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Equity Research
Aviation/ China

Regal Intl Airport (357 HK)

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Company Update

BUY

UPGRADE

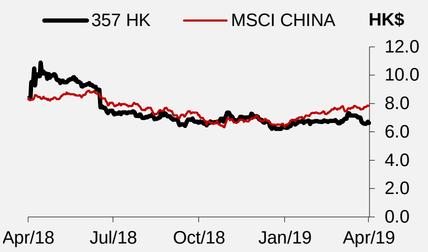
Close price: **HK$6.63**
Target Price: **HK$8.90 (+34%)**
Prior TP: **HK$8.40**

Key Data

HKEx code		357 HK
12 Months High	(HK$)	12.30
12 Month Low	(HK$)	6.17
3M Avg Dail Vol.	(mn)	0.47
Issue Share	(mn)	226.91
Market Cap	(HK$mn)	3,137.40
Fiscal Year		12/2018
Major shareholder (s)		Meilan Intl Airport (50.2%)

Source: Company data, Bloomberg, OP Research
Closing price are as of 03/04/2019

Price Chart



	1mth	3mth	6mth
Absolute %	**-1.8**	**4.4**	**-0.8**
Rel. MSCI CHINA %	**-3.3**	**-19.5**	**-13.3**

Company Profile

HNA Infrastructure Company Ltd provides airfield services, terminal facilities, ground handling services, passenger and cargo handling services. The Company also leases commercial and retail space at the Meilan Airport, operates airport-related business franchising, advertising, car parking, tourism services, and sells duty-free and consumable goods.

FY18 results up to expectations

- **Regal Intl Airport (RIA) announced FY18 results with revenue/net earnings up 15.9%/28.4% to RMB1.7bn/RMB622mn, in line with OP expectations.**
- **We revise down FY19/20E revenue/earnings by 15.7%/0.2% to RMB548mn/RMB636mn respectively.**
- **Upgrade to BUY with TP revised up to HK$8.90 from HK$8.40 based on rolled forward 12x FY20E EV/EBITDA, at par to peers.**

FY18 results in line with expectations. RIA announced FY18 results with revenue up 15.9% yoy to RMB1,704mn, of which aeronautical/non-aeronautical income increased by 10.7%/22.7% to RMB915mn/RMB789mn respectively, representing 54%/46% of revenue contribution. GPM improved by 1ppt to 58.1%. With finance expense ratio to EBIT improved by 3.5ppts to 16.2% from 19.7% in FY17, net profits increased 28.4% to RMB622mn, implying a NPM of 36.5%. As of the end of FY18, the company had total borrowings of RMB2,369mn, of which RMB2,279mn were due within one year. The company has repaid RMB800mn debentures matured in March and meanwhile has acquired RMB850mn interest-free loan from related parties and a syndicated loan of RMB7.8bn for the Airport Phase II construction.

The company does not propose payment of final dividends this year as the Phase II expansion project has entered final stage with significant capex cash outflow in 2019E.

We revise down our FY19/20E earnings estimate by 15.7%/0.2% to RMB548mn/RMB636mn. We revise down our FY19/20E revenue by 11.7%/4.8% to RMB1,818mn/RMB2,397mn as we expect the contribution from Phase II projects will kick in mainly in FY20E. As a result, our FY19/20E diluted EPS is revised down to HK$0.565 /HK$0.657 respectively.

Upgrade to BUY with new TP HK$8.90. We upgrade RIA to BUY with TP revised up to HK$8.90 from HK$8.40 based on rolled forward 12x FY20E EV/EBITDA (previously 16x FY19E EV/EBITDA), at par to peers.

Risks: (1) Slower ramp up of traffic to terminal complex and living service areas; (2) Delay in the commissioning of Phase II; (3) Higher than expected borrowing costs; (4) Further delay of H share issuance.

Exhibit 1: Forecast and Valuation

Year to Dec (RMB mn)	FY17A	FY18A	FY19E	FY20E	FY21E
Revenue	1,469.9	1,703.8	1,817.6	2,396.6	2,822.3
Growth (%)	21.6	15.9	6.7	31.9	17.8
EBITDA	866.0	1,006.7	1,038.6	1,574.1	1,929.8
Growth (%)	26.9	16.3	3.2	51.6	22.6
Net Profit	484.4	622.0	547.8	636.5	738.8
Growth (%)	23.3	28.4	(11.9)	16.2	16.1
Diluted EPS (HK$)	1.228	1.577	0.565	0.657	0.762
EPS growth (%)	24.3	28.4	(64.2)	16.2	16.1
Change to previous EPS (%)			(15.7)	(0.2)	
Consensus EPS (HK$)			1.500	2.028	
ROE (%)	12.5	14.5	11.4	11.8	12.1
P/E (x)	5.4	4.2	11.7	10.1	8.7
P/B (x)	0.6	0.6	1.3	1.1	1.0
Yield (%)	4.1	2.3	0.0	0.0	0.0
DPS (HK$)	0.269	0.150	0.000	0.000	0.000

Source: Bloomberg, OP Research

Exhibit 2: Earnings revision

	FY19E			FY20E			OP Comments
(RMB mn)	**New**	**Old**	**% Chg**	**New**	**Old**	**% Chg**	
Revenue	**1,818**	**2,059**	**(11.7)**	**2,397**	**2,517**	**(4.8)**	
- Aeronautical	799	801	(0.2)	1,028	995	3.3	
- Non-aeronautical	1,018	1,258	(19.1)	1,369	1,522	(10.1)	We expect the contribution from Phase II project to mainly reflect from FY20E onwards
Gross profit	913	1,063	(14.2)	1,254	1,343	(6.7)	
Gross margin	50.2%	51.6%	(1.4)	52.3%	53.4%	(1.1)	
Opex	(110)	(169)	(34.6)	(150)	(201)	(25.4)	
EBITDA	1,039	1,133	(8.3)	1,574	1,620	(2.8)	
EBIT	823	919	(10.5)	1,124	1,177	(4.5)	
Net Profit	**548**	**650**	**(15.7)**	**636**	**638**	**(0.2)**	
Diluted EPS (HK$)	0.565	0.671	(15.7)	0.657	0.658	(0.2)	

Source: OP Research

Exhibit 3: FY18 results review

(Rmb mn)	1H17	2H17	1H18	2H18A	2H18E	Act/Est (%)	FY17A	FY18A	yoy (%)
Revenue	**738**	**732**	**926**	**777**	**888**	**-12.4%**	**1,470**	**1,704**	**15.9%**
COGS	(297)	(333)	(340)	(375)	(365)	2.8%	(630)	(715)	13.4%
Gross profit	**441**	**399**	**587**	**403**	**523**	**-23.0%**	**839**	**989**	**17.8%**
Other income & gains	27	35	20	14	(4)	-445.8%	62	35	-44.4%
Selling exp	(2)	(1)	(2)	(5)	(4)	20.8%	(2)	(6)	171.5%
Admin exp	(35)	(55)	(38)	(27)	(72)	-61.9%	(89)	(66)	-26.5%
Other opex	(8)	(12)	(16)	(16)	(20)	-20.9%	(20)	(32)	58.9%
Operating profit (EBIT)	**423**	**367**	**551**	**369**	**423**	**-12.7%**	**790**	**920**	**16.5%**
Provisions or other items	(1)	0	(0)	4	0	1066.8%	(1)	3	-447.4%
Finance costs	(40)	(116)	(97)	(53)	(49)	6.3%	(156)	(149)	-4.2%
Profit after financing costs	383	250	454	320	373	-14.3%	633	774	22.2%
Investment income	35	(19)	40	13	(23)	-156.8%	17	53	212.4%
Jointly controlled cos	0	(0)	0	0	0	n.a.	0	0	n.a.
Pre-tax profit	418	232	493	333	351	-5.1%	650	826	27.2%
Tax	(99)	(58)	(118)	(80)	(93)	-14.0%	(157)	(198)	26.2%
Minority interests	(6)	(2)	(4)	(2)	(8)	-71.1%	(9)	(6)	-25.6%
Net profit	**313**	**172**	**372**	**250**	**249**	**0.5%**	**484**	**622**	**28.4%**
YoY%									
Revenue	17.7%	25.9%	25.5%	6.2%	21.3%	n.a.	21.6%	15.9%	n.a.
Gross profit	11.1%	13.8%	33.1%	1.0%	31.2%	n.a.	12.4%	17.8%	n.a.
Net profit	23.5%	22.9%	18.9%	45.8%	45.1%	n.a.	23.3%	28.4%	n.a.
Key ratios						**(in ppts)**			**(in ppts)**
GPM	59.7%	54.5%	63.3%	51.8%	58.9%	-7.14	57.1%	58.1%	0.95
Selling exp to revenue	0.2%	0.1%	0.2%	0.6%	0.4%	0.16	0.2%	0.4%	0.21
Admin exp to revenue	4.7%	7.5%	4.1%	3.5%	8.1%	-4.59	6.1%	3.9%	-2.23
Other opex to revenue	1.1%	1.6%	1.7%	2.1%	2.3%	-0.22	1.4%	1.9%	0.51
OPM	57.3%	50.1%	59.5%	47.4%	47.6%	-0.16	53.7%	54.0%	0.25
Finance exp to EBIT	9.4%	31.7%	17.6%	14.2%	11.7%	2.55	19.7%	16.2%	-3.49
Effective tax rate	25.8%	23.2%	25.9%	25.1%	25.0%	0.10	24.8%	25.6%	0.80
Asso & JV	12.5%	-9.7%	11.8%	5.4%	-8.1%	13.54	3.5%	9.1%	5.60
MI	2.3%	1.1%	1.2%	1.0%	3.0%	-1.98	1.8%	1.1%	-0.69
NPM	42.4%	23.4%	40.1%	32.2%	28.0%	4.14	33.0%	36.5%	3.55

Source: OP Research

Financial Summary

Year to Dec	FY17A	FY18A	FY19E	FY20E	FY21E
Income Statement (Rmb mn)					
Aeronautical	827	915	799	1,028	1,204
Non-aeronautical	643	789	1,018	1,369	1,618
Turnover	**1,470**	**1,704**	**1,818**	**2,397**	**2,822**
YoY%	22	16	7	32	18
COGS	(630)	(715)	(905)	(1,143)	(1,311)
Gross profit	**839**	**989**	**913**	**1,254**	**1,511**
Gross margin	57.1%	58.1%	50.2%	52.3%	53.5%
Other income	32	18	0	0	0
Selling & distribution	(2)	(6)	(7)	(10)	(11)
Admin	(89)	(66)	(70)	(93)	(109)
Other opex	(20)	(32)	(33)	(48)	(54)
Total opex	**(112)**	**(104)**	**(110)**	**(150)**	**(174)**
Operating profit (EBIT)	**759**	**903**	**802**	**1,103**	**1,337**
Operating margin	51.7%	53.0%	44.1%	46.0%	47.4%
Provisions	(1)	3	0	0	0
Interest Income	31	17	21	21	13
Finance costs	(156)	(149)	(155)	(348)	(438)
Profit after financing costs	633	774	668	777	913
Associated companies & JVs	17	53	53	53	53
Pre-tax profit	650	826	720	829	966
Tax	(157)	(198)	(167)	(186)	(219)
Minority interests	(9)	(6)	(6)	(7)	(8)
Net profit	**484**	**622**	**548**	**636**	**739**
YoY%	23	28	(12)	16	16
Net margin	33.0%	36.5%	30.1%	26.6%	26.2%
EBITDA	**866**	**1,007**	**1,039**	**1,574**	**1,930**
EBITDA margin	58.9%	59.1%	57.1%	65.7%	68.4%
EPS (Rmb)	**1.024**	**1.315**	**0.471**	**0.547**	**0.635**
YoY%	24	28	(64)	16	16
DPS (HK$)	0.269	0.150	0.000	0.000	0.000

Year to Dec	FY17A	FY18A	FY19E	FY20E	FY21E
Cash Flow (Rmb mn)					
EBITDA	866	1,007	1,039	1,574	1,930
Chg in working cap	(229)	1,988	(1,761)	252	176
Others	576	0	0	0	0
Operating cash	**1,212**	**2,995**	**(722)**	**1,826**	**2,106**
Interests paid	0	17	21	21	13
Tax	(149)	(71)	(317)	(167)	(186)
Net cash from operations	**1,063**	**2,941**	**(1,019)**	**1,680**	**1,933**
Capex	(286)	(500)	(4,000)	(2,000)	(1,000)
Investments	0	0	0	0	0
Dividends received	0	0	0	0	0
Sales of assets	0	0	0	0	0
Interests received	0	(198)	(275)	(488)	(488)
Others	(9)	3	0	0	0
Investing cash	**(295)**	**(694)**	**(4,275)**	**(2,488)**	**(1,488)**
FCF	**768**	**2,246**	**(5,294)**	**(807)**	**446**
Issue of shares	0	0	0	0	0
Buy-back	0	0	0	0	0
Minority interests	0	0	0	0	0
Dividends paid	(310)	(113)	0	0	0
Net change in bank loans	(596)	(1,994)	6,121	0	0
Others	59	(844)	0	0	0
Financing cash	**(847)**	**(2,951)**	**6,121**	**0**	**0**
Net change in cash	**(79)**	**(705)**	**827**	**(807)**	**446**
Exchange rate or other Adj	(0)	114	0	0	0
Opening cash	752	673	82	909	101
Closing cash	**673**	**82**	**909**	**101**	**547**
CFPS (HK$)	**2.695**	**7.414**	**(1.072)**	**1.712**	**1.980**

Year to Dec	FY17A	FY18A	FY19E	FY20E	FY21E
Ratios					
Gross margin (%)	57.1	58.1	50.2	52.3	53.5
Operating margin (%)	53.7	54.0	45.3	46.9	47.8
Net margin (%)	33.0	36.5	30.1	26.6	26.2
Selling & dist'n exp/Sales (%)	0.2	0.4	0.4	0.4	0.4
Admin exp/Sales (%)	6.1	3.9	3.9	3.9	3.9
Payout ratio (%)	21.8	11.4	0.0	0.0	0.0
Effective tax (%)	24.8	25.6	25.0	24.0	24.0
Total debt/equity (%)	58.5	8.4	127.9	113.7	100.7
Net debt/equity (%)	40.5	6.6	110.0	111.9	92.2
Current ratio (x)	1.0	0.1	1.0	0.4	0.6
Quick ratio (x)	1.0	0.1	1.0	0.4	0.6
Inventory T/O (days)	0	0	0	0	0
AR T/O (days)	83	82	82	80	80
AP T/O (days)	60	131	131	131	131
Cash conversion cycle (days)	24	(48)	(48)	(50)	(50)
Asset turnover (x)	0.2	0.2	0.2	0.2	0.2
Financial leverage (x)	2.2	2.1	2.3	2.6	2.5
EBIT margin (%)	53.7	54.0	45.3	46.9	47.8
Interest burden (x)	0.8	0.9	0.9	0.7	0.7
Tax burden (x)	0.7	0.8	0.8	0.8	0.8
Return on equity (%)	**12.5**	**14.5**	**11.4**	**11.8**	**12.1**
ROIC (%)	**10.2**	**12.9**	**7.9**	**7.5**	**8.3**

Year to Dec	FY17A	FY18A	FY19E	FY20E	FY21E
Balance Sheet (Rmb mn)					
Fixed assets	3,443	3,931	7,816	9,487	9,945
Investment properties	1,273	1,254	1,254	1,254	1,254
Intangible assets & goodwill	165	161	160	158	157
Associated companies & JVs	1,374	1,397	1,449	1,502	1,554
Long-term investments	1,651	1,630	1,630	1,630	1,630
Other non-current assets	7	7	7	7	7
Non-current assets	**7,912**	**8,379**	**12,315**	**14,037**	**14,547**
Inventories	0	1	1	1	1
AR	335	382	408	525	619
Prepayments & deposits	22	13	14	18	22
Other current assets	136	9	9	9	9
Cash	673	82	909	101	547
Current assets	**1,166**	**487**	**1,340**	**655**	**1,198**
AP	103	256	324	409	469
Tax	71	317	167	186	219
Accruals & other payables	748	812	909	1,198	1,411
Bank loans & leases	0	379	0	0	0
CB & other debts	0	0	0	0	0
Other current liabilities	216	1,900	0	0	0
Current liabilities	**1,138**	**3,663**	**1,399**	**1,794**	**2,099**
Bank loans & leases	2,373	0	6,500	6,500	6,500
Trade and other payables-LT	1,459	384	384	384	384
Deferred tax & others	16	247	247	247	247
MI	37	38	43	50	58
Non-current liabilities	**3,885**	**669**	**7,174**	**7,181**	**7,188**
Total net assets	**4,055**	**4,534**	**5,082**	**5,718**	**6,457**
Shareholder's equity	**4,055**	**4,534**	**5,082**	**5,718**	**6,457**
Share capital	473	473	473	473	473
Reserves	3,582	4,061	4,609	5,245	5,984
BVPS (HK$)	**10.28**	**11.50**	**5.24**	**5.90**	**6.66**
Total debts	2,373	379	6,500	6,500	6,500
Net cash/(debts)	(1,643)	(297)	(5,591)	(6,399)	(5,953)

Source: Company, OP Research

Exhibit 4: Peer Group Comparison

Company	Ticker	Price	Mkt cap (US$m)	3-mth avg t/o (US$m)	PER Hist (x)	PER FY1 (x)	PER FY2 (x)	EPS FY1 YoY%	EPS FY2 YoY%	3-Yr EPS Cagr (%)	PEG (x)	Div yld Hist (%)	Div yld FY1 (%)	P/B Hist (x)	P/B FY1 (x)	EV/ Ebitda Hist	EV/ Ebitda FY1	EV/ Ebitda FY2	Net gearing Hist (%)	Gross margin Hist (%)	Net margin Hist (%)	ROE Hist (%)	ROE FY1 (%)	Sh px 1-mth %	Sh px 3-mth %
Regal Internatio	**357 HK**	**6.63**	**400**	**0.4**	**4.2**	**11.7**	**10.1**	**(64.2)**	**16.2**	**(21.5)**	**(0.5)**	**2.3**	**0.0**	**0.6**	**1.3**	**3.4**	**12.8**	**9.0**	**6.6**	**58.1**	**62,204.1**	**14.5**	**11.4**	**0.5**	**4.4**
HSI		29,986.39			11.7	11.6	10.7	1.1	8.2	6.1	1.91	3.4	3.5	1.39	1.28							11.9	11.0	4.1	19.6
HSCEI		11,705.16			9.7	8.9	8.2	8.3	8.3	8.3	1.08	3.5	3.8	1.20	1.06							12.4	11.9	1.7	19.0
CSI300		4,022.16			15.3	12.7	11.3	19.9	12.7	14.5	0.88	2.0	2.5	1.94	1.67							12.7	13.1	7.3	35.7
Adjusted sector avg*					**25.9**	**22.9**	**26.7**	**(0.6)**	**2.7**	**6.8**	**2.92**	**1.8**	**1.8**	**2.61**	**1.95**	**14.7**	**13.8**	**12.1**	**25.4**	**38.3**	**18.4**	**13.2**	**11.6**	**3.2**	**10.3**
Beijing Cap Ai-H	694 HK	7.25	4,000	9.2	9.4	11.8	16.2	(20.3)	(27.2)	(25.2)	N/A	4.1	3.6	1.15	1.08	5.5	6.5	7.8	13.2	N/A	25.5	12.8	9.7	(7.9)	(10.5)
Shang Intl Air-A	600009 CH	62.17	17,861	61.0	28.3	23.3	22.2	21.1	5.2	12.9	1.81	0.9	1.3	4.24	3.71	20.9	16.6	14.8	0.0	51.6	45.5	15.9	16.5	4.5	25.1
Shenz Airport-A	000089 CH	9.72	2,972	22.7	29.8	23.5	20.8	27.1	13.0	5.6	4.23	1.1	1.2	1.71	1.63	14.2	11.4	10.0	0.0	24.1	19.0	5.9	7.0	(0.3)	27.9
Guangzhou Baiy-A	600004 CH	14.95	4,612	37.5	18.2	25.9	31.7	(29.6)	(18.4)	(8.8)	N/A	1.6	1.2	1.97	1.96	11.6	11.6	11.8	10.4	39.8	23.9	8.8	7.6	13.7	53.0
Beijing Cap Co-A	600008 CH	4.38	3,713	22.1	30.2	30.8	26.1	(2.0)	18.3	18.3	1.68	1.8	1.9	2.23	1.64	16.4	17.0	15.1	100.3	30.0	5.8	7.5	5.5	9.0	30.0
Airports Of Thai	AOT TB	67.75	30,525	46.8	38.5	35.1	32.1	9.5	9.4	13.0	2.70	1.5	1.6	6.44	6.17	25.1	22.8	20.7	0.0	N/A	41.6	17.6	18.2	0.4	6.7
Sydney Airport	SYD AU	7.43	11,939	77.2	44.9	41.5	38.3	8.3	8.4	7.8	5.33	5.0	5.2	208.68	N/A	20.6	19.6	18.6	13,456.9	N/A	23.5	103.3	(185.3)	4.9	10.1
Japan Air Termin	9706 JP	4,540.00	3,439	11.3	31.3	11.2	33.9	178.8	(66.9)	6.3	1.78	1.0	1.0	2.28	2.29	22.3	11.6	11.8	17.8	45.9	5.2	23.0	22.1	2.1	19.2
Malaysia Airport	MAHB MK	7.06	2,871	4.8	17.5	21.5	19.0	(18.5)	13.1	(0.8)	N/A	1.8	2.8	1.44	1.30	7.2	7.5	7.1	40.4	N/A	15.0	8.1	6.4	(13.1)	(14.4)
Cardig Aero Serv	CASS IJ	700.00	103	0.0	11.1	N/A	N/A	N/A	N/A	N/A	N/A	2.2	N/A	2.06	N/A	3.5	N/A	N/A	46.8	N/A	6.4	18.9	N/A	2.2	(1.4)

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

Source: Bloomberg, OP Research

Our recent reports

Date	Company / Sector	Stock Code	Title	Rating	Analyst
02/04/2019	Tianlun Gas	1600	FY18 results up to expectations	BUY	Yuji Fung/Dallas Cai
01/04/2019	Truly Int'l	732	FY18 earnings miss on GPM and loss from associate	BUY	Yuji Fung/Dallas Cai
28/03/2019	China Youzan	8083	FY18 saw narrower loss than expected	BUY	Yuji Fung/Dallas Cai
27/03/2019	Sinosoft Tech	1297	FY18 results in line	BUY	Yuji Fung/Dallas Cai
26/03/2019	Q Tech	1478	Downgrade to SELL as margin recovery was priced in	SELL	Yuji Fung/Dallas Cai
25/03/2019	Li Ning	2331	FY18 saw sustainable high-quality growth	HOLD	Dallas Cai/Megan Jin
22/03/2019	Chinasoft Intl	354	FY18 results up to expectations	BUY	Yuji Fung/Dallas Cai
21/03/2019	Sunny Optical	2382	Downgrade on fair value	HOLD	Yuji Fung/Dallas Cai
21/03/2019	Tongda	698	GPM likely bottom out	BUY	Yuji Fung/Dallas Cai
21/03/2019	Ju Teng Intl	3336	On secular trend of metal casing adoption	BUY	Yuji Fung/Dallas Cai
20/03/2019	CH Display OPT	334	FY18 revenue beat, earnings in line	BUY	Yuji Fung/Dallas Cai
20/03/2019	Ausnutria Dairy	1717	Margin expansion story continues	BUY	Dallas Cai
20/03/2019	TCL Electronics	1070	Promising FY19E ahead	BUY	Yuji Fung/Dallas Cai
18/03/2019	361 Degrees Intl	1361	Rebranding strategies to bear fruit in 2020E	BUY	Yuji Fung/Dallas Cai
15/03/2019	Kingdee Intl	268	FY18 results up to expectations	HOLD	Yuji Fung/Dallas Cai
13/03/2019	Xtep Intl	1368	Growth momentum likely keeps up in FY19E	BUY	Dallas Cai/Megan Jin
06/03/2019	Xtep Intl	1368	JV with Wolverine for multi-brand portfolio	BUY	Dallas Cai/Megan Jin
05/03/2019	CH Display OPT	334	Foldable smartphone play backed by CSOT	BUY	Yuji Fung/Dallas Cai
27/02/2019	Anta Sports	2020	FY18 revenue strong beat, profits in-line	BUY	Dallas Cai/Megan Jin
22/02/2019	Ausnutria Dairy	1717	FY18 profit surprise on margin expansion	BUY	Dallas Cai
20/02/2019	Q Tech	1478	Jan shipments growth was solid	BUY	Yuji Fung/Dallas Cai
19/02/2019	Tongda	698	FY18E profit warning	BUY	Yuji Fung/Dallas Cai
18/02/2019	Sunny Optical	2382	Earnings growth momentum likely resume in 2019	BUY	Yuji Fung/Dallas Cai
30/01/2019	Li Ning	2331	FY18E results preview	HOLD	Dallas Cai
30/01/2019	Anta Sports	2020	FY18E results preview	BUY	Dallas Cai
15/01/2019	361 Degrees Intl	1361	FY18E results preview	BUY	Yuji Fung/Dallas Cai
15/01/2019	Xtep Intl	1368	FY18E results preview	BUY	Dallas Cai

Historical recommendations and target price: Regal Intl Airport (357 HK)

(as of 03/04/2019)

	DATE	RATING	TARGET PRICE	CLOSE PRICE
1	22 Sep 2017	BUY	HK$14.00	HK$7.06
2	19 Jun 2018	HOLD	HK$8.70	HK$7.92
3.	05 Sep 2018	HOLD	HK$8.40	HK$7.12

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Buy (B)	We expect this stock outperform the relevant benchmark greater than 15% over the next 12 months.
Hold (H)	We expect this stock to perform in line with the relevant benchmark over the next 12 months.
Sell (S)	We expect this stock to underperform the relevant benchmark greater than 15% over the next 12 month.
Relevant Benchmark	Represents the stock closing price as at the date quoted in this report.

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