



KVB Kunlun
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TRADINGSTAR

Stock Broking Team: Jimmy Koh, Eric Zheng, Coral Jin, Edison Zhao, Edward Lee
NZX Advisors: Greg Boland, Jimmy Koh
Tel: 09-3598999 Fax: 09-3598990 Email: nzinvest@kvbkunlun.com

Today's HOT stock 今日“热”股

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This is one stock which you should not miss. Buy it while it is still cheap.

China Infrastructure Investment Corporation -- CIIC

China Infrastructure Investment Corporation focuses on investing, constructing, operating and managing infrastructure development projects in China. It operates the PingLin Expressway in the Henan Province. Profits are from toll collected and the lease of shops at rest stops. Henan Province has a population of 98 million, and ranks as the fifth biggest economy in China with a GDP growth rate of 10.7% in 2009.

Car sales are up to 19% globally in 2010 and China is already the biggest car market in the world. Based on projected population and wealth increase, car traffic in China is expected to increase 14 times by the end of this year. This will bring huge profits to CIIC. CIIC is already benefiting from economies of scale. Its cost of revenue has been reduced by 62% over the last year. With the projected increase in traffic, CIIC's margins are likely to increase as well. The big names are already buying this company's shares. There are 6 institutions that are currently holding the CIIC shares. Major institutional holders include Invesco Ltd, CTC fund management LLC, and UBS AG. Furthermore, on 28 July, Skymark Research, a leading provider of small- and micro-cap independent investment research, initiated coverage on CIIC, which is the positive news for company.

The current price is USD 0.82. The highest price in 52 weeks is USD 4.75. Compared with this, the current price is very attractive. In fact, CIIC is actively pursuing M&A opportunities to both build out its road network and diversify its business. On 27th April, CIIC rose to USD 2.58 after an unnamed Chinese newspaper said the company is a potential takeover target. During last two years, the highest price was USD 5.08. If the price were to regain this level, it will mean a profit of 510%. If there is a take-over, the price will most likely higher.

There is further good news. CIIC is now included into the Halter USX China Index. This means that index tracking funds must buy this stock.

Source: www.finance.yahoo.com, www.thestreet.com, www.microstockprofit.com,

This commentary is prepared by Jimmy Koh, Manager, Investment Sales. A copy of his Investment Adviser's Disclosure Statement can be obtained from www.kvbkunlun.com.

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