KIM ENG

hathw@y

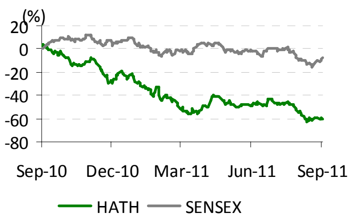
BUY

Company Update

Analyst
Haripreet Batra
Haripreet@kimeng.co.in
(022) 66232606

Price	**Rs81**
Target	**Rs150**
BSE Index	**16,876**

Historical Chart



Performance	1m	3m	6m
Absolute (%)	*-14*	*-25*	*-18*
Relative (%)	*-15*	*-18*	*-11*

Stock Information

Ticker code	HATH
Market cap (US$m)	248
52-week high (Rs)	228
52-week low (Rs)	72
Shares issued (m)	142.9
6m avg d.vol (US$m)	0.23
Free float (%)	33.5
Major shareholders (%)	
Rajan Raheja	49.2
News corp	17.3

Statutory Auditor
G.M. Kapadia & Co

Key Indicators FY12F

BVPS	Rs66
ROA (%)	2.2
Net Cash (Rsm)	1,780
Interest cover (x)	2.6

www.kimengresearch.com.sg

INDIA

Hathway Cable & Datacom (HATH)

Disappointment over slow growth priced in, BUY

Y-T-D the stock is down 51% as investors fear that delay in cable digitisation bill and loss of market share to 'DTH' service providers is slowing growth for HATH. After the recent fall HATH is an attractive BUY because 1) I&B and Telecom ministry have confirmed that the bill would be passed in parliament by Dec, 2) HATH has continued voluntary digitization in Q1 and added 90K pay TV subscribers and 3) HATH is trading at an EV/EBIDTA of 8x which is less than half of peer Dish TV. Our TP of Rs150 on HATH is based on discounted CF.

Subsidized pricing supports subs addition in cable, broadband

Untill the digitization bill forces conversion of analog cable homes into digital, HATH would add subs thru voluntary digitization. For FY12, we expect 26% increase in pay TV subs to 2.4m (Subs at Q1 end is 1.9m) HATH's new broadband services have got good response due to its offer of 12GB downloads at a price of Rs1500.

Cost savings, increased placement fee to support FY12F GM of 27%

We forecast FY12F GM to rise 250 bp. This is driven by new channels which is helping increasing placement fee (+25%) and savings in admin cost (Rs20m in FY12). HATH repaid high cost debt which would cut interest cost by Rs120m for FY12.

Net cash of Rs1.1bn to support digitization of 1.5m subs in 2 yrs

HATH spends Rs700/subscriber for distributing set top boxes to carry out voluntary digitisation. Its subs acquisition cost of Rs750 is lower than Rs1500 for DTH.

Approval for mandatory cable digitization would be a trigger

HATH's underlying fundamentals remain strong despite the delay in legislation. We like HATH because it has lesser subs acquisition cost compared to DTH and a better B/S. We expect the gap between HATH's valuation of Rs1.5k/sub vs Rs8k/sub of Dish TV to narrow.

Year End March 31	FY09	FY10	FY11	FY12F	FY13F
Revenue (Rsm)	6,634	7,328	8,830	10,465	12,639
Recurring net profit (Rsm)	-531	-421	-50	386	808
Recurring EPS (Rs)	-4.3	-2.9	-0.3	2.7	5.7
Growth (%)	*NA*	*NA*	*NA*	*NA*	*109.1*
PER (x)	NA	NA	NA	30.5	14.6
P/BV (x)	3.9	1.3	1.3	1.3	1.1

SEE APPENDIX I FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

HATH: 15x jump in digital subs post digitization bill

'The End' of analog cable is near

HATH will benefit from cable digitization bill implementation which will end carrying of analog signal by cable operators.

We expect the bill to be cleared by December 2011 as it benefits all stakeholders in the cable TV business. In past, a partial digitization under the conditional access model was not as successful in Mumbai and Delhi because the analog signal was still available. The co-existence of analog and digital signal allowed franchisees to under report the subs and carry on piracy. This would change now as broadcast of analog signal would be phased out completely in the new policy.

Digitization will benefit all stakeholders except franchises

Benefits of digitization

Service providers	Reduce revenue loss (Rs115bn pa) from understating of subs by franchises
Government	Reduce revenue loss (license fee, service tax and entertainment tax), which is estimated to be Rs30bn pa
Broadcasters and service providers	Content fee based on actual number of viewers/ subs per channel
Broadcasters	Charge advertisement fee based on viewers/ subs

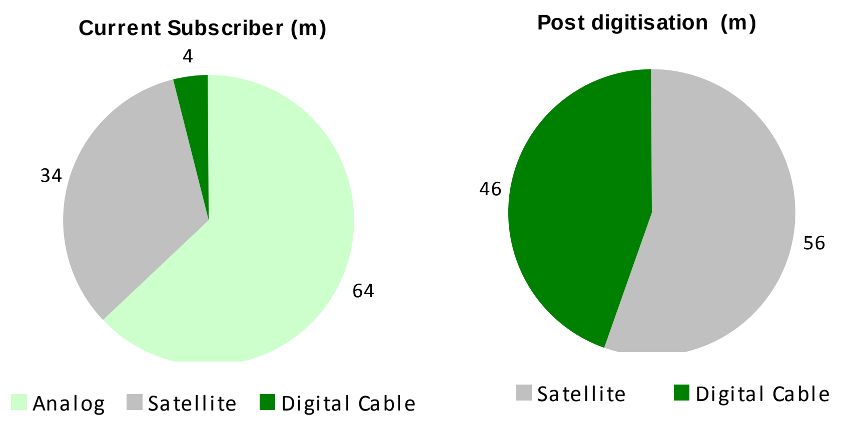
Source: Company data, KESI estimates

Expect 65% win rate for cable TV from analog universe

Current TV households in India are 102m. Of these, 64m are on analog cable, 4m on digital cable and balance on DTH/Satellite TV. After the mandatory cable digitization legislation is passed, we forecast, the current 64m analog cable subs to shift to digital cable or satellite TV. We forecast 65% of the subs shifting to digital cable because of lesser cost, more content and bundling with internet broadband.

Digital cable subscribers to jump to 46m

Sector: TV Subscriber break up



Source: Company data, KESI estimates

We expect HATH to be big beneficiary of the cable digitization bill as it has strong presence in major metros including Mumbai, Delhi, Bangalore and Kolkata. Overall, it has presence in 125 cities covering most of the cable TV homes. We expect HATH to convert 80% of current analog subs to digital by 2015.

HATH would benefit as it gets full ARPU from digital subs

HATH: Subscriber breakup

Platform	Current subs	Post digitisation subs (2015)	Remark
Analog	6.8	0	Low ARPU subs, 5.8m not reported
Digital	1.9	7.3	No under reporting
Blended ARPU	Rs30	150	ARPU could rise 5x
Subscription Revenue	Rs3bn	Rs12bn	4x jump in subscription revenue by 2015

Source: Telecom Regulatory Authority of India (TRAI)

Currently HATH cable network has viewer ship of 8.5m homes but declared subscribers are only 1.9m. This reduces blended ARPU to Rs30 per month for HATH. With cable digitization, under reporting would disappear. We forecast 5x increase in HATH's blended ARPU to Rs150 in line with satellite TV ARPU.

Policy roadmap for mandatory digitization

Regulators recommend compulsory digitization with incentives

In July, the regulator recommended: 1) Compulsory digitization across India by March 2014 in four phases; 2) Income tax holiday until FY19 for pay TV service providers with digital network; and 3) reduction in custom duty on import of digital pay TV equipment for the next three years. The cable digitization bill is expected to be tabled for approval of parliament in Dec'11 and become effective by March'12.

Recommended timeline for roll-out of digital network

Phases	Timeline	Geography
Phase I	Mar 2012	Four metros (Delhi, Mumbai, Chennai and Kolkata)
Phase II	Mar 2013	All cities having population of over 1m
Phase III	Mar 2013	All other urban areas
Phase IV	Mar 2014	Rest of India

Source: Telecom Regulatory Authority of India (TRAI)

Company Description:

HATH is the largest cable TV provider in India with 1.5m digital subscribers and 8.5m total universe. It provides cable TV services across 125 cities with leadership positions in metros including Mumbai and Delhi. HATH also provides broadband internet in over 20 cities

Investment Thesis:

HATH will record multi-fold jump in revenue with implementation of mandatory digitisation. This is because of it would reduce under declartion of subscribers by local last mile partners and remove inefficiencies. It's current voluntary digitisation is showing good traction and we forecast FY12F subs addition of 500K

CONSOLIDATED QUARTERLY FINANCIALS (Yr to Mar)

PROFIT & LOSS (Rsm)	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Revenue	2,265	2,271	2,334	2,371	2,490
Cost of sales.	-1,234	-1237	-1271	-1292	-1341
Depreciation	-333	-333	-343	-348	-365
Selling, admn. expenses	-529	-619	-732	-669	-728
Operating profit	170	81	-12	62	55
Other income / expense	60	28	10	18	35
Interest expensed	-112	-110	-110	-110	-120
Profit before tax	118	-1	-112	-30	-30
Tax	-24	0	0	0	0
Recurring net profit	94	-1	-112	-30	-30
Extraordinary items (FX)	0	0	0	0	0
Net profit	94	-1	-112	-30	-30
EPS (Rs)	0.7	0.0	-0.8	-0.2	-0.2
Fully diluted no. of share (m)	143	143	143	143	143

Ratios (%)	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Gross margin	30.8	30.8	30.8	30.8	31.4
Operating margin	7.5	3.6	-0.5	2.6	2.2
Net margin	4.2	-0.1	-4.8	-1.3	-1.2
SG&A / Sales	23.3	27.3	31.4	28.2	29.3

Source: Company data, KESI estimates

CONSOLIDATED YEARLY FINANCIALS (Yr To Mar)

PROFIT & LOSS (Rsm)	FY08	FY09	FY10	FY11	FY12F	FY13F
Revenue	4,146	6,634	7,328	8,830	10,465	12,639
Cost of sales, ex depr	-3,054	-4,332	-4,556	-5,378	-5,780	-6,836
Depreciation	-589	-961	-1,129	-1,324	-1,886	-2,308
Selling, admn. expenses	-727	-1,102	-1,107	-1,517	-1,674	-2,022
Operating Profit	**-224**	**238**	**536**	**612**	**1,125**	**1,472**
Other income / expense /provisions	-123	-240	-337	-162	-310	-348
Interest expensed, net	-221	-431	-556	-430	-307	-144
Profit Before Tax	**-568**	**-432**	**-356**	**20**	**507**	**981**
Tax	-47	-122	-156	-4	-56	-108
Minorities	20	23	92	-65	-65	-65
Net Profit before extraordinary items	**-595**	**-531**	**-421**	**-50**	**386**	**808**
Extraordinary gain	-34	-50	-149	0	0	0
Net Profit after extraordinary items	**-629**	**-582**	**-570**	**-50**	**386**	**808**
EPS (Rs)	-5.1	-4.7	-4.0	-0.3	2.7	5.6
Recurring EPS (Rs)	-4.8	-4.3	-2.9	-0.3	2.7	5.7
Fully diluted no. of share (m)	123	123	143	143	143	143

KEY ASSUMPTIONS	FY08	FY09	FY10	FY11	FY12F	FY13F
Analog TV subs (000s)	855	616	604	442	442	442
Digital TV subs (000s)	537	1,008	1,002	1,502	2,002	3,502
Total TV subs (000s)	1,393	1,624	1,607	1,944	2,444	3,944
TV Subscription ARPU (Rs)	127	126	140	157	160	160
TV Subscription revenue (Rsm)	1,650	2,289	2,711	3,345	4,213	6,133
TV Distribution revenue (Rsm)	1,380	2,950	3,050	3,508	4,034	3,227
Broadband subs (000s)	231	341	330	380	474	569
Broadband ARPU (Rs)	344	307	323	310	300	300

RATIOS (%)	FY08	FY09	FY10	FY11	FY12F	FY13F
Gross Margin	12.1	20.2	22.4	24.1	26.7	27.7
Operating Margin	-5.4	3.6	7.3	6.9	10.7	11.7
Net Margin	-15.2	-8.8	-7.8	-0.6	3.7	6.4
SG&A / Sales	17.5	16.6	15.1	17.2	16.0	16.0
Book value per share	26.5	21.0	61.8	62.3	66.0	72.5
ROA	-8.6	-4.7	-2.6	-0.3	2.2	4.9
Net Debt/ Equity (x)	0.6	2.2	-0.1	-0.1	-0.2	-0.3
Dividend payout ratio	0.0	0.0	0.0	0.0	0.0	0.0

CASHFLOW (Rsm)	FY08	FY09	FY10	FY11	FY12F	FY13F
EBITDA	242	959	1,329	1,774	2,701	3,433
Accounts receivables	-499	-763	-77	-149	-189	-476
Working capital	943	-20	-61	418	8	190
Operating cash flow	**662**	**181**	**1,209**	**2,037**	**2,514**	**3,139**
Interest	-221	-431	-556	-430	-307	-144
Income Tax	-47	-122	-156	-4	-56	-108
Residual cash flow	**395**	**-372**	**496**	**1,603**	**2,151**	**2,887**
Fixed Assets	-3,372	-3,991	-1,629	-979	-1,465	-1,487
Change in investments	-122	68	180	-82	2	3
Free Cashflow	**-3,100**	**-4,295**	**-953**	**542**	**688**	**1,403**
Capital increase	2,541	9	7,018	0	0	0
Others	-175	-249	43	0	0	-1
Net change in Cashflow	**-651**	**-3,722**	**6,344**	**542**	**688**	**1,402**
Net Debt Beg	-1,409	-2,066	-5,795	550	1,092	1,780
Net (Debt)/ cash End	**-2,066**	**-5,795**	**550**	**1,092**	**1,780**	**3,181**

BALANCE SHEET (Rsm)	FY08	FY09	FY10	FY11	FY12F	FY13F
Cash & Sh term investments	266	480	5,157	4,899	3,987	3,789
Receivables	1,115	1,879	1,955	2,105	2,294	2,770
Loans & Advances, Others	990	1,585	1,500	1,500	1,500	1,500
Fixed assets (net)	5,574	9,010	9,497	9,072	8,586	7,678
Investments	216	174	30	30	30	30
Capital WIP	722	473	274	353	419	506
Total assets	**8,930**	**13,644**	**18,439**	**17,991**	**16,853**	**16,317**
Current liabilities	3,214	3,790	3,643	4,061	4,069	4,259
Debt	2,332	6,275	4,607	3,807	2,207	607
Deferred tax	20	46	82	0	3	5
Minorities	116	952	1,280	1,215	1,150	1,085
Shareholders' Funds	**3,251**	**2,582**	**8,826**	**8,906**	**9,423**	**10,360**

Source: Company Data, KESI estimates

ANALYSTS' COVERAGE / RESEARCH OFFICES

SINGAPORE
Stephanie WONG *Head of Research*
Regional Head of Institutional Research
+65 6432 1451 swong@kimeng.com
- Strategy
- Small & Mid Caps

Gregory YAP
+65 6432 1450 gyap@kimeng.com
- Conglomerates
- Technology & Manufacturing
- Transport & Telcos

Rohan SUPPIAH
+65 6432 1455 rohan@kimeng.com
- Airlines
- Marine & Offshore

Wilson LIEW
+65 6432 1454 wilsonliew@kimeng.com
- Hotel & Resort
- Property & Construction

Anni KUM
+65 6432 1470 annikum@kimeng.com
- Conglomerates
- REITs

James KOH
+65 6432 1431 jameskoh@kimeng.com
- Finance & Banking
- Logistics
- Resources

Eric ONG
+65 6432 1857 ericong@kimeng.com
- Marine & Offshore
- Energy

OOI Yi Tung
+65 6433 5712 ooiyitung@kimeng.com
- Property & Construction

YEAK Chee Keong, CFA
+65 6433 5730 yeakcheekeong@kimeng.com
- Retail & Consumer
- Engineering
- Infrastructure

HONG KONG / CHINA
Edward FUNG *Head of Research*
+852 2268 0632 edwardfung@kimeng.com.hk
- Power
- Construction

Ivan CHEUNG
+852 2268 0634 ivancheung@kimeng.com.hk
- Property
- Industrial

Ivan LI
+852 2268 0641 ivanli@kimeng.com.hk
- Banking & Finance

Jacqueline KO
+852 2268 0633 jacquelineko@kimeng.com.hk
- Consumer Staples

Robert WANG
+852 2268 0630 robertwang@kimeng.com.hk
- Auto

Andy POON
+852 2268 0645 andypoon@kimeng.com.hk
- Telecom & related services

Samantha KWONG
+852 2268 0640 samanthakwong@kimeng.com.hk
- Consumer Discretionaries

Alex YEUNG
+852 2268 0636 alexyeung@kimeng.com.hk
- Industrial

INDIA
Jigar SHAH *Head of Research*
+91 22 6623 2601 jigar@kimeng.co.in
- Oil & Gas
- Automobile
- Cement

Anubhav GUPTA
+91 22 6623 2605 anubhav@kimeng.co.in
- Metal & Mining
- Capital goods
- Property

Haripreet BATRA
+91226623 2606 haripreet@kimeng.co.in
- Software
- Media

Ganesh RAM
+91226623 2607 ganeshram@kimeng.co.in
- Telecom
- Contractor

INDONESIA
Katarina SETIAWAN *Head of Research*
+6221 2557 1125 ksetiawan@kimeng.co.id
- Consumer
- Infra
- Shipping
- Strategy
- Telcos
- Others

Ricardo SILAEN
+6221 2557 1126 rsilaen@kimeng.co.id
- Auto
- Energy
- Heavy Equipment
- Property
- Resources

Rahmi MARINA
+6221 2557 1128 rmarina@kimeng.co.id
- Banking

Lucky ARIESANDI, CFA
+6221 2557 1127 lariesandi@kimeng.co.id
- Cement
- Construction
- Pharmaceutical
- Retail

Adi N. WICAKSONO
+6221 2557 1130 anwicaksono@kimeng.co.id
- Generalist

Arwani PRANADJAYA
+6221 2557 1129 apranadjaya@kimeng.co.id
- Technical analyst

VIETNAM
Nguyen Thi Ngan Tuyen
+84 838 38 66 36 x 163 tuyen.nguyen@kimeng.com.vn
- Pharmaceutical
- Confectionary and Beverage
- Oil and Gas

Ngo Bich Van
+84 838 38 66 36 x 164 van.ngo@kimeng.com.vn
- Bank
- Insurance

Nguyen Quang Duy
+84 838 38 66 36 x 162 duy.nguyenquang@kimeng.com.vn
- Shipping
- Seafood
- Rubber

Trinh Thi Ngoc Diep
+84 838 38 66 36 x 166 diep.trinh@kimeng.com.vn
- Property
- Construction

THAILAND
Stephen LOWY *Head of Research*
+ 662 658 6300 x 4760 stephen@kimeng.co.th

Watchara SATITPORNUMNUAY
+ 662 658 6300 x 4770 watchara.s@kimeng.co.th
- Retail

PHILIPPINES
Luz LORENZO *Head of Research*
+63 2 849 8836 luz_lorenzo@atr.com.ph
- Strategy

Laura DY-LIACCO
+63 2 849 8840 laura_dyliacco@atr.com.ph
- Utilities
- Conglomerates
- Telcos

Lovell SARREAL
+63 2 849 8841 lovell_sarreal@atr.com.ph
- Consumer
- Media
- Cement

Kenneth NERECINA
+63 2 849 8839 kenneth_nerecina@atr.com.ph
- Conglomerates
- Property
- Ports/ Logistics

Katherine TAN
+63 2 849 8843 kat_tan@atr.com.ph
- Banks
- Construction

ECONOMICS
Luz LORENZO *Economist*
+63 2 849 8836 luz_lorenzo@atr.com.ph
- Philippines
- Indonesia

REGIONAL
ONG Seng Yeow
+65 6432 1832 ongsengyeow@kimeng.com
- Regional Products & Planning

TAIWAN
Gary Chia
Head of Greater China Research
+886 2 3518 7900 gary.chia@yuanta.com
Boris Markovich
COO, Greater China Research
+852 3969 9518 boris.markovic@yuanta.com
John Brebeck, CFA
Head of Taiwan Strategy
Head of Research, Taiwan
+886 2 3518 7906 john.brebeck@yuanta.com
George Chang, CFA
Head of Upstream Tech
+886 2 3518 7907 george.chang@yuanta.com
Vincent Chen
Head of Downstream Tech
+886 2 3518 7903 vincent.chen@yuanta.com
Dennis Chan – NB Supply Chain
+886 2 3518 7913 dennis.chan@yuanta.com
Andrew C Chen – IC Backend
+886 2 3518 7940 andrew.chen@yuanta.com
Ellen Chiu – Taiwan Consumer
+886 2 3518 7936 ellen.chiu@yuanta.com
Danny Ho – Taiwan Petrochemical
+886 2 3518 7923 danny.ho@yuanta.com
Min Li – Alternative Energy
+852 3969 9521 min.li@yuanta.com
May Lin – Taiwan Telecom
+886 2 3518 7942 may.lin@yuanta.com
Tess Wang – Taiwan Financials
+886 2 3518 7901 tess.wang@yuanta.com

Recommendation definitions
Our recommendation is based on the following expected price performance within 12 months:

+15% and above: BUY
-15% to +15%: HOLD
-15% or worse: SELL

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLOSURES AND DISCLAIMERS

This report, and any electronic access to it, is restricted to and intended only for clients of Kim Eng Research Pte. Ltd. ("KER") or a related entity to KER (as the case may be) who are institutional investors (for the purposes of both the Singapore Securities and Futures Act ("SFA") and the Singapore Financial Advisers Act ("FAA")) and who are allowed access thereto (each an "Authorised Person") and is subject to the terms and disclaimers below.

IF YOU ARE NOT AN AUTHORISED PERSON OR DO NOT AGREE TO BE BOUND BY THE TERMS AND DISCLAIMERS SET OUT BELOW, YOU SHOULD DISREGARD THIS REPORT IN ITS ENTIRETY AND LET KER OR ITS RELATED ENTITY (AS RELEVANT) KNOW THAT YOU NO LONGER WISH TO RECEIVE SUCH REPORTS.

This report provides information and opinions as reference resource only. This report is not intended to be and does not constitute financial advice, investment advice, trading advice or any other advice. It is not to be construed as a solicitation or an offer to buy or sell any securities or related financial products. The information and commentaries are also not meant to be endorsements or offerings of any securities, options, stocks or other investment vehicles.

The report has been prepared without regard to the individual financial circumstances, needs or objectives of persons who receive it. The securities discussed in this report may not be suitable for all investors. Readers should not rely on any of the information herein as authoritative or substitute for the exercise of their own skill and judgment in making any investment or other decision. Readers should independently evaluate particular investments and strategies, and are encouraged to seek the advice of a financial adviser before making any investment or entering into any transaction in relation to the securities mentioned in this report. The appropriateness of any particular investment or strategy whether opined on or referred to in this report or otherwise will depend on an investor's individual circumstances and objectives and should be confirmed by such investor with his advisers independently before adoption or implementation (either as is or varied). You agree that any and all use of this report which you make, is solely at your own risk and without any recourse whatsoever to KER, its related and affiliate companies and/or their employees. You understand that you are using this report AT YOUR OWN RISK.

This report is being disseminated to or allowed access by Authorised Persons in their respective jurisdictions by the Kim Eng affiliated entity/entities operating and carrying on business as a securities dealer or financial adviser in that jurisdiction (collectively or individually, as the context requires, "Kim Eng") **which has, vis-à-vis a relevant Authorised Person, approved of, and is solely responsible in that jurisdiction for, the contents of this publication in that jurisdiction.**

Kim Eng, its related and affiliate companies and/or their employees may have investments in securities or derivatives of securities of companies mentioned in this report, and may trade them in ways different from those discussed in this report. Derivatives may be issued by Kim Eng its related companies or associated/affiliated persons.

Kim Eng and its related and affiliated companies are involved in many businesses that may relate to companies mentioned in this report. These businesses include market making and specialised trading, risk arbitrage and other proprietary trading, fund management, investment services and corporate finance.

Except with respect the disclosures of interest made above, this report is based on public information. Kim Eng makes reasonable effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. The reader should also note that unless otherwise stated, none of Kim Eng or any third-party data providers make ANY warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data.

Proprietary Rights to Content. The reader acknowledges and agrees that this report contains information, photographs, graphics, text, images, logos, icons, typefaces, and/or other material (collectively "Content") protected by copyrights, trademarks, or other proprietary rights, and that these rights are valid and protected in all forms, media, and technologies existing now or hereinafter developed. The Content is the property of Kim Eng or that of third party providers of content or licensors. The compilation (meaning the collection, arrangement, and assembly) of all content on this report is the exclusive property of Kim Eng and is protected by Singapore and international copyright laws. The reader may not copy, modify, remove, delete, augment, add to, publish, transmit, participate in the transfer, license or sale of, create derivative works from, or in any way exploit any of the Content, in whole or in part, except as specifically permitted herein. If no specific restrictions are stated, the reader may make one copy of select portions of the Content, provided that the copy is made only for personal, information, and non-commercial use and that the reader does not alter or modify the Content in any way, and maintain any notices contained in the Content, such as all copyright notices, trademark legends, or other proprietary rights notices. Except as provided in the preceding sentence or as permitted by the fair dealing privilege under copyright laws, the reader may not reproduce, or distribute in any way any Content without oRsaining permission of the owner of the copyright, trademark or other proprietary right. Any authorised/permitted distribution is restricted to such distribution not being in violation of the copyright of Kim Eng only and does not in any way represent an endorsement of the contents permitted or authorised to be distributed to third parties.

Additional information on mentioned securities is available on request.

Jurisdiction Specific Additional Disclaimers:

THIS RESEARCH REPORT IS STRICTLY CONFIDENTIAL TO THE RECIPIENT, MAY NOT BE DISTRIBUTED TO THE PRESS OR OTHER MEDIA, AND MAY NOT BE REPRODUCED IN ANY FORM AND MAY NOT BE TAKEN OR TRANSMITTED INTO THE REPUBLIC OF KOREA, OR PROVIDED OR TRANSMITTED TO ANY KOREAN PERSON. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF SECURITIES LAWS IN THE REPUBLIC OF KOREA. BY ACCEPTING THIS REPORT, YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

THIS RESEARCH REPORT IS STRICTLY CONFIDENTIAL TO THE RECIPIENT, MAY NOT BE DISTRIBUTED TO THE PRESS OR OTHER MEDIA, AND MAY NOT BE REPRODUCED IN ANY FORM AND MAY NOT BE TAKEN OR TRANSMITTED INTO MALAYSIA OR PROVIDED OR TRANSMITTED TO ANY MALAYSIAN PERSON. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF SECURITIES LAWS IN MALAYSIA. BY ACCEPTING THIS REPORT, YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply if the reader is receiving or accessing this report in or from other than Singapore.

As of 16 September 2011, Kim Eng Research Pte. Ltd. and the covering analyst do not have any interest in Hathway Cable & Datacom (HATH).

Analyst Certification:

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Singapore
Kim Eng Securities Pte Ltd
Kim Eng Research Pte Ltd
9 Temasek Boulevard
#39-00 Suntec Tower 2
Singapore 038989

Tel: +65 6336 9090
Fax: +65 6339 6003

LAU Wai Kwok (sales)
lauwk@kimeng.com

Stephanie WONG (research)
swong@kimeng.com

London
Kim Eng Securities (London) Ltd
6/F, 20 St. Dunstan's Hill
London EC3R 8HY, UK

Tel: +44 20 7621 9298
Dealers' Tel: +44 20 7626 2828
Fax: +44 20 7283 6674

Giles WALSH (sales)
gwalsh@kimeng.co.uk

Geoff HO (sales)
gho@kimeng.co.uk

James JOHNSTONE (sales)
jjohnstone@kimeng.co.uk

New York
Kim Eng Securities USA Inc
777 Third Avenue, 21st Floor
New York, NY 10017, U.S.A.

Tel: +1 212 688 8886
Fax: +1 212 688 3500

Thanh C NGUYEN (sales & trading)
tnguyen@kesusa.com

Taiwan
Yuanta Securities Investment Consulting Co.
10/F, No 225, Nanking East Rd
Section 3
Taipei 104, Taiwan

Tel: +886 2 8770-6078
Fax: +886 2 2546-0376

Arthur LO (sales)
Arthur.lo@yuanta.com.tw

Gary CHIA (research)
Gary.chia@yuanta.com.tw

Hong Kong
Kim Eng Securities (HK) Ltd
Level 30,
Three Pacific Place,
1 Queen's Road East,
Hong Kong

Tel: +852 2268 0800
Fax: +852 2877 0104

Ray LUK (sales)
rluk@kimeng.com.hk

Edward FUNG (research)
edwardfung@kimeng.com.hk

Thailand
Kim Eng Securities (Thailand) Public Company Limited
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road, Pathumwan,
Bangkok 10330, Thailand

Tel: +66 2 658 6817 (sales)
Tel: +66 2 658 6801 (research)

Vikas KAWATRA (sales)
vkawatra@kimeng.co.th

Indonesia
PT Kim Eng Securities
Plaza Bapindo
Citibank Tower 17th Floor
Jl Jend. Sudirman Kav. 54-55
Jakarta 12190, Indonesia

Tel: +62 21 2557 1188
Fax: +62 21 2557 1189

Harianto LIONG (sales)
hliong@kimeng.co.id

Katarina SETIAWAN (research)
ksetiawan@kimeng.co.id

Philippines
ATR-Kim Eng Securities Inc.
17/F, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: +63 2 849 8888
Fax: +63 2 848 5738

Lorenzo ROXAS (sales)
lorenzo_roxas@atr.com.ph

Luz LORENZO (research)
Luz_lorenzo@atr.com.ph

Vietnam
Kim Eng Vietnam Securities Joint Stock Company
1st Floor, 255 Tran Hung Dao St.
District 1
Ho Chi Minh City, Vietnam

Tel : +84 838 38 66 36
Fax : +84 838 38 66 39

Vo Doan Trang (sales)
Trang.vo@kimeng.com.vn

Nguyen Thi Ngan Tuyen (research)
Tuyen.nguyen@kimeng.com.vn

India
Kim Eng Securities India Pvt Ltd
2nd Floor, The International,
Plot No.16, Maharishi Karve Road,
Churchgate Station,
Mumbai City - 400 020, India

Tel: +91.22.6623.2600
Fax: +91.22.6623.2604

Vikas KAWATRA (sales)
vkawatra@kimeng.co.th

Jigar SHAH (research)
jigar@kimeng.co.in

South Asia Sales Trading
Connie TAN
connie@kimeng.com
Tel: +65 6333 5775
US Toll Free: +1 866 406 7447

North Asia Sales Trading
Eddie LAU
eddielau@kimeng.com.hk
Tel: +852 2268 0800
US Toll Free: +1 866 598 2267