Xinyi Glass

HK$8.08 - BUY

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China

Materials

Reuters 0868.HK
Bloomberg 868 HK

Priced on 31 July 2017
HS CEI @ 10,827.8

12M hi/lo HK$8.39/5.69

12M price target HK$9.60
±% potential +19%

Shares in issue 3,891.8m
Free float (est.) 43.9%

Market cap US$4,138m

3M average daily volume
HK$69.2m (US$8.9m)

Foreign s'holding 52.0%

Major shareholders
Lee Yin Yee 22.0%
Tung Ching Sai 9.8%

Financials

Year to 31 December	15A	16A	17CL	18CL	19CL
Revenue (HK$m)	11,460	12,848	14,336	15,292	16,060
Adjusted net profit (HK$m)	1,734	3,055	3,745	4,161	4,652
Adjusted EPS (HK¢)	43.0	76.5	94.4	103.7	116.0
CL/consensus (9) (EPS%)	-	-	103	103	113
[redacted]	[redacted]	[redacted]	23.4	9.9	11.8
Adjusted PE (x)	18.8	10.6	8.6	7.8	7.0
Dividend yield (%)	3.3	5.0	5.6	6.2	7.0
ROE (%)	16.9	24.8	26.5	25.7	25.2
Net debt/equity (%)	37.2	37.0	37.8	24.3	11.9

Source: CLSA

In-line 1H17

XYG's 1H17 core profit was calculated to be HK$1,681m after excluding FX loss, up 24.8% YoY and in line with CL. Reported profit of HK$1,636m was just marginally 1.4% below Bloomberg. Revenue (+13.5% YoY) was largely in line, with a slight miss in float glass revenue (due to volume) offset by better than expected construction glass sales. Overall GPM was also largely in line at 36.4% (+1.7ppt YoY) amid an ASP-driven float glass GPM surge (30.1%, +7.8ppt YoY) despite some miss in auto/construction glass GPM on higher cost. Besides, lower than expected opex/depreciation and higher associates income (from XYS's beat) offset lower other income and higher interest.

Key highlights:

- Revenue was up 13.5% YoY to HK$6,677m, marginally below our forecast by 0.6%. In particular:
    - Revenue from float glass segment surged 35.3% YoY, 2.4% below our forecast which we believe was due to slightly lower than expected sales volume. Meanwhile, strong YoY growth was mainly driven by the significant increase in float glass market prices since 2H16 which stayed high in 1H17, resulting in significant YoY increase in ASP.
    - Revenue from auto glass was down 6.0% YoY, in line with our forecast. The YoY decline was due to a change in accounting treatment as the company started to take out the rebate from revenue in 2H16, which resulted in lower revenue but at the same time lower expenses as well. Besides, FX movements and also spin-off of Xinyi Automobile Glass Hong Kong (8328.HK) also resulted in some revenue decline.
    - Revenue from construction glass was down 2.7% YoY which we believe was partly dragged down by RMB depreciation, but 3.4% above us.
- Overall GPM was 36.4%, up 1.7ppt YoY, marginally lower than us by 0.5ppt. In particular:
    - GPM for float glass was 30.1% (up 7.8ppt YoY), in line with our estimate, thanks to significantly higher ASP YoY, (but slightly lower than 31.2% in 2H16 given the higher soda ash/natural gas costs in 1Q17).
    - GPM for auto glass was 47.8% (down 0.9ppt YoY), 1.1ppt below our estimate. GPM for construction glass was 37.5% (down 1.5ppt YoY), 0.7ppt below. These were also lower than 2H16's 49.3%/40.6%, respectively, also due to higher soda ash/natural gas costs in 1Q17.
- Opex was up 5.3% YoY to HK$893m, 4.3% below our forecast, suggesting better efficiency. Depreciation expense was up 1.4% YoY, 7.8% below our estimate.
- Other revenue was up 36.0% YoY to HK$141m, but 18.7% below our forecast.

- The share of profit of associates was up 17.8% YoY to HK$368m, 24.5% above our estimate due to better-than-expected 1H17 results of Xinyi Solar (29.5% owned by XYG).
- Reported profit was HK$1,636m, up 19.5% YoY. Excluding FX loss of HK$45m, core profit is calculated to be HK$1,681m, up 24.8% YoY and in line with our forecast.
- An interim dividend of HK 20 cents was declared, implying a payout ratio of 48% (1H16: 48%).

Figure 1

XYG – 1H17 results highlights

HKD m	1H16	2H16	1H17	YoY growth	1H17CL	Forecast vs actual
Sales	5,885	6,963	6,677	13.5%	6,718	(0.6%)
COGS (excl depr)	(3,455)	(3,937)	(3,853)	11.5%	(3,815)	1.0%
Operating expenses (ex D&A)	(848)	(944)	(893)	5.3%	(934)	(4.3%)
...Opex %	14.4%	13.6%	13.4%	(7.2%)	13.9%	(3.7%)
Core EBITDA	1,582	2,082	1,931	22.0%	1,969	(1.9%)
Depreciation	(389)	(408)	(395)	1.4%	(428)	(7.8%)
Core EBITA	1,193	1,674	1,536	28.7%	1,541	(0.3%)
Amortisation	(15)	(15)	(27)	79.7%	(15)	84.2%
Core EBIT	1,178	1,659	1,509	28.1%	1,526	(1.1%)
...Ebit Margin	20.0%	23.8%	22.6%		22.7%	
Other revenue (ex interest exp)	104	238	141	36.0%	174	(18.7%)
Interest Income	16	35	23	46.3%	15	52.2%
Interest Expense	(60)	(67)	(73)	21.2%	(45)	60.8%
Net Interest Expense	(44)	(33)	(50)	12.0%	(30)	65.2%
Share of Associate Profit	312	250	368	17.8%	295	24.5%
Profit Before Tax	1,550	2,115	1,968	27.0%	1,965	0.2%
Tax Expense	(202)	(405)	(285)	41.1%	(278)	2.7%
Minority Interest	0	(2)	(2)	481.9%	0	481.9%
Net Profit After Tax, pre Exceptionals	1,347	1,707	1,681	24.8%	1,687	(0.4%)
Exceptional gain/(loss)	22	137	(45)	(305.2%)		NA
Net Profit After Tax	1,369	1,844	1,636	19.5%	1,687	(3.0%)
... NPM, pre exceptional	22.9%	24.5%	25.2%		25.1%	
Key operating statistics						
Sales (HKD m)						
Automobile glass products	1,990	1,758	1,871	(6.0%)	1,863	0.4%
Construction glass	1,220	1,370	1,186	(2.7%)	1,147	3.4%
Float glass	2,675	3,835	3,619	35.3%	3,708	(2.4%)
Total	5,885	6,963	6,677	13.5%	6,718	(0.6%)
Gross profit (HKD m)						
Automobile glass products	969	867	894	(7.7%)	912	(1.9%)
Construction glass	476	556	445	(6.6%)	438	1.6%
Float glass	596	1,195	1,090	82.9%	1,125	(3.1%)
Total	2,041	2,618	2,429	19.0%	2,474	(1.8%)
Gross margin						
Automobile glass products	48.7%	49.3%	47.8%	-0.9 ppt	48.9%	-1.1 ppt
Construction glass	39.0%	40.6%	37.5%	-1.5 ppt	38.1%	-0.7 ppt
Float glass	22.3%	31.2%	30.1%	7.8 ppt	30.3%	-0.2 ppt
Overall	34.7%	37.6%	36.4%	1.7 ppt	36.8%	-0.5 ppt

Source: Company, CLSA

Stable float glass, expecting better 2H

We reiterate our view of stable demand/supply dynamics for float glass in 2017. The YTD property sales value, sales GFA and nTf□(2)□T55A

Figure 4

YTD Property sales/new starts have started to slow but not yet massively

Source: NBS, CLSA

Figure 5

Glass demand lags behind property sales

Source: NBS, CLSA

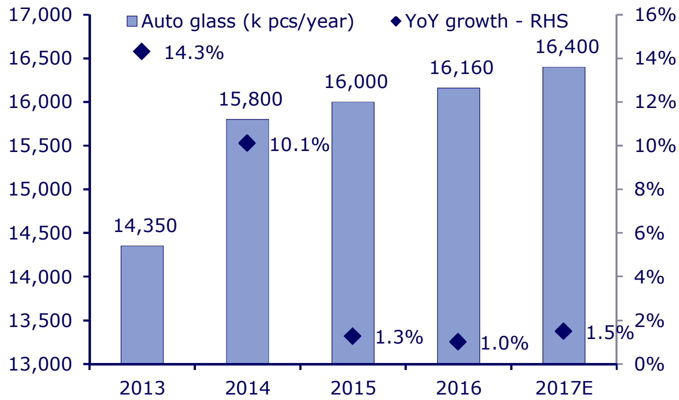
Figure 6

Float glass capacity under operation in China (includ

Figure 7

Figure 8

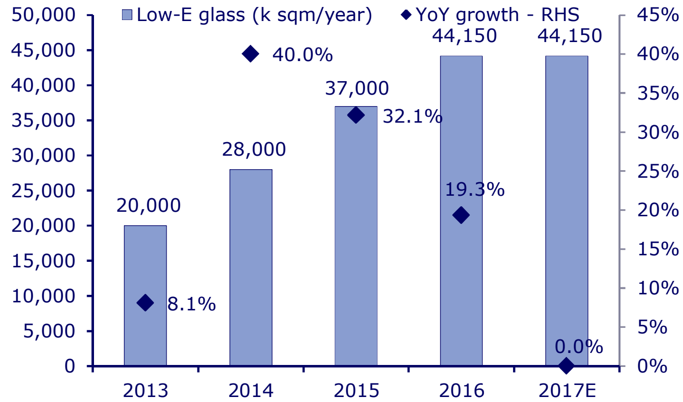
Auto glass capacity



Source: Company, CLSA

Figure 9

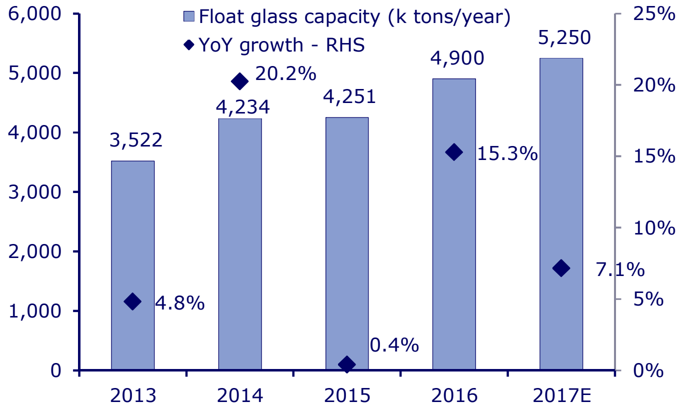
Low-E glass capacity



Source: Company, CLSA

Figure 10

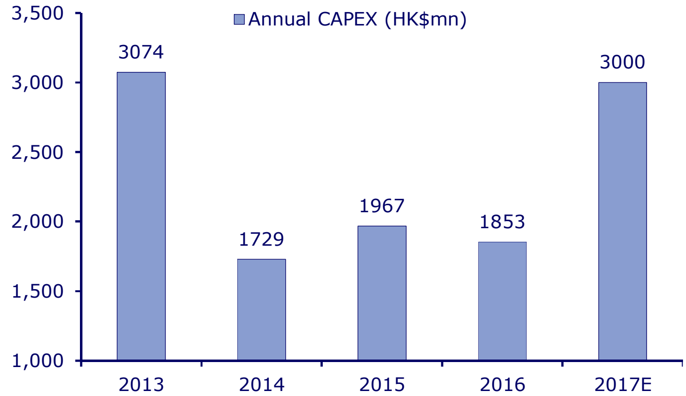
Float glass capacity



Source: Company, CLSA

Figure 11

XYG's capex plan



Source: Company, CLSA

Fine-tuning forecasts

Maintain BUY

We fine-tune our 17/18/19CL core profit forecasts by -0.4%/-0.8%/-0.2% to factor in slightly higher revenue offset by slightly lower GPM. We also factor in lower opex and higher associate income offset by lower other income and higher interest. Our TP is unchanged at HK$9.60, based on a blended PE/PB approach: for PE, we apply 10x avg 18-19CL EPS; for PB we use a target multiple of 2.0x on avg 17-18CL BVPS. Retain BUY on an undemanding valuation of 8x 18CL PE/6% dividend yield potential, with stabilising float glass demand/supply dynamics (eg less worry on property sector, supply limitation amid pollution controls), cost reduction (eg, natural gas) and more capacity expansion details as potential key catalysts.

Figure 12

Earnings revisions

	17CL			18CL		
	New	Old	Change	New	Old	Change
Revenue (HK$ m)	14,336	14,278	0.4%	15,292	15,228	0.4%
- Automobile glass products	3,806	3,806	0.0%	3,879	3,879	0.0%
- Construction glass	2,638	2,638	0.0%	2,722	2,722	0.0%
- Float glass (inc. electronic glass)	7,873	7,815	0.7%	8,616	8,552	0.8%
- Wind farm	19	19	0.0%	75	75	0.0%
Gross profit margin	37.7%	38.0%	-0.4 ppt	38.6%	38.9%	-0.3 ppt
- Automobile glass products	49.3%	50.2%	-0.9 ppt	50.6%	51.2%	-0.6 ppt
- Construction glass	39.0%	39.4%	-0.4 ppt	38.4%	38.8%	-0.4 ppt
- Float glass (inc. electronic glass)	31.6%	31.6%	-0.1 ppt	33.1%	33.2%	-0.1 ppt
- Wind farm	70.3%	70.3%	0.0 ppt	70.3%	70.3%	0.0 ppt
Core profit (HK$ m)	3,745	3,760	-0.4%	4,161	4,195	-0.8%

Source: CLSA

Our TP is based on a blended PE and PB approach, with higher multiples amid market rerating

Figure 13

Valuation of Xinyi Glass

PE basis	
Average 18-19CL EPS (HK$)	1.10
Target multiple (x)	10.0
Fair value (HK$)	11.00
PB basis	
Average 17-18CL BVPS (HK$)	4.06
Target multiple (x)	2.0
Fair value (HK$)	8.10
Average (HK$)	9.60
Implying 17/18CL PE	10.2x/9.3x

Source: CLSA

Current market-cap implies 8.7x/7.7x its non-solar businesses earnings in 17/18CL

Figure 14

Valuation of Xinyi Glass's non-solar business

HK$m		FY17CL	FY18CL
Net profit of Xinyi Glass		3,745	4,161
Less: after-tax share of profits of Xinyi Solar		(635)	(644)
Non-solar profit	(a)	3,109	3,516
Current market cap of Xinyi Glass	(b)	32,315	32,315
Current market cap of Xinyi Solar	(c)	18,262	18,262
M'cap of Xinyi Glass's non-solar business	(d) = (b) – 29.5%*(c)	26,922	26,922
PE of Xinyi Glass's non-solar business	(e) = (d)/(a)	8.7	7.7

Source: CLSA

Figure 15

Xinyi Glass 12m fwd PE chart

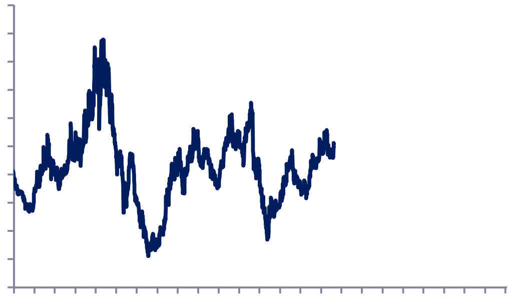


Figure 16

Xinyi Glass 12m fwd PB chart

Source: CLSA, Datastream

Figure 17

12m fwd PE chart – Xinyi Glass after stripping out Xinyi Solar at market price (since Dec-13)

Source: CLSA, Datastream

Figure 18

Valuation comp – Xinyi Glass

Stock	Ticker	Price	Mkt Cap	ADTV	CLSA			12m forward valuations					EPS Cagr	PEG	Gearing	Performance (%)			
		(local)	(USD,m)	(USD,m)	Rec	Target	Upside	PE	PB	Yield	EV/Ebitda	ROE	FY1-FY3		(%)	1m	3m	6m	12m
Xinyi Glass	868 HK	8.08	4,137	8.9	BUY	9.60	19%	8.1	2.0	6.0	7.3	26.0	10.9	0.7	37	5	21	19	44
Fuyao Glass - H	3606 HK	26.65	8,646	7.4	BUY	32.60	22%	15.0	2.8	4.0	9.6	19.8	17.2	0.9	0	(11)	(3)	16	36
China Glass	3300 HK	0.72	167	0.1											55	3	(17)	(14)	(30)
Luoyang Glass	1108 HK	4.31	881	0.8											106	(0)	(15)	(17)	(0)
CSG Holding	000012 CH	8.63	2,488	17.6				21.0							73	6	(0)	(13)	(8)
Fuyao Glass - A	600660 CH	23.25	8,646	56.8				15.6					14.4	1.1	0	(11)	3	24	42
Yaohua Pilkington	600819 CH	7.22	931	6.5											48	7	(1)	(12)	2
Shandong Jinjing	600586 CH	5.70	1,236	10.4											57	17	12	24	33
AVIC Sanxin	002163 CH	7.83	935	10.3											287	(5)	(7)	(16)	12
Xiuqiang Glasswork	300160 CH	8.88	789	12.5				23.2	3.1	0.6	14.5	14.5	16.4	1.4	11	(1)	(6)	(22)	(25)
Changzhou Almaden	002623 CH	24.29	578	6.9				27.5							39	(10)	(17)	(34)	(27)
Zhuzhou Kibing	601636 CH	5.37	2,142	26.6				12.3	1.8	3.9	7.9	15.7	16.7	0.7	56	19	24	28	68
Taiwan Glass	1802 TT	15.45	1,486	1.5											44	5	0	17	15
Asahi Glass	5201 JP	4,650.00	9,889	39.0	O-PF	5,150.00	11%	79.9	4.9	0.5	22.0	6.2	(0.9)		25	(2)	(4)	11	56
Nippon Sheet Glass	5202 JP	935.00	764	10.3				9.9					37.1	0.3	233	1	8	1	23
Central Glass	4044 JP	485.00	942	3.2				10.7					9.9	1.1	24	0	1	(11)	9
Hankuk Glass Industries	002000 KS	30,900.00	278	0.5											(21)	(0)	18	15	14
Cie de St-Gobain	SGO FP	47.31	31,098	109.2				14.7					13.9	1.1	29	1	(5)	4	25
PPG Industries Inc	PPG US	106.35	27,277	134.8				16.3	5.3	1.7	10.9		10.8	1.5	52	(3)	(3)	6	2
Turkiye Sise	SISE TI	4.51	2,874	5.7				11.1					10.6	1.1	13	8	11	23	47
Trakya Cam Sanayii	TRKCM TI	3.73	1,194	2.5				11.0					9.9	1.1	32	17	32	47	85
Corning	GLW US	29.52	26,653	191.5				16.4	1.7	2.3	8.7	10.5	9.1	1.8	(8)	(2)	2	11	33
Average								19.5	3.1	2.7	11.6	15.4	13.5	1.1	54.2				

Source: Bloomberg (for the not-rated stocks), CLSA (for the rest)

Valuation details

We value XYG using a blended PE and PB approach. We apply a target multiple of 10x to avg 18-19CL EPS and a target multiple of 2.0x to avg 17-18CL BVPS, in line with the historical averages.

Investment risks

Key risks include: 1) Weakening of the property market or even the auto market. Demand for float glass and construction glass is highly dependent on the property market. Besides, despite being a stable business, the auto glass segment is correlated to the global number of vehicles in use, and any significant slowdown in the global auto industry may also affect the segment's performance. 2) Further tightening of credit. Tightening of credit also affects developers' cash flows and progress in construction of property projects. 3) Incremental production costs. A significant surge in natural gas, international crude oil prices and other raw material costs may affect XYG's gross margin if it cannot pass on incremental costs by raising ASP. 4) More capacity additions in the market.

Valuation details - Asahi Glass Co Ltd 5201 JP

We value the stock using a PE valuation methodology as the company's earnings trends have brightened as chemicals and flat glass earnings growth offsets LCD weakness. We forecast Asahi Glass to see revenue and operating profit growth in the medium term as the US and Eurozone economies improve and chemicals experience success with new products along with growth in Southeast Asia.

Investment risks - Asahi Glass Co Ltd 5201 JP

Fluctuating fuel costs are a risk because almost all of its businesses consume large amounts of fuel and materials. A US$1 fall in oil prices adds ¥400m to OP. An increase in oil prices would cause a decline in profits. We expect the LCD substrate market to continue to see price cuts, but if weakness in downstream markets put more pressure on prices they may decline more than our expectations. The company is expecting ¥30bn in non-operating costs, but we are assuming ¥20bn. If non-operating costs reach ¥30bn, net profits would drop which would affect our PB-ROE correlation derived PB multiple.

Valuation details - Fuyao Glass Industry Group Co Ltd 3606 HK

We use PE valuation as our primary valuation tool for Fuyao in order to capture the earnings growth momentum. We use DCF model as a cross-check, given the strong cash flow of the company to provide steady dividend payments.

Investment risks - Fuyao Glass Industry Group Co Ltd 3606 HK

Key risks include: 1) slowdown of the Chinese and global auto industry affecting product demand; 2) increasing competition in the market, mainly from existing players largely accelerating their capacity additions; 3) increasing costs of raw material, especially those used to manufacture float glass such as fuel (eg natural gas) and soda ash; 4) slower-than-expected ramp-up of the new production facilities, especially those located overseas, and lower-than-expected profitability of these new plants; 5) unfavourable currency movements, like RMB appreciation; and 6) political risk arising from increasing overseas exposure.

evalu@tor The Global Equities Database

Summary financials

Steady earnings growth ahead

Capex mainly on Malaysia investments and Qianhai land

Balance sheet still healthy

Decent ROE

Year to 31 December	2015A	2016A	2017CL	2018CL	2019CL
Summary P&L forecast (HK$m)					
Revenue	11,460	12,848	14,336	15,292	16,060
Op Ebitda	2,313	3,664	4,343	4,932	5,358
Op Ebit	1,518	2,837	3,464	3,950	4,309
Interest income	40	51	70	51	31
Interest expense	(90)	(128)	(131)	(128)	(73)
Other items	912	1,063	993	1,022	1,190
Profit before tax	2,380	3,823	4,397	4,895	5,457
Taxation	(266)	(607)	(649)	(732)	(801)
Minorities/Pref divs	0	(3)	(3)	(3)	(3)
Net profit	2,113	3,213	3,745	4,161	4,653
Summary cashflow forecast (HK$m)					
Operating profit	1,518	2,837	3,464	3,950	4,309
Operating adjustments	-	-	-	-	-
Depreciation/amortisation	795	827	879	982	1,050
Working capital changes	(207)	(426)	(201)	(104)	(84)
Net interest/taxes/other	(421)	(784)	(780)	(860)	(874)
Net operating cashflow	1,685	2,453	3,362	3,968	4,400
Capital expenditure	(1,967)	(1,853)	(3,000)	(1,500)	(1,500)
Free cashflow	(282)	600	362	2,468	2,900
Acq/inv/disposals	-	-	-	-	-
Int, invt & associate div	951	1,112	1,061	1,070	1,218
Net investing cashflow	(1,016)	(741)	(1,939)	(430)	(282)
Increase in loans	16	1,646	933	(3,171)	(1,808)
Dividends	(1,029)	(1,622)	(1,810)	(2,011)	(2,249)
Net equity raised/other	812	(267)	(446)	0	-
Net financing cashflow	(202)	(244)	(1,324)	(5,182)	(4,057)
Incr/(decr) in net cash	468	1,468	99	(1,644)	61
Exch rate movements	-	-	-	-	-
Opening cash	832	1,300	2,768	2,867	1,223
Closing cash	1,300	2,768	2,867	1,223	1,285
Summary balance sheet forecast (HK$m)					
Cash & equivalents	1,300	2,768	2,867	1,223	1,285
Debtors	1,136	1,036	1,212	1,293	1,358
Inventories	1,223	1,321	1,396	1,454	1,502
Other current assets	1,337	1,412	1,858	1,858	1,858
Fixed assets	11,971	11,831	14,009	14,581	15,083
Intangible assets	1,281	1,193	1,136	1,082	1,030
Other term assets	3,174	4,462	4,462	4,462	4,462
Total assets	21,422	24,022	26,940	25,954	26,578
Short-term debt	2,514	3,165	3,550	2,242	1,497
Creditors	740	789	839	875	903
Other current liabs	1,705	2,046	2,046	2,046	2,046
Long-term debt/CBs	3,514	4,509	5,057	3,194	2,132
Provisions/other LT liabs	223	266	266	266	266
Minorities/other equity	7	66	66	66	66
Shareholder funds	12,718	13,181	15,115	17,265	19,669
Total liabs & equity	21,422	24,022	26,940	25,954	26,578
Ratio analysis					
Revenue growth (% YoY)	5.5	12.1	11.6	6.7	5.0
Ebitda growth (% YoY)	33.0	58.4	18.5	13.6	8.7
Ebitda margin (%)	20.2	28.5	30.3	32.3	33.4
Net profit margin (%)	18.4	25.0	26.1	27.2	29.0
Dividend payout (%)	50.5	49.7	48.0	48.5	48.5
Effective tax rate (%)	11.2	15.9	14.8	15.0	14.7
Ebitda/net int exp (x)	46.1	47.7	71.9	64.2	128.2
Net debt/equity (%)	37.2	37.0	37.8	24.3	11.9
ROE (%)	16.9	24.8	26.5	25.7	25.2
ROIC (%)	8.7	15.7	17.8	18.4	19.5
EVA®/IC (%)	(2.9)	4.1	6.2	6.8	7.9

Source: CLSA

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Companies mentioned

Xinyi Glass (868 HK - HK$8.08 - BUY)
Asahi Glass (5201 JP - ¥4,650 - O-PF)
AVIC Sanxin (N-R)
Central Glass (N-R)
Changzhou Almaden (N-R)
China Glass (N-R)
Cie de St-Gobain (N-R)
Corning (N-R)
CSG - A (N-R)
Fuyao Glass - A (600660 CH - RMB23.24 - BUY)
Fuyao Glass (3606 HK - HK$26.65 - BUY)
Hankuk Glass Industries (N-R)
Jinjing (N-R)
Kibing (N-R)
Luoyang Glass (N-R)
NSG (N-R)
PPG (N-R)
Sise Cam (N-R)
SYP Glass - A (N-R)
Taiwan Glass (N-R)
Trakya Cam Sanayii (N-R)
Xinyi Solar (968 HK - HK$2.46 - BUY)
Xiuqiang Glasswork (N-R)

Analyst certification

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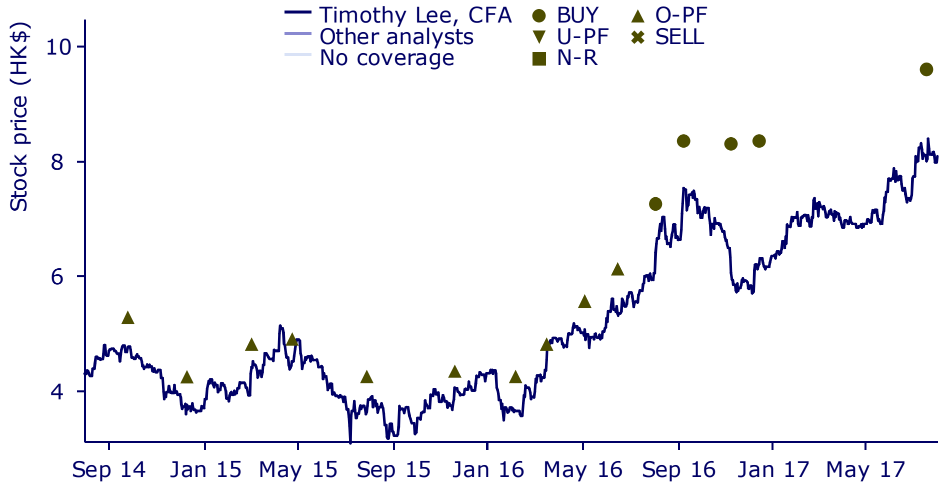
Important disclosures

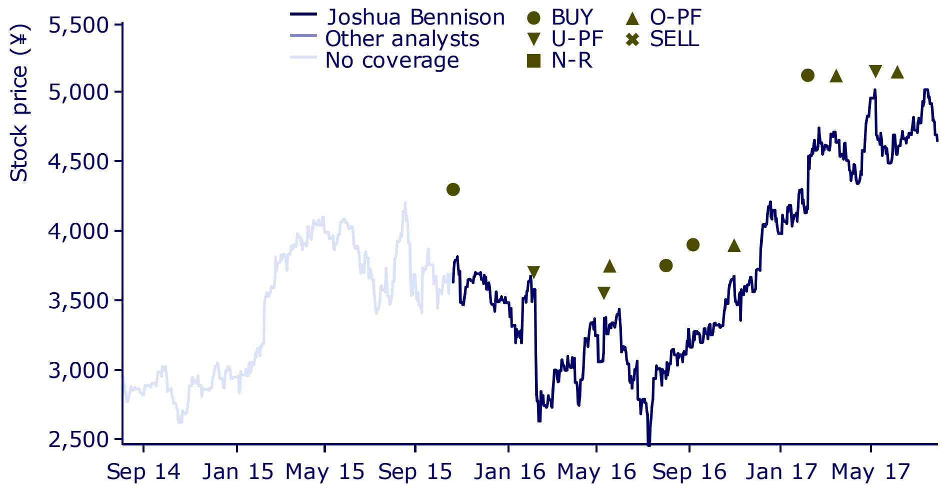
Recommendation history of Xinyi Glass Holdings Ltd 868 HK



Date	Rec	Target	Date	Rec	Target
17 Jul 2017	BUY	9.60	05 Feb 2016	O-PF	4.24*
14 Dec 2016	BUY	8.35	19 Nov 2015	O-PF	4.33*
08 Nov 2016	BUY	8.30	29 Jul 2015	O-PF	4.24*
08 Sep 2016	BUY	8.35	24 Apr 2015	O-PF	4.90*
03 Aug 2016	BUY	7.25	03 Mar 2015	O-PF	4.81*
15 Jun 2016	O-PF	6.12*	10 Dec 2014	O-PF	4.23*
04 May 2016	O-PF	5.56*	25 Sep 2014	O-PF	5.28*
16 Mar 2016	O-PF	4.80*			

Source: CLSA; * Adjusted for corporate action

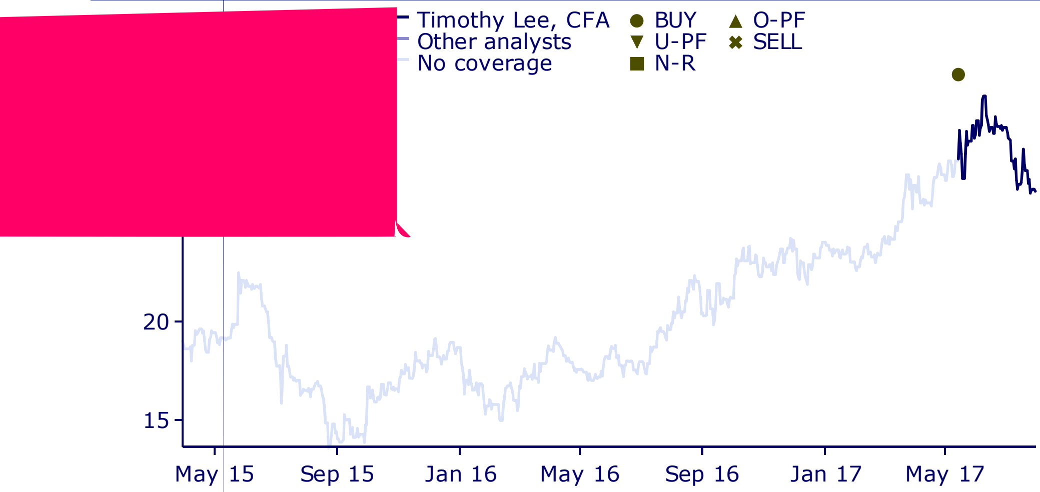
Recommendation history of Asahi Glass Co Ltd 5201 JP



Date	Rec	Target	Date	Rec	Target
07 Jun 2017	O-PF	5,150.00*	01 Aug 2016	BUY	3,750.00*
09 May 2017	U-PF	5,150.00*	17 May 2016	O-PF	3,750.00*
17 Mar 2017	O-PF	5,125.00*	09 May 2016	U-PF	3,550.00*
07 Feb 2017	BUY	5,125.00*	05 Feb 2016	U-PF	3,700.00*
31 Oct 2016	O-PF	3,900.00*	20 Oct 2015	BUY	4,300.00*
06 Sep 2016	BUY	3,900.00*			

Source: CLSA; * Adjusted for corporate action

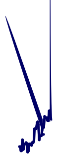
Recommendation history of Fuyao Glass Industry Group Co Ltd 3606 HK



Date	Rec	Target	Date	Rec	Target
15 May 2017	BUY	32.60			

Source: CLSA

Recommendation history of Xinyi Solar Holdings Ltd 968 HK



Date	Rec	Target	Date	Rec	Target
01 Aug 2017	BUY	3.10	19 Nov 2015	BUY	4.67*
17 Jul 2017	BUY	3.00	02 Nov 2015	BUY	4.57*
22 Apr 2017	BUY	2.98*	19 Oct 2015	BUY	4.67*
28 Feb 2017	BUY	3.38*	12 Jun 2015	BUY	4.55*
14 Dec 2016	BUY	3.48*	27 May 2015	BUY	4.07*
18 Oct 2016	BUY	3.87*	24 Apr 2015	BUY	3.56*
15 Jun 2016	BUY	4.17*	12 Mar 2015	BUY	3.11*
16 Mar 2016	BUY	3.97*	04 Dec 2014	BUY	3.25*
05 Feb 2016	BUY	4.07*	25 Sep 2014	BUY	3.18*
12 Jan 2016	BUY	4.57*			

Source: CLSA; * Adjusted for corporate action

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We define as "Double Baggers" stocks we expect to yield 100% or more (including dividends) within three years at the time the stocks are intnfimdtekcee

There are no numbers for Hold/Neutral as CLSA/CLST do not have such investment rankings.

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