

Haikui Seafood AG

April 16, 2012

Basic Report / IPO

Analyst

Dr. Roger Becker, CEFA
+49 69 71 91 838-46
roger.becker@bankm.de

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Seafood - healthy Nutrition Trend promotes Demand

Haikui Seafood AG is a seafood processing company addressing the domestic and international markets. Due to both its high international quality standards within the production process and an established network of suppliers and clients, Haikui has achieved a prominent position in the domestic market and, at the same time, has successfully extended its global reach. While its products are being sold also under its own brand in China, exports are labeled as third party brands.

Following, we underline the factors which we perceive relevant for the outlook of Haikui's operations

- Growing seafood consumption as the driver for the industry sector
 - During 2007 - 2020, per capita consumption is forecasted to increase by 35% in China and 2%, worldwide
- Haikui strives at
 - expanding its domestic market share from currently 5.2% through raising its processing capacity, strengthening the supply base, advancing its brand
 - further penetrating the European and US markets
- Solid revenue growth rate at a CAGR₂₀₀₈₋₂₀₁₁ of 37% with high stable margins
- Strong cash flow and sound balance sheet; comfortable liquid position at € 25.6 Mill. at year end 2011
- Strategically well located, allowing access to rich fishing grounds
- International accreditation and certification

In order to accelerate the strategic goals and to gain access to equity, the Company now enters the German capital market.

Key data / Earnings

Year	Sales (Mill. €)	EBITDA (Mill. €)	EBIT (Mill. €)	EBT (Mill. €)	Net Profit (Mill. €)*	EPS (€)*	DPS (€)**	EBIT- Margin	Net- Margin*
2011a	152.1	33.8	32.4	30.8	26.7	2.67	0.00	21.3%	17.6%
2012e	185.6	41.3	39.9	40.0	30.0	3.00	0.00	21.5%	16.2%
2013e	232.0	53.5	51.2	50.1	37.6	3.76	0.38	22.1%	16.2%
2014e	292.3	67.9	65.0	64.1	48.1	4.81	0.48	22.2%	16.5%
2015e	353.7	81.5	78.6	79.1	59.3	5.93	0.59	22.2%	16.8%

*2011: reduced tax rate at 12%; 2012ff.: regular tax rate at 25%; **to be paid out in the subsequent year

Source: BankM-Research

Sector	Food processing
WKN	A1JH3F
ISIN	DE000A1JH3F9
Trading Symbol	H8K GY
Accounting standard	IFRS
Financial year	Dec 31
Market segment	Regulated Market
Transparency standard	Prime Standard

Financial Ratios

at Fair Value	2012e	2013e	2014e
EV/Sales	1.7	1.3	1.1
EV/EBITDA	7.5	5.8	4.6
EV/EBIT	7.8	6.0	4.8
P/E	10.4	8.3	6.5
Price/Bookvalue	2.2	1.7	1.4
Price/FCF	70.8	neg.	16.2
ROE	23.3%	23.3%	23.7%

IPO data

Number of Shares	
(before IPO)	10.00 Mill.
Free float	> 10%
Lead Manager	biw AG - BankM Pareto Securities
Issue volume	1.725 Mill.
t/o Greenshoe	0.225 Mill.
Internat. Roadshow	Apr 24 - May 10, 2012
Bookbuilding range	€ 10 - 13
Subscription period	Apr 24 - May 10, 2012
First listing	May 15, 2012
IPO lock-up	12 months for all Shareholders (hard/soft lock-ups)

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Investment Criteria

Haikui Seafood AG is a leading seafood processor and distributor in China. The Company has gained a prominent position in the domestic market and has expanded its business and acceptance in the international markets.

Following, we highlight the investment criteria which we consider relevant for the investor:

- Solid revenue growth rate with a CAGR₂₀₀₈₋₂₀₁₁ of 37.3% from € 58.8 Mill. to € 152.1 Mill. and significant growth in net profit from € 13.2 Mill. to € 28.3 Mill.
- Strong cash flow and continuously growing profitability with high, stable margins
- High quality of products and high quality management standards, which are reflected in international accreditation and certification and which are audited on a regular basis; all relevant certifications to distribute the products to major markets (US, Europe, and Asia) are in place
- Experienced management with over 20 year expertise in the seafood industry
- Steady cooperation with suppliers based upon long term business relationship (wild catch and aqua farming)
- Growing seafood consumption in both the domestic and foreign markets entail substantial growth potential; this assumption is substantiated by the globally growing awareness regarding healthy nutrition with seafood fueling the trend towards a healthier life style
- Since many regions in the world do not have prompt access to fresh seafood, processing for preservation and convenience purposes allows to satisfy the increasing demand in seafood for almost every geography
- The strategically advantageous location between the East and South China Sea allows access to abundant, diverse and sustainable marine resources; abundance of skilled local workforce at low cost
- The Company's expansion strategy is in synchronization with the current establishment of the "National Seafood Economic Development Zone" in Dongshan in close proximity to Haikui's facilities; this governmental infrastructure project will provide, amongst others, increased quantity and variety of raw seafood supply for the Company

IPO

Haikui Seafood AG, the German-based holding of the group (see Group Structure below), will enter the Prime Standard at the Frankfurt Stock Exchange. The Company intends to issue up to 1.5 Mill. new shares plus a Greenshoe option of 15% maximum (225.000) at a bookbuilding range between € 10 and € 13 per share. Management is subject to a hard lock-up of 12 months; other shareholders are subject to a soft lock-up for 12 months.

The envisaged IPO is - in the first place - a strategic step to increase awareness both, among its customers as well as capital market participants.

The Company decidedly intends to attract new investors and to raise funds in the course of the IPO in order to accelerate growth and to extend its market share and global reach.

Use of Proceeds

Proceeds resulting from the IPO will be used for the following strategic measures:

Doubling of capacity within the next three years through upgrading and ...

Upgrade of existing capacity

The Company plans to expand its current production capacity from currently 28,500 tons (output) by ca. 44% (+12,540 tons/year). The investment in additional and the replacement of existing fixed assets as well as enforcement in automation will improve efficiency and output.

... expanding facilities as well as ...

Construction of a new production facility

The construction of a new factory within the next 18 months is essential for catalyzing the expansion plans. In addition the Company is in advanced negotiations to acquire land use rights for the construction of a new production and storage facility. This will lead to an additional increase in production capacity and to an increase of storage capacity. The area is sufficiently large to build additional facilities and hence will provide the Company with the option to expand its capacities in the future.

→ By upgrading of the existing capacity and the construction of a new plant, the Company intends to double its capacity within the next three years.

... strengthening of Working Capital

Expansion of supply base

Haikui's operations are capital intensive as it requires a significant amount of working capital for its business operations. At the beginning of a year, Haikui usually makes prepayments to each of its suppliers the amount of which depends on the forecasted annual supplies from the respective supplier. Therefore, Haikui needs a significant amount of cash to fund its raw material procurement.

In order to further intensify the relationship with existing suppliers by means of increased order volumes, the Company will benefit from additional liquid funds raised during the IPO. In addition, the strengthened working capital will catalyze access to and negotiations with new suppliers in order to build up new framework agreements.

Further development of the brand

Increase in market share and advancement of the brand

In order to gain additional market share and to increase its brand recognition, Haikui plans to establish six "Haikui"-branded flagship stores in the main business centers and to further broaden its distributor base.

Expansion of development activities

For the sake of sustainability and advantageous positioning in the highly competitive business, Haikui will strengthen the R&D investment by purchasing new equipment and by recruiting highly skilled personnel. Simultaneously, the Company determined to extend its research activities through cooperation with external institutions and specialists.

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Haikui Seafood AG

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IPO - 5/38 -

Current Shareholder Structure

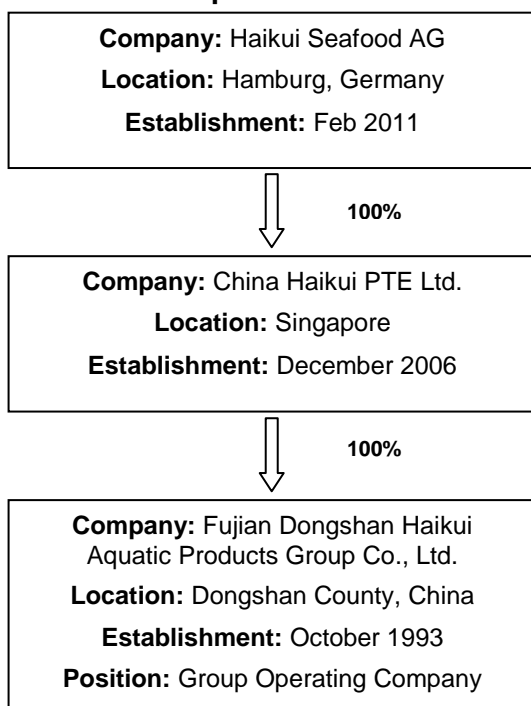
Existing Shareholder	Number of shares	Percentage of shares
Haida Holdings Pte. Ltd.*	5,656,588.00	56.57%
Mega Bond International Ltd.	3,542,918.00	35.43%
Palm Cove International Ltd.	300,247.00	3.00%
Praise Ocean International Ltd.	300,247.00	3.00%
Everswift Holdings Ltd.	180,000.00	1.80%
Mr. Alan Gey (CFO)	20,000.00	0.20%
TOTAL	10,000,000.00	100.00%

* 100% in possession of Mr. Chen Zhenkui (CEO)

Note: Mega Bond and Everswift are managed by Zana Capital and their total percentage of shares amounts to 37.2% of Haikui Seafood AG.

Mr. Chen Zhenkui has agreed to sell 3% of his existing stake to a local fishing fleet owner. The transaction is however conditional upon a successful IPO.

Group Structure



Source: Company data

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Company profile

Established seafood processor

Company Description

Haikui Seafood AG is an established seafood processing company with operating facilities in China which produces and distributes processed, i.e. frozen and canned seafood for both the Chinese and foreign markets. Haikui's products are made from a broad range of raw seafood, including prawn, crab and multiple types of fish and other species such as shellfish and cephalopod.

Broad supply and distribution network

Haikui sells seafood products which have been processed by a series of primary procedures including cleaning, cutting, scaling, seasoning, drying, grilling and/or cooking. The portfolio is composed of a large number of different products. The business operation is based on close cooperation with suppliers, in-house R&D capability, streamlined supply chain management and a stringent quality control system. The major customers are distributors and large processing companies in the PRC and overseas, whereby most of the overseas customers are based in Asia, Europe and the United States. The products of Haikui are sold under either own brand or the brands of third parties. The distribution channels are classified into (i) overseas distributors, (ii) domestic distributors and (iii) direct sales.

Strategically well located

The processing facilities are located in Dongshan Island, Fujian Province, PRC, and currently have an aggregated annual processing output capacity of approximately 28,543 tons per year. The strategic location is of great importance for the Company in order to have a direct access to abundant, diverse and sustainable marine resources.

The Dongshan Special Economic Zone, which is still under construction, is expected to be fully operational by the end of 2013. This new Economic Zone with its infrastructural advancements will provide the Company with access to increased quantity and variety of raw seafood materials and will contribute to the Company's operational performance.

The Company was founded in 1993 under the name Fujian Dongshan Haikui Aquatic Products Company Limited and has become an important seafood processor and exporter in China. In 2011, Haikui employed ca. 600 people on a permanent basis and nearly 1,600 temporary contract workers.

Fujian Dongshan Haikui Aquatic Products Group Co., Ltd. Headquarters



Source: Company data

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Products

The basic products of Haikui are frozen and canned seafood. The former has contributed ca. 88% (€ 134 Mill.) of total revenues in the year of 2011, 12% resulted from canned seafood (€ 18 Mill.).

The segment "Frozen Seafood" comprises seafood which has undergone the complete procedure consisting of cleaning, cutting, scaling, seasoning, drying, grilling or cooking before quick-freezing. In FY 2011, the Company's total sales are categorized as follows:

1. Crab (37%, € 56.7 Mill.): shelled crab meat, cut crab, whole crab, pasteurized crab, crab cake and stuffed crab etc.
2. Prawn (24%, € 36.0 Mill.): shelled prawn meat, partially-shelled prawn, dried prawn, whole prawn, prawn ball, shrimp rolls etc.
3. Fish (29%, € 43.8 Mill.): sliced fish meat, fish fillet, breaded fish fillet, fish balls, fish noodle, fish cake, dried fish meat, whole fish, grilled eel etc.
4. Others (10%, € 15.7 Mill.): dried cuttlefish/squid, cuttlefish balls, seafood rolls, breaded squid rings, sliced octopus/squid, squid fillet, whole octopus/squid, breaded oyster, mussel, oyster, scallop and clam meat etc.

The segment "Canned Seafood" comprises seafood which has undergone the complete processing composed of cleaning, cutting, scaling, seasoning, drying and/or cooking before packing into cans followed by heat sterilization. The main species processed in the canned seafood segment is fish and the representative products are tuna meat (in vegetable oil, tomato sauce or brined), mackerel (in vegetable oil or tomato sauce), sardines (in vegetable oil or tomato sauce), spicy snapper and canned eel etc.

In December 2010, Haikui extended its portfolio through the acquisition of a Dongshan-based seafood processor specialized in grilling (asset deal).

All of the products are sold either under the "Haikui" brand (only in China) or under a third party brand.

**Two segments:
Frozen and Canned
Seafood**

Shrimp production line



Source: Company data

Inspection lab



Long term relationships within the supply chain

Business Model and Strategy

The business model of Haikui encompasses the complete process from the supply of raw materials through processing to distribution.

- Supply of raw materials: Haikui has made full advantage of the naturally strategic location in Dongshan in the South of China. The direct access to the sea entails a steady supply of raw materials at high quality and rich diversity. In 2011, the supplier structure of Haikui was composed of 59.3% in capture fishing and 40.7% in aquaculture farms. In 2011, Haikui has sourced its raw materials from 84 suppliers and has successfully established framework supply agreements with 61 of its suppliers. The long term relationship within the supply chain is attributable to positive quality control results upon continuous supervision of farms. To further cultivate the relationship with its suppliers, Haikui makes pre-payments of ca. 10% of the previous year's purchase volume.

The pictures below show registered seafood farms which are suppliers for Haikui:

CIQ Registered Oyster and Mussel Farm



CIQ Registered Tilapia Farm



CIQ Registered Sea Water Farm



CIQ Registered Shrimp Farm



Source: Company data; CIQ: China Inspection & Quarantine Bureau regulation requirements.

The CIQ label confirms that the export has been subject to regulatory oversight of the Chinese export control system requirements and that the product has been legally exported. Based on the EU regulations, all aquacultural products imported into EU countries have to be tested for drug residues. The China CIQ branches have been working with the EU regulatory agencies to implement the food testing methods in line with the EU.

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- **Storage:** The large cold storage capacity of currently 15,000 tons ensures an almost continuous supply and flexibility in warehousing management. Further, stock-piling - in addition to the supply from aquaculture - is of paramount importance in order to bridge the official fishing restriction period from May 1 to Aug 1 and to counteract the seasonality effects inherent to Haikui's business
- **Processing:** In the processing procedure of raw materials, Haikui has set up a highly flexible, low-cost organizational structure and has tracked record in expanding capacity and product range. The Company places great emphasis on the quality control management through high quality standards
- **Distribution:** The Company enhances its market image and acceptance by the strong diversification of the products and administrates the business conception of a "One-Stop-Shop". From 2009 to 2011, on average, the Top-3 customers accounted for 49% of the annually total revenue (43% in 2011). The Company is continuously striving at intensifying the long-standing relationship with its key distributors. Based on its present achievements, i.e. a dominant market position in Fujian province and a high quality management, Haikui seeks to further expand its distribution base

Efficient warehouse management to bridge seasonality effects

High quality standards

Established distribution network

The Company has determined to follow its expansion strategy which includes:

- Expansion of processing and storage capacity through adding new capacity to its existing facilities and constructing a new facility
- Expansion of its distribution network and enhancement of market presence in the PRC and overseas
- Enhancement of its brand image and market acceptance
- Extension of the supplier base by the establishment of new contracts
- Intensification of the cooperation with existing suppliers
- Continuous emphasis on research and development
- Further enhancement of expertise and technical Know-How by the recruitment of additional skilled staff

As for the dedicated execution of the expansion strategy, the Company plans to build up six branded flagship stores (operated by independent distributors) in the main business centers within the next 3 years in order to advance its brand and to promote its domestic expansion. In addition, Haikui intends to increase its sales by appointing regional distributors in China and strives at enhancing the penetration of Europe and the US. Further, the Company strives at extending its business in Taiwan. By these measures, the Company anticipates to significantly increase its sales.

Clearly defined measures to promote growth

The strategic goals as established by the Company have to be set into perspective with the current establishment of the "National Seafood Economic Development Zone" in Dongshan. This governmental infrastructure project will provide increased quantity and variety of raw seafood, a stimulating and promoting business environment and will reduce exposure towards supply-side seasonality since the seafood processors can be provided with seafood from oceans that are not subject to Chinese fishing restrictions. We perceive the Company's growth strategy in tandem with the contemporaneous infrastructure measures as a promising opportunity for future growth.

Company History

- 2011 The holding Company, Haikui Seafood AG, was established in February, 2011 and is located in Hamburg, Germany. As the parent company, it controls China Haikui Pte Ltd. by 100% share rights
- 2010 In December 2010, the Group acquired a seafood processing factory at a location near Haikui's existing factory by way of an "asset deal". The acquiree is specialized in grilled seafood products ISO 22000 and 14001 certification pertaining to the production and service of processed aquatic products
- 2007 Mega Bond became invested in Haikui
- 2006 China Haikui Pte Ltd. was established in Singapore in December 2006 and is the holding company (100%) of Fujian Dongshan Haikui Aquatic Products Group Co., Ltd.
- 2003 The company obtained ISO 9001 certification, which ensures high quality control standards
- 2000 The company obtained HACCP certification which allows export to the US
- 1999 The company received an import and export license to directly export products
- 1993 Haikui was founded under the name Fujian Dongshan Haikui Aquatic Products Co., Ltd.

Management

Mr. CHEN Zhenkui, CEO (Chief Executive Officer)

Mr. CHEN Zhenkui is the CEO of Haikui Seafood AG and since founding Haikui, he has played the crucial role in overall management and corporate development. As the majority shareholder he possesses 56.6% of the shares. Based upon more than 25 years of experience in the seafood processing industry, he has coupled with a significant business network. Mr. Chen is the Vice Chairman of the "All-China Federation of Industry and Commerce-Aquatic Industry" and the Chairman of the "Zhangzhou Aquatic Processing and Distributing Federation" as well as a member of the "Fujian Dongshan Chamber of Commerce". He was awarded as the "National Outstanding Young Entrepreneur" by the Ministry of Agriculture, People's Republic of China. Mr. CHEN graduated from the National University of Defensive Technology with the Diploma in Law in 2001 and was certified as "Senior Economist" by the Department of Personnel, Fujian Province, in 1996. In 2009, Mr. Chen Zhenkui completed the Business Management and Strategic Investment course for senior executives at Tsinghua University.

Mr. HUANG Zhenping, COO (Chief Operation Officer)

Mr. HUANG, the brother of Mr. CHEN Zhenkui, is the COO of Haikui and undertakes the responsibility for the corporate administration. He joined Haikui in 1997 and is the Executive Member of the Dongshan County Chamber of Commerce as well as the Vice President of the Dongshan County Youth-Entrepreneur Association. He was awarded Top Ten Youth-Entrepreneur in Dongshan County jointly by Dongshan Committee of Chinese Communist Youth

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Haikui Seafood AG

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Marketing and Distribution - 11/38 -

League, Dongshan Economic and Trade Bureau and Dongshan Foreign Trade and Economic Cooperation Bureau. He holds a Diploma in Industrial and Civil Architecture from the Fujian Institute of Architecture and obtained his Engineer Certificate from the Fujian Provincial Department of Personnel in 1998. Mr. Huang holds a stake of 3% via Praise Ocean International Limited.

Mr. Alan GEY, CFO (Chief Finance Officer)

The Company's CFO, Mr. Alan GEY, joined Haikui in 2007 and is responsible for financial reporting, treasury, compliance and investor relations for the whole corporation since then. Before serving Haikui, he has accumulated over 15 years of experience in accounting, finance, banking and general management in multinational corporations and financial institutions, such as Shanghai Treffert Special Coatings, Standard Chartered Bank and DBS Bank. He holds a MBA from University of Melbourne and is a member of the Association of Chartered Certified Accountants in the United Kingdom.

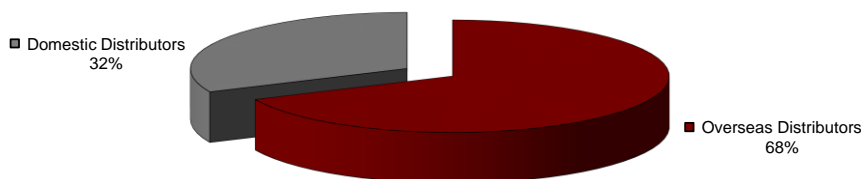
Mr. Alan GEY is a Singapore national and speaks both English and Chinese as native languages. Mr. Gey holds a stake of 0.2%.

Marketing and Distribution

Haikui sells to distributors both domestically and overseas. In 2011, revenues from domestic sales amounted to € 48.6 Mill. (32% of total sales) and from international sales to € 103.5 Mill. (68% of total sales).

Distribution channels and regional breakdown of sales

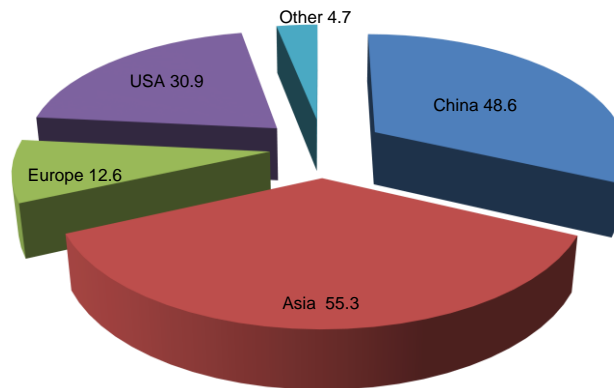
Revenue by distribution channel in 2011



Source: Company data

Major export regions include US, Europe and South East Asia.

Revenues by region 2011 in € Mill.



Source: Company data

While international distribution is under third party brands, solely, within China the products are also sold under the Company's proprietary brand. The Company now plans to extend its domestic sales by advancing its brand via the establishment of six flagship stores in the main business centers in addition to the appointment of regional distributors.

Haikui usually does not enter into long-term sales contracts with its clients. Instead, sales are being realized on an order-by-order basis, either directly or through buying agents. In our view, this provides the Company with a higher flexibility regarding pricing, logistics control as well as delivery scheduling.

End customers for Haikui's overseas and domestic products are usually restaurants, hotels, supermarkets and grocery stores. By regularly visiting its domestic distributors, Haikui seeks to obtain feedback regarding product quality and to introduce its new products. The ongoing dialogue serves to eventually adjust the processing and sales strategies according to changing market needs.

Regular feedback from distributors actively requested

Market and Competition

Haikui Seafood AG is specialized in the field of seafood processing and distribution. The market is driven by the following factors:

- Increasing demand in seafood consumption in China and globally
- Continuously growing urbanization tendency in both China and the world
- Increasing awareness of a healthy life style, including dietary habits
- Increasing affluence and attempt for higher quality of life

In its press release from Jan 2011, the USDA (United States Department of Agriculture) together with the USDHHS (United States Department of Health and Human Services) recommends to consume more seafood in order to promote health, to lower the risk of chronic diseases, and to reduce the prevalence of overweight and obesity (*USDA Office of Communications, USDA and HHS Announce New Dietary Guidelines to Help Americans Make Healthier Food Choices and Confront Obesity Epidemic, Jan 31, 2011*).

Key drivers for growing seafood consumption

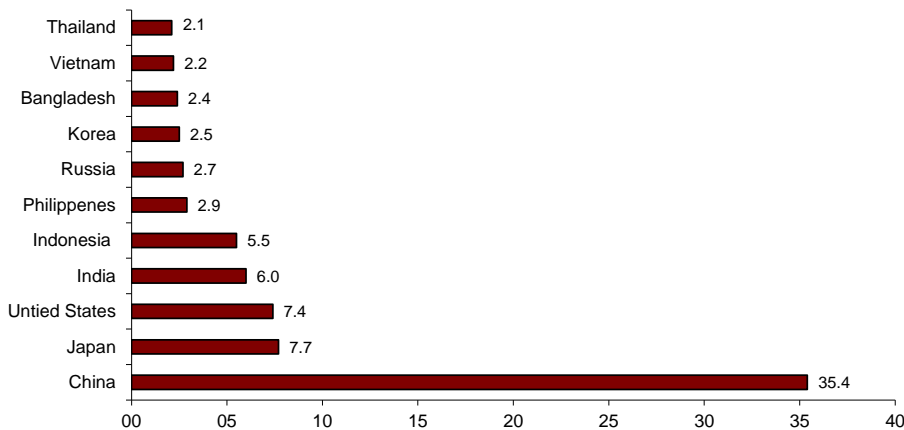
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Market Structure and Segments

China is viewed as the largest seafood consuming country in the world with a total seafood consumption of over 35 million tons in 2007 (latest data available from FAOSTAT). The statistics as shown below display that the seafood consumption in China is 4-5x larger than its Asian neighbor Japan, the second largest consumer.

Seafood consumption highest in China

Total Seafood Consumption by Country in 2007 (in m tons)

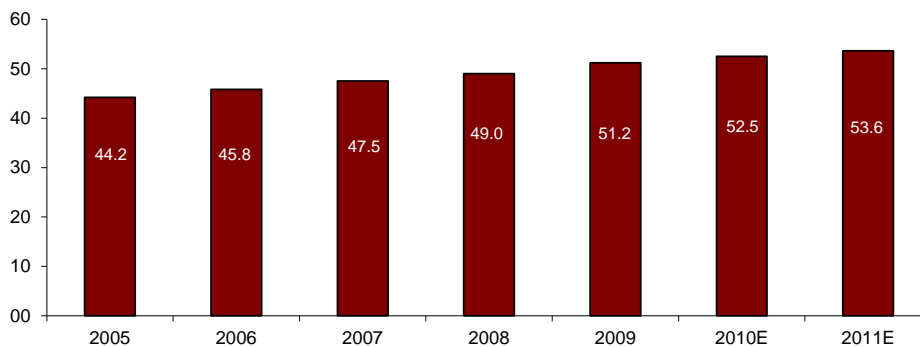


Source: FAO, FAOSTAT

Next to consumption, China has also kept growing production in this sector. The chart below shows that the trend in this industry sector continues in accordance with the growing consumption. The capacity of Chinese seafood production is estimated at 53.6 million tons in 2011.

Seafood production in China gradually increases

China seafood production 2005-2011E (in m tons)



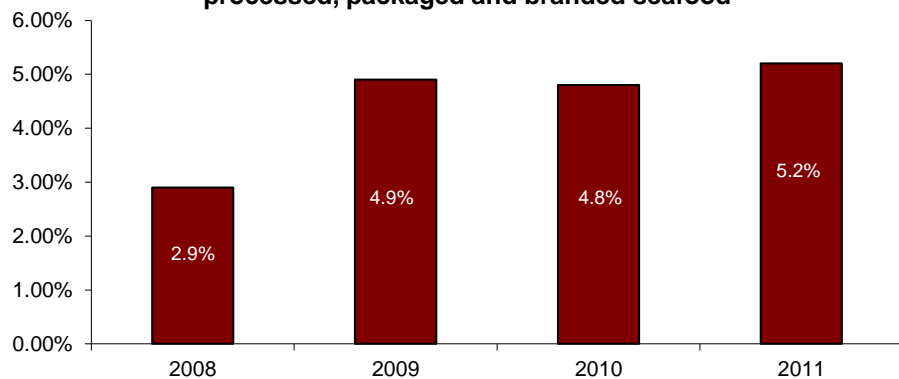
Source: USDA Foreign Agricultural Service and FAO

The positive tendency in the domestic market is likely to support Haikui's growth in the future. We take into consideration the following aspects in the analysis of Haikui's position in the relevant market segment:

Domestic market share almost doubled

1. From 2008 to 2011, Haikui Seafood AG successfully realized an almost doubling of its share in the Chinese market for processed, packaged and branded seafood from 2.9% to 5.2%. This development reflects the Company's growing role in the processed seafood sector within China.

Haikui Seafood AG's market share in the Chinese market for processed, packaged and branded seafood

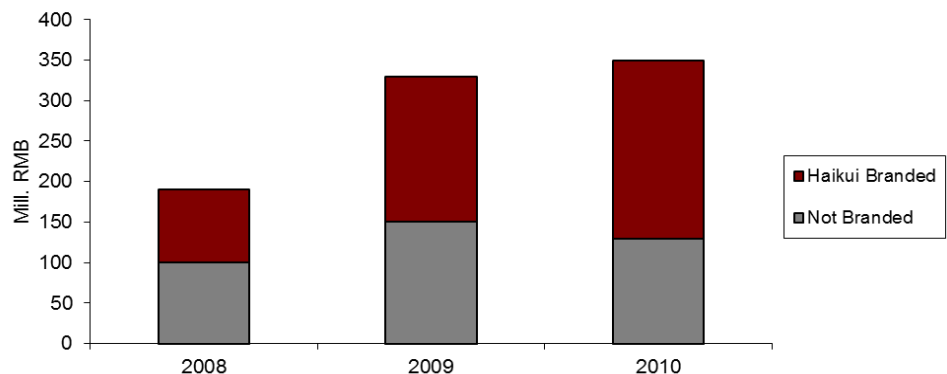


Source: Company Data, Euromonitor

Focus on brand building in the domestic market

2. While international distribution is only under third party brands, domestic sales are also under Haikui's proprietary brand. An increasing brand awareness and brand loyalty on the consumers' side may allow higher selling prices resulting in higher margins.

Haikui brand dominates sales in China



Source: Company Data

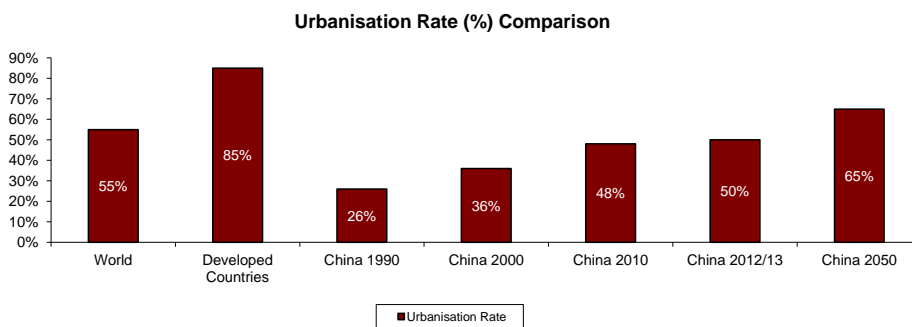
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Based on the charts above, we conclude that the brand enhancement will play a key role in achieving greater recognition among consumers, in increasing brand loyalty towards Haikui and is likely to stimulate sales growth with higher margins.

Processed seafood, amongst other nutrition sources, meets the consumer's demand for a healthy and convenient diet. Beside the steadily advancing life style in general, the rise in urbanization and disposable income of households must be considered when forecasting the market of modern, healthy diets, such as processed seafood.

The following graph displays the urbanization rate with a focus on China. While the urbanization rate in China currently lags behind the world average, the forecasted development is likely to result in an overall growing consumption trend.

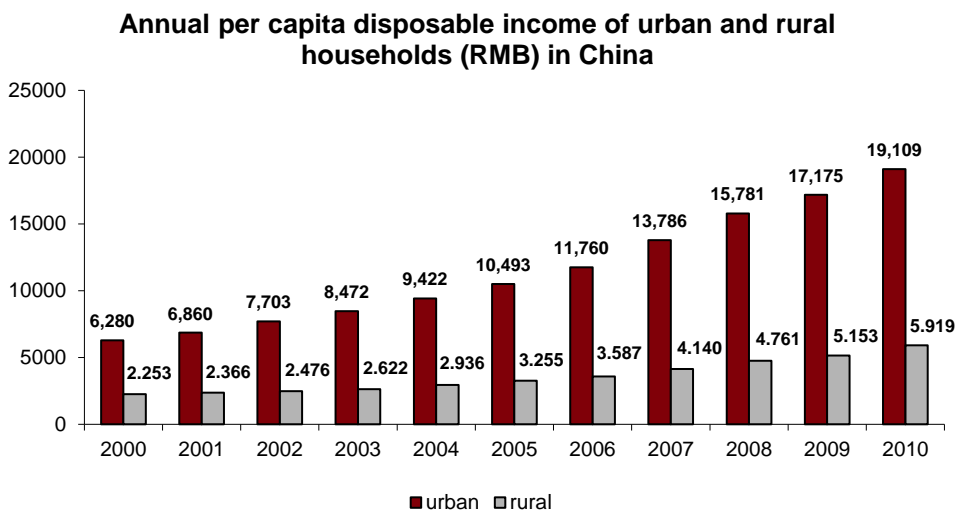
Rising urbanization and ...



Source: Chinese Academy of Social Science

The fast growing urbanization goes hand in hand with China's emerging middle class and growing income levels, which are indicative of a Country's consumption potential. The chart below shows the growth of the annual per capita disposable income of urban and rural households in China.

... growing disposable income fuel consumption



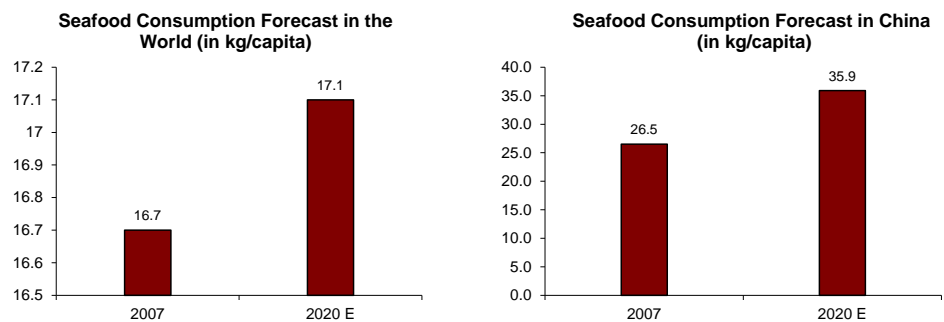
Source: National Bureau of Statistics of China (China statistical Yearbook)

Over the past decade the disposable income of urban and rural households has almost tripled on average, whereby urban areas captured ca. 76% of the national disposable income in 2010. The increasing income leads to a respective rise in China's emerging middle class. According to "Beijing Axis, China Business Solutions, 2010", it is conceivable that China's urban households with an annual disposable income of approx. \$3.200 may increase to more than 350 million by 2025.

Growth strategy meets growing demand

Market Perspective

Haikui Seafood AG's strategy focuses on the expansion of its production capacity and further advancement of its brand awareness. The charts below, displaying the forecasted increase of the *per capita* consumption in the world and in China, support this strategy, as it targets at satisfying the growing demand:



Source: International Food Policy Research Institute (IFPRI)

Well positioned in the highly fragmented competitive market through broad diversification

Competitive Environment and distinctive Propositions of Haikui

The domestic competitive arena is highly fragmented with ca. 10,000 seafoood processing companies in China. Haikui belongs to the top 10 seafoood companies in the PRC and is a dominant player in the Fujian province.

According to the Ministry of Agriculture of the PRC, the total capacity of seafoood processing facilities in China amounted to 23.9 million tons in 2010. 67% of these facilities were located in Zhejiang, Shandong, Fujian and Guangdong.

According to confirmations issued by the Fujian Provincial Committee of Foreign Trade and Economic Cooperation on 22 February 2010, 13 May 2011 and 20 February 2012, respectively, Haikui was the top seafoood exporting company in Fujian Province in terms of export volume in the years 2009, 2010 and 2011.

According to the Company, there are approximately nine major seafoood processors in China that directly compete with Haikui in both, the Chinese and overseas markets. Some of the seafoood processors are involved solely in the processing of canned seafoood, while some are involved exclusively in the processing of frozen seafoood. Given its broad diversification regarding species variety and finished products, Haikui seems to enjoy a competitive edge over many of the comparable market participants.

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Financial Analysis

In this chapter we discuss Haikui Seafood AG's operating results, cash flow as well as balance sheet and present a short term forecast until 2015. These forecasts are based on the analysis of the relevant markets and in-depth discussion with the Company's management regarding corporate strategy. The forecasts consider a base case scenario, i.e. without any additional proceeds from the IPO.

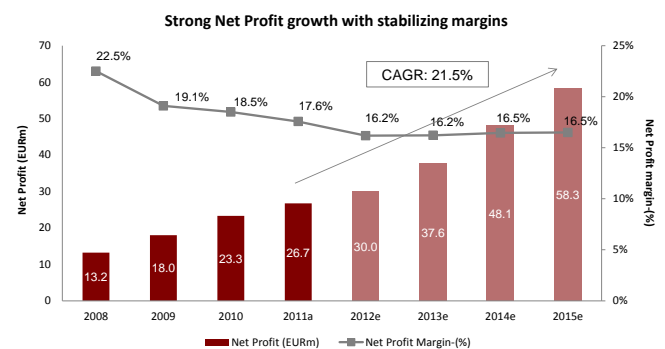
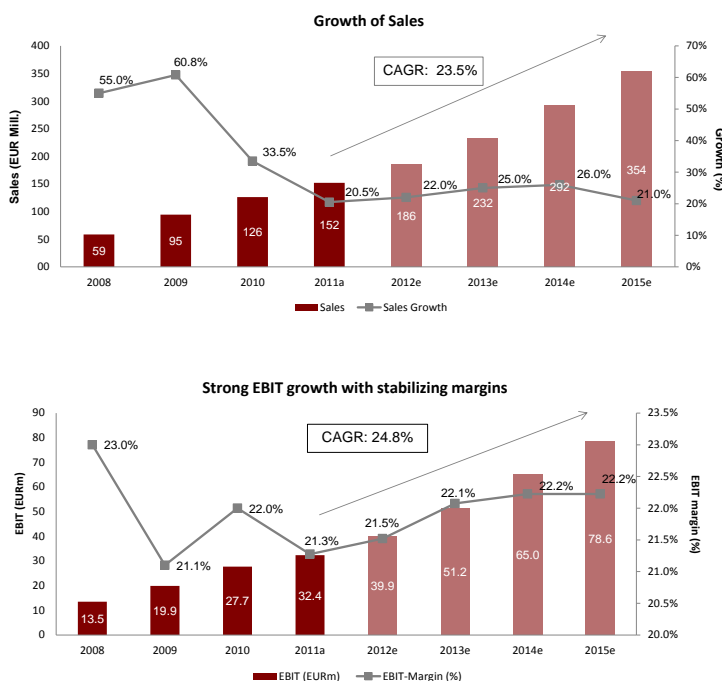
Profit and Loss Account

The company has accomplished significant revenue growth over the periods under consideration. From 2008 to 2011, revenues substantially increased from € 58.8 Mill. to € 152.1 Mill. (CAGR: 37.3%). Accordingly, net profit showed a steady growth and more than doubled from € 13.2 Mill. to € 28.3 Mill. (CAGR: 28.9%).

Our forecast suggests a sales growth 2011 - 2015 from € 152 Mill. to € 354 Mill. During this period, the company is capable of realizing a CAGR of more than 20% regarding the key ratios including sales, EBITDA, EBIT as well as net profit. 2012 will be the first year with a full tax rate of 25% on PRC level entailing a significant decline of net profit margin by 1.4%-age points. In the preceding years, the Company enjoyed a tax holiday (effective tax rates for 2009, 2010, and 2011: 10%, 11%, and 12%). During the forecasted period, we anticipate margins to reach a stable level.

Solid historical performance

Sustainable growth with operating margins >20%



Source: Company data / BankM Research

Although 68% of the Company's revenues were denominated in USD in 2011, we did not consider any future changes in currency exchange rates due to the uncertainty in FX/FX developments. China's Premier Wen Jiabao most recently stated that the Yuan may have reached an equilibrium level (*The Economist, Mar 17th 2012*) which - in our view - would limit the FX exposure risk in both directions, gains and losses.

Profit & Loss Account

Fiscal Year 31/12 • IFRS in T€	11a*	12e	13e	14e	15e	11a	12e	13e	14e	15e	5y - CAGR
						y-o-y changes (%)					
Total Sales	152,116.0	185,581.5	231,976.9	292,290.9	353,672.0	20.5	22.0	25.0	26.0	21.0	22.9
Cost of Sales	114,203.0	139,327.7	174,159.6	219,441.1	265,523.7	18.5	22.0	25.0	26.0	21.0	22.5
<i>% of Sales</i>	75.1	75.1	75.1	75.1	75.1						
Gross Profit	37,913.0	46,253.9	57,817.3	72,849.8	88,148.3	27.0	22.0	25.0	26.0	21.0	24.2
Selling and Distribution expenses	1,596.0	2,039.9	2,665.9	3,505.2	4,241.2	62.4	27.8	30.7	31.5	21.0	34.0
<i>% of Sales</i>	1.0	1.1	1.1	1.2	1.2						
Admin. expenses	2,713.9	3,526.0	3,943.6	4,384.4	5,305.1	60.0	29.9	11.8	11.2	21.0	25.6
<i>% of Sales</i>	1.8	1.9	1.7	1.5	1.5						
Other income	285.0	0.0	0.0	0.0	0.0						
Other expenses	1,523.9	750.0	0.0	0.0	0.0						
EBIT	32,364.2	39,937.9	51,207.8	64,960.3	78,602.0	16.6	23.4	28.2	26.9	21.0	23.1
<i>% of Sales</i>	21.3	21.5	22.1	22.2	22.2						
Finance income	95.0	243.2	412.5	634.9	634.9						
Finance expenses	1,708.0	142.9	1,472.9	1,472.9	142.9						
EBT	30,751.2	40,038.2	50,147.4	64,122.3	79,094.0	16.4	30.2	25.2	27.9	23.3	24.5
Taxes on Income (Exp.-/Inc.+)	-4,026.0	-10,009.5	-12,536.9	-16,030.6	-19,773.5						
<i>t/o deferred taxes (Exp.-/Inc.+)</i>	<i>0.0</i>	<i>-267.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>						
Net Profit	26,725.2	30,028.6	37,610.6	48,091.8	59,320.5	14.4	12.4	25.2	27.9	23.3	20.5
<i>% of Sales</i>	17.6	16.2	16.2	16.5	16.8						
<i>For Information purposes</i>											
Depreciation & Amortization	1,451.0	1,319.2	2,310.7	2,924.2	2,871.0	109.4	-9.1	75.2	26.6	-1.8	32.9
<i>% of Sales</i>	1.0	0.7	1.0	1.0	0.8						
EBITDA	33,815.2	41,257.1	53,518.6	67,884.5	81,472.9	18.9	22.0	29.7	26.8	20.0	23.4
No. of Shares (Ø outstanding)	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0						
Net Profit/Share (EPS)	2.67	3.00	3.76	4.81	5.93	14.4	12.4	25.2	27.9	23.3	20.5

* Consolidated/cumulated figures: China Haikui Pte. Ltd. Jan 1 - Dec 31, 2011 and Haikui Seafood AG Feb 24 - Dec 31, 2011

Source: BankM Research

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Haikui Seafood AG

April 16, 2012

Financial Analysis - 19/38 -

Cash Flow Statement

The Company enjoys a strong cash flow from its operating results, forecasted by us to increase from € 8.88 Mill. in 2011 (Consolidated/cumulated figures: China Haikui Pte. Ltd. Jan 1 - Dec 31, 2011 and Haikui Seafood AG Feb 24 - Dec 31, 2011) to € 25.45 Mill. in 2015. The strategic growth objectives are being met by heavy investments during FY 2012 – 2014 amounting to € 89 Mill. Since we performed a pre-IPO forecast, i.e. did not consider any proceeds from the IPO, we instead foresee the uptake of a bank loan in 2013 as a proxy. While a large part of the planned investment could be financed by the operating cash flow, the balance sheet's cash position would significantly come down and would constrain any operating flexibility. Given the sound cash position, we anticipate the loan to be redeemed in 2015.

Cash Flows 2012 - 2015 characterized by significant changes in NWC and intensive investment activities

Cash Flow Statement

Fiscal Year 31/12 • IFRS	11a*	12e	13e	14e	15e	11a	12e	13e	14e	15e	5y - CAGR
in T€						y-o-y changes (%)					
Profit before Tax	30,751.2	40,038.2	50,147.4	64,122.3	79,094.0	31.7	30.2	25.2	27.9	23.3	27.6
Depreciation & Amortisation	1,451.0	1,319.2	2,310.7	2,924.2	2,871.0	109.4	-9.1	75.2	26.6	-1.8	32.9
Chg. in long-term Provisions	0.0	0.0	0.0	0.0	0.0						
= Cash Earnings	32,202.2	41,357.4	52,458.1	67,046.6	81,965.0	33.9	28.4	26.8	27.8	22.3	27.8
Minorities	0.0	0.0	0.0	0.0	0.0						
income tax paid	-3,765.0	-9,015.2	-11,905.0	-15,157.2	-18,837.8						
Interest expenses	14.0	142.9	1,472.9	1,472.9	142.9						
interest income	-95.0	-243.2	-412.5	-634.9	-634.9						
other non-cash items	464.0	0.0	0.0	0.0	0.0						
Chg. in Net Working Capital	-19,941.0	1,180.8	-36,473.9	-9,384.5	-37,182.5						
= Operating Cash Flow	8,879.2	33,422.8	5,139.6	43,342.9	25,452.7	-23.1	276.4	-84.6	743.3	-41.3	17.1
Capex	-1,179.0	-29,000.0	-36,000.0	-24,000.0	-1,500.0						
= Free Cash Flow	7,700.2	4,422.8	-30,860.4	19,342.9	23,952.7						
Net Other Items	81.0	100.3	-1,060.4	-838.0	492.0						
Dividends (Previous Year)	0.0	0.0	0.0	3,761.1	4,809.2						
Payout interest-free loan	0.0	1,888.7	0.0	0.0	0.0						
Increase in Share Capital	0.0	0.0	0.0	0.0	0.0						
Outflow from Share Buy Backs	0.0	0.0	0.0	0.0	0.0						
+/- Bank Loans	-267.0	-241.6	19,000.0	0.0	-19,000.0						
= Incr. in Cash (+)/Decr. in Cash (-)	7,514.2	2,392.7	-12,920.8	14,743.9	635.5						

* Consolidated/cumulated figures: China Haikui Pte. Ltd. Jan 1 - Dec 31, 2011 and Haikui Seafood AG Feb 24 - Dec 31, 2011

Source: BankM Research

Working Capital Management

As already mentioned earlier, Haikui's operations are fairly working capital intensive; in order to calculate the changes in Net Working Capital, we performed an analysis based on the Company's 2011 efficiency ratios - DSO: ca. 103 days, DIO: ca. 63 days and DPO: ca. 5 days. We consider the following benchmarks as a reasonable assumption for the future: DSO - 100 days, DIO - 60 days and DPO - 5 days. The significant movements in Net Working Capital owe to the imbalance in inventory and trade receivables turnover compared to trade receivables turnover; however, as discussed earlier, this imbalance is inherent to Haikui's business, which strives at cultivating its supply and distributor relationships. Since the Company is consistently strong on cash, we do not identify a problem here. In the future, we will closely follow the development in efficiency ratios in order to make respective adjustments.

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Working Capital Management

	2011a	2012e	2013e	2014e	2015e
<i>Inventory</i>	23,892.0	21,914.4	35,343.6	36,801.4	50,494.0
<i>Trade Receivable</i>	49,941.0	51,747.5	75,363.1	84,796.3	108,996.6
<i>Other Current Assets</i>	5,840.0	5,840.0	5,840.0	5,840.0	5,840.0
<i>Trade Payable</i>	1,535.0	2,282.2	2,489.3	3,522.8	3,751.8
<i>other current liabilities</i>	1,193.0	1,455.5	1,819.3	2,292.3	2,773.7
Net Working Capital	76,945.0	75,764.2	112,238.1	121,622.6	158,805.1
<i>Change in NWC</i>		-1,180.8	36,473.9	9,384.5	37,182.5

Source: BankM Research

Balance Sheet

Strong balance sheet with high equity ratio

The balance sheet is presented on a consolidation basis for the years 2011 - 2015. The remarkable growth in total assets from € 123.4 million in 2011 to nearly € 312.9 million in 2015 is obvious and reflects the investments during this period.

The increase in inventory and trade receivables results from our assumption that the current efficiency ratios will be constant, i.e. DIO = 60 days, DSO = 100 days, DPO = 5 days) and therefore are a function of the P&L's top line growth (sales and COGS).

During the forecast period, the balance sheet shows a healthy equity ratio between 85 - 95%.

Balance Sheet

Fiscal Year 31/12 • IFRS in T€	11a	12e	13e	14e	15e	11a	12e	13e	14e	15e
Assets						% of Balance Sheet Total				
Tangible Assets	14,371.0	32,110.3	65,520.4	86,231.6	84,487.4	12%	21%	31%	33%	29%
Intangible Assets	2,298.0	12,271.6	12,225.4	12,166.9	12,109.5	2%	8%	6%	5%	4%
<i>t/o Goodwill</i>	755.0	755.0	755.0	755.0	755.0	1%	0%	0%	0%	0%
Deferred Tax Assets	267.0	0.0	0.0	0.0	0.0	0%	0%	0%	0%	0%
Other Non-Current Assets	1,067.0	1,301.7	1,627.2	2,050.2	2,480.8	1%	1%	1%	1%	1%
Total Fixed Assets	18,003.0	45,683.7	79,373.0	100,448.8	99,077.7	15%	30%	38%	39%	34%
Inventories	23,892.0	21,914.4	35,343.6	36,801.4	50,494.0	19%	14%	17%	14%	17%
Trade receivables	49,941.0	51,747.5	75,363.1	84,796.3	108,996.6	40%	34%	36%	33%	37%
Other Current Assets	5,840	5,840	5,840	5,840	5,840	5%	4%	3%	2%	2%
Cash and cash equivalents	25,690.0	28,082.7	15,161.9	29,905.8	30,541.3	21%	18%	7%	12%	10%
Total Current Assets	105,363.0	107,584.6	131,708.7	157,343.5	195,872.0	85%	70%	62%	61%	66%
Balance Sheet Total	123,366.0	153,268.3	211,081.7	257,792.3	294,950.0	100%	100%	100%	100%	100%
Shareholder's Equity / Liabilities						% of Balance Sheet Total				
Subscribed Capital	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	8%	7%	5%	4%	3%
Share Premium	388.0	388.0	388.0	388.0	388.0	0%	0%	0%	0%	0%
Retained Earnings & Other Reserves	104,276.0	132,415.9	170,026.5	214,357.2	268,868.5	85%	86%	81%	83%	91%
Shareholders Equity	114,664.0	142,803.9	180,414.5	224,745.2	279,256.5	93%	93%	85%	87%	95%
LT Liabilities	2,283.0	2,041.4	21,041.4	21,041.4	2,041.4	2%	1%	10%	8%	1%
<i>t/o Bank Loans</i>	2,283.0	2,041.4	21,041.4	21,041.4	2,041.4	2%	1%	10%	8%	1%
ST Liab. <1Y	6,419.0	8,423.0	9,625.8	12,005.8	13,652.0	5%	5%	5%	5%	5%
<i>t/o Trade Payables</i>	1,535.0	2,282.2	2,489.3	3,522.8	3,751.8	1%	1%	1%	1%	1%
<i>t/o Tax Payable</i>	1,508.0	2,502.4	3,134.2	4,007.6	4,943.4	1%	2%	1%	2%	2%
<i>t/o Bank Loans</i>	2,183.0	2,183.0	2,183.0	2,183.0	2,183.0	2%	1%	1%	1%	1%
<i>other current liabilities</i>	1,193.0	1,455.5	1,819.3	2,292.3	2,773.7	1%	1%	1%	1%	1%
Total Liabilities	8,702.0	10,464.4	30,667.2	33,047.2	15,693.4	7%	7%	15%	13%	5%
Balance Sheet Total	123,366.0	153,268.3	211,081.7	257,792.3	294,950.0	100%	100%	100%	100%	100%

Source: BankM Research

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Valuation

In order to calculate a fair value for Haikui Seafood AG, we applied two methods which allow for mutual validation and thus sensitize for the plausibility of each of the derived values:

1. Analysis of Free Cash Flows (DCF analysis)
2. Multiple analysis by means of peer group comparison

The derived values will be equally weighted.

DCF Model

For the analysis of Free Cash Flows we have applied a 3-stage model:

Phase I	2012 – 2015 (short-term planning)
Phase II	2016 – 2019 (mid-term prognosis)
Phase III	Terminal Value

The forecasting of future cash flows used in our model is based on the following sources:

- Prospectus of the company
- Discussions with Haikui Seafood AG's Executive Directors and Management
- Analysis of the relevant markets
- On-site visit of the Company end of Feb / beginning of Mar, 2012

Regarding risk, we account for the current Country Specific Risk for China with 1.05% (*Damodaran, Country Default Spreads and Risk Premiums, Jan 2012*); further, we apply a company-specific risk of 3% in order to account for the challenges inherent to the management of the substantial capacity expansion plans (execution risk).

We routinely pay specific attention to the calculation of the Beta. In order to reflect the sentiment of Chinese companies listed in Germany, we constructed a synthetic, market cap-weighted index consisting of all Prime Standard-listed companies. The regression was performed against the MSCI World as a proxy for the market portfolio. After de-levering we re-levered the Beta with a target capital structure of 10% debt / 90% equity and derived a Beta of 0.92. While Damodaran's calculation for the industry sector "Food processing" would have returned a lower Beta of 0.73 (*Damodaran, Betas by Sector, Jan 2012*), we adhere to our own calculation, since it more suitably reflects the sentiment of Chinese companies listed in the Prime Standard of Deutsche Boerse.

Complementary assumptions and remarks to our DCF analysis

DCF analysis based on future Free Cash Flows 2012 - 2019 + Terminal Value

	2011a	Phase 1				Phase 2				Terminal Value 2020+
		2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	
in T€										
	Basis	1	2	3	4	5	6	7	8	
Growth	21%	22%	25%	26%	21%	15%	10%	5%	2%	1.0%
Revenues	152,116.0	185,581.5	231,976.9	292,290.9	353,672.0	406,722.8	447,395.1	469,541.1	480,293.6	
EBIT	32,364.2	39,937.9	51,207.8	64,960.3	78,602.0	90,392.3	99,431.5	104,353.4	106,743.1	107,810.5
- Tax	-8,091.1	-9,984.5	-12,802.0	-16,240.1	-19,650.5	-22,598.1	-24,857.9	-26,088.3	-26,685.8	
+ Depreciation	1,451.0	1,319.2	2,310.7	2,924.2	2,871.0	2,915.6	2,873.5	2,832.7	2,793.1	
+ change in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- changes in net working capital	-19,941.0	1,180.8	-36,473.9	-9,384.5	-37,182.5	-3,956.7	-28,501.0	10,705.9	-19,370.7	
- other non-cash items	464.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Capex	-1,179.0	-29,000.0	-36,000.0	-24,000.0	-1,500.0	-1,500.0	-1,500.0	-1,500.0	-1,500.0	
= Free Cash Flow	4,140.2	3,453.5	-31,757.3	18,260.0	23,139.9	65,253.1	47,446.1	90,303.6	61,979.7	62,586.5
Terminal Value										465,327.5
Discount factor		0.89	0.79	0.70	0.62	0.55	0.49	0.44	0.39	
NPVs of Free Cash Flows	n.a.	3,069.5	-25,087.6	12,821.0	14,440.9	36,194.2	23,390.9	39,569.3	24,138.5	
NPV of Terminal Value										181,225.7

	2011a	Proportion of TV				
Result of Future Cash Flows	128,536.7	41%				
+ Result of Terminal Value	181,225.7	59%				
= Value of the Entity	309,762.4					
+ cash (as of Dec 31, 2011)	25,690.0					
- Debt (as of Dec 31, 2011)	4,466.0					
Value of Equity	330,986.4					
Price per Share	33.10					

Source: BankM Research

Working Capital Calculation in Phase 2

	2015e	2016e	2017e	2018e	2019e
Inventory	50,494.0	49,895.7	60,533.0	55,417.2	62,852.0
Trade Receivable	108,996.6	113,865.2	131,282.8	126,122.6	136,430.9
Other Current Assets	5,840.0	6,716.0	7,387.6	7,757.0	7,912.1
Trade Payable	3,751.8	4,614.0	4,588.4	5,074.1	4,781.7
other current liabilities	2,183.0	2,510.5	2,761.5	2,899.6	2,957.6
Net Working Capital	159,395.8	163,352.5	191,853.5	181,323.1	199,455.8
Change in NWC		3,956.7	28,501.0	-10,530.4	18,132.7

Source: BankM Research

Sensitivity Analysis for Discount rate, terminal growth, and terminal EBIT margin

		Discount rate of TV						
		12%	13%	14%	14.45%	15%	16%	17%
Growth Terminal Value	0.00%	35.09	33.54	32.22	31.68	31.07	30.06	29.18
	0.50%	36.07	34.38	32.94	32.36	31.70	30.63	29.68
	1.00%	37.14	35.29	33.73	33.10	32.39	31.23	30.21
	1.50%	38.30	36.27	34.57	33.89	33.12	31.87	30.78
	2.00%	39.59	37.35	35.49	34.74	33.91	32.56	31.38

		EBIT margin in TV						
		20%	21%	22%	22.22%	23%	24%	25%
Growth Terminal Value	0.00%	29.52	30.49	31.46	31.68	32.43	33.40	34.38
	0.50%	30.12	31.13	32.14	32.36	33.15	34.16	35.17
	1.00%	30.76	31.81	32.86	33.10	33.92	34.97	36.02
	1.50%	31.44	32.54	33.64	33.89	34.74	35.84	36.94
	2.00%	32.19	33.34	34.49	34.74	35.64	36.78	37.93

Key Model Assumptions	
Riskfree Return	2.05%
10 y Government Bond (D)	
Market Beta*, delevered and then relevered for target capital structure	0.92
Beta in Terminal Value = 1	
Market Return	10.00%
Country Risk Premium China**	1.05%
Company-specific risk	3.00%
Cost of Equity	13.32%
Target weight	90%
Cost of Debt	7.00%
Target weight	10%
Tax shield	25.00%
WACC	12.51%
	TV
Growth Rate Terminal Value	1.00%

*Synthetic Index of Prime Standard-listed, PRC-operating companies vs. MSCI World, data collected from Bloomberg, 2-years, weekly, data as of Apr 16, 2012); **Country Default Spreads and Risk Premiums. Damodaran, Jan 2012

Source: BankM Research

Our DCF analysis returns a value of € 33.10 per share.

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Peer Group Comparison

In order to complement our DCF analysis with a market-derived, more sentiment-driven valuation approach, we researched companies which are comparable to Haikui Seafood AG. For the purpose of our multiple analysis, we focused on the comparability of products, production process, business model and also considered geographic issues. We established four peer groups, which we, in a first step, analyze separately and then combine the results in our valuation summary.

Compilation of our Peer Groups:

- International Seafood-related companies
- China Seafood-related listed companies/competitors
- International Small/Mid cap Food processing companies
- Chinese companies listed in Prime Standard of Deutsche Boerse

I. International Seafood-related companies

Cermaq ASA

Cermaq ASA, together with its subsidiaries, engages in the fish feed production and fish farming activities. This segment primarily produces feed for salmon and trout. The company's Fish Farming segment engages in breeding and on-growing Atlantic salmon, rainbow trout, and coho salmon fishes, as well as slaughtering, processing, selling, and distributing salmon and trout. Cermaq ASA operates primarily in Norway, Chile, Canada, the United States, Japan, the United Kingdom, and rest of Europe. Cermaq ASA was founded in 1995 and is headquartered in Oslo, Norway.

Thai Union Frozen Products Public Company Limited

Thai Union Frozen Products Public Company Limited, together with its subsidiaries, engages in the production, distribution, and export of frozen and canned food products in Thailand and internationally. It serves restaurant chains, retailers, wholesalers, and food processors. The company was founded in 1988 and is headquartered in Amphoe Mueang Samutsakhon, Thailand.

Marine Harvest ASA

Marine Harvest ASA produces and sells seafood and farmed salmon products worldwide. It is involved in fish farming, processing, smoking, distribution, and sales activities. The company's products include Atlantic salmon, white halibut, white fish, coated seafood, smoked seafood etc. It offers its products under the Delifish, Ducktrap, The Organic Salmon, Donegal Silver Salmon, Kendall Brook, Kritsen, La Couronne, Pieters, Sterling White Halibut, and Xalar salmon oil brand names. The company, formerly known as Pan Fish ASA, was founded in 1992 and is headquartered in Bergen, Norway.

Pescanova S.A.

Pescanova, S.A., through its subsidiaries, engages in the production, transformation, distribution, and marketing of seafood products for human and animal consumption. The company is primarily involved in obtaining, processing, and trading seafood, including fish and shell fish, as well as deep-frozen foods. It

also offers vessels repair and product storage services. The company exports its fish and fish farming products primarily to Japan, the United States, Italy, Germany, and France. Pescanova, S.A. was founded in 1960 and is based in Pontevedra, Spain.

Lerøy Seafood Group ASA

Lerøy Seafood Group ASA engages in the production, processing, distribution, sale, and marketing of seafood. Its products include whole and processed salmon, whitefish, pelagic fish, shellfish, trout, and other species. Lerøy Seafood Group ASA sells its products through distributors to producers, institutional households, and consumers primarily in Europe, the Asia Pacific, Norway, the United States, and Canada. The company is headquartered in Bergen, Norway.

Oceana Group Limited

Oceana Group Limited operates as a fishing and commercial cold storage company primarily in South Africa. It engages in catching, processing, and procuring marine species, including pilchard, sardine, anchovy, redeye herring, lobster, horse mackerel, squid, tuna, and hake; and providing cold storage and fruit handling facilities. The company's Inshore Fishing segment produces and markets canned pilchards, tuna, and mackerel under the Lucky Star brand; canned and dried cat food under the Lucky Pet brand; canned fish products under the Glenryck brand; and fishmeal and fish oil used for pet food, and animal and aquaculture feeds. The company was founded in 1918 and is headquartered in Cape Town, South Africa.

Sanford Limited

Sanford Limited, through its subsidiaries, engages in harvesting, farming, processing, storing, and marketing seafood and aquaculture products. Its products include albacore tuna, arrow squid, blue mackerel, bluenose, Greenshell mussel, hake, hoki, jack mackerel, kahawai, ling, orange roughy, oysters, rock lobster, salmon, scallops, scampi, skipjack tuna, smooth/black dory, snapper, tarakihi, toothfish, and trevally. The company also owns and operates a fleet of vessels, such as tuna vessels, deep water fleet, inshore vessels, scampi vessels, and charter fleet for inshore, purse seine, and deepwater fishing. It primarily operates in New Zealand, Australia, Europe, North America, Japan, China, Hong Kong, and Korea. The company is based in Auckland, New Zealand.

Tassal Group Limited

Tassal Group Limited engages in the hatching, farming, processing, marketing, and sale of Atlantic salmon products in Australia. The company offers fresh, smoked, frozen, canned, hot smoked, and smallgoods range of salmons. It offers its products through salmon shops in Kew and Salamanca. Tassal Group Limited was founded in 1986 and is based in Hobart, Australia.

High Liner Foods Inc.

High Liner Foods Incorporated engages in manufacturing and marketing prepared and packaged frozen seafood products in North America. It provides breaded and battered fish and other seafood products; raw fillets and shellfish; cooked shellfish; and value-added products, such as sauced, glazed, breaded, and battered seafood, as well as breaded cheese sticks, entrees, and breaded chicken. It was founded in 1899 and is headquartered in Lunenburg, Canada.

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Nutreco N.V.

Nutreco N.V. engages in animal nutrition and fish feed businesses worldwide. It operates in five segments: Premix and Feed Specialties, Fish Feed, Compound Feed Europe, Animal Nutrition Canada, and Meat etc. The company was formerly known as Nutreco Holding N.V. and changed its name to Nutreco N.V. in July 2010. Nutreco N.V. was founded in 1994 and is headquartered in Amersfoort, the Netherlands.

Morpol ASA

Morpol ASA, together with its subsidiaries, engages in processing and selling smoked and marinated salmon products in Norway. The company engages in fish farming, including processing and preserving; and distribution and sale of fish and fishery products. Morpol ASA also sells its products in Germany, France, Poland, the United Kingdom, Japan, the United States, the Netherlands, Belgium, and Italy. The company was founded in 1996 and is based in Oslo, Norway.

II. China Seafood-related listed Companies/Competitors

Dalian Zhangzidao Fishery Group Company Limited

Dalian Zhangzidao Fishery Group Company Limited, together with its subsidiaries, engages in hatching, farming, processing, and trading seafood in China. Its products include sea scallops, bay scallops, squids, prawns, sea urchins, sea cucumbers, abalones, conches, and fishes. Fishery Group Company Limited was founded in 1958 and is based in Dalian City, China.

Shandong Oriental Ocean SCI-Tech Co., Ltd.

Shandong Oriental Ocean SCI-Tech Co., Ltd. engages in sea-seedling breeding and raising, seafood processing, and bonded warehouse storage. Its products include bred products, such as kelp seedlings, shellfish juveniles, turbot and flounder fry, and young sea cucumbers; cultured products, which consist of fish; processed products, including salted anchovy fillets, breaded fillets, saithe, mackerel, yellow fin sole, chum salmon, pollock, shrimps rolls, salted anchovy, salted common mackerel, Japanese saury, red fish, atlantic cod, and red snappers; and Taifu egg rolls. The company was founded in 2001 and is based in Yantai, China.

Dalian Tianbao Green Foods Co., Ltd.

Dalian Tianbao Green Foods Co., Ltd. engages in producing, processing, and exporting aquatic products and agricultural products. Its agriculture products include snow white pumpkin seeds, nuts and kernels, beans, mushrooms, fruits, soybean products, frozen foods and various breaded seafood products. The company offers its products in the People's Republic of China, Japan, Korea, Singapore, the United States, France, Germany etc. It was founded in 1997 and is based in Dalian, the People's Republic of China.

Shandong Homey Aquatic Development Co., Ltd.

Shandong Homey Aquatic Development Co., Ltd. engages in breeding marine fresh and live products. The company's products include sea cucumbers, jellyfish, abalone, shrimp, seaweed, clams, and cockles. Shandong Homey also involves in food processing and distribution, and marine capture businesses. It distributes

its products in China and internationally. The company was founded in 1993 and is based in Rongcheng City, China.

China Fishery Group Limited

China Fishery Group Limited, an investment holding company, manages and operates fishing vessels and sells fish and other marine catches, fishmeal, and fish oil. The company offers frozen whole, headed and gutted, frozen fillets, and roe and milt fish products. The company was founded in 2001 and is headquartered in Hong Kong, Hong Kong. China Fishery Group Limited is a subsidiary of Super Investment Limited.

III. International Small/Mid cap food processing companies

Aryzta AG

ARYZTA AG, through its subsidiaries, operates in the specialty bakery market in Switzerland, North America, South America, Europe, South East Asia, Australia, and New Zealand. The company markets its products under various business-to-business and consumer brands. It also engages in fertilizer blending and distribution; providing specialist agronomy products and services; and grain and feed trading activities. The company is based in Zurich, Switzerland.

Barry Callebaut AG

Barry Callebaut AG, through its subsidiaries, engages in the manufacture and sale of cocoa and chocolate products. It offers a range of chocolate and other cocoa-based products with various recipes. The company serves multinational and national branded consumer goods manufacturers who use its semi-finished and chocolate products as ingredients in their consumer products; and artisanal and professional users of chocolate, including chocolatiers, pastry chefs, and bakers, as well as restaurants, hotels, and caterers.

The company was incorporated in 1994 and is headquartered in Zurich, Switzerland. Barry Callebaut AG is subsidiary of Jacobs Holding AG.

Bonduelle S.A.

Bonduelle SA engages in the production of processed vegetables in France and internationally. It offers fresh, canned, and frozen vegetables, as well as prepared food products. The company's fresh processed vegetables include green salads and raw vegetables without seasoning. It offers its products through various retail and food service distribution channels. The company was founded in 1853 and is headquartered in Villeneuve d'Ascq, France.

CSM N.V.

CSM N.V. engages in the development, production, distribution, and sale of bakery supplies and food ingredients worldwide. It offers finished and semi finished pastry products and fully baked products to artisan bakers, bakery chains, in-store bakeries, industrial bakeries, food service, out-of-home, and supermarket customers. It provides preservation, mineral fortification, and green

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chemicals for the food, health care, chemical, and polymer industries. The company was founded in 1919 and is based in Amsterdam, the Netherlands.

Ebro Foods S.A.

Ebro Foods, S.A. operates in the rice, pasta, and sauces sectors in Spain and internationally. The company engages in the production and sale of rice for use in beverage industries. It also offers pastas, semolina, and sauces. In addition, the company is involved in the development and marketing of new products based on natural substances; production and preservation of vegetables; production of organic fertilizers, flour, and legumes; operation of farmland concession; and real estate, combined heat and power generation, and investment management and administration activities. Ebro Foods, S.A. is based in Madrid, Spain.

Emmi AG

Emmi AG engages in the development, production, and marketing of various dairy and fresh products. The company primarily focuses fresh products, such as lifestyle, convenience, and health products. Its products include milk, cream, butter, powder/concentrates, powdered milk, fresh cheese, processed cheese, yoghurts, fondue, ice cream, and desserts. The company also involves in the production, ageing, and trade of Swiss cheeses. It serves the retail trade, the food service sector, and the food industry primarily in Europe and the United States. The company was founded in 1907 and is headquartered in Lucerne, Switzerland. Emmi AG operates as a subsidiary of ZMP Invest AG.

Greencore Group PLC

Greencore Group plc produces and supplies convenience foods and ingredients to consumer, industrial, and foodservice markets in the United Kingdom and the United States. The company's Convenience Foods segment provides sandwiches, Italian chilled meals, branded chilled meals and quiche to retailers, foodservice providers, manufacturers, petrol forecourts, and airlines. The company was founded in 1991 and is headquartered in Dublin, Ireland.

Royal Wessanen N.V. (Koninklijke Wessanen N.V.)

Royal Wessanen N.V. engages in developing, sourcing, producing, marketing, and distributing organic, natural, and specialty food products primarily in North America and Europe. It offers a range of products under various categories. The company sells its products through supermarket chains, mass merchandisers, convenience stores, liquor stores, bars, restaurants, grocery stores, health food stores, and other food and catering outlets. The company was incorporated in 1765 and is based in Amsterdam, the Netherlands.

IV. Chinese companies listed in Prime Standard of Deutsche Boerse

Asian Bamboo AG

Asian Bamboo AG, an integrated bamboo company, engages in the cultivation, harvesting, and processing of bamboo plantations primarily in the People's Republic of China. It offers winter, spring, and processed bamboo shoots, as well as bamboo trees. The company also holds investments in manufacturing plywood

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and trading of paper activities. It was founded in 1992 and is based in Hamburg, Germany.

Joyou AG

Joyou AG designs, produces, and sells faucets and other sanitary ware products under the Joyou brand name in the People's Republic of China. It provides bathroom faucets and kitchen basins and crude products etc.

The company was founded in 1988 and is based in Hamburg, Germany. As per transaction announced on June 15, 2011, Joyou AG operates as a subsidiary of Grohe Holding GmbH.

Powerland AG

Powerland AG engages in the design, production, promotion, and sale of textile and leather products. The company offers women's handbags, travel cases, men's handbags, briefcases as well as accessories. The company, through its independent distributors, operates a retail distribution network. The company also acts as contract manufacturer for international brands. The company was founded in 2010 and is based in Frankfurt am Main, Germany.

United Power Technology AG

United Power Company SAOG owns the Power Generating Station of Manah, under a build, own, operate, and transfer scheme. It also owns interconnection and transmission facilities under a build, own, and transfer scheme. The company was founded in 1995 and is based in Muscat, the Sultanate of Oman.

Vtion Wireless Technology AG

Vtion Wireless Technology AG, through its subsidiaries, engages primarily in the development and sale of wireless data cards and associated services for the mobile use of computers through broadband wireless networks in the People's Republic of China. The company provides a range of 3G wireless data cards.

It sells its wireless data cards primary through mobile network operators and wholesalers, as well as directly to end customers. The company was founded in 2007 and is based in Frankfurt, Germany.

Youbisheng Green Paper AG

Youbisheng Green Paper AG engages in the manufacture and sale of linerboard. The company's products include single-sided testliners, double-sided testliners, and anti-counterfeit linerboard. Its linerboard is primarily used for the production of corrugated board and boxes, paper bags, as well as apparel labels and tags. The company markets its linerboard under Guige brand name. Youbisheng Green Paper AG sells its products to printing and packaging companies in the People's Republic of China. The company was founded in 2000 and is based in Munich, Germany.

Zhongde Waste Technology AG

ZhongDe Waste Technology AG designs, manufactures, and installs pyrolytic, grate, and rotary kiln waste incinerators for the disposal of solid medical, municipal, and industrial waste in the People's Republic of China. It manufactures medical waste incinerators and rotary kiln incinerators for the disposal of

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municipal waste. ZhongDe Waste Technology AG was founded in 1996 and is based in Hamburg, Germany.

Ultrasonic AG

Ultrasonic AG, through its subsidiaries, engages in the design, production, and sale of footwear products in the People's Republic of China. It provides urban footwear products, sandals and slippers and shoes soles as well as various accessory products. The company markets its products to manufacturers of footwear and sports related apparel products, and trading companies under the brand name of Ultrasonic through its regional distributors. Ultrasonic AG was founded in 1998 and is based in Eschborn, Germany.

China Specialty Glass AG

China Specialty Glass AG engages in the development, manufacture, and sale of specialty glass in China. The company's security glass and construction glass comprises architecture laminated glass, architecture tempered glass, fire resistant glass, hollow glass, and electric-controlled color-changing glass.

The company sells its products under Hing Wah brand name through its own sales network. It also acts as distribution partner of Saint-Gobain Group. The company was founded in 1994 and is based in Grunwald, Germany.

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II. China Seafood-related, listed Companies / Competitors

Peer Group	Mkt Cap	EV	Revenues				EBITDA				Net Profit			
	prev. Day	(curr.)	2011a	2012e	2013e	2014e	2011a	2012e	2013e	2014e	2011a	2012e	2013e	2014e
EUR (Mill.)														
Dalian Zhangzidao Fishery Grou	1896.75	1964.38	326.33	475.27	597.60	795.12	98.44	117.18	160.92	205.91	55.41	98.33	132.92	177.52
Shandong Oriental Ocean Sci-Te	371.92	441.39	83.48	112.18	134.63	163.97	21.31	31.97	42.17	-	10.63	18.16	24.29	27.96
Dalian Tianbao Green Foods Co	500.90	561.57	162.98	214.65	267.31	290.68	30.06	40.80	49.49	-	19.00	28.27	37.94	48.41
Shandong Homey Aquatic Develop	831.64	785.66	97.43	141.22	174.19	213.33	34.57	51.83	73.67	90.69	23.09	40.41	54.25	68.08
China Fishery Group Ltd	689.71	1031.83	491.92	548.39	570.51	585.87	173.09	186.45	203.31	208.68	74.39	106.63	122.49	134.15
Haikui Seafood AG*			152.12	185.58	231.98	292.29	33.82	41.26	53.52	67.88	26.73	30.03	37.61	48.09

* Own forecasts for Revenues, EBITDA, and Earnings

Peer Group	Mkt Cap	EV	EV/Revenues				EV/EBITDA				P/E			
	prev. Day	(curr.)	2011a*	2012e	2013e	2014e	2011a*	2012e	2013e	2014e	2011a*	2012e	2013e	2014e
Multiples														
Dalian Zhangzidao Fishery Grou	1896.75	1964.38	53.26	4.13	3.29	2.47	176.56	16.76	12.21	9.54	315.19	19.29	14.27	10.68
Shandong Oriental Ocean Sci-Te	371.92	441.39	44.01	3.93	3.28	2.69	172.43	13.81	10.47	-	298.32	20.48	15.31	13.30
Dalian Tianbao Green Foods Co	500.90	561.57	25.25	2.62	2.10	1.93	136.90	13.76	11.35	-	201.54	17.72	13.20	10.35
Shandong Homey Aquatic Develop	831.64	785.66	76.34	5.56	4.51	3.68	215.16	15.16	10.66	8.66	292.36	20.58	15.33	12.22
China Fishery Group Ltd	689.71	1031.83	3.13	1.88	1.81	1.76	8.89	5.53	5.08	4.94	12.50	6.47	5.63	5.14
Median	371.92	501.48	25.25	3.28	2.69	2.47	172.43	14.48	10.57	8.66	292.36	19.89	14.79	10.68
Mean (for information purposes, only)	536.25	624.73	30.65	3.16	2.62	2.51	145.73	14.04	9.97	7.72	358.39	21.27	13.63	10.34

*Multiple based on historical price as of Dec 31 prev. year (not shown); as of publication date, some figures for 2011 may still be estimates

Enterprise Value Haikui Seafood AG	n.a.	607.85	623.93	722.12	n.a.	597.45	565.47	588.07
- net debt	n.a.	-23.30	-23.30	-23.30	n.a.	-23.30	-23.30	-23.30
Value of the Equity	n.a.	631.15	647.23	745.42	n.a.	620.76	588.77	611.37
								n.a.
								597.20
								556.31
								513.85

Year	2012e	2013e
Implicit Price	61.64	59.74

	2012	2013
Equity value based on EV/Revenues (€ Mill.)	631.15	647.23
Equity value based on EV/EBITDA (€ Mill.)	620.76	588.77
Equity value based on P/E (€ Mill.)	597.20	556.31
Mean	616.37	597.44
No. of shares ('000)	10,000	10,000
Price/share (€)	61.64	59.74

Source: Bloomberg/BankM Research

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III. International Small/Mid cap food processing companies

Peer Group	Mkt Cap	EV	Revenues				EBITDA				Net Profit			
	prev. Day	prev. Day	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
EUR (Mill.)														
Aryzta AG	3362.70	4417.82	3876.92	4123.83	4318.82	4524.00	485.08	517.17	565.91	614.89	212.66	296.88	312.33	345.78
Barry Callebaut AG	3623.83	4427.37	3610.30	3980.41	4269.57	4542.29	361.90	369.43	403.77	445.54	140.79	207.44	244.14	277.30
Bonduelle S.C.A.	584.32	1255.03	1726.00	1820.80	1906.75	2053.67	161.08	178.25	183.33	207.00	30.44	52.36	56.23	68.00
CSM	859.01	1458.91	3112.60	3220.23	3280.08	3360.88	454.30	233.00	270.73	292.14	-174.30	88.60	112.25	124.33
Ebro Foods SA	2101.80	2480.22	1804.11	2077.93	2143.08	2195.40	290.97	310.67	329.39	345.40	151.54	161.00	174.85	182.20
Emmi AG	866.07	1252.09	2212.05	2326.58	2374.75	2416.49	182.16	200.51	205.66	208.49	67.45	75.07	78.66	77.13
Greencore Group PLC	340.60	533.52	926.34	1307.40	1354.50	1405.67	80.46	111.20	121.25	128.00	22.06	50.00	52.40	57.95
Koninklijke Wessanen NV	184.05	219.15	706.00	706.13	713.57	720.50	34.30	44.91	46.29	50.30	-17.10	15.77	17.80	20.10
Haikui Seafood AG*			152.12	185.58	231.98	292.29	33.82	41.26	53.52	67.88	26.73	30.03	37.61	48.09

* Own forecasts for Revenues, EBITDA, and Earnings

Peer Group	Mkt Cap	EV	EV/Revenues				EV/EBITDA				P/E			
	prev. Day	prev. Day	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Multiples														
Aryzta AG	3362.70	4417.82	1.21	1.13	1.08	1.03	9.65	9.05	8.27	7.61	18.69	11.68	11.10	10.03
Barry Callebaut AG	3623.83	4427.37	1.23	1.12	1.04	0.98	12.28	12.03	11.01	9.97	33.99	17.47	14.84	13.07
Bonduelle S.C.A.	584.32	1255.03	0.73	0.69	0.66	0.61	7.80	7.05	6.86	6.07	16.43	11.16	10.39	8.59
CSM	859.01	1458.91	0.46	0.45	0.44	0.43	3.18	6.20	5.34	4.94	neg.	9.70	7.65	6.91
Ebro Foods SA	2101.80	2480.22	1.38	1.20	1.16	1.14	8.57	8.03	7.57	7.22	14.57	13.05	12.02	11.54
Emmi AG	866.07	1252.09	0.56	0.53	0.52	0.51	6.80	6.17	6.02	5.94	15.47	11.54	11.01	11.23
Greencore Group PLC	340.60	533.52	0.57	0.40	0.39	0.37	6.52	4.71	4.32	4.10	9.04	6.81	6.50	5.88
Koninklijke Wessanen NV	184.05	219.15	0.31	0.31	0.31	0.31	6.42	4.90	4.75	4.38	neg.	11.67	10.34	9.16
Median	862.54	1356.97	0.65	0.61	0.59	0.56	7.30	6.63	6.44	6.01	15.95	11.61	10.70	9.59
Mean (for information purposes, only)	1490.30	2005.51	0.81	0.73	0.70	0.67	7.65	7.27	6.77	6.28	18.03	11.63	10.48	9.55

Enterprise Value Haikui Seafood AG	n.a.	113.45	136.95	164.35	n.a.	273.38	344.60	407.71						
- net debt	n.a.	-23.30	-23.30	-23.30	n.a.	-23.30	-23.30	-23.30						
Value of the Equity	n.a.	136.75	160.25	187.65	n.a.	296.68	367.90	431.02	n.a.	348.49	402.48	461.26		

Year	2012e	2013e
Implicit Price	26.06	31.02

	2012	2013
Equity value based on EV/Revenues (€ Mill.)	136.75	160.25
Equity value based on EV/EBITDA (€ Mill.)	296.68	367.90
Equity value based on P/E (€ Mill.)	348.49	402.48
Mean	260.64	310.21
No. of shares ('000)	10,000	10,000
Price/share (€)	26.06	31.02

Source: Bloomberg/BankM Research

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IV. Chinese companies listed in Prime Standard

Peer Group	Mkt Cap	EV	Revenues				EBITDA				Net Profit			
	prev. Day	(curr.)	2011a	2012e	2013e	2014e	2011a	2012e	2013e	2014e	2011a	2012e	2013e	2014e
EUR (Mill.)														
Asian Bamboo AG	174.15	148.38	89.84	111.00	119.00	126.00	48.87	53.50	56.20	59.00	16.19	39.20	41.70	45.00
Joyou AG	215.92	182.76	287.09	324.33	344.50	380.50	50.33	58.83	65.35	72.50	38.53	35.77	39.45	44.70
Powerland AG	157.73	86.89	147.00	198.50	268.50	350.00	33.35	48.45	71.35	89.00	21.10	31.65	46.35	58.00
United Power Technology AG	57.50	39.67	100.28	140.00	172.00	-	20.00	26.60	32.70	-	9.58	19.50	23.20	-
Vtion Wireless Technology AG	59.45	-51.55	77.00	80.00	77.00	75.50	8.50	8.80	7.80	-	6.40	7.70	6.70	-
Youbisheng Green Paper AG	59.88	43.77	-	-	-	-	-	-	-	-	-	-	-	-
Zhongde Waste Technology AG	40.60	-29.93	25.20	90.75	88.85	106.00	-2.05	4.75	9.85	-	-6.60	1.50	4.85	-
Ultrasonic AG	92.70	43.92	-	-	-	-	-	-	-	-	-	-	-	-
China Specialty Glass AG	63.35	9.86	80.60	121.00	156.00	-	26.70	49.30	-	-	21.60	38.90	52.80	-
Haikui Seafood AG*			152.12	185.58	231.98	292.29	33.82	41.26	53.52	67.88	26.73	30.03	37.61	48.09

* Own forecasts for Revenues, EBITDA, and Earnings

Peer Group	Mkt Cap	EV	EV/Revenues				EV/EBITDA				P/E			
	prev. Day	(curr.)	2011a*	2012e	2013e	2014e	2011a*	2012e	2013e	2014e	2011a*	2012e	2013e	2014e
Multiples														
Asian Bamboo AG	174.15	148.38	2.20	1.34	1.25	1.18	4.04	2.77	2.64	2.51	14.18	4.44	4.18	3.87
Joyou AG	215.92	182.76	0.43	0.56	0.53	0.48	2.45	3.11	2.80	2.52	4.91	6.04	5.47	4.83
Powerland AG	157.73	86.89	0.86	0.44	0.32	0.25	3.79	1.79	1.22	0.98	5.69	4.98	3.40	2.72
United Power Technology AG	57.50	39.67	0.36	0.28	0.23	-	1.81	1.49	1.21	-	5.74	2.95	2.48	-
Vtion Wireless Technology AG	59.45	-51.55	neg.	neg.	neg.	neg.	neg.	neg.	neg.	-	7.74	7.72	8.87	-
Youbisheng Green Paper AG	59.88	43.77	-	-	-	-	-	-	-	-	-	-	-	-
Zhongde Waste Technology AG	40.60	-29.93	neg.	neg.	neg.	neg.	11.72	neg.	neg.	-	neg.	27.07	8.37	-
Ultrasonic AG	92.70	43.92	-	-	-	-	-	-	-	-	-	-	-	-
China Specialty Glass AG	63.35	9.86	0.33	0.08	0.06	-	0.98	0.20	-	-	3.69	1.63	1.20	-
Median	63.35	43.77	0.43	0.44	0.32	0.48	3.12	1.79	1.93	2.51	5.71	4.98	4.18	3.87
Mean (for information purposes, only)	102.36	52.64	0.84	0.54	0.48	0.64	4.13	1.87	1.97	2.00	6.99	7.83	4.85	3.81

*Multiple based on historical price as of Dec 31 prev. year (not shown); as of publication date, some figures for 2011 may still be estimates

Enterprise Value Haikui Seafood AG	n.a.	81.23	75.07	140.39	n.a.	73.99	103.24	170.73
- net debt	n.a.	-23.30	-23.30	-23.30	n.a.	-23.30	-23.30	-23.30
Value of the Equity	n.a.	104.54	98.37	163.69	n.a.	97.29	126.54	194.03

Year	2012e	2013e
Implicit Price	11.72	12.73

	2012	2013
Equity value based on EV/Revenues (€ Mill.)	104.54	98.37
Equity value based on EV/EBITDA (€ Mill.)	97.29	126.54
Equity value based on P/E (€ Mill.)	149.64	157.07
Mean	117.16	127.33
No. of shares ('000)	10,000	10,000
Price/share (€)	11.72	12.73

Source: Bloomberg/BankM Research

Equally weighting the results from all of the four peer groups returns the following equity values for Haikui Seafood AG:

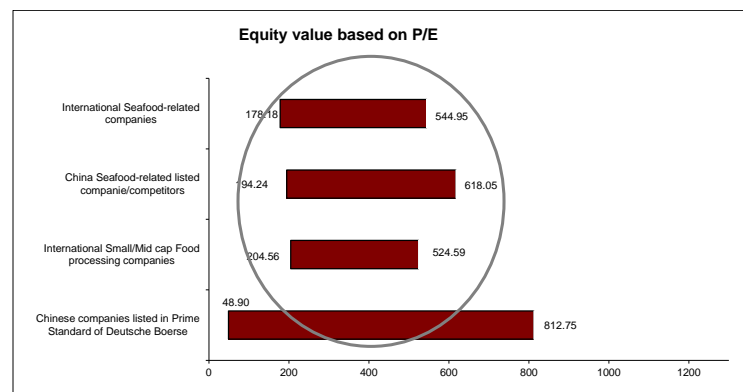
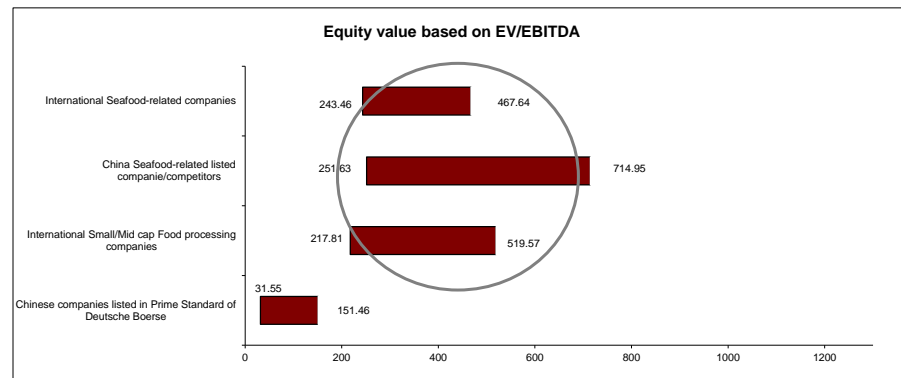
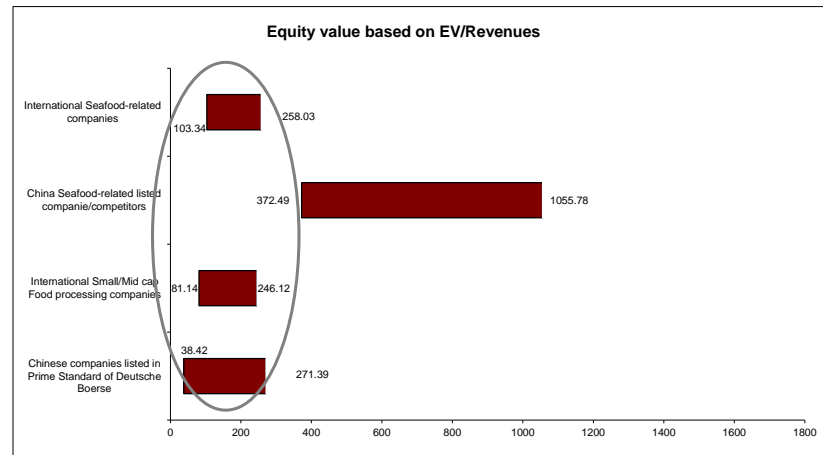
Implicit share price Haikui

	2012e	2013e
Peer Group I	25.00	27.91
Peer Group II	61.64	59.74
Peer Group III	26.06	31.02
Peer Group IV	11.72	12.73
Peer Group Mean	31.11	32.86

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In order to increase the validity of our peer group analysis, we have categorized the comparables by means of the respective multiples. As symbolized by the circle, we have excluded "outliers" in the EV/Revenues and EV/EBITDA analysis; on the P/E level, such stratification is not feasible:

Visualization of the results from the Multiple analysis



Source: Bloomberg/BankM Research

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Haikui Seafood AG

April 16, 2012

Valuation - 35/38 -

The result of this approach is shown below:

	<u>Implicit share price Haikui</u>	
	2012e	2013e
EV/Sales	13.68	15.17
EV/EBITDA	40.61	43.61
P/E	34.39	35.13
Peer Group Mean	29.56	31.31

For the purpose of our valuation, we prefer the second methodology, as it is more restrictive in excluding the "outliers".

Peer Group-derived value: € 29.56/share

Valuation Summary

Our DCF analysis returns a value of € 33.10/share. The peer group analysis results in a value of € 29.56 based on 2012e. Equally weighted, the results from our DCF and Peer group analysis indicate a fair value of the share of € 31.33 implying an implicit P/E of 10.43. We also show the result for 2013, but do not include them in our valuation.

We consider the stock fairly valued at € 31.35.

Fair value of the stock: € 31.35

	2012e	2013e
Peer Group Mean	29.56	31.31
DCF Valuation	33.10	33.10
Mean	31.33	32.21
Implicit P/E	10.43	8.56

Source: Bloomberg/BankM Research

Considering a bookbuilding range of € 10 - 13, we perceive the resulting 2012e P/E of 3.3 - 4.3 as well as a price/book ratio of 0.87 - 1.13 (book value of € 11.47/share as of balance sheet date 2011) as an attractive investment opportunity.

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SWOT Analysis

Strengths

- Established track record with strong market recognition as a supplier of high quality processed seafood
- Solid financial status and high profitability
- Strategic location with access to ecologically clean and rich fishing grounds
- Scale advantage due to large supply in tandem with sizeable processing capacity
- Close cooperation with seafood suppliers
- Broad product portfolio and product development skills
- Competent management team
- Outstanding performance in quality management including international certification

Weaknesses

- Dependency on the supply chain: disruption or delay of supply in fresh seafood will affect Haikui's operations
- High dependency on attracting and retaining key personnel
- Lack of vertical diversification due to the exclusive focus on the processing and distribution of seafood
- Relatively low (but increasing) barriers to entry in this field

Opportunities

- Increase of domestic and overseas market share
- Benefit from growing global and domestic demand for healthy diet
- Rising affluence and dynamic economic growth as well as preference for processed seafood in the domestic market
- Rising urbanization in China and overseas
- Improvement of the supply-side by means of quantity and diversity through the development of a Special Economic Zone for seafood in Dongshan in close proximity to Haikui's facilities

Threats

- Severe ecological incidence may impact quality of fishing grounds
- Profitability affected by increases of raw material prices; passing markups on to customers may be limited
- Change in consumer nutrition preferences might affect Haikui's operating performance
- Unexpected events in the fields of social, political, economic and regulatory environment
- Rising labor costs
- Given the capital intensive nature of the business, shortage of working capital might impact operations
- Haikui may not be able to manage its growth (execution risk)
- Since a large fraction of revenue sales are being factored in in USD, there is a FX exposure which might impact performance

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Responsible for the content of this document: biw Bank für Investments und Wertpapiere AG, Willich, Germany.

Author: Dr. Roger Becker, CEFA

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3. Date of first publication of this document:

April 16, 2012

4. Date and time of prices of the instruments quoted in this document:

Closing prices of April 13, 2012

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