

# CH Display OPT (334 HK)

Yuji Fung

+852 2135 0236

yuji.fung@oriental-patron.com.hk

Dallas Cai

+852 2135 0248

dallas.cai@oriental-patron.com.hk

## Company Update

### HOLD

#### DOWNGRADE

Close price: HK\$0.46

Target Price: HK\$0.44 (-4%)

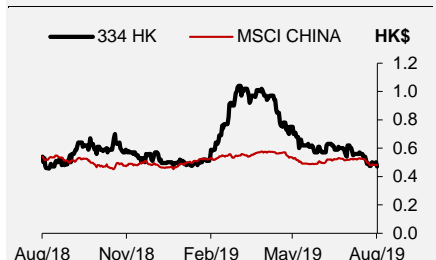
Prior TP: HK\$1.20

#### Key Data

HKEx code	334
12 Months High (HK\$)	1.07
12 Month Low (HK\$)	0.44
3M Avg Dail Vol. (mn)	2.70
Issue Share (mn)	2,114.12
Market Cap (HK\$mn)	961.92
Fiscal Year	12/2018
Major shareholder (s)	Shenzhen China Star (65.05%)

Source: Company data, Bloomberg, OP Research  
Closing price are as of 15/08/2019

#### Price Chart



	1mth	3mth	6mth
Absolute %	-20.2	-33.1	-22.9
Rel. MSCI CHINA %	-12.3	-26.7	-15.9

#### PE Chart



#### Company Profile

CDOT provides small-to-medium-sized display modules. The Company is primarily engaged in the R&D, manufacturing, and sales and distribution off LCD modules for handheld mobile devices on an ODM basis. CDOT has operations throughout Asia and sells its products globally.

## Downgrade on robust shipment growth at the cost of squeezed dollar margin

- CDOT released 1H19E results with sales up 178.3% yoy to RMB3,517mn and net profit recovered to RMB13mn, miss our expectation due to significant squeeze in dollar margin for tier one clients' order
- We cut FY19/20E adjusted net profit estimates by 83.3%/72.8% to RMB25mn/RMB56mn.
- Downgrade to HOLD with TP trimmed to HK\$0.44 based on same 15x FY20E PE.

**1H19 results miss on margin.** CDOT announced 1H19E results with revenue up 178.3% yoy to RMB3,517mn, beat our expectation by 15% mainly by higher than expected total sales volume (+182.3% yoy) thanks to more order allocation from key customers such as Samsung, Huawei and Xiaomi. Blended ASP was flat yoy at RMB73.4/pc vs RMB71.9/pc in 1H18 as the upgrade in product mix largely offset the lower ASP due to some new order packages without panel in 1H19. GPM was 2.2%, up 0.3ppts from 1.9% in 1H18, short of our expectation by 3.31ppts as the company has adopted more aggressive market strategy for market share gain. As a result, the company realized RMB13mn net profit in 1H19E, miss OP expectations by 83%.

First, we expect GPM will still be under pressure in the 2H19E within the range of 2% to 4% as the implementation of aggressive market strategy keeps on. Second, the restructuring of its parent group, CSOT (000100 CH), is undergoing and the positioning of CDOT in the corporate structure will remain unclear in the upcoming 9 months so we don't expect any strategic change in near-term. Third, the company is likely to secure the tier one brand order at the cost of thin margin, i.e RMB1.0 to 2.0 per pcs, and the adjusted net margin dropped from 1.5% in FY18 to 0.3% in FY19E, we see the upcoming earnings growth will be volatile in current bearish market especially for smartphone components players. Investors are likely to underweight such stock until a promising prospect and market positioning is revealed.

**We cut our FY19/20E adjusted net profit estimates by 83.3%/72.8% to RMB25mn/RMB56mn.** We revise up our FY19/20E revenue by 7.9%/7.2% to RMB7,315mn/RMB8,749mn. We also cut FY19/20E GPM by 3.0ppts/2.4ppts to 2.5%/3.1% to reflect thin margin for shipment strategy. As a result, we cut FY19/20E adjusted diluted EPS by 84.9%/75.4% to HK\$0.013/HK\$0.030 respectively.

**Downgrade to HOLD.** We downgrade CDOT from BUY to HOLD with new TP HK\$0.44 based on same 15x FY20E PE.

**Risks:** (1) CSOT restructuring competed earlier than we expect; (2) CDOT regain its market positioning KPI on profit instead of revenue growth, (3) Shortage in small mid-size panel market

#### Exhibit 1: Forecast and Valuation

Year to Dec (RMB mn)	FY17A	FY18A	FY19E	FY20E	FY21E
Revenue	3,464.6	5,280.9	7,314.7	8,749.3	9,551.3
Growth (%)	(5.8)	52.4	38.5	19.6	9.2
Net Profit	115.7	81.8	24.6	56.2	124.7
Growth (%)	27.0	(29.3)	(69.9)	128.4	121.6
Diluted EPS (HK\$)	0.064	0.045	0.013	0.030	0.065
EPS growth (%)	32.0	(30.7)	(71.0)	128.4	121.6
Change to previous EPS (%)			(84.9)	(75.4)	
Consensus EPS (HK\$)			0.075	0.103	
ROE (%)	26.7	15.7	4.4	9.4	18.1
P/E (x)	7.3	10.5	36.3	15.9	7.2
P/B (x)	1.7	1.5	1.5	1.4	1.1
Yield (%)	4.3	0.0	0.0	0.0	0.0
DPS (HK\$)	0.020	0.000	0.000	0.000	0.000

Source: Bloomberg, OP Research

## Exhibit 2: Earnings Revision

	FY19E			FY20E			OP Comments
	New	Old	% Chg	New	Old	% Chg	
<b>Revenue(RMBmn)</b>							
Non-laminated Modules	1,122	573	95.8	1,475	394	274.2	On market share gain
Laminated Modules	3,673	3,923	(6.4)	4,754	4,350	9.3	
Orders for tier-one brand	2,520	2,280	10.5	2,520	3,420	(26.3)	
<b>(RMB mn)</b>							
<b>Revenue</b>	<b>7,315</b>	<b>6,776</b>	<b>7.9</b>	<b>8,749</b>	<b>8,164</b>	<b>7.2</b>	
Gross profit	186	375	(50.3)	272	453	(40.0)	
Gross margin	2.5%	5.5%	(3.0)	3.1%	5.6%	(2.4)	To reflect margin pressure due to aggressive market strategy
Opex	(136)	(168)	(19.1)	(164)	(158)	3.8	
EBIT	85	236	(64.2)	143	325	(56.1)	
Net Profit	25	148	(83.3)	56	207	(72.8)	
Diluted EPS (HK\$)	0.013	0.086	(84.9)	0.030	0.120	(75.4)	

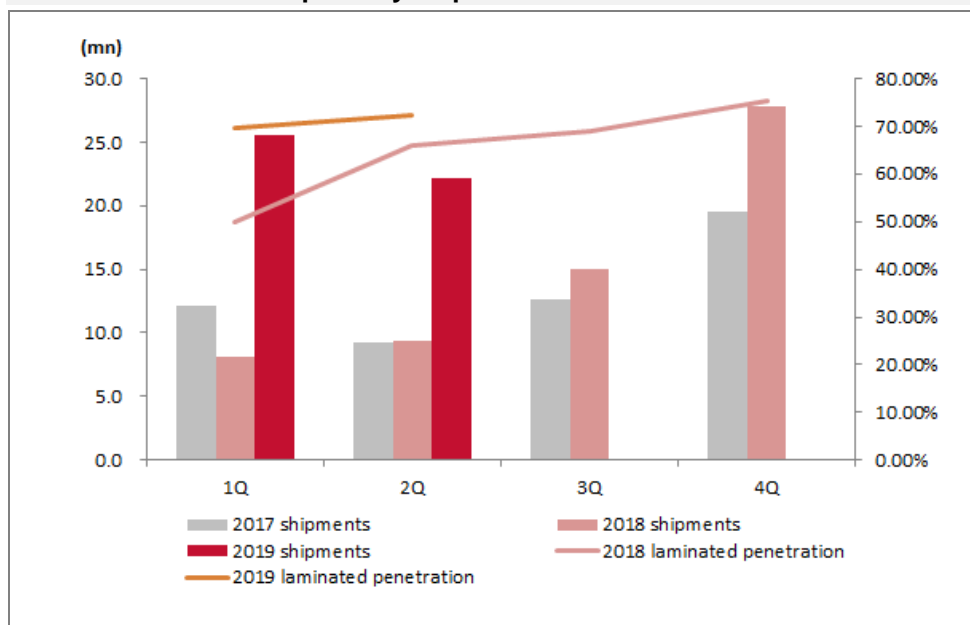
Source: OP Research

**Exhibit 3: 1H19 results review**

(RMB mn)	1H18	2H18	1H19A	1H19E	Act./Est. %	FY18A	FY19E
<b>Revenue</b>	<b>1,264</b>	<b>4,017</b>	<b>3,517</b>	<b>3,049</b>	<b>15%</b>	<b>5,281</b>	<b>7,315</b>
COGS	(1,240)	(3,793)	(3,440)	(2,882)	19%	(5,033)	(7,128)
<b>Gross profit</b>	<b>24</b>	<b>224</b>	<b>77</b>	<b>168</b>	<b>-54%</b>	<b>248</b>	<b>186</b>
Other income & gains	28	16	31	15	109%	45	39
Selling exp	(16)	(11)	(16)	(24)	-33%	(27)	(34)
Admin exp	(40)	(58)	(44)	(49)	-9%	(97)	(97)
Other opex	(4)	(8)	(3)	(5)	-40%	(12)	(5)
<b>Operating profit (EBIT)</b>	<b>(8)</b>	<b>164</b>	<b>45</b>	<b>105</b>	<b>-57%</b>	<b>156</b>	<b>89</b>
Provisions or other items	0	0	0	0	n.a.	0	0
Finance costs	(5)	(9)	(27)	(12)	128%	(18)	(54)
Profit after financing costs	(12)	155	17	93	-81%	138	35
Associated cos	0	0	0	0	n.a.	0	0
Jointly controlled cos	0	0	0	0	n.a.	0	0
Pre-tax profit	(12)	155	17	93	-81%	138	35
Tax	(1)	(35)	(7)	(19)	-65%	(36)	(11)
Minority interests	2	(22)	2	2	24%	(20)	0
<b>Net profit/(loss)</b>	<b>(12)</b>	<b>98</b>	<b>13</b>	<b>76</b>	<b>-83%</b>	<b>82</b>	<b>25</b>
<b>HoH%</b>							
Revenue	-35.8%	217.9%	-12.5%	-41.0%			
Gross profit	-82.4%	830.4%	-65.7%	-63.0%			
Net profit	-124.5%	-925.1%	-86.6%	-88.4%			
<b>YoY%</b>							
Revenue	-15.6%	104.2%	178.3%	87.7%		52%	39%
Gross profit	-83.1%	63.7%	219.5%	244.5%		-11%	-25%
Net profit	-117.7%	102.1%	-210.3%	-195.5%		-29%	-70%
<b>Key ratios</b>							
					(in ppts)		
GPM	1.9%	5.6%	2.2%	5.5%	(3.31)	4.7%	2.5%
Selling exp	1.3%	0.3%	0.5%	0.8%	(0.33)	0.5%	0.5%
Admin exp	3.1%	1.4%	1.3%	1.6%	(0.34)	1.8%	1.3%
EIT	-8.6%	22.6%	38.2%	20.0%	18.17	26.2%	30.0%
Net margin	-0.9%	2.4%	0.4%	0.5%	(0.11)	1.5%	0.3%

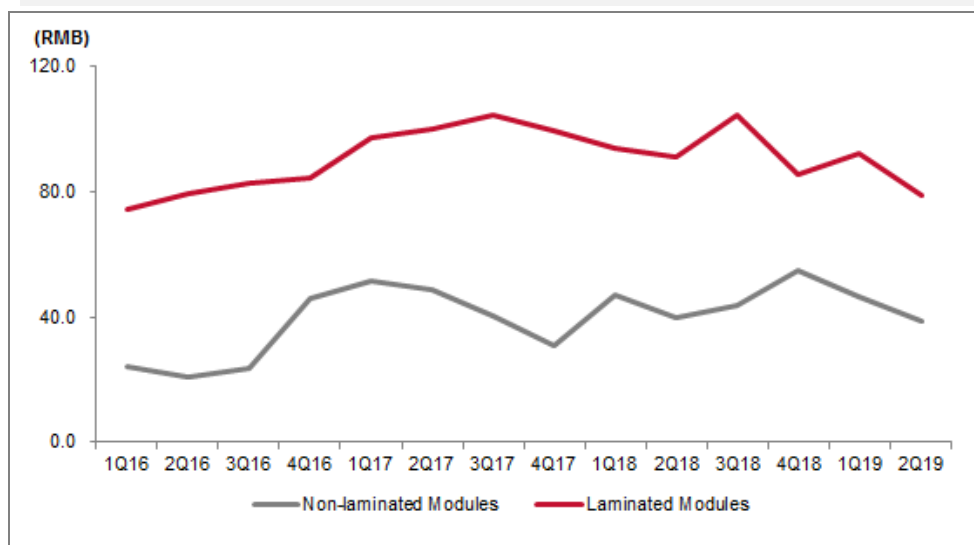
Source: Company, OP Research

**Exhibit 4: 2017-2019E quarterly shipments**



Source: Company, OP Research

**Exhibit 5: ASP of non-laminated and laminated modules**



Source: Company, OP Research

## Financial Summary

Year to Dec	FY17A	FY18A	FY19E	FY20E	FY21E
<b>Income Statement (RMB mn)</b>					
Non-laminated Modules	1,292	900	1,122	1,475	1,611
Laminated Modules	2,173	4,381	3,673	4,754	5,420
Orders from tier-one client		0	2,520	2,520	2,520
<b>Turnover</b>	<b>3,465</b>	<b>5,281</b>	<b>7,315</b>	<b>8,749</b>	<b>9,551</b>
YoY%	(6)	52	39	20	9
COGS	(3,185)	(5,033)	(7,128)	(8,477)	(9,186)
<b>Gross profit</b>	<b>280</b>	<b>248</b>	<b>186</b>	<b>272</b>	<b>365</b>
Gross margin	8.1%	4.7%	2.5%	3.1%	3.8%
Other income	45	39	34	34	34
Selling & distribution	(42)	(27)	(34)	(41)	(43)
Admin	(115)	(97)	(97)	(117)	(126)
R&D	0	0	0	0	0
Listing expenses	0	0	0	0	0
Other opex	(9)	(12)	(5)	(6)	(7)
<b>Total opex</b>	<b>(166)</b>	<b>(137)</b>	<b>(136)</b>	<b>(164)</b>	<b>(175)</b>
<b>Operating profit (EBIT)</b>	<b>159</b>	<b>150</b>	<b>85</b>	<b>143</b>	<b>224</b>
Operating margin	4.6%	2.8%	1.2%	1.6%	2.3%
Provisions	0	0	0	0	0
Interest Income	4	6	5	7	6
Finance costs	(31)	(18)	(54)	(84)	(84)
Profit after financing costs	132	138	35	66	147
Associated companies & JVs	0	0	0	0	0
Pre-tax profit	132	138	35	66	147
Tax	(20)	(36)	(11)	(10)	(22)
Minority interests	5	(20)	0	0	0
<b>Adj. net profit</b>	<b>116</b>	<b>82</b>	<b>25</b>	<b>56</b>	<b>125</b>
YoY%	27	(29)	(70)	128	122
Net margin	3.3%	1.5%	0.3%	0.6%	1.3%
<b>Reported net profit</b>	<b>116</b>	<b>82</b>	<b>25</b>	<b>56</b>	<b>125</b>
<b>EBITDA</b>	<b>207</b>	<b>228</b>	<b>181</b>	<b>260</b>	<b>366</b>
EBITDA margin	6.0%	4.3%	2.5%	3.0%	3.8%
<b>EPS (RMB)</b>	<b>0.057</b>	<b>0.039</b>	<b>0.011</b>	<b>0.026</b>	<b>0.058</b>
YoY%	32	(31)	(71)	128	122
DPS (HK\$)	0.020	0.000	0.000	0.000	0.000
Year to Dec	FY17A	FY18A	FY19E	FY20E	FY21E
<b>Cash Flow (RMB mn)</b>					
EBITDA	207	228	181	260	366
Chg in working cap	(233)	(175)	(32)	(66)	(52)
Others	72	12	0	0	0
<b>Operating cash</b>	<b>46</b>	<b>65</b>	<b>149</b>	<b>194</b>	<b>315</b>
Tax	(34)	(26)	(48)	(11)	(10)
<b>Net cash from operations</b>	<b>12</b>	<b>39</b>	<b>101</b>	<b>183</b>	<b>305</b>
Capex	(319)	(196)	(219)	(262)	(287)
Investments	0	0	0	0	0
Dividends received	0	0	0	0	0
Sales of assets	0	0	0	0	0
Interests received	4	6	5	7	6
Others	0	0	0	0	0
<b>Investing cash</b>	<b>(314)</b>	<b>(191)</b>	<b>(215)</b>	<b>(255)</b>	<b>(280)</b>
<b>FCF</b>	<b>(302)</b>	<b>(152)</b>	<b>(114)</b>	<b>(72)</b>	<b>25</b>
Issue of shares	5	2	0	0	0
Buy-back	(5)	(2)	0	0	0
Minority interests	120	0	0	0	0
Dividends paid	(35)	(34)	0	0	0
Net change in bank loans	294	(29)	1,005	0	0
Interest paid	(27)	(15)	(54)	(84)	(84)
Others	0	0	0	0	0
<b>Financing cash</b>	<b>351</b>	<b>(78)</b>	<b>951</b>	<b>(84)</b>	<b>(84)</b>
<b>Net change in cash</b>	<b>49</b>	<b>(230)</b>	<b>837</b>	<b>(155)</b>	<b>(59)</b>
Exchange rate or other Adj	(7)	(0)	0	0	0
Opening cash	465	508	277	1,115	959
<b>Closing cash</b>	<b>508</b>	<b>277</b>	<b>1,115</b>	<b>959</b>	<b>900</b>
<b>CFPS (HK\$)</b>	<b>0.008</b>	<b>0.024</b>	<b>0.053</b>	<b>0.096</b>	<b>0.160</b>

Source: Company, OP Research

Year to Dec	FY17A	FY18A	FY19E	FY20E	FY21E
<b>Ratios</b>					
Gross margin (%)	8.1	4.7	2.5	3.1	3.8
Operating margin (%)	4.6	2.8	1.2	1.6	2.3
Net margin (%)	3.3	1.5	0.3	0.6	1.3
Selling & dist'n exp/Sales (%)	1.2	0.5	0.5	0.5	0.4
Admin exp/Sales (%)	3.3	1.8	1.3	1.3	1.3
Payout ratio (%)	28.1	0.0	0.0	0.0	0.0
Effective tax (%)	15.5	26.2	30.0	15.0	15.0
Total debt/equity (%)	89.9	77.4	250.5	228.0	190.1
Net debt/equity (%)	Net cash	26.5	54.8	74.7	70.2
Current ratio (x)	1.1	1.0	1.0	1.0	1.0
Quick ratio (x)	1.0	0.8	0.8	0.8	0.8
Inventory T/O (days)	26	42	42	42	42
AR T/O (days)	117	148	148	148	148
AP T/O (days)	129	164	164	164	164
Cash conversion cycle (days)	14	26	26	26	26
Asset turnover (x)	1.5	1.7	1.5	1.4	1.4
Financial leverage (x)	5.3	6.0	8.7	10.5	10.0
EBIT margin (%)	4.6	2.8	1.2	1.6	2.3
Interest burden (x)	0.8	0.9	0.4	0.5	0.7
Tax burden (x)	0.9	0.6	0.7	0.9	0.9
<b>Return on equity (%)</b>	<b>26.7</b>	<b>15.7</b>	<b>4.4</b>	<b>9.4</b>	<b>18.1</b>
<b>ROIC (%)</b>	<b>41.7</b>	<b>15.9</b>	<b>6.3</b>	<b>10.7</b>	<b>14.3</b>
Year to Dec	FY17A	FY18A	FY19E	FY20E	FY21E
<b>Balance Sheet (RMB mn)</b>					
Fixed assets	463	603	727	874	1,019
Intangible assets & goodwill	6	6	4	3	1
Associated companies & JVs	0	0	0	0	0
Long-term investments	15	18	18	18	18
Other non-current assets	38	61	61	61	61
<b>Non-current assets</b>	<b>522</b>	<b>686</b>	<b>810</b>	<b>955</b>	<b>1,099</b>
Inventories	225	575	814	968	1,049
AR	1,115	2,145	2,971	3,554	3,880
Prepayments & deposits	91	129	179	214	234
Other current assets	1	0	0	0	0
Cash	508	277	1,115	959	900
<b>Current assets</b>	<b>1,938</b>	<b>3,127</b>	<b>5,079</b>	<b>5,696</b>	<b>6,063</b>
AP	1,128	2,257	3,197	3,802	4,119
Tax	36	48	11	10	22
Accruals & other payables	207	372	515	616	673
Bank loans & leases	390	361	1,366	1,366	1,366
CB & other debts	0	0	0	0	0
Other current liabilities	1	0	0	0	0
<b>Current liabilities</b>	<b>1,760</b>	<b>3,037</b>	<b>5,088</b>	<b>5,793</b>	<b>6,180</b>
Bank loans & leases	0	0	0	0	0
CB & other debts	59	61	61	61	61
Deferred tax & others	28	34	34	34	34
MI	115	135	135	135	135
<b>Non-current liabilities</b>	<b>201</b>	<b>231</b>	<b>231</b>	<b>231</b>	<b>231</b>
<b>Total net assets</b>	<b>498</b>	<b>545</b>	<b>570</b>	<b>626</b>	<b>751</b>
<b>Shareholder's equity</b>	<b>498</b>	<b>545</b>	<b>570</b>	<b>626</b>	<b>751</b>
Share capital	170	170	170	170	170
Reserves	329	375	400	456	581
<b>BVPS (HK\$)</b>	<b>0.30</b>	<b>0.33</b>	<b>0.30</b>	<b>0.33</b>	<b>0.40</b>
Total debts	448	422	1,427	1,427	1,427
Net cash/(debts)	60	(145)	(312)	(468)	(527)

Exhibit 6: Peer Group Comparison

										EPS		EPS		Div yld				EV/		EV/		Net		Gross		Net					
										FY1	FY2	3-Yr	EPS	PEG	Hist	Div yld	P/B	Hist	P/B	FY1	Ebitda	Ebitda	gearing	margin	margin	Hist (%)	Hist (%)	ROE	ROE	Sh px	Sh px
Company	Ticker	Price	Mkt cap (US\$m)	3-mth avg t/o (US\$m)	PER (x)	PER (x)	PER (x)	YoY%	YoY%	Cagr (%)	(x)	(%)	FY1 (%)	(x)	(x)	Hist	Cur Yr	Hist (%)	Hist (%)	Hist (%)	Hist (%)	Hist (%)	FY1 (%)	FY1 (%)	1-mth %	3-mth %					
China Display Op	334 HK	0.46	123	0.2	10.5	36.3	15.9	(71.0)	128.4	13.6	2.7	0.0	0.0	1.5	1.5	4.8	7.1	26.5	4.7	1.5	15.7	4.4	(24.2)	(35.9)							
HSI		25,495.46			10.2	10.2	9.5	(0.2)	7.4	5.1	2.02	3.8	4.0	1.15	1.11						11.2	10.9	(10.9)	(9.8)							
HSCEI		9,903.41			8.1	8.0	7.4	1.4	7.7	6.0	1.34	4.0	4.2	0.97	0.98						11.9	12.2	(8.9)	(8.4)							
CSI300		3,694.00			13.7	11.7	10.2	17.0	14.8			2.3	2.6	1.7	1.6						12.5	13.5	(3.0)	(1.3)							
Adjusted sector avg*					21.2	12.1	11.9	8.4	20.6	(74.3)	0.7	1.5	1.6	1.0	0.9	6.2	5.7	53.9	11.8	2.0	1.5	5.7	(11.5)	(7.4)							
Truly Intl Hldgs	732 HK	0.95	399	0.6	40.3	4.1	4.2	887.3	(3.4)	130.8	0.03	N/A	N/A	0.41	0.37	4.7	3.5	82.7	9.5	0.4	1.0	5.1	(15.2)	(20.2)							
Byd Electronic	285 HK	11.66	3,351	12.4	10.8	10.1	9.0	6.6	12.3	9.3	1.09	1.9	1.8	1.49	1.32	4.3	4.3	0.0	10.2	5.3	14.6	13.6	4.7	(9.8)							
Ofilm Group Co-A	002456 CH	8.58	3,309	144.6	N/A	17.3	11.4	N/A	51.3	(244.5)	N/A	N/A	0.6	2.67	2.20	17.0	8.6	175.2	12.1	(1.2)	(13.5)	14.8	5.1	1.2							
Boe Technology-A	000725 CH	3.85	18,891	349.7	38.5	31.8	22.5	21.0	41.3	29.9	1.07	0.8	0.8	1.54	1.42	11.4	9.5	57.5	19.7	3.6	2.8	4.5	(2.8)	12.6							
Tianma-A	000050 CH	13.61	3,963	62.4	29.6	17.6	15.4	68.3	14.2	32.9	0.53	0.5	0.7	1.06	1.01	9.5	8.9	66.7	14.8	3.2	3.0	6.0	(7.7)	(1.8)							
Au Optonics	2409 TT	7.03	2,161	12.4	6.6	N/A	N/A	N/A	N/A	(193.2)	N/A	7.1	3.4	0.35	0.35	2.9	5.7	8.1	9.1	3.3	(0.9)	(5.4)	(21.2)	(28.7)							
Innolux	3481 TT	6.04	1,920	21.2	27.5	N/A	N/A	N/A	N/A	(261.3)	N/A	1.0	0.2	0.24	0.25	1.2	2.1	0.0	9.6	0.8	(2.2)	(4.4)	(18.4)	(24.7)							
Japan Display	6740 JP	62.00	495	14.4	N/A	N/A	N/A	N/A	N/A	(84.4)	N/A	N/A	0.0	N/A	1.38	14.7	(18.6)	1,663.9	2.6	(17.2)	N/A	(154.4)	(20.5)	3.3							
Sharp Corp	6753 JP	1,115.00	5,598	29.3	9.5	9.8	9.8	(2.9)	0.7	(0.1)	N/A	1.8	1.3	2.45	1.66	7.1	6.7	107.5	17.7	3.1	31.1	19.5	(17.8)	7.0							
Samsung Electron	005930 KS	43,550.00	214,288	374.9	6.7	13.8	10.8	(51.2)	28.1	(6.9)	N/A	3.3	3.3	1.04	1.16	2.2	3.5	0.0	45.7	18.0	11.6	8.4	(7.0)	4.8							
Lg Display Co Lt	034220 KS	12,800.00	3,771	24.8	N/A	N/A	29.9	N/A	N/A	(230.1)	N/A	N/A	3.9	0.34	0.34	4.1	4.3	41.1	12.7	(0.9)	(3.3)	(5.5)	(25.4)	(25.6)							

\* Outliners and "N/A" entries are in red and excl. from the calculation of averages

Source: Bloomberg, OP Research

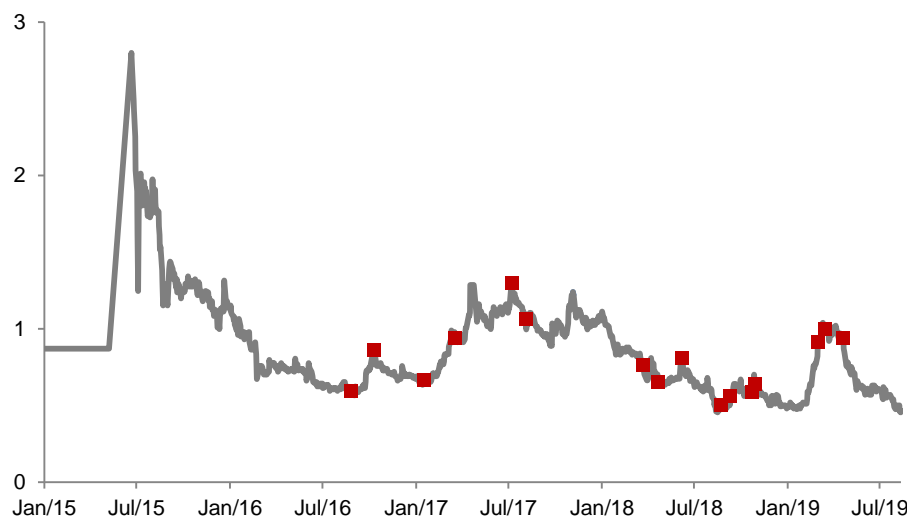
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Date	Company / Sector	Stock Code	Title	Rating	Analyst
15/08/2019	Ausnutria Dairy	1717	Inventory surge on one-off events	BUY	Dallas Cai/Megan Jin
15/08/2019	Li Ning	2331	Higher visibility for wholesale channel optimization	BUY	Dallas Cai/Megan Jin
13/08/2019	Q Tech	1478	Comeback with upbeat margin	BUY	Yuji Fung/Dallas Cai
13/08/2019	China Youzan	8083	Sign of net loss narrowing	BUY	Yuji Fung/Dallas Cai
31/07/2019	Ausnutria Dairy	1717	1H19E preview: investment thesis intact	BUY	Dallas Cai/Megan Jin
24/07/2019	Xtep Intl	1368	Upgrade on improved investor confidence	BUY	Dallas Cai/Megan Jin
23/07/2019	Anta Sports	2020	Upgrade on 1H19E profits surprise	BUY	Dallas Cai/Megan Jin
17/07/2019	361 Degrees Intl	1361	2Q19E online sales slowed on product mix shift	BUY	Megan Jin
15/07/2019	Xtep Intl	1368	2Q19E keeps up robust growth momentum	BUY	Dallas Cai/Megan Jin
12/07/2019	Anta Sports	2020	2Q19E operations on track	BUY	Dallas Cai/Megan Jin
10/07/2019	Anta Sports	2020	Clearing up Muddy Waters	BUY	Dallas Cai/Megan Jin
08/07/2019	Kingdee Intl	268	Downgrade on unexpected profit warning	SELL	Yuji Fung/Dallas Cai
01/07/2019	Q Tech	1478	Upgrade on better downstream demand outlook	BUY	Yuji Fung/Dallas Cai
25/06/2019	Li Ning	2331	Upgrade on surprise in revenue growth	BUY	Dallas Cai/Megan Jin
24/06/2019	361 Degrees Intl	1361	Rebranding starts from building basketball half-courts	BUY	Megan Jin
21/06/2019	Q Tech	1478	Kunshan reverse road show takeaways	SELL	Yuji Fung/Dallas Cai
19/06/2019	Sunny Optical	2382	Conference call takeaways	BUY	Yuji Fung/Dallas Cai
18/06/2019	TCL Electronics	1070	Overseas shipments keep steam	BUY	Yuji Fung/Dallas Cai
12/06/2019	Sunny Optical	2382	May shipments on track	BUY	Yuji Fung/Dallas Cai
11/06/2019	361 Degrees Intl	1361	President ups stakes in light of rebranding strategy	BUY	Megan Jin
11/06/2019	Ausnutria Dairy	1717	Penetrating into probiotics business	BUY	Dallas Cai/Megan Jin
11/06/2019	Q Tech	1478	May camera module shipments down MoM	SELL	Yuji Fung/Dallas Cai
04/06/2019	Truly Int'l	732	Introduction of new investor to Truly Opto	BUY	Yuji Fung/Dallas Cai
04/06/2019	Zhongyu Gas	3633	Takeaways from Henan site visit	NR	Megan Jin
24/05/2019	Truly Int'l	732	1Q19 saw margin pressure amidst sales recovery	BUY	Yuji Fung/Dallas Cai
15/05/2019	Ausnutria Dairy	1717	1Q19E saw a solid start	BUY	Dallas Cai/Megan Jin
10/05/2019	China Youzan	8083	E-commerce revenue doubled QoQ in 1Q19	BUY	Yuji Fung/Dallas Cai

## Historical recommendations and target price: CH Display OPT (334 HK)

(as of 15/08/2019)

(HK\$)



DATE	RATING	TP	CLOSE	DATE	RATING	TP	CLOSE
1 25 Apr 2018	BUY	HKD1.20	0.67	6 01 Nov 2018	BUY	HKD1.16	0.64
2 11 Jun 2018	BUY	HKD1.20	0.78	7 05 Mar 2019	BUY	HKD1.27	0.82
3 26 Aug 2018	BUY	HKD0.67	0.50	8 20 Mar 2019	BUY	HKD1.20	1.00
4 14 Sep 2018	BUY	HKD1.13	0.56	9 24 Apr 2019	BUY	HKD1.20	0.94
5 26 Oct 2018	BUY	HKD1.16	0.59	10 10 May 2019	BUY	HKD1.20	0.95



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<b>Relevant Benchmark</b>	Represents the stock closing price as at the date quoted in this report.

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## CONTACT

27/F, Two Exchange Square,

8 Connaught Place, Central, Hong Kong

[www.oriental-patron.com.hk](http://www.oriental-patron.com.hk)

[yuji.fung@oriental-patron.com.hk](mailto:yuji.fung@oriental-patron.com.hk)

Tel: (852) 2135 0236

Fax: (852) 2135 0295