



Rating
Hold

Asia
China

Consumer
Food & Beverage

Company
Tingyi

Reuters 0322.HK	Bloomberg 322 HK	Exchange HKG	Ticker 0322
ADR Ticker TCYMY	ISIN US8874953073		

Date
23 March 2015

Forecast Change

Price at 23 Mar 2015 (HKD)	17.74
Price target - 12mth (HKD)	19.50
52-week range (HKD)	23.20 - 16.24
HANG SENG INDEX	24,375

No easy 1H15

A preferred partner, maintaining Hold

Although Tingyi's 2015 top- and bottom-line growth will be back-end loaded, we think its unrivalled distribution network and economies of scale make it a preferred Chinese partner for foreign brands, and also one of the beneficiaries of consumer upgrades. Maintaining Hold.

Excluding c. USD35m provisions, core NPAT was USD435m

Tingyi reported a 2% yoy decline in reported NPAT to USD400m for 2014. During the year, Tingyi announced a voluntary retirement plan for employees of Pepsi-JV, under which employees are entitled to compensation for termination of employment in 2015-16, and it recognized an attributable USD33m in contingent expenses in 2014. Excluding such expenses, Tingyi's core NPAT would have been USD433m, up 6% yoy, and +/-3% vs. DBE (USD420m) and consensus forecast (USD444m).

2015 guidance: single-digit top-line growth but back-end loaded

Tingyi targets single-digit top-line growth in 2015, but reminds the market that 2014 was front-end loaded (therefore 1H14 was a difficult comp). The company also plans to pass on part of the cost benefit to reward distributors, and part of it for a product upgrade in 2015. Tingyi is open to more cooperation with foreign brands apart from Starbucks (SBUX US; \$97.5, NR).

2015-16E NPAT -4.8-8.5%; target price -5.8%

We have cut our 2015-16E NPAT forecast by 4.8-8.5%, to factor in slower revenue growth in view of the macro headwind of weak consumption, lower input costs but higher A&P expenses. Based on our new forecast, our DCF-based target price is reduced to HKD19.5 from HKD20.7 (3.9% RFR; 5.6% ERP; 1.0 beta; debt free structure; 2% TG). Key upside risks include unexpected and earnings-accretive M&A, lower input costs. Key downside risks include intensifying competition leading to price cuts and rising selling expenses, and input cost hikes.

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Key changes

Price target	20.70 to 19.50	↓	-5.8%
Sales (FYE)	11,174 to 10,897	↓	-2.5%
Op prof margin (FYE)	8.2 to 9.0	↑	10.1%
Net profit (FYE)	595.1 to 544.6	↓	-8.5%

Source: Deutsche Bank

Price/price relative



Performance (%)	1m	3m	12m
Absolute	-7.4	2.1	-15.1
HANG SENG INDEX	-1.9	4.5	13.7

Source: Deutsche Bank

Forecasts And Ratios

Year End Dec 31	2013A	2014A	2015E	2016E	2017E
Sales (USDm)	10,941.0	10,238.0	10,897.3	11,656.9	12,491.3
Reported NPAT (USDm)	408.5	400.5	544.6	642.9	696.9
Reported EPS FD(USD)	0.07	0.07	0.10	0.11	0.12
DB EPS FD (USD)	0.07	0.07	0.10	0.11	0.12
OLD DB EPS FD (USD)	0.07	0.08	0.11	0.12	-
% Change	0.0%	-5.0%	-8.5%	-4.8%	-
DB EPS growth (%)	12.0	-1.6	36.0	18.1	8.4
PER (x)	36.7	37.5	23.5	19.9	18.4
DPS (net) (USD)	0.04	0.04	0.05	0.06	0.06
Yield (net) (%)	1.4	1.3	2.1	2.5	2.7

Source: Deutsche Bank estimates, company data

¹ DB EPS is fully diluted and excludes non-recurring items

² Multiples and yields calculations use average historical prices for past years and spot prices for current and future years, except P/B which uses the year end close

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Model updated: 23 March 2015

Running the numbers

Asia

China

Food & Beverage

Tingyi

Reuters: 0322.HK

Bloomberg: 322 HK

Hold

Price (23 Mar 15)

HKD 17.74

Target Price

HKD 19.50

52 Week range

HKD 16.24 - 23.20

Market Cap (m)

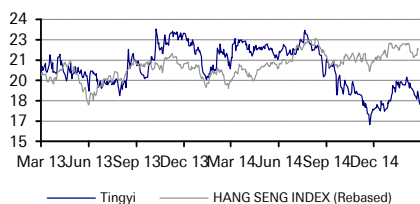
HKDm 99,236

USDm 12,792

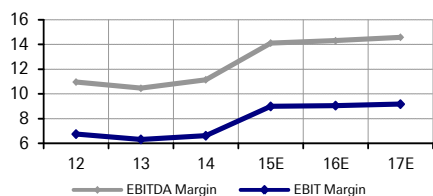
Company Profile

Tingyi (Cayman Islands) Holding Corporation, through its subsidiaries, manufactures and sells instant noodles, baked goods and beverages in China.

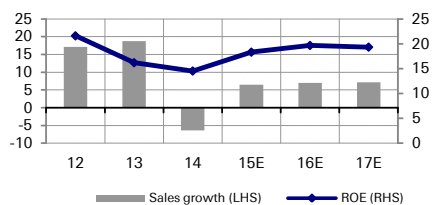
Price Performance



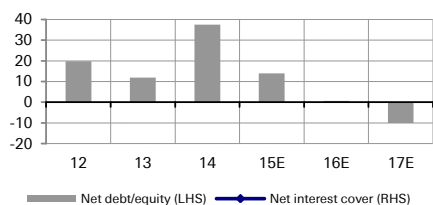
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2012	2013	2014	2015E	2016E	2017E
DB EPS (USD)	0.07	0.07	0.07	0.10	0.11	0.12
Reported EPS (USD)	0.08	0.07	0.07	0.10	0.11	0.12
DPS (USD)	0.03	0.04	0.04	0.05	0.06	0.06
BVPS (USD)	0.4	0.5	0.5	0.6	0.6	0.7
Weighted average shares (m)	5,592	5,594	5,593	5,593	5,593	5,593
Average market cap (USDm)	15,629	14,935	15,026	12,792	12,792	12,792
Enterprise value (USDm)	17,228	16,423	17,546	14,645	14,262	13,915

Valuation Metrics

P/E (DB) (x)	43.0	36.7	37.5	23.5	19.9	18.4
P/E (Reported) (x)	34.1	36.7	37.5	23.5	19.9	18.4
P/BV (x)	6.57	6.04	4.51	4.12	3.73	3.39
FCF Yield (%)	2.4	2.9	nm	8.2	6.6	7.0
Dividend Yield (%)	1.2	1.4	1.3	2.1	2.5	2.7
EV/Sales (x)	1.9	1.5	1.7	1.3	1.2	1.1
EV/EBITDA (x)	17.0	14.3	15.4	9.5	8.5	7.6
EV/EBIT (x)	27.7	23.7	25.9	14.9	13.5	12.1

Income Statement (USDm)

Sales revenue	9,212	10,941	10,238	10,897	11,657	12,491
Gross profit	2,754	3,310	3,118	3,595	3,764	4,097
EBITDA	1,011	1,145	1,142	1,539	1,668	1,823
Depreciation	381	444	454	558	611	676
Amortisation	7	8	9	0	0	0
EBIT	623	693	679	981	1,057	1,147
Net interest income/(expense)	16	14	8	15	59	74
Associates/affiliates	4	16	7	7	7	7
Exceptionals/extraordinaries	190	0	0	0	0	0
Other pre-tax income/(expense)	0	0	0	0	0	0
Profit before tax	832	723	694	1,003	1,123	1,228
Income tax expense	228	229	209	274	291	300
Minorities	145	86	84	185	190	232
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	460	409	400	545	643	697
DB adjustments (including dilution)	-95	0	0	0	0	0
DB Net profit	365	409	400	545	643	697

Cash Flow (USDm)

Cash flow from operations	1,195	1,270	590	1,545	1,563	1,690
Net Capex	-818	-833	-838	-493	-719	-790
Free cash flow	376	437	-248	1,052	844	900
Equity raised/(bought back)	4	-14	0	0	0	0
Dividends paid	-248	-207	-204	-200	-272	-321
Net inc/(dec) in borrowings	234	192	952	0	0	0
Other investing/financing cash flows	-127	-4	-563	0	0	0
Net cash flow	240	404	-63	852	572	579
Change in working capital	331	303	-319	15	110	84

Balance Sheet (USDm)

Cash and other liquid assets	830	1,234	1,171	2,022	2,595	3,174
Tangible fixed assets	5,002	5,485	5,860	5,795	5,902	6,017
Goodwill/intangible assets	29	28	27	27	27	27
Associates/investments	139	134	185	192	200	207
Other assets	1,473	1,543	1,963	1,988	2,038	2,084
Total assets	7,473	8,424	9,206	10,025	10,762	11,509
Interest bearing debt	1,484	1,676	2,629	2,629	2,629	2,629
Other liabilities	2,680	3,026	2,682	3,043	3,269	3,436
Total liabilities	4,164	4,702	5,310	5,672	5,898	6,065
Shareholders' equity	2,364	2,676	2,834	3,106	3,428	3,777
Minorities	945	1,046	1,062	1,247	1,437	1,668
Total shareholders' equity	3,309	3,722	3,896	4,353	4,864	5,445
Net debt	654	442	1,458	606	34	-545

Key Company Metrics

Sales growth (%)	17.1	18.8	-6.4	6.4	7.0	7.2
DB EPS growth (%)	-4.0	12.0	-1.6	36.0	18.1	8.4
EBITDA Margin (%)	11.0	10.5	11.2	14.1	14.3	14.6
EBIT Margin (%)	6.8	6.3	6.6	9.0	9.1	9.2
Payout ratio (%)	39.2	50.0	50.0	50.0	50.0	50.0
ROE (%)	21.6	16.2	14.5	18.3	19.7	19.3
Capex/sales (%)	9.5	8.0	8.2	4.5	6.2	6.3
Capex/depreciation (x)	2.3	1.9	1.8	0.9	1.2	1.2
Net debt/equity (%)	19.8	11.9	37.4	13.9	0.7	-10.0
Net interest cover (x)	nm	nm	nm	nm	nm	nm

Source: Company data, Deutsche Bank estimates

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2015 is back-end loaded

2015 outlook

Single-digit top-line growth but back-end loaded

This is James Wei's first annual results briefing after being appointed CEO. According to Mr Wei and management, Tingyi targets single-digit top-line growth in 2015, but reminds the market that 2014 was front-end loaded (therefore 1H14 made a difficult comp). The company also plans to pass on part of the cost benefit to reward distributors, and partly for a product upgrade in 2015. Note that Tingyi's 1H14 top-line growth was only 1.5%, and given the possible top-line disappointment, we lower our revenue forecast.

More international cooperation to expand product portfolio

Tingyi announced a JV with Starbucks for production of RTD coffee, and may have more cooperation with international beverage brand(s) in future, in particular outside the RTD tea and water areas.

Although the company plans to strengthen R&D, it has to stay focused due to limited resources, and its R&D will therefore focus on its core "evergreen products", e.g. RTD tea and water. The Pepsi JV will cover carbonated drinks and through Tropicana, it will also identify "evergreen" juice products, as traditional juice could only be a fashion. However, to stay relevant to future market trends, i.e. consumer fragmentation and premiumization, Tingyi has to continue expanding its product portfolio, and therefore it will continue seeking cooperation with other brands with relevant know how. Tingyi mentioned earlier that it will launch chilled, dairy/probiotic products; we wonder if the company might cooperate with Weichuan China and Calpis, but the company declined to comment on this.

Stay focused, cost savings, innovation

Management agreed that there is not enough innovation within Tingyi (although we saw many new noodle and beverage products in the briefing), and it will strengthen R&D. In 2015, Tingyi: "will switch to cost saving, efficiency enhancing, and innovation as a result of the sluggish economy and the nature of the consumer market. We will maintain a steady operation, exercise sound control of capital expenditure, improve team skills, tackle enormous challenges and create synergies". It plans to reduce capex to USD600-700m for 2015 (2014: USD1,480m, including USD530m for new head office), mainly on beverages.

Cost benefits

During 2014, Tingyi announced a voluntary retirement plan for its employees as a result of an integration programme for its Pepsi-JV. The Group has made an offer to the affected employees who can decide to accept the offer of benefits in exchange for the termination of their employment, and it recognized USD73m termination expenses from during the year, including USD70m of contingent expenses (attributable to Tingyi: c. USD33m). This is a one-off and we think the plan will accelerate Tingyi's cost-cutting plan.



Tingyi will maintain ASP, but plans to pass on some of the cost benefit it will gain from lower staff and input costs to reward consumers (i.e. via product upgrade) and distributors.

To recall, Tingyi management indicated at the beginning of the year that market visibility is the worst in Tingyi's history (since 1992), and the company has put profitability as 2015's top priority, including: 1) maintaining ASP while raw material costs are on a down trend. Although CPI is trending lower, Tingyi believes it is better to adjust ASP now, as when CPI is trending up, the central government will turn defensive on any price hike; 2) focusing on efficiency, e.g. by merging the food and beverage back offices from January 2015; 3) cutting TVC and using more online marketing; 4) enjoying the full-year impact of redundancy (cutting 2,000 Pepsi-JV staff since 2Q14) and more cost savings from the Pepsi JV, with GPM to catch up with Tingyi's beverage business within five years, e.g. by renewing OEM contracts at a lower cost upon expiry.

2015-16E NPAT and target price revisions

We have cut our 2015-16E NPAT forecast by 4.8-8.5%, to factor in slower revenue growth in view of the macro headwind of weak consumption, lower input costs, but higher A&P expenses to support distributors and stimulate demand. Based on our new forecast, our DCF-based target price is cut to HKD19.5 from HKD20.7 (3.9% RFR; 5.6% ERP; 1.0 beta; debt free structure; 2% TG, all in line with our valuation methodology for Chinese consumer stocks).

Figure 1: 2015-16E NPAT revisions

	New		Old		Change	
	2015E	2016E	2015E	2016E	2015E	2016E
Sales	10,897	11,657	11,174	12,021	-2.5%	-3.0%
GPM	33.0%	32.3%	31.3%	31.0%	1.7%	1.3%
EBITM	9.0%	9.1%	8.2%	8.2%	0.8%	0.9%
Core NPAT	545	643	595	675	-8.5%	-4.8%

Source: Deutsche Bank estimates

Figure 2: Tingyi sensitivity to petrochem-related cost

	2015E		2016E	
	USDm	Dev from base case	USDm	Dev from base case
6%	(36)	-6.5%	(41)	-6.4%
4%	(24)	-4.4%	(27)	-4.2%
2%	(12)	-2.2%	(14)	-2.1%
Base case NPAT	544.6		642.9	
-2%	12	2.2%	14	2.1%
-4%	24	4.4%	27	4.2%
-6%	36	6.5%	41	6.4%

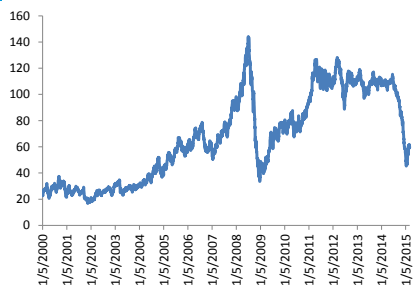
Source: Deutsche Bank

A lower PET cost favors beverage makers, including Tingyi. We estimate the cost of petrochem-related raw materials to account for 20% of its total COGS in 2015E, and for every 2% change in related cost from our base case (unit packaging cost of beverage -15% yoy), Tingyi's 2015E NPAT will be changed



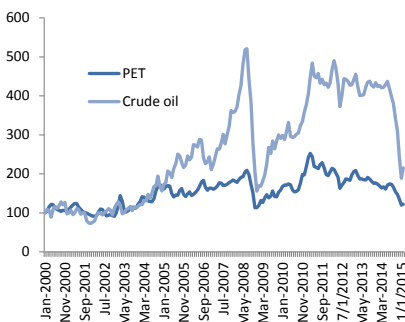
by 2.2%. Note that: 1) back in 2009, Tingyi didn't enjoy significant margin improvement from lower PET costs as it launched the "One More Bottle" campaign. This time around, as it plans to maintain ASP, we believe it will keep most of the cost benefit; and 2) Tingyi's effective interest in its beverage business is 47.5%, and therefore it will not take the full benefit of the PET cost savings.

Figure 3: Crude Oil-Brent Dated FOB U\$/BBL



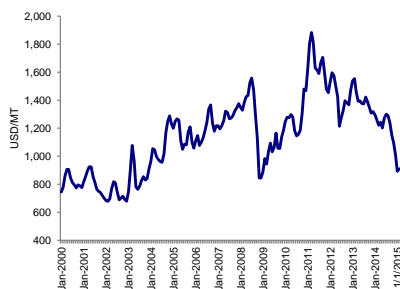
Source: Bloomberg

Figure 4: Crude oil and PET rebased



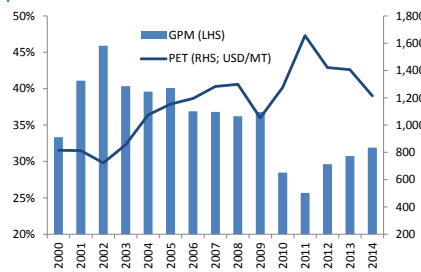
Source: CMAI, Bloomberg

Figure 5: PET, bottle Resin (not Coke approved)



Source: CMAI

Figure 6: Tingyi beverage GPM vs. PET avg price



Source: Company data, CMAI, Deutsche Bank

Enjoying tailwinds, maintaining Hold

International brand cooperation can be a premiumization strategy

In 2015, we think Tingyi, together with other FMCG peers, can enjoy the low input cost tailwinds, but this is a one-off. While we don't expect the Starbucks-JV to become a major profit contributor, more cooperation with international brands can become Tingyi's premiumization strategy, as "Master Kong" is a mass market/value-for-money brand, and it is difficult to tap into the premiumization trend on its own.

Maintaining Hold

As Tingyi's 2015 top-line growth will be back-end loaded, in 1H15 it can only count on lower input costs and staff costs. Only from 2H15 will it see top-line growth together with cost benefits. Nevertheless, we believe 4Q14 was the low point, and we have not changed our long-term thesis. Our DCF-based target price, which equates to 25.8x 2015E P/E, is backed by Tingyi's unrivalled distribution network and economies of scale, making it one of the beneficiaries



of consumer upgrades, and, according to Tingyi's five-year plan (2013-17), increasing product innovation and development efforts are on its agenda. Maintaining Hold.

Key upside risks include unexpected and earnings-accretive M&A, Tingyi being an acquisition target, and lower input costs. Key downside risks include intensifying competition leading to price cuts and rising selling expenses, input cost hikes. Separately, on 7 March 2015, Tingsin terminated the proposed disposal of a 37.17% stake in Taipei 101 (for TWD25bn) as the deal failed to get government approval. We have no means of ascertaining, but if Tingsin needs refinancing and/or debt servicing, it could sell assets (including its interests in listed vehicles), and/or increase the dividend payout of subsidiaries; etc.

2014 review

Tingyi reported a 2% yoy decline in reported NPAT to USD400m for 2014 (5% below DBe of USD420m and 10% below market consensus of USD444m), with sales declining by 6% yoy to USD10.2bn (2% below DBe). During 2014, Tingyi announced a voluntary retirement plan for its employees as a result of an integration programme for its Pepsi-JV. The Group has made an offer to the affected employees who can decide to accept the offer of benefits in exchange for the termination of their employment, and it recognized USD70m of contingent termination expenses from during the year. Excluding c. USD33m attributable integration cost, Tingyi's core NPAT would have been USD435m, up 6% yoy.

Figure 7: Tingyi results highlights

(USDm)											Yoy change				
	1Q	2Q	3Q	4Q	2013	1Q	2Q	3Q	4Q	2014	1Q	2Q	3Q	4Q	2014
Turnover															
Instant noodles	1,105	888	1,153	1,186	4,332	1,150	884	1,132	972	4,138	4%	0%	-2%	-18%	-4%
Beverages	1,483	1,767	2,160	858	6,268	1,554	1,778	1,729	739	5,800	5%	1%	-20%	-14%	-7%
Others	60	119	77	85	341	78	60	93	69	300	29%	-50%	21%	-18%	-12%
Total	2,648	2,775	3,390	2,128	10,941	2,782	2,723	2,954	1,780	10,238	5%	-2%	-13%	-16%	-6%
Gross margin															
Instant noodles	30.2%	28.0%	29.8%	28.8%	29.2%	28.0%	27.3%	29.8%	27.9%	28.3%	-2.1%	-0.7%	0.0%	-0.9%	-0.9%
Beverages	28.0%	32.0%	34.2%	24.1%	30.8%	32.1%	34.6%	33.4%	21.5%	31.9%	4.1%	2.6%	-0.8%	-2.5%	1.2%
Blended	29.3%	30.4%	32.6%	27.5%	30.3%	30.4%	31.8%	32.1%	25.9%	30.5%	1.1%	1.3%	-0.5%	-1.6%	0.2%
EBITM															
Instant noodles	11.5%	7.5%	12.0%	8.8%	10.1%	10.6%	7.6%	13.5%	8.5%	10.3%	-0.9%	0.1%	1.5%	-0.3%	0.2%
Beverages	3.9%	5.1%	8.0%	-9.5%	3.8%	8.1%	8.3%	6.6%	-17.4%	4.5%	4.2%	3.2%	-1.4%	-7.9%	0.6%
Blended	7.4%	6.2%	10.6%	-2.0%	6.2%	9.1%	8.2%	9.8%	-4.9%	0.0%	1.8%	2.0%	-0.8%	-2.9%	-6.2%
NPAT															
Instant noodles	98	57	108	74	337	103	58	119	80	360	5%	3%	10%	8%	7%
Beverages	10	28	77	(38)	69	39	54	39	(33)	103	282%	91%	-49%	-	49%
Others	(3)	(4)	1	(10)	(8)	(14)	(9)	1	(8)	(30)					
Core NPAT	105	81	186	26	398	128	104	160	42	433	22%	27%	-14%	-62%	9%



One-off items	-	11	-	-	11	-	-	-	(33)	(33)					
Reported NPAT	105	92	186	26	409	128	104	160	9	400	22%	13%	-14%	-65%	-2%

Source: Company data; Deutsche Bank

In 4Q14, revenue declined 16% yoy. Noodle (90% of 2014 NPAT) 4Q14 revenue was down 18% yoy. Tingyi believes this is partly due to the tainted oil scandal of its Taiwan sister companies, and also to distributors stocking up in 3Q14 ahead of the price hike. We think it is also partly a combined result of RMB depreciation, late Chinese New Year and weak consumption. Beverage revenue was down 14% yoy in 4Q14, mainly driven by the ongoing weakness of traditional juice.

Figure 8: Beverage revenue breakdown

(USDm)											Yoy change				
	1Q	2Q	3Q	4Q	2013	1Q	2Q	3Q	4Q	2014	1Q	2Q	3Q	4Q	2014
RTD tea	573	653	752	314	2,292	724	661	626	319	2,330	26%	1%	-17%	2%	2%
Bottled water	154	354	473	160	1,141	206	444	350	134	1,134	34%	25%	-26%	-16%	-1%
Diluted juice	363	403	410	164	1,340	316	303	248	97	964	-13%	-25%	-40%	-41%	-28%
Carbonated drinks	393	357	525	220	1,495	308	370	505	190	1,373	-22%	4%	-4%	-14%	-8%
Beverages	1,483	1,767	2,160	858	6,268	1,554	1,778	1,729	739	5,800	5%	1%	-20%	-14%	-7%

Source: Company data

Net debt increased to USD1,458m as of end-2014 (2013: USD442m), partly as the company built a new head office in Shanghai. The company is keeping the dividend payout ratio unchanged at 50%.

Figure 9: Market share by product/brand

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
RTD tea (volume) ex-milk tea								
Tingyi	54.5%	57.1%	58.0%	59.4%	60.8%	60.9%	61.4%	61.4%
UPC	25.5%	24.0%	23.9%	23.5%	22.9%	22.8%	22.6%	22.9%
Wahaha	8.6%	7.8%	7.2%	6.6%	6.0%	6.1%	5.8%	5.5%
Coca Cola	1.1%	0.9%	0.8%	0.6%	0.6%	0.4%	0.3%	0.2%
RTD tea (value) ex-milk tea								
Tingyi	52.2%	53.4%	53.8%	54.8%	55.9%	56.1%	56.5%	56.1%
UPC	25.0%	24.6%	24.7%	24.4%	23.8%	23.5%	23.4%	23.7%
Wahaha	9.3%	8.7%	8.1%	7.5%	6.9%	7.0%	6.7%	6.2%
Coca Cola	1.2%	1.0%	0.9%	0.8%	0.7%	0.4%	0.3%	0.3%
Bottled water (volume)								
Tingyi	19.7%	22.7%	25.9%	22.6%	20.3%	21.8%	21.9%	19.1%
Wahaha	11.8%	11.4%	11.3%	12.0%	12.3%	11.4%	10.9%	11.0%
Farmer's Spring	24.1%	22.7%	21.2%	21.2%	21.5%	20.8%	20.2%	20.2%
Coca Cola	6.5%	7.6%	8.3%	6.7%	6.4%	7.8%	8.0%	7.1%
Yi Bao	11.1%	10.2%	9.8%	12.5%	13.3%	12.8%	13.1%	15.8%
Run Tian	1.7%	1.6%	1.7%	1.9%	1.6%	1.4%	1.3%	1.4%
Diluted Juice drinks (volume)								
Tingyi	25.2%	30.5%	33.8%	31.0%	25.4%	28.3%	28.4%	26.1%
UPC	19.2%	19.5%	19.0%	19.2%	18.4%	18.5%	18.6%	17.3%
Coca Cola	32.1%	27.7%	26.9%	29.9%	32.2%	26.4%	25.7%	27.6%
Huiyuan	4.1%	3.5%	3.4%	3.8%	4.8%	3.5%	3.5%	4.1%
Wahaha	5.6%	6.6%	6.3%	5.7%	4.8%	5.6%	5.4%	4.7%

Source: Company data



Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist

Company	Ticker	Recent price*	Disclosure
Tingyi	0322.HK	17.78 (HKD) 23 Mar 15	14

*Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

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Historical recommendations and target price: Tingyi (0322.HK)

(as of 3/23/2015)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9,2002

1.	20/05/2013:	Hold, Target Price Change HKD19.63	4.	18/11/2013:	Hold, Target Price Change HKD21.00
2.	03/07/2013:	Hold, Target Price Change HKD18.90	5.	24/03/2014:	Hold, Target Price Change HKD21.40
3.	26/08/2013:	Hold, Target Price Change HKD18.50	6.	17/11/2014:	Hold, Target Price Change HKD20.70



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Buy: Based on a current 12-month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield), we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total share-holder return, we recommend that investors sell the stock

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

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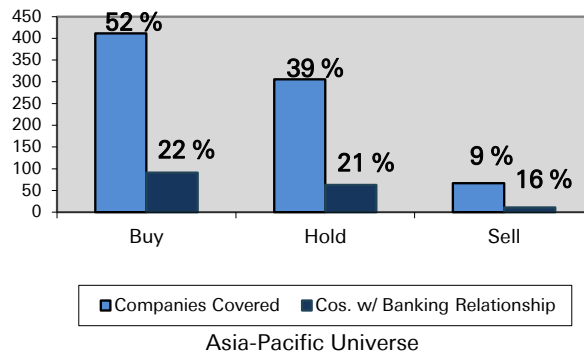
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