

# Ausnutria Dairy (1717 HK)

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## Company Update

**BUY**
**UNCHANGED**
**Close price:** HK\$14.34

**Target Price:** HK\$16.00 (+12%)

**Prior TP:** HK\$12.50

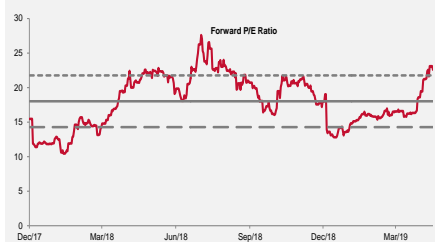
**Key Data**

HKEx code	1717	HK
12 Months High (HK\$)	14.80	
12 Month Low (HK\$)	6.78	
3M Avg Dail Vol. (mn)	2.75	
Issue Share (mn)	1,595.58	
Market Cap (HK\$mn)	22,880.65	
Fiscal Year	12/2018	
Major shareholder (s)	CITIC Agri Fund	(23.97%)

Source: Company data, Bloomberg, OP Research  
 Closing price are as of 14/05/2019

**Price Chart**


	1mth	3mth	6mth
Absolute %	35.0	49.8	53.4
Rel. MSCI CHINA %	42.6	50.1	45.0

**PE**

**Company profile**

Ausnutria Dairy Corporation Ltd is a pediatric milk formula company. It markets and sells dairy products to the People's Republic of China, Europe, North America, the Middle East, and other overseas countries.

## 1Q19E saw a solid start

- Ausnutria announced 1Q19E results with revenue/earnings up 29%/46% yoy to RMB1,519mn/RMB152mn and GPM improved to 49.2%.
- We tune up our FY19/20E earnings estimate by 6.4%/4.3% to RMB900mn/RMB1.168mn respectively.
- Reiterate BUY with TP HK\$16.00 revised up from HK\$12.50 based on revised-up 22x FY20E P/E, at par with industry peers.

**1Q19E saw a solid start.** Ausnutria achieved 29% yoy revenue increase in 1Q19E to RMB1,519mn, in-line with its profit alert, of which own-branded cow/goat IMF each posted 21.1% /47.2% yoy growth to RMB567mn/RMB683mn respectively, equivalent to 37%/45% topline contribution. GMP swells to 49.2%, up 2.9ppts yoy, thanks to higher portion of high-end products in sales mix. Opex remained largely stable with selling/admin exp. ratio of 25.9%/8.2%. As a result, the company recorded 87.2% yoy growth in core earnings to RMB193mn after adjustment of RMB42.9mn loss on FV change due to previous acquisition.

**We tune up our FY19/20E earnings estimate by 6.4%/4.3% to RMB900mn/RMB1,168mn.** We revised down our FY19/20E revenue by 1.7%/2.6% to RMB7,123mn/RMB9,127mn as the growth of cow IMF is lagging our previous expectations. Meanwhile, we cut FY19/20E opex by 4.4%/4.5% on better than expected costs control and less freight outgoings. As a result, our FY19/20E diluted EPS is fine-tuned by 5.5%/3.4% to HK\$0.673/HK\$0.874 respectively after the dilution effects from the issuance of new consideration shares.

**Positive read across from competitors' 1Q data, reiterate BUY.** Compared to the 1Q19 results of both domestic and global competitors, the sales growth of Ausnutria's self-owned brands were encouraging. The company introduced new spokespersons for its goat IMF and organic IMF product lines in 2019E, which we believe is a wise tactic to defend its leading status in the increasingly crowded premium-end market segment. We revise up our TP to HK\$16.00 based on 22x FY20x PE, at par with its industry peers on its solid execution and strong growth momentum. Reiterate BUY.

**Risks:** (1) Product safety issues; (2) increasing competition in goat IMF market; (3) lower than expected GPM.

**Exhibit 1: Forecast and Valuation**

Year to Dec (RMB mn)	FY17	FY18	FY19E	FY20E	FY21E
Revenue	3,926.5	5,389.6	7,122.9	9,127.0	10,979.3
Growth (%)	43.3	37.3	32.2	28.1	20.3
Adjusted net profit	308.2	581.5	900.1	1,168.4	1,414.8
Growth (%)	44.9	88.7	54.8	29.8	21.1
Adj. diluted EPS (HK\$)	0.292	0.512	0.673	0.874	1.058
Growth (%)	43.2	75.2	31.3	29.8	21.1
Change to previous EPS (%)			5.5	3.4	
Consensus EPS (HK\$)			0.668	0.872	
ROE (%)	19.2	25.4	25.0	26.7	26.5
P/E (x)	58.8	33.6	25.6	19.7	16.3
P/B (x)	8.6	5.8	4.8	4.0	3.3
Yield (%)	0.6	0.7	1.5	2.0	2.4
DPS (HK\$)	0.080	0.100	0.220	0.286	0.346

Source: Bloomberg, OP Research

**Exhibit 2: Earnings revision**

(RMB mn)	FY19E			FY20E			OP Comments
	New	Old	% Chg	New	Old	% Chg	
<b>Revenue</b>	<b>7,123</b>	<b>7,243</b>	<b>(1.7)</b>	<b>9,127</b>	<b>9,373</b>	<b>(2.6)</b>	We tuned up the growth of goat IMF to 46% and tuned down that of cow IMF to 31%.
Gross profit	3,559	3,607	(1.3)	4,548	4,640	(2.0)	
Gross margin	50.0%	49.8%	0.2	49.8%	49.5%	0.3	
Opex	(2,496)	(2,611)	(4.4)	(3,165)	(3,314)	(4.5)	Lower selling expense ratio
EBIT	1,089	1,022	6.5	1,409	1,351	4.3	
Net Profit	900	846	6.4	1,168	1,121	4.3	
Diluted EPS (HK\$)	0.673	0.638	5.5	0.874	0.845	3.4	

Source: OP Research

**Exhibit 3: Quarterly result summary**

(RMB mn)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
<b>Revenue</b>	<b>751</b>	<b>952</b>	<b>1,027</b>	<b>1,197</b>	<b>1,178</b>	<b>1,405</b>	<b>1,200</b>	<b>1,607</b>	<b>1,519</b>
COGS	(447)	(543)	(612)	(634)	(633)	(752)	(604)	(741)	(772)
<b>Gross profit</b>	<b>304</b>	<b>409</b>	<b>415</b>	<b>563</b>	<b>545</b>	<b>652</b>	<b>596</b>	<b>867</b>	<b>748</b>
Other income & gains	12	9	21	(17)	10	95	15	(32)	16
Selling exp	(168)	(203)	(247)	(351)	(327)	(369)	(333)	(414)	(394)
Admin exp	(61)	(67)	(84)	(85)	(90)	(87)	(111)	(174)	(124)
Other opex	(2)	(6)	(6)	(13)	(4)	(13)	(17)	(25)	(58)
<b>Operating profit (EBIT)</b>	<b>84</b>	<b>141</b>	<b>97</b>	<b>96</b>	<b>134</b>	<b>278</b>	<b>150</b>	<b>221</b>	<b>188</b>
Provisions or other items	0	0	0	0	0	0	0	0	0
Interest income	0	0	0	34	0	0	0	26	0
Finance costs	(6)	(3)	(9)	(4)	(10)	(11)	(6)	(2)	(8)
Profit after financing costs	78	138	89	125	124	267	144	245	180
Associated cos	4	1	3	(1)	3	(1)	3	6	3
Jointly controlled cos	0	0	0	1	2	(1)	0	0	0
Pre-tax profit	83	139	92	125	129	265	147	251	183
Tax	(13)	(40)	(22)	(28)	(19)	(38)	(19)	(71)	(40)
Minority interests	(4)	(10)	(3)	(9)	(6)	(3)	0	(1)	9
<b>Net profit</b>	<b>65</b>	<b>88</b>	<b>67</b>	<b>87</b>	<b>104</b>	<b>223</b>	<b>128</b>	<b>179</b>	<b>152</b>
<b>One-off items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>(1)</b>	<b>(7)</b>	<b>43</b>
<b>Adjusted net profit</b>	<b>65</b>	<b>88</b>	<b>67</b>	<b>87</b>	<b>104</b>	<b>162</b>	<b>130</b>	<b>186</b>	<b>195</b>
<b>Key ratios</b>									
GPM	40.5%	42.9%	40.4%	47.0%	46.3%	46.5%	49.7%	53.9%	49.2%
Selling exp	22.4%	21.4%	24.1%	29.3%	27.8%	26.3%	27.8%	25.8%	25.9%
Admin exp	8.1%	7.1%	8.2%	7.1%	7.6%	6.2%	9.3%	10.9%	8.2%
EIT	16.3%	29.1%	23.4%	22.7%	14.8%	14.4%	13.0%	28.3%	22.0%
Adjusted Net margin	8.6%	9.3%	6.6%	7.3%	8.8%	11.5%	10.8%	11.6%	12.8%
<b>Key revenue contribution</b>									
Own-branded formula	69%	71%	71%	79%	79%	81%	80%	85%	82%
Goat milk (PRC)	29%	24%	31%	25%	35%	27%	38%	32%	41%
Goat milk (overseas)	5%	5%	5%	6%	5%	4%	5%	6%	4%
Cow milk	34%	41%	36%	48%	40%	50%	38%	47%	37%

Source: Company, OP Research

Exhibit 4: Ausnutria's new spokespersons: Jimmy Lin and Huanglei



Source: Company

## Financial Summary

Year to Dec	FY17	FY18	FY19E	FY20E	FY21E	Year to Dec	FY17	FY18	FY19E	FY20E	FY21E
<b>Income Statement (RMB mn)</b>						<b>Ratios</b>					
Own branded formulas	2,863	4,401	6,072	7,975	9,720	Gross margin (%)	43.0	49.4	50.0	49.8	49.6
Private label	422	338	338	355	373	Operating margin (%)	10.7	14.5	15.3	15.4	15.5
Nutrition products	75	136	191	267	347	Net margin (%)	7.8	11.8	12.6	12.8	12.9
Others	567	514	522	531	540	Selling & dist'n exp/Sales (%)	24.7	26.8	26.3	26.7	27.0
<b>Turnover</b>	<b>3,927</b>	<b>5,390</b>	<b>7,123</b>	<b>9,127</b>	<b>10,979</b>	Admin exp/Sales (%)	7.6	8.6	8.3	7.6	6.9
YoY%	43	37	32	28	20	Payout ratio (%)	34.1	32.7	32.7	32.7	32.7
COGS	(2,236)	(2,729)	(3,564)	(4,579)	(5,532)	Effective tax (%)	24.1	18.9	18.5	18.5	18.5
<b>Gross profit</b>	<b>1,690</b>	<b>2,661</b>	<b>3,559</b>	<b>4,548</b>	<b>5,447</b>	Total debt/equity (%)	113.3	33.1	15.6	12.8	10.5
Gross margin	43.0%	49.4%	50.0%	49.8%	49.6%	Net debt/equity (%)	21.1	Net cash	Net cash	Net cash	Net cash
Other income	24	88	26	26	26	Current ratio (x)	1.2	1.6	1.7	1.8	1.9
Selling & distribution	(969)	(1,444)	(1,872)	(2,439)	(2,965)	Quick ratio (x)	0.8	1.0	1.1	1.2	1.2
Admin	(298)	(462)	(588)	(690)	(761)	Inventory T/O (days)	177	207	180	180	180
Other opex	(28)	(60)	(36)	(37)	(44)	AR T/O (days)	21	24	24	24	24
<b>Total opex</b>	<b>(1,296)</b>	<b>(1,966)</b>	<b>(2,496)</b>	<b>(3,165)</b>	<b>(3,770)</b>	AP T/O (days)	44	38	38	38	38
<b>Operating profit (EBIT)</b>	<b>418</b>	<b>783</b>	<b>1,089</b>	<b>1,409</b>	<b>1,703</b>	Cash conversion cycle (days)	153	193	166	166	166
Operating margin	10.7%	14.5%	15.3%	15.4%	15.5%	Asset turnover (x)	0.8	0.9	1.0	1.1	1.1
Provisions	0	0	0	0	0	Financial leverage (x)	3.0	2.5	2.0	2.0	1.9
Interest Income	34	26	31	40	52	EBIT margin (%)	10.7	14.5	15.3	15.4	15.5
Finance costs	(22)	(30)	(17)	(12)	(12)	Interest burden (x)	1.0	1.0	1.0	1.0	1.0
Profit after financing costs	430	779	1,103	1,437	1,743	Tax burden (x)	0.7	0.8	0.8	0.8	0.8
Associated companies & JVs	9	13	12	12	12	<b>Return on equity (%)</b>	<b>19.2</b>	<b>25.4</b>	<b>25.0</b>	<b>26.7</b>	<b>26.5</b>
Pre-tax profit	439	792	1,115	1,448	1,754	<b>ROIC (%)</b>	<b>15.9</b>	<b>25.7</b>	<b>34.8</b>	<b>44.9</b>	<b>50.8</b>
Tax	(104)	(147)	(204)	(266)	(322)	<b>Year to Dec</b>	<b>FY18</b>	<b>FY18</b>	<b>FY19E</b>	<b>FY20E</b>	<b>FY21E</b>
Minority interests	(27)	(9)	(11)	(14)	(17)	<b>Balance Sheet (RMB mn)</b>					
<b>Net profit</b>	<b>308</b>	<b>635</b>	<b>900</b>	<b>1,168</b>	<b>1,415</b>	Fixed assets	1,693	1,868	2,015	2,208	2,434
YoY%	45	106	42	30	21	Intangible assets & goodwill	358	408	339	268	207
<b>Adjusted net profit</b>	<b>308</b>	<b>582</b>	<b>900</b>	<b>1,168</b>	<b>1,415</b>	Associated companies & JVs	108	262	274	285	297
Adjusted net margin	7.8%	10.8%	12.6%	12.8%	12.9%	Long-term investments	59	0	0	0	0
<b>EBITDA</b>	<b>496</b>	<b>934</b>	<b>1,296</b>	<b>1,652</b>	<b>1,977</b>	Other non-current assets	185	153	153	153	153
EBITDA margin	12.6%	17.3%	18.2%	18.1%	18.0%	<b>Non-current assets</b>	<b>2,402</b>	<b>2,690</b>	<b>2,780</b>	<b>2,914</b>	<b>3,090</b>
<b>EPS (RMB)</b>	<b>0.244</b>	<b>0.427</b>	<b>0.561</b>	<b>0.728</b>	<b>0.881</b>	Inventories	1,083	1,544	1,758	2,258	2,728
YoY%	43	75	31	30	21	AR	225	353	466	597	718
DPS (HK\$)	0.080	0.100	0.220	0.286	0.346	Prepayments & deposits	305	364	481	616	741
<b>Year to Dec</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19E</b>	<b>FY20E</b>	<b>FY21E</b>	Pledged deposits	969	428	428	428	428
<b>Cash Flow (RMB mn)</b>						Other current assets	1	0	0	0	0
EBITDA	496	934	1,296	1,652	1,977	Cash	636	1,450	1,819	2,559	3,413
Chg in working cap	2	(261)	148	(77)	(77)	<b>Current assets</b>	<b>3,219</b>	<b>4,139</b>	<b>4,952</b>	<b>6,459</b>	<b>8,029</b>
Others	90	7	0	0	0	AP	272	284	370	476	575
<b>Operating cash</b>	<b>587</b>	<b>679</b>	<b>1,444</b>	<b>1,575</b>	<b>1,900</b>	Tax	131	137	204	266	322
Interest received	53	30	31	40	52	Accruals & other payables	1,201	1,571	2,076	2,661	3,201
Tax	(105)	(147)	(137)	(204)	(266)	Bank loans & leases	1,158	659	200	200	200
<b>Net cash from operations</b>	<b>535</b>	<b>562</b>	<b>1,338</b>	<b>1,410</b>	<b>1,685</b>	CB & other debts	0	0	0	0	0
Capex	(470)	(307)	(285)	(365)	(439)	Other current liabilities	2	2	2	2	2
Investments	(161)	(40)	0	0	0	<b>Current liabilities</b>	<b>2,763</b>	<b>2,653</b>	<b>2,853</b>	<b>3,604</b>	<b>4,300</b>
Dividends received	0	0	0	0	0	Bank loans & leases	814	416	416	416	416
Sales of assets	0	0	0	0	0	CB & othe debts	0	0	0	0	0
Interests paid	(23)	(30)	(17)	(12)	(12)	Deferred tax & others	97	365	365	365	365
Others	(92)	575	0	0	0	MI	207	141	152	166	182
<b>Investing cash</b>	<b>(745)</b>	<b>198</b>	<b>(301)</b>	<b>(377)</b>	<b>(451)</b>	<b>Non-current liabilities</b>	<b>1,117</b>	<b>922</b>	<b>933</b>	<b>947</b>	<b>964</b>
<b>FCF</b>	<b>(210)</b>	<b>759</b>	<b>1,036</b>	<b>1,033</b>	<b>1,234</b>	<b>Total net assets</b>	<b>1,740</b>	<b>3,254</b>	<b>3,946</b>	<b>4,821</b>	<b>5,856</b>
Issue of shares	18	1,173	0	0	0	<b>Shareholder's equity</b>	<b>1,740</b>	<b>3,254</b>	<b>3,946</b>	<b>4,821</b>	<b>5,856</b>
Buy-back	0	0	0	0	0	Share capital	109	137	137	137	137
Minority interests	0	(39)	0	0	0	Reserves	1,631	3,116	3,808	4,684	5,718
Dividends paid	(61)	(173)	(208)	(293)	(380)	<b>BVPS (HK\$)</b>	<b>1.66</b>	<b>2.47</b>	<b>2.97</b>	<b>3.63</b>	<b>4.40</b>
Net change in bank loans	384	(854)	(459)	0	0	Total debts	1,972	1,075	616	616	616
Others	0	(1)	0	0	0	Net cash/(debts)	(368)	802	1,631	2,371	3,224
<b>Financing cash</b>	<b>340</b>	<b>105</b>	<b>(667)</b>	<b>(293)</b>	<b>(380)</b>	<b>CFPS (HK\$)</b>	<b>0.508</b>	<b>0.495</b>	<b>1.000</b>	<b>1.054</b>	<b>1.260</b>
<b>Net change in cash</b>	<b>130</b>	<b>864</b>	<b>369</b>	<b>740</b>	<b>854</b>						
Exchange rate or other Adj	57	(50)	0	0	0						
Opening cash	448	636	1,450	1,819	2,559						
<b>Closing cash</b>	<b>636</b>	<b>1,450</b>	<b>1,819</b>	<b>2,559</b>	<b>3,413</b>						

Source: Company, OP Research

**Exhibit 5: Peers Comparison**

Company	Ticker	Price	3-mth			EPS			EPS			EV/		Net gearing	Gross margin	Net		ROE	ROE	Sh px				
			Mkt cap (US\$m)	avg t/o (US\$m)	PER	PER	PER	FY1	FY2	3-Yr EPS Cagr (%)	PEG (x)	Div yld	Div yld			P/B	P/B FY1			Ebitda	Ebitda	margin	margin	ROE
Ausnutria	1717HK	14.34	2,915.14	3.96	33.6	25.6	19.7	54.8	29.8	22.6	1.13	0.7	1.5	5.81	4.83	23.4	16.4	Net cash	49.4	11.8	25.4	25.0	35.03	46.78
HSI		28,122.02			10.75	10.97	10.15	(1.97)	8.09	4.99	2.20	3.49	3.75	1.25	1.20						11.60	10.96	(5.98)	(1.32)
HSCEI		10,764.02			8.68	8.32	7.68	4.36	8.35	7.11	1.17	3.84	4.11	1.04	0.98						11.96	11.82	(7.68)	(3.88)
CSI300		3,645.15			13.47	11.65	10.36	15.61	12.53			2.18	2.69	1.65	1.52						12.25	13.02	(8.61)	7.14
<b>Greater China Peers</b>																								
<b>Adjusted sector avg*</b>					<b>40.94</b>	<b>24.95</b>	<b>21.72</b>	<b>59.93</b>	<b>15.63</b>	<b>30.07</b>	<b>1.03</b>	<b>1.98</b>	<b>1.28</b>	<b>3.74</b>	<b>3.17</b>	<b>14.30</b>	<b>12.56</b>	<b>8.43</b>	<b>39.89</b>	<b>4.32</b>	<b>11.02</b>	<b>14.60</b>	<b>(9.90)</b>	<b>4.76</b>
Beingmate Baby-A	002570 CH	6.02	893.9	16.9	150.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.31	N/A	N/A	N/A	30.74	51.55	1.68	2.28	N/A	(26.32)	19.92
Bright Dairy-A	600597 CH	9.82	1746.2	20.6	35.07	22.12	20.72	58.57	6.76	22.36	0.99	1.63	1.41	2.17	2.09	8.33	7.85	11.40	33.01	1.64	6.29	8.84	(11.13)	12.36
Inner Mong Yil-A	600887 CH	30.02	26578.8	264.9	28.32	26.31	22.66	7.64	16.13	13.72	1.92	2.33	2.48	6.94	5.97	19.17	18.06	0.00	37.86	8.15	24.74	23.34	0.07	15.55
Yashili Int'L	1230 HK	1.00	604.6	0.3	79.76	33.74	30.25	136.36	11.54	58.74	0.57	N/A	0.34	0.75	0.73	42.05	10.98	0.00	39.64	1.74	0.95	2.28	(13.04)	(21.26)
Mengniu Dairy	2319 HK	29.20	14621.0	40.3	32.89	25.62	21.10	28.37	21.40	21.78	1.18	N/A	0.97	3.99	3.51	17.95	15.54	0.00	37.38	4.41	12.73	14.10	1.04	15.19
Health And Happi	1112 HK	43.10	3521.5	8.6	28.65	16.98	13.88	68.71	22.32	33.73	0.50	N/A	1.21	5.28	3.57	11.74	10.37	83.61	66.52	8.32	19.17	24.47	(10.02)	(13.19)
<b>Global Peers</b>																								
<b>Adjusted sector avg*</b>					<b>32.15</b>	<b>27.09</b>	<b>22.72</b>	<b>38.03</b>	<b>17.81</b>	<b>18.39</b>	<b>2.06</b>	<b>2.29</b>	<b>1.51</b>	<b>4.25</b>	<b>3.95</b>	<b>17.31</b>	<b>18.35</b>	<b>35.86</b>	<b>49.23</b>	<b>10.37</b>	<b>13.80</b>	<b>18.07</b>	<b>0.34</b>	<b>8.95</b>
Nestle Sa-Reg	NESN SW	97.54	296,629	462.3	29.03	22.54	20.63	28.78	9.29	14.68	1.54	2.51	2.69	5.06	5.41	18.66	16.33	51.53	49.79	11.05	17.13	23.43	2.10	10.77
Abbott Labs	ABT US	75.50	133,196	432.1	56.34	23.46	20.95	140.15	12.00	43.03	0.55	1.59	1.63	4.31	3.32	21.55	18.00	50.25	58.45	7.74	8.41	17.97	(3.22)	2.07
A2 Milk Co Ltd	A2M AU	15.02	7,664	78.6	N/A	40.35	32.03	N/A	25.95	N/A	N/A	N/A	0.07	N/A	14.36	40.13	27.16	0.00	50.34	21.22	48.36	40.91	6.98	17.90
Bellamy'S Austra	BALAU	9.41	741	32.1	24.01	30.85	23.47	(22.19)	31.48	8.23	3.75	N/A	0.19	4.89	4.51	15.05	17.79	0.00	39.21	13.16	14.41	16.20	(4.66)	7.18
Danone	BN FP	69.74	53,695	91.8	19.21	18.23	16.53	5.37	10.33	7.62	2.39	2.78	2.96	2.76	2.56	13.97	12.46	77.51	48.36	9.53	15.25	14.67	0.49	6.86

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

Source: Bloomberg, OP Research

## Our recent reports

Date	Company / Sector	Ticker	Title	Rating	Analyst
10/05/2019	China Youzan	8083	E-commerce revenue doubled QoQ in 1Q19	BUY	Yuji Fung/Dallas Cai
10/05/2019	Sunny Optical	2382	HCM shipments growth regained traction	BUY	Yuji Fung/Dallas Cai
09/05/2019	Q Tech	1478	CCM shipments growth implies market share gain	SELL	Yuji Fung/Dallas Cai
03/05/2019	Xtep Intl	1368	Xtep sets about the inception of its own FILA	BUY	Dallas Cai/Megan Jin
03/05/2019	361 Degrees Intl	1361	1Q19E saw lukewarm sales growth	BUY	Megan Jin
25/04/2019	TCL Electronics	1070	1Q19E business update on track	BUY	Yuji Fung/Dallas Cai
24/04/2019	CH Display OPT	334	1Q19E operations in line with expectations	BUY	Yuji Fung/Dallas Cai
23/04/2019	Zhongyu Gas	3633	Comeback with dollar margin improvement	NR	Megan Jin
18/04/2019	Li Ning	2331	Upbeat 1Q19E sales performance	HOLD	Dallas Cai/Megan Jin
15/04/2019	Anta Sports	2020	1Q19E retail performance in line	BUY	Dallas Cai/Megan Jin
10/04/2019	Q Tech	1478	March saw improving product mix	SELL	Yuji Fung/Dallas Cai
09/04/2019	Xtep Intl	1368	1Q19 operations on track	BUY	Dallas Cai/Megan Jin
09/04/2019	China Youzan	8083	Introducing Tencent as strategic investor	BUY	Yuji Fung/Dallas Cai
04/04/2019	Regal Intl Airport	357	FY18 results up to expectations	BUY	Yuji Fung/Dallas Cai
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

## Historical recommendations and target price: Ausnutria Dairy (1717 HK)

(as of 14/05/2019)



Date	Rating	TP (HK\$)	Close (HK\$)
1 19 Nov 2018	BUY	12.50	9.38
2 22 Feb 2019	BUY	12.50	9.90
3 20 Mar 2019	BUY	12.50	9.97
4			
5			

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