

Sunny Optical (2382 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

BUY

UNCHANGED

Close price: **HK\$95.40**

Target Price: **HK\$110.00 (+15%)**

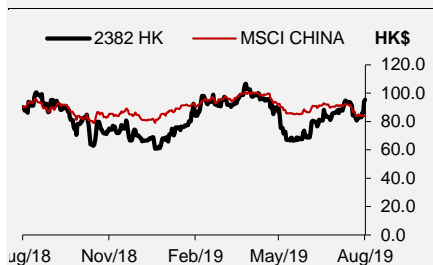
Prior TP: **HK\$96.00**

Key Data

HKEx code	2382
12 Months High (HK\$)	109.60
12 Month Low (HK\$)	58.55
3M Avg Dail Vol. (mn)	9.09
Issue Share (mn)	1,096.85
Market Cap (HK\$mn)	104,639.46
Fiscal Year	12/2018
Major shareholder (s)	WANG WENJIAN (38.54%)

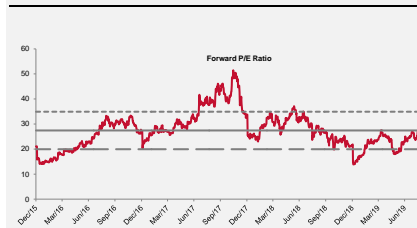
Source: Company data, Bloomberg, OP Research
Closing price are as of 15/08/2019

Price Chart



	1mth	3mth	6mth
Absolute %	9.2	26.4	13.5
Rel. MSCI CHINA %	17.5	33.2	20.9

PE



Company Profile

Sunny Optical is a leading integrated optical component manufacturing. The company is primary camera module supplier to most top tier domestic branded handset makers.

Positive surprise on handset lens sets margin

- Sunny Optical released its 1H19 results with revenue up 30.0% yoy to RMB15.6bn and net profit was up 21.3% yoy to RMB1.43bn, in line with our expectations.
- We revised up our FY19/20E earnings estimate by 6.7%/17.5% to RMB3.54bn and RMB5.37bn to reflect robust handset lens set profit growth
- Maintain BUY with TP revised up to HK\$110.0 from HK\$96.0 based on same 20x FY20E PE.

1H19 positive surprise on optical segment margin which offset the negative surprise on HCM margin. Sunny released its 1H19 results with revenue up 30.0% yoy to RMB15.6bn, 4% lower than our estimate, mainly due to lower than expected HCM ASP improvement. GPM was down 1.0ppts/0.2ppts yoy/hoh to 18.4% mainly due to dramatic decline in HCM GPM from 9.4% a year ago to 5.8% in 1H19 as a result of low production yield on new products launch. We expect HCM GPM will gradually recover to high single digit level in 2H19E. On the other hand, HLS GPM beat market expectation, which was up 2.1ppts/3.0ppts yoy/hoh to 44.1%, thanks to the increased scale, strong demand as well as improved yield. The company revised up its HLS FY19E shipment growth from +25~30% to +30% yoy for full year given 7M19 HLS shipment growth was 35.2% yoy. We are confident the company is likely to beat its revised-up target. Net profit was up 21.3% yoy to RMB1.43bn, in line with our expectations.

We revised up our FY19/20E earnings estimate by 6.7%/17.5% to RMB3.54bn/RMB5.37bn. We revised up our FY20E optical component shipments by 7.5% to reflect 30%/30% yoy growth in HLS shipments in FY19/20E. We also revised up our FY19/20E optical components ASP by 14.1%/12.7% to RMB6.3/RMB6.4 to reflect its latest product mix. As a result, we revised up our FY19/20E revenue estimates by 7.7%/13.0% to RMB38.6bn/RMB48.1bn. We also revised up our FY19/20E GPM assumption to 18.3%/20.3% to reflect the positive surprise on HLS and negative surprise on HCM margin. In midterm, we expect Sunny to enjoy a secular margin expansion driven by ramp up of high margin optical business revenue contribution. We revised up our FY19/20E fully diluted EPS by 4.9%/15.4% to HK\$3.645/HK\$5.528.

Maintain BUY. We maintain our BUY rating on Sunny with TP revised up to HK\$110 from HK\$96 based on same 20x FY20E PE given (1) robust earnings growth from HLS business, (2) solid VLS ramp up and market share gain from peers as O-Film exit the market and (3) HCM margin likely hit the bottom and recovery ahead.

Risks: (1) ASP for HCM may be lower than expected, (2) political risks as trade war impacts on smartphone components, (3) HCM margin may not recover as we expected

Exhibit 1: Forecast and Valuation

Year to Dec (RMB mn)	FY17	FY18	FY19E	FY20E	FY21E
Revenue	22,366.3	25,931.9	38,640.6	48,080.0	56,580.1
Growth (%)	53.1	15.9	49.0	24.4	17.7
Net Profit	2,901.6	2,490.9	3,538.5	5,365.8	7,075.5
Growth (%)	128.3	(14.2)	42.1	51.6	31.9
Diluted EPS (HK\$)	3.001	2.566	3.645	5.528	7.289
EPS growth (%)	127.6	(14.5)	42.1	51.6	31.9
Change to previous EPS (%)			4.9	15.4	
Consensus EPS (HK\$)			3.519	4.673	
ROE (%)	46.9	29.8	33.1	37.3	36.4
P/E (x)	31.8	37.2	26.2	17.3	13.1
P/B (x)	12.4	10.0	7.6	5.6	4.2
Yield (%)	0.9	0.7	1.0	1.5	2.0
DPS (HK\$)	0.812	0.662	0.940	1.426	1.880

Source: Bloomberg, OP Research

Exhibit 2: Earnings Revision

(RMB mn)	FY19E			FY20E			FY21E		
	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg
Shipments (mn pcs)									
Optical Components	1,381	1,381	0.0	1,774	1,650	7.5	2,202	1,899	16.0
Optoelectronic Products	590	590	0.0	699	699	0.0	818	818	0.0
Optical Instruments	0.226	0.226	0.0	0.246	0.246	0.0	0.267	0.267	0.0
ASP (RMB per pcs)									
Optical Components	6.3	5.5	14.1	6.4	5.7	12.7	6.5	5.8	10.9
Optoelectronic Products	50	47	6.1	52	47	10.8	51	47	9.4
Optical Instruments	1,272	1,272	0.0	1,272	1,272	0.0	1,272	1,272	0.0
Revenue by segment (RMB mn)									
Optical components	8,676	7,602	14.1	11,377	9,390	21.2	14,260	11,086	28.6
Optoelectronics	29,677	27,976	6.1	36,390	32,849	10.8	41,981	38,362	9.4
Optical instruments	288	288	0.0	313	313	0.0	340	340	0.0
GPM by segment									
Optical components	44.4%	42.5%	1.9	44.9%	43.4%	1.5	45.6%	43.3%	2.3
Optoelectronics	7.8%	9.4%	(1.6)	9.9%	10.3%	(0.4)	10.3%	10.5%	(0.3)
Optical instruments	40.0%	40.0%	0.0	40.0%	40.0%	0.0	40.0%	40.0%	0.0
Revenue									
	38,641	35,866	7.7	48,080	42,552	13.0	56,580	49,788	13.6
Gross profit	7,069	6,698	5.5	9,781	8,423	16.1	12,079	9,976	21.1
Gross margin	18.3%	18.7%	(0.4)	20.3%	19.8%	0.5	21.3%	20.0%	1.3
Opex	(2,993)	(2,906)	3.0	(3,676)	(3,207)	14.6	(4,299)	(3,727)	15.4
EBIT	4,434	4,101	8.1	6,555	5,526	18.6	8,540	6,749	26.5
Net Profit									
	3,538	3,315	6.7	5,366	4,567	17.5	7,075	5,642	25.4
Diluted EPS (HK\$)	3.645	3.476	4.9	5.528	4.788	15.4	7.289	5.915	23.2

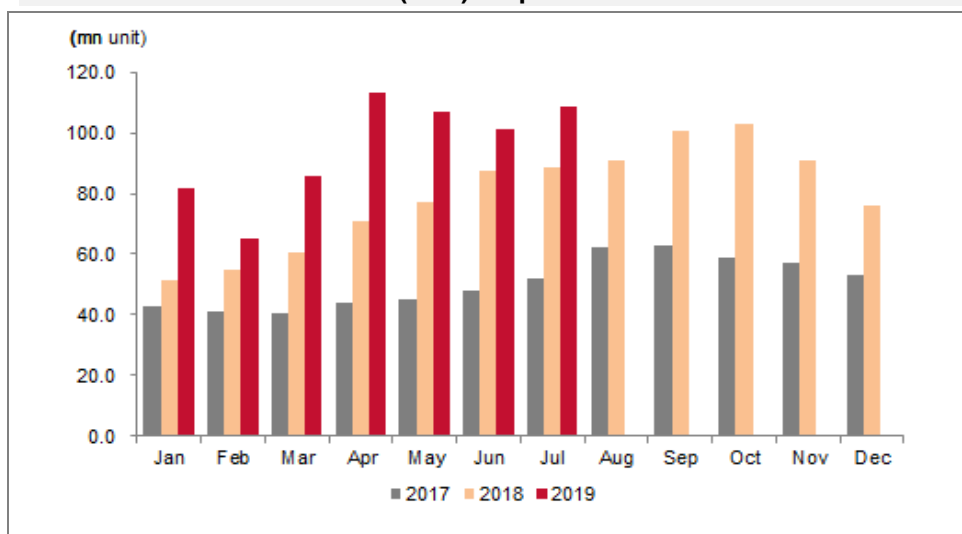
Source: OP Research

Exhibit 3: 1H19E results review

(RMB mn)	1H17	2H17	1H18	2H18A	1H19A	1H19E	Act/Est (%)
Revenue	10,032	12,335	11,976	13,955	15,575	16,168	-3.7%
COGS	(7,962)	(9,602)	(9,656)	(11,362)	(12,711)	(13,177)	-3.5%
Gross profit	2,070	2,733	2,320	2,593	2,864	2,991	-4.2%
Other income & gains	177	165	16	154	140	100	39.9%
Selling exp	(105)	(100)	(95)	(114)	(131)	(129)	1.5%
Admin exp	(182)	(207)	(184)	(250)	(257)	(259)	-0.5%
R&D	(535)	(633)	(544)	(818)	(827)	(808)	2.2%
Other opex	0	0	0	0	0	0	n.a.
Operating profit (EBIT)	1,425	1,958	1,513	1,565	1,789	1,895	-5.6%
Provisions or other items	0	0	0	0	0	0	n.a.
Finance costs	(22)	(27)	(91)	(111)	(126)	(150)	-15.7%
Profit after financing costs	1,403	1,932	1,422	1,453	1,663	1,745	-4.7%
Associated cos	(5)	(11)	(9)	(15)	(2)	(9)	-76.4%
Jointly controlled cos	0	0	0	0	0	0	n.a.
Pre-tax profit	1,398.031	1,920	1,412.377	1,439	1,660.584	1,736	-4.3%
Tax	(237)	(167)	(223)	(116)	(228)	(278)	-17.9%
Minority interests	(2)	(11)	(10)	(12)	(1)	(12)	-89.4%
Net profit	1,159	1,742	1,180	1,311	1,431	1,446	-1.0%
HoH%							
Revenue	15%	23%	-3%	17%	12%	16%	n.a.
Gross profit	22%	32%	-15%	12%	10%	15%	n.a.
Net profit	44%	50%	-32%	11%	9%	10%	n.a.
YoY%							
Revenue	70%	42%	19%	13%	30%	35%	n.a.
Gross profit	109%	62%	12%	-5%	23%	29%	n.a.
Net profit	149%	116%	2%	-25%	21%	23%	n.a.
Key ratios							
							(ppts)
GPM	20.6%	22.2%	19.4%	18.6%	18.4%	18.5%	(0.11)
Selling exp	1.0%	0.8%	0.8%	0.8%	0.8%	0.8%	0.04
Admin exp	1.8%	1.7%	1.5%	1.8%	1.7%	1.6%	0.05
R&D	5.3%	5.1%	4.5%	5.9%	5.3%	5.0%	0.31
EIT	16.9%	8.7%	15.7%	8.0%	13.7%	16.0%	(2.28)
Net margin	11.6%	14.1%	9.9%	9.4%	9.2%	8.9%	0.24

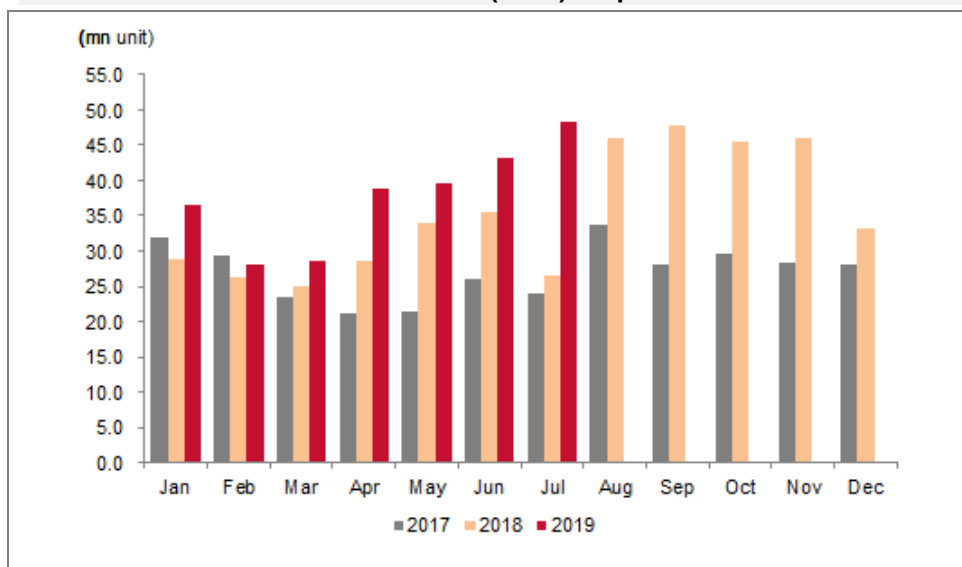
Source: Company, OP Research

Exhibit 4: Handset Lens Sets (HLS) Shipments



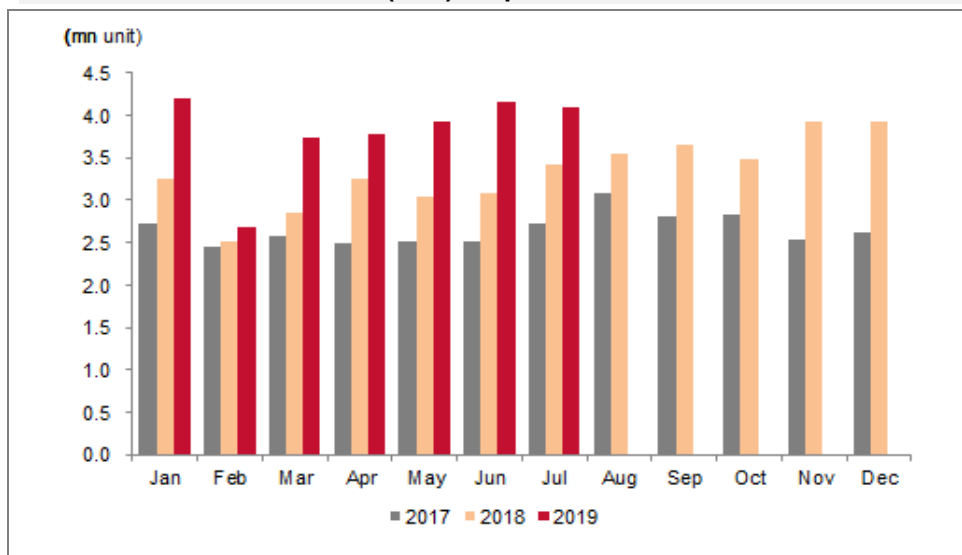
Source: Company, OP Research

Exhibit 5: Handset Camera Modules (HCM) Shipments



Source: Company, OP Research

Exhibit 6: Vehicle Lens Sets (VLS) Shipments



Source: Company, OP Research

Financial Summary

Year to Dec	FY17	FY18	FY19E	FY20E	FY21E
Income Statement (RMB mn)					
Optical components	4,302	6,023	8,676	11,377	14,260
Optoelectronics	17,771	19,609	29,677	36,390	41,981
Optical instruments	294	300	288	313	340
Turnover	22,366	25,932	38,641	48,080	56,580
YoY%	53	16	49	24	18
COGS	(17,563)	(21,019)	(31,572)	(38,299)	(44,501)
Gross profit	4,803	4,913	7,069	9,781	12,079
Gross margin	21.5%	18.9%	18.3%	20.3%	21.3%
Other income	343	170	358	450	761
Selling & distribution	(205)	(210)	(312)	(379)	(428)
Admin	(389)	(434)	(632)	(749)	(872)
R&D	(1,168)	(1,362)	(2,048)	(2,548)	(2,999)
Other opex	0	0	0	0	0
Total opex	(1,762)	(2,006)	(2,993)	(3,676)	(4,299)
Operating profit (EBIT)	3,383	3,077	4,434	6,555	8,540
Operating margin	15.1%	11.9%	11.5%	13.6%	15.1%
Provisions	0	0	0	0	0
Interest Income	0	0	0	0	0
Finance costs	(49)	(202)	(325)	(325)	(325)
Profit after financing costs	3,334	2,875	4,109	6,230	8,215
Associated companies & JVs	(16)	(24)	(0)	(0)	(0)
Pre-tax profit	3,318	2,851	4,108	6,230	8,215
Tax	(404)	(339)	(563)	(854)	(1,125)
Minority interests	(13)	(22)	(7)	(11)	(14)
Net profit	2,902	2,491	3,538	5,366	7,075
YoY%	128	(14)	42	52	32
Net margin	13.0%	9.6%	9.2%	11.2%	12.5%
EBITDA	3,756	3,492	5,208	7,625	9,649
EBITDA margin	16.8%	13.5%	13.5%	15.9%	17.1%
EPS (RMB)	2.656	2.271	3.226	4.892	6.451
YoY%	128	(15)	42	52	32
DPS (HK\$)	0.812	0.662	0.940	1.426	1.880
Year to Dec	FY17	FY18	FY19E	FY20E	FY21E
Cash Flow (RMB mn)					
EBITDA	3,756	3,492	5,208	7,625	9,649
Chg in working cap	(1,126)	(203)	(352)	(879)	(764)
Others	102	542	0	0	0
Operating cash	2,732	3,830	4,856	6,745	8,885
Interest received	80	236	253	344	653
Tax	(295)	(262)	0	(563)	(854)
Net cash from operations	2,516	3,804	5,109	6,526	8,684
Capex	(1,142)	(2,134)	(4,637)	(3,366)	(3,961)
Investments	(77)	(3,225)	0	0	0
Dividends received	0	0	0	0	0
Sales of assets	23	55	0	0	0
Interests paid	(37)	(125)	(325)	(325)	(325)
Others	(571)	(432)	0	0	0
Investing cash	(1,803)	(5,860)	(4,962)	(3,691)	(4,286)
FCF	713	(2,056)	146	2,835	4,398
Issue of shares	0	0	0	0	0
Buy-back	(81)	(89)	0	0	0
Minority interests	0	0	0	0	0
Dividends paid	(315)	(722)	(623)	(913)	(1,384)
Net change in bank loans	444	88	0	0	0
Others	2	3,805	0	0	0
Financing cash	49	3,081	(623)	(913)	(1,384)
Net change in cash	762	1,025	(477)	1,922	3,014
Exchange rate or other Adj	(2)	2	0	0	0
Opening cash	467	1,227	2,254	1,778	3,700
Closing cash	1,227	2,254	1,778	3,700	6,714
CFPS (HK\$)	2.520	3.676	5.002	6.369	8.274

Source: Company, OP Research

Year to Dec	FY17	FY18	FY19E	FY20E	FY21E
Ratios					
Gross margin (%)	21.5	18.9	18.3	20.3	21.3
Operating margin (%)	15.1	11.9	11.5	13.6	15.1
Net margin (%)	13.0	9.6	9.2	11.2	12.5
Selling & dist'n exp/Sales (%)	0.9	0.8	0.8	0.8	0.8
Admin exp/Sales (%)	1.7	1.7	1.6	1.6	1.5
Payout ratio (%)	27.1	25.8	25.8	25.8	25.8
Effective tax (%)	12.1	11.8	13.7	13.7	13.7
Total debt/equity (%)	18.1	60.3	45.9	33.6	25.0
Net debt/equity (%)	1.7	35.9	31.2	11.3	Net cash
Current ratio (x)	1.5	1.9	1.6	1.6	1.8
Quick ratio (x)	1.2	1.6	1.2	1.3	1.4
Inventory T/O (days)	54	53	53	53	53
AR T/O (days)	92	88	80	80	80
AP T/O (days)	128	123	123	123	123
Cash conversion cycle (days)	18	18	11	11	11
Asset turnover (x)	1.6	1.3	1.5	1.4	1.4
Financial leverage (x)	2.2	2.3	2.5	2.3	2.1
EBIT margin (%)	15.1	11.9	11.5	13.6	15.1
Interest burden (x)	1.0	0.9	0.9	1.0	1.0
Tax burden (x)	0.9	0.9	0.9	0.9	0.9
Return on equity (%)	46.9	29.8	33.1	37.3	36.4
ROIC (%)	45.7	26.8	26.8	32.7	37.1
Year to Dec	FY17	FY18	FY19E	FY20E	FY21E
Balance Sheet (RMB mn)					
Fixed assets	2,640	4,572	8,270	10,310	12,596
Intangible assets & goodwill	392	349	261	174	86
Associated companies & JVs	125	101	101	101	101
Long-term investments	129	0	0	0	0
Other non-current assets	804	1,062	1,062	1,062	1,062
Non-current assets	4,091	6,084	9,694	11,646	13,845
Inventories	2,622	3,074	4,617	5,601	6,508
AR	5,666	6,231	8,469	10,538	12,401
Prepayments & deposits	165	240	358	446	524
Other current assets	1,956	4,968	4,968	4,968	4,968
Cash	1,227	2,254	1,778	3,700	6,714
Current assets	11,635	16,768	20,191	25,253	31,116
AP	6,183	7,064	10,611	12,871	14,956
Tax	101	0	563	854	1,125
Accruals & other payables	0	0	0	0	0
Bank loans & leases	1,348	1,482	1,482	1,482	1,482
CB & othe debts	4	9	9	9	9
Other current liabilities	69	122	122	122	122
Current liabilities	7,705	8,677	12,787	15,338	17,695
Bank loans & leases	0	0	0	0	0
CB & othe debts	0	4,080	4,080	4,080	4,080
Deferred tax & others	502	807	807	807	807
MI	31	54	61	72	86
Non-current liabilities	532	4,941	4,948	4,958	4,973
Total net assets	7,489	9,234	12,150	16,603	22,294
Shareholder's equity	7,489	9,234	12,150	16,603	22,294
Share capital	105	105	105	105	105
Reserves	7,383	9,129	12,044	16,497	22,189
BVPS (HK\$)	7.71	9.51	12.52	17.10	22.97
Total debts	1,352	5,571	5,571	5,571	5,571
Net cash/(debts)	(125)	(3,317)	(3,794)	(1,871)	1,143

Exhibit 7: Peer Group Comparison

			Mkt	3-mth	PER	PER	PER	EPS	EPS																
			cap	avg t/o	Hist	FY1	FY2	FY1	FY2																
Company	Ticker	Price (US\$m)	(US\$m)	(x)	(x)	(x)	YoY%	YoY%	Cagr (%)	PEG (x)	Hist (%)	(%)	(x)	(x)	Hist	Cur Yr	Hist (%)	Hist (%)	Hist (%)	(%)	FY1 (%)	1-mth %	3-mth %		
Sunny Optical	2382 HK	95.40	13,345	92.2	37.2	26.2	17.3	42.1	51.6	38.1	0.69	0.7	1.0	10.03	7.62	30.9	20.8	35.9	21.5	13.0	29.8	33.1	10.5	6.5	
HSI		25,495.5			10.2	10.2	9.5	(0.1)	7.4	5.1	2.02	3.8	4.0	1.15	1.11					11.2	10.9	(10.7)	(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	(8.6)	(8.3)		
CSI300		3,694.00			13.7	12.0	10.5	14.3	13.8			2.3	2.6	1.7	1.6					12.5	13.2	(3.4)	(0.9)		
Adjusted sector avg*					26.5	14.9	12.1	35.1	31.3	48.4	0.6	0.9	1.0	2.6	2.2	10.8	7.8	74.0	18.0	4.2	6.8	14.0	(4.8)	(5.3)	
Largan Precision	3008 TT	3,825.00	16,327	106.7	21.1	17.8	15.4	18.4	15.5	16.6	1.07	1.8	2.2	4.65	3.96	13.0	11.1	0.0	68.8	48.8	26.0	24.2	(9.0)	(10.3)	
Genius Elec	3406 TT	410.00	1,307	174.0	43.7	27.3	13.8	60.1	98.3	57.9	0.47	0.9	0.9	5.11	4.36	16.1	11.4	21.0	38.7	11.8	9.5	19.9	(6.4)	9.3	
Lg Innotek Co Lt	011070 KS	104,500.00	2,031	13.9	15.2	15.5	10.8	(1.9)	42.5	15.9	0.97	0.3	0.3	1.19	1.08	5.0	4.5	71.1	10.8	2.0	5.9	7.4	(5.0)	(7.5)	
Ofilm Group Co-A	002456 CH	8.58	3,306	148.2	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	3.9	2.5	
Holitech Techn-A	002217 CH	5.40	2,390	31.4	12.6	7.7	9.2	64.0	(16.3)	20.9	0.37	0.8	N/A	1.47	1.32	9.0	N/A	93.9	18.9	8.1	11.9	12.5	2.9	(2.4)	
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)	(23.4)	

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

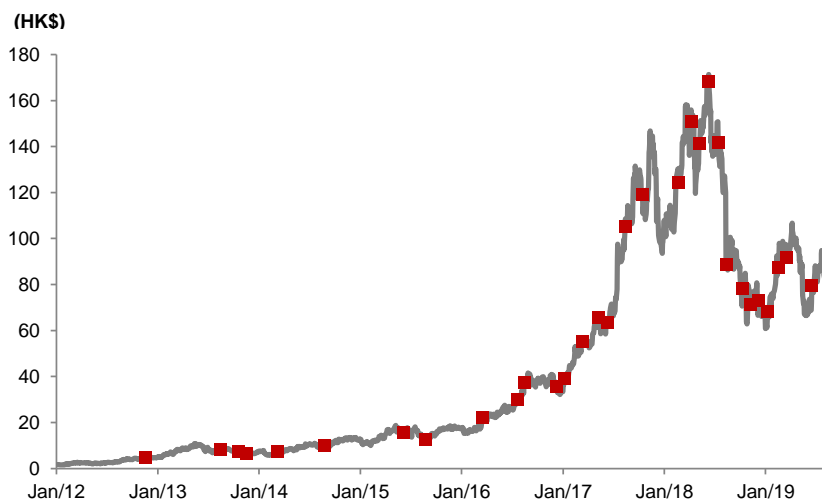
Source: Bloomberg, OP Research

Our recent reports

Date	Company / Sector	Ticker	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: Sunny Optical (2382 HK)

(as of 15/08/2019)



Date	Rating	TP	Close	Date	Rating	TP	Close
1 18 Aug 2017	BUY	118.00	107.20	10 12 Oct 2018	BUY	107.00	78.95
2 16 Oct 2017	BUY	130.00	121.60	11 12 Nov 2018	BUY	107.00	71.90
3 23 Feb 2018	BUY	134.00	128.50	12 11 Dec 2018	BUY	107.00	73.80
4 28 Mar 2018	BUY	194.00	160.30	13 11 Jan 2019	BUY	98.00	68.75
5 11 Apr 2018	BUY	194.00	152.90	14 18 Feb 2019	BUY	98.00	84.85
6 10 May 2018	BUY	194.00	142.57	15 21 Mar 2019	HOLD	98.00	95.60
7 11 Jun 2018	BUY	194.00	169.70	16 10 May 2019	BUY	98.00	86.10
8 18 Jul 2018	BUY	190.00	142.00	17 12 Jun 2019	BUY	96.00	73.60
9 16 Aug 2018	BUY	107.00	89.75	18 19 Jun 2019	BUY	96.00	79.50

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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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CONTACT

27/F, Two Exchange Square,

8 Connaught Place, Central, Hong Kong

www.oriental-patron.com.hk

yuji.fung@oriental-patron.com.hk

Tel: (852) 2135 0236

Fax: (852) 2135 0295