430	9,197	
					Receivables	m	1,023	1,031	1,144	1,879	
					Inventories	m	4,457	3,180	3,586	5,892	
					Investments	m	687	785	783	781	
					Fixed Assets	m	2,567	3,397	4,509	5,884	
					Intangibles	m	0	0	0	0	
					Other Assets	m	25,571	29,492	33,128	35,649	
					Total Assets	m	37,856	42,435	48,580	59,283	
					Payables	m	8,115	7,761	8,424	13,386	
					Short Term Debt	m	2,810	2,610	2,410	2,210	
					Long Term Debt	m	80	80	80	80	
					Provisions	m	0	0	0	0	
					Other Liabilities	m	151	151	151	151	
					Total Liabilities	m	11,156	10,602	11,065	15,828	
					Shareholders' Funds	m	26,523	31,333	36,515	40,956	
					Minority Interests	m	177	500	1,000	2,500	
					Other	m	0	0	0	0	
					Total S/H Equity	m	26,700	31,833	37,515	43,456	
					Total Liab & S/H Funds	m	37,856	42,435	48,580	59,283	

All figures in Rmb unless noted.

Source: Company data, Macquarie Research, August 2018

Important disclosures:

Recommendation definitions

Macquarie - Australia/New Zealand

Outperform – return >3% in excess of benchmark return
Neutral – return within 3% of benchmark return
Underperform – return >3% below benchmark return

Benchmark return is determined by long term nominal GDP growth plus 12 month forward market dividend yield, which is currently around 9%.

Macquarie – Asia/Europe

Outperform – expected return >+10%
Neutral – expected return from -10% to +10%
Underperform – expected return <-10%

Mazi Macquarie – South Africa

Outperform – expected return >+10%
Neutral – expected return from -10% to +10%
Underperform – expected return <-10%

Macquarie - Canada

Outperform – return >5% in excess of benchmark return
Neutral – return within 5% of benchmark return
Underperform – return >5% below benchmark return

Macquarie - USA

Outperform (Buy) – return >5% in excess of Russell 3000 index return
Neutral (Hold) – return within 5% of Russell 3000 index return
Underperform (Sell) – return >5% below Russell 3000 index return

Volatility index definition*

This is calculated from the volatility of historical price movements.

Very high-highest risk – Stock should be expected to move up or down 60–100% in a year – investors should be aware this stock is highly speculative.

High – stock should be expected to move up or down at least 40–60% in a year – investors should be aware this stock could be speculative.

Medium – stock should be expected to move up or down at least 30–40% in a year.

Low-medium – stock should be expected to move up or down at least 25–30% in a year.

Low – stock should be expected to move up or down at least 15–25% in a year.

* Applicable to Asia/Australian/NZ/Canada stocks only

Recommendations – 12 months

Note: Quant recommendations may differ from Fundamental Analyst recommendations

Financial definitions

All "Adjusted" data items have had the following adjustments made:

Added back: goodwill amortisation, provision for catastrophe reserves, IFRS derivatives & hedging, IFRS impairments & IFRS interest expense
Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends & minority interests

EPS = adjusted net profit / epowa*

ROA = adjusted ebit / average total assets

ROA Banks/Insurance = adjusted net profit / average total assets

ROE = adjusted net profit / average shareholders funds

Gross cashflow = adjusted net profit + depreciation

*equivalent fully paid ordinary weighted average number of shares

All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).

Recommendation proportions – For quarter ending 30 June 2018

	AU/NZ	Asia	RSA	USA	CA	EUR	
Outperform	52.87%	61.26%	48.86%	47.54%	69.86%	46.61%	(for global coverage by Macquarie, 3.51% of stocks followed are investment banking clients)
Neutral	34.10%	27.25%	36.36%	46.72%	21.92%	43.22%	(for global coverage by Macquarie, 2.10% of stocks followed are investment banking clients)
Underperform	13.03%	11.49%	14.77%	5.74%	8.22%	10.17%	(for global coverage by Macquarie, 0.00% of stocks followed are investment banking clients)

1114 HK vs HSI, & rec history



(all figures in HKD currency unless noted)

Note: Recommendation timeline – if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.
Source: FactSet, Macquarie Research, August 2018

12-month target price methodology

1114 HK: HK\$18.20 based on a PER methodology

Company-specific disclosures:

1114 HK: Macquarie Capital Limited makes a market in the securities of Brilliance China Automotive Holdings Limited.

Important disclosure information regarding the subject companies covered in this report is available at www.macquarie.com/research/disclosures.

Date	Stock Code (BBG code)	Recommendation	Target Price
28-Jul-2018	1114 HK	Outperform	HK\$18.20
29-Mar-2018	1114 HK	Outperform	HK\$26.20
07-Mar-2018	1114 HK	Outperform	HK\$25.90
26-May-2017	1114 HK	Outperform	HK\$24.40
08-May-2017	1114 HK	Outperform	HK\$25.00
27-Mar-2017	1114 HK	Outperform	HK\$14.50
03-Nov-2016	1114 HK	Outperform	HK\$12.80
03-May-2016	1114 HK	Outperform	HK\$10.50
16-Apr-2016	1114 HK	Outperform	HK\$9.60
17-Dec-2015	1114 HK	Outperform	HK\$11.80

Target price risk disclosures:

1114 HK: Brilliance (1114 HK; Outperform): Risks include China's slowing economy hurting demand for luxury brands, higher marketing expenses, the impact of the weak RMB, competition from other luxury car makers' products and better-or worse-than-expected sales volume.

Analyst certification:

We hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The Analysts responsible for preparing this report receive compensation from Macquarie that is based upon various factors including Macquarie Group Ltd total revenues, a portion of which are generated by Macquarie Group's Investment Banking activities.

General disclaimers:

Macquarie Securities (Australia) Ltd; Macquarie Capital (Europe) Ltd; Macquarie Capital Markets Canada Ltd; Macquarie Capital Markets North America Ltd; Macquarie Capital (USA) Inc; Macquarie Capital Limited, Taiwan Securities Branch; Macquarie Capital Securities (Singapore) Pte Ltd; Macquarie

Securities (NZ) Ltd; Mazi Macquarie Securities (RF) (Pty) Ltd; Macquarie Capital Securities (India) Pvt Ltd; Macquarie Capital Securities (Malaysia) Sdn Bhd; Macquarie Securities Korea Limited and Macquarie Securities (Thailand) Ltd are not authorized deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia), and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL) or MGL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of any of the above mentioned entities. MGL provides a guarantee to the Monetary Authority of Singapore in respect of the obligations and liabilities of Macquarie Capital Securities (Singapore) Pte Ltd for up to SGD 35 million. This research has been prepared for the general use of the wholesale clients of the Macquarie Group and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient you must not use or disclose the information in this research in any way. If you received it in error, please tell us immediately by return e-mail and delete the document. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person. MGL has established and implemented a conflicts policy at group level (which may be revised and updated from time to time) (the "Conflicts Policy") pursuant to regulatory requirements (including the FCA Rules) which sets out how we must seek to identify and manage all material conflicts of interest. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction. In preparing this research, we did not take into account your investment objectives, financial situation or particular needs. Macquarie salespeople, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions which are contrary to the opinions expressed in this research. Macquarie Research produces a variety of research products including, but not limited to, fundamental analysis, macro-economic analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research, whether as a result of differing time horizons, methodologies, or otherwise. Before making an investment decision on the basis of this research, you need to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of your particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. This research is based on information obtained from sources believed to be reliable but we do not make any representation or warranty that it is accurate, complete or up to date. We accept no obligation to correct or update the information or opinions in it. Opinions expressed are subject to change without notice. No member of the Macquarie Group accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Clients should contact analysts at, and execute transactions through, a Macquarie Group entity in their home jurisdiction unless governing law permits otherwise. The date and timestamp for above share price and market cap is the closed price of the price date. #CLOSE is the final price at which the security is traded in the relevant exchange on the date indicated. Members of the Macro Strategy team are Sales & Trading personnel who provide desk commentary that is not a product of the Macquarie Research department or subject to FINRA Rule 2241 or any other regulation regarding independence in the provision of equity research.

Country-specific disclaimers:

Australia: In Australia, research is issued and distributed by Macquarie Securities (Australia) Ltd (AFSL No. 238947), a participating organization of the Australian Securities Exchange. Macquarie Securities (Australia) Limited staff involved with the preparation of research have regular interaction with companies they cover. Additionally, Macquarie Group Limited does and seeks to do business with companies covered by Macquarie Research. There are robust information barriers in place to protect the independence of Macquarie Research's product. However, recipients of Macquarie Research should be aware of this potential conflict of interest. **New Zealand:** In New Zealand, research is issued and distributed by Macquarie Securities (NZ) Ltd, a NZX Firm. **Canada:** In Canada, research is prepared, approved and distributed by Macquarie Capital Markets Canada Ltd., a (i) member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund, and (ii) participating organisation of the Toronto Stock Exchange, TSX Venture Exchange & Montréal Exchange. This research is distributed in the United States, as third party research by Macquarie Capital Markets North America Ltd., which is a registered broker-dealer and member of Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Macquarie Capital Markets North America Ltd. accepts responsibility for the contents of reports issued by Macquarie Capital Markets Canada Ltd. in the United States and sent to US persons. Any US person wishing to effect transactions in the securities described in the reports issued by Macquarie Capital Markets Canada Ltd. should do so with Macquarie Capital Markets North America Ltd. This research is intended for distribution in the United States only to major Institutional Investors (as such term is defined in SEC 15a-6 and Section 15 of the Securities Exchange Act of 1934, as amended) and is not intended for the use of any person or entity that is not a major institutional investor. Research analysts of Macquarie Capital Markets Canada Ltd. are not registered/qualified as research analysts with FINRA. The Research Distribution Policy of Macquarie Capital Markets Canada Ltd. is to allow all clients that are entitled to have equal access to our research. **United Kingdom:** In the United Kingdom, research is issued and distributed by Macquarie Capital (Europe) Ltd, which is authorised and regulated by the Financial Conduct Authority (No. 193905). **Germany:** In Germany, this research is issued and/or distributed by Macquarie Capital (Europe) Limited, Niederlassung Deutschland, which is authorised and regulated by the UK Financial Conduct Authority (No. 193905), and in Germany by BaFin. **France:** In France, research is issued and distributed by Macquarie Capital (Europe) Ltd, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority (No. 193905). **Hong Kong & Mainland China:** In Hong Kong, research is issued and distributed by Macquarie Capital Limited, which is licensed and regulated by the Securities and Futures Commission. In Mainland China, Macquarie Securities (Australia) Limited Shanghai Representative Office only engages in non-business operational activities excluding issuing and distributing research. Only non-A share research is distributed into Mainland China by Macquarie Capital Limited. **Japan:** In Japan, research is Issued and distributed by Macquarie Capital Securities (Japan) Limited, a member of the Tokyo Stock Exchange, Inc. and Osaka Exchange, Inc. (Financial Instruments Firm, Kanto Financial Bureau (kin-sho) No. 231, a member of Japan Securities Dealers Association). **India:** In India, research is issued and distributed by Macquarie Capital Securities (India) Pvt. Ltd. (CIN: U65920MH1995PTC090696), 92, Level 9, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, India, which is a SEBI registered Research Analyst having registration no. INH000000545. **Malaysia:** In Malaysia, research is issued and distributed by Macquarie Capital Securities (Malaysia) Sdn. Bhd. (Company registration number: 463469-W) which is a Participating Organisation of Bursa Malaysia Berhad and a holder of Capital Markets Services License issued by the Securities Commission. **Taiwan:** In Taiwan, research is issued and distributed by Macquarie Capital Limited, Taiwan Securities Branch, which is licensed and regulated by the Financial Supervisory Commission. No portion of the report may be reproduced or quoted by the press or any other person without authorisation from Macquarie. Nothing in this research shall be construed as a solicitation to buy or sell any security or product. The recipient of this report shall not engage in any activities which may give rise to potential conflicts of interest to the report. Research Associate(s) in this report who are registered as Clerks only assist in the preparation of research and are not engaged in writing the research. Macquarie may be in past one year or now being an Issuer of Structured Warrants on securities mentioned in this report. **Thailand:** In Thailand, research is produced, issued and distributed by Macquarie Securities (Thailand) Ltd. Macquarie Securities (Thailand) Ltd. is a licensed securities company that is authorized by the Ministry of Finance, regulated by the Securities and Exchange Commission of Thailand and is an exchange member of the Stock Exchange of Thailand. The Thai Institute of Directors Association has disclosed the Corporate Governance Report of Thai Listed Companies made pursuant to the policy of the Securities and Exchange Commission of Thailand. Macquarie Securities (Thailand) Ltd does not endorse the result of the Corporate Governance Report of Thai Listed Companies but this Report can be accessed at: <http://www.thai-iod.com/en/publications.asp?type=4>. **South Korea:** In South Korea, unless otherwise stated, research is prepared, issued and distributed by Macquarie Securities Korea Limited, which is regulated by the Financial Supervisory Services. Information on analysts in MSKL is disclosed at <http://dis.kofia.or.kr/websquare/index.jsp?w2xPath=/wg/fundMgr/DISFundMgrAnalystStut.xml&divisionId=MDISO3002001000000&serviceId=SDISO3002001000>. **South Africa:** In South Africa, research is issued and distributed by Mazi Macquarie Securities (RF) (Pty) Ltd, a member of the JSE Limited. **Singapore:** In Singapore, research is issued and distributed by Macquarie Capital Securities (Singapore) Pte Ltd (Company Registration Number: 198702912C), a Capital Markets Services license holder under the Securities and Futures Act to deal in securities and provide custodial services in Singapore. Pursuant to the Financial Advisers (Amendment) Regulations 2005, Macquarie Capital Securities (Singapore) Pte Ltd is exempt from complying with sections 25, 27 and 36 of the Financial Advisers Act. All Singapore-based recipients of research produced by Macquarie Capital (Europe) Limited, Macquarie Capital Markets Canada Ltd, Mazi Macquarie Securities (RF) (Pty) Ltd and Macquarie Capital (USA) Inc. represent and warrant that they are institutional investors as defined in the Securities and Futures Act. **United States:** In the United States, research is issued and distributed by Macquarie Capital (USA) Inc., which is a registered broker-dealer and member of FINRA. Macquarie Capital (USA) Inc. accepts responsibility for the content of each research report prepared by one of its non-US affiliates when the research report is distributed in the United States by Macquarie Capital (USA) Inc. Macquarie Capital (USA) Inc.'s affiliate's analysts are not registered as research analysts with FINRA, may not be associated persons of Macquarie Capital (USA) Inc., and therefore may not be subject to FINRA rule restrictions on communications with a subject

company, public appearances, and trading securities held by a research analyst account. Information regarding futures is provided for reference purposes only and is not a solicitation for purchases or sales of futures. Any persons receiving this report directly from Macquarie Capital (USA) Inc. and wishing to effect a transaction in any security described herein should do so with Macquarie Capital (USA) Inc. Important disclosure information regarding the subject companies covered in this report is available at www.macquarie.com/research/disclosures, or contact your registered representative at 1-888-MAC-STOCK, or write to the Supervisory Analysts, Research Department, Macquarie Securities, 125 W.55th Street, New York, NY 10019.

© Macquarie Group

Equities

Asia Research

Head of Equity Research

Jake Lynch (Asia – Head)	(852) 3922 3583
Hiroyuki Sakaida (Japan – Head)	(813) 3512 6695
Conrad Werner (ASEAN – Head)	(65) 6601 0182

Automobiles, Auto Parts

Janet Lewis (China, Japan)	(813) 3512 7856
Allen Yuan (China)	(8621) 2412 9009
James Hong (Korea)	(813) 3512 7476
Amit Mishra (India)	(9122) 6720 4084

Banks and Financials

Scott Russell (Asia)	(852) 3922 3567
Dexter Hsu (China, Taiwan)	(8862) 2734 7530
Keisuke Moriyama (Japan)	(813) 3512 7476
Chan Hwang (Korea)	(822) 3705 8643
Suresh Ganapathy (India)	(9122) 6720 4078
Jayden Vantarakis (Indonesia)	(6221) 2598 8310
Anand Pathmakanthan (Malaysia)	(603) 2059 8833
Gilbert Lopez (Philippines)	(632) 857 0892
Ken Ang (Singapore)	(65) 6601 0836
Peach Patharavanakul (Thailand)	(662) 694 7753

Basic Materials, Commodities

David Ching (China, Hong Kong)	(852) 3922 1823
Yasuhiro Nakada (Japan)	(813) 3512 7862
Anna Park (Korea)	(822) 3705 8669
Sumangal Nevatia (India)	(9122) 6720 4093
Jayden Vantarakis (Indonesia)	(6221) 2598 8310
Farrah Aqlima (Malaysia)	(603) 2059 8987

Conglomerates

David Ng (China, Hong Kong)	(852) 3922 1291
Gilbert Lopez (Philippines)	(632) 857 0892
Conrad Werner (Singapore)	(65) 6601 0182

Consumer, Gaming

Linda Huang (Asia)	(852) 3922 4068
Zibo Chen (China, Hong Kong)	(852) 3922 1130
Terence Chang (China, Hong Kong)	(852) 3922 3581
Sunny Chow (China, Hong Kong)	(852) 3922 3768
Stella Li (China, Taiwan)	(8862) 2734 7514
Leon Rapp (Japan)	(813) 3512 7879
Kwang Cho (Korea)	(822) 3705 4953
Amit Sinha (India)	(9122) 6720 4085
Robert Pranata (Indonesia)	(6221) 2598 8366
Richardo Walujo (Indonesia)	(6221) 2598 8369
Denise Soon (Malaysia)	(603) 2059 8845
Karisa Magpayo (Philippines)	(632) 857 0899
Chalinee Congmuang (Thailand)	(662) 694 7993

Emerging Leaders

Jake Lynch (Asia)	(852) 3922 3583
Kwang Cho (Korea)	(822) 3705 4953
Corinne Jian (Greater China)	(8862) 2734 7522
Conrad Werner (ASEAN)	(65) 6601 0182
Bo Denworalak (Thailand)	(662) 694 7774

Infrastructure, Industrials, Transportation

Patrick Dai (China)	(8621) 2412 9082
Eric Zong (China, Hong Kong)	(852) 3922 4749
Kunio Sakaida (Japan)	(813) 3512 7873
James Hong (Korea)	(822) 3705 8661
Corinne Jian (Taiwan)	(8862) 2734 7522
Inderjeetsingh Bhatia (India)	(9122) 6720 4087
Azita Nazrene (ASEAN)	(65) 6601 0560

Internet, Media and Software

Wendy Huang (Asia)	(852) 3922 3378
Marcus Yang (Greater China)	(8862) 2734 7532
Alankar Garude (India)	(9122) 6720 4134

Oil, Gas and Petrochemicals

Aditya Suresh (Asia)	(852) 3922 1265
Anna Park (Asia)	(822) 3705 8669
Yasuhiro Nakada (Japan)	(813) 3512 7862
Corinne Jian (Taiwan)	(8862) 2734 7522
Ben Shane Lim (Malaysia)	(603) 2059 8868
Yupapan Polpornprasert (Thailand)	(662) 694 7729

Pharmaceuticals and Healthcare

David Ng (China, Hong Kong)	(852) 3922 1291
Xiang Gao (China, Hong Kong)	(8621) 2412 9006
Corinne Jian (China)	(8862) 2734 7522
Alankar Garude (India)	(9122) 6720 4134
Richardo Walujo (Indonesia)	(6221) 259 88 369

Property, REIT

Tuck Yin Soong (Asia, Singapore)	(65) 6601 0838
David Ng (China, Hong Kong)	(852) 3922 1291
Kelvin Tam (China)	(852) 3922 1181
Keisuke Moriyama (Japan)	(813) 3512 7476
Tomoyoshi Omuro (Japan)	(813) 3512 7474
Abhishek Bhandari (India)	(9122) 6720 4088
Richard Danusaputra (Indonesia)	(6221) 2598 8368
Aiman Mohamad (Malaysia)	(603) 2059 8986
Kervin Sisayan (Philippines)	(632) 857 0893
Bo Denworalak (Thailand)	(662) 694 7774

Technology

Damian Thong (Asia, Japan)	(813) 3512 7877
Allen Chang (Greater China)	(852) 3922 1136
Jeffrey Ohlweiler (Greater China)	(8862) 2734 7512
Chris Yu (Greater China)	(8621) 2412 9024
Kaylin Tsai (Greater China)	(8862) 2734 7523
Lynn Luo (Greater China)	(8862) 2734 7534
Patrick Liao (Greater China)	(8862) 2734 7515
Verena Jeng (Greater China)	(852) 3922 3766
Daniel Kim (Korea)	(822) 3705 8641
Abhishek Bhandari (India)	(9122) 6720 4088
Farrah Aqlima (Malaysia)	(603) 2059 8987

Telecoms

Allen Chang (Greater China)	(852) 3922 1136
Prem Jearajasingam (ASEAN)	(603) 2059 8989
Nathania Nurhalim (Indonesia)	(6221) 2598 8365
Kervin Sisayan (Philippines)	(632) 857 0893

Utilities, Renewables

Hiroyuki Sakaida (Japan)	(813) 3512 6695
Patrick Dai (China)	(8621) 2412 9082
Inderjeetsingh Bhatia (India)	(9122) 6720 4087
Karisa Magpayo (Philippines)	(632) 857 0899

Strategy, Country

Viktor Shvets (Asia, Global)	(852) 3922 3883
David Ng (China, Hong Kong)	(852) 3922 1291
Hiroyuki Sakaida (Japan)	(813) 3512 6695
Chan Hwang (Korea)	(822) 3705 8643
Jeffrey Ohlweiler (Taiwan)	(8862) 2734 7512
Inderjeetsingh Bhatia (India)	(9122) 6720 4087
Conrad Werner (ASEAN, Singapore)	(65) 6601 0182
Jayden Vantarakis (Indonesia)	(6221) 2598 8310
Anand Pathmakanthan (Malaysia)	(603) 2059 8833
Gilbert Lopez (Philippines)	(632) 857 0892
Peach Patharavanakul (Thailand)	(662) 694 7753

Find our research at

Macquarie:	www.macquarieresearch.com
Thomson:	www.thomson.com/financial
Reuters:	www.knowledge.reuters.com
Bloomberg:	MAC GO
Factset:	http://www.factset.com/home.aspx
CapitalIQ	www.capitaliq.com

Email macresearch@macquarie.com for access

Asia Sales

Regional Heads of Sales

Miki Edelman (Global)	(1 212) 231 6121
Amelia Mehta (Asia)	(65) 6601 0211
Jeffrey Shiu (China, Hong Kong)	(852) 3922 2061
Sandeep Bhatia (India)	(9122) 6720 4101
Thomas Renz (Geneva)	(41 22) 818 7712
Tomohiro Takahashi (Japan)	(813) 3512 7823
John Jay Lee (Korea)	(822) 3705 9988
Nik Hadi (Malaysia)	(603) 2059 8888
Gino C Rojas (Philippines)	(632) 857 0861

Regional Heads of Sales cont'd

Paul Colaco (San Francisco)	(1 415) 762 5003
Angus Kent (Thailand)	(662) 694 7601
Ben Musgrave (UK/Europe)	(44 20) 3037 4882
Christina Lee (UK/Europe)	(44 20) 3037 4873

Sales Trading

Adam Zaki (Asia)	(852) 3922 2002
Stanley Dunda (Indonesia)	(6221) 515 1555

Sales Trading cont'd

Suhaida Samsudin (Malaysia)	(603) 2059 8888
Michael Santos (Philippines)	(632) 857 0813
Chris Reale (New York)	(1 212) 231 2555
Marc Rosa (New York)	(1 212) 231 2555
Justin Morrison (Singapore)	(65) 6601 0288
Daniel Clarke (Taiwan)	(8862) 2734 7580
Brendan Rake (Thailand)	(662) 694 7707
Mike Keen (UK/Europe)	(44 20) 3037 4905