

# Moutai share price rises on market recovery

By YANG JUN in Guiyang and WANG ZHUOQIONG in Beijing

A recovery in domestic liquor consumption has helped China Kweichow Moutai Distillery Co outrank Diageo PLC — which owns brands including Johnnie Walker, to become the world's top liquor producer by market value based on Friday's closing share prices.

After a continuous surge in its stock, Moutai shares rose to 392.87 yuan (\$56.7) on Friday, bringing its total value to 493.5 billion yuan, surpassing Diageo's 574.3 billion pounds (\$71.23 billion).

Moutai's share price dropped 0.93 percent on Monday to close at 389.2 yuan.

About 95 percent of Moutai's revenue comes from the domestic market, according to the liquor producer.

China's alcohol industry has been recovering since last September, stimulating the surge for Moutai. Wang Ying, an analyst at Hua Chuang Securities, said in a report that Moutai's daily wholesale volume had reached 40 metric tons on average, which had declined since the same time last year in an effort to control wholesale volumes.

Wholesalers have low inventories and demands are



Workers at the packing line of China Kweichow Moutai Distillery Co in Maotai town, Guizhou province. YANG JUN / CHINA DAILY

strong, said Wang. Xing Tingzhi, an analyst at China International Capital Corp Ltd, has estimated Moutai's revenue will grow 14.2 percent to 66.6 billion yuan next year and net profit will rise 16.8 percent to 29.1 billion yuan. Moutai expects its first-quarter revenue to reach 12.8 billion yuan, up 25 percent year-on-year, and net profit to grow to 5.68 billion yuan, up

15.92 percent. As a global leader in alcoholic beverages, Diageo has about 150 brands including Johnnie Walker, Crown Royal, Buchanan's and Windsor whiskeys, Smirnoff, Ciroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness. Compared with Moutai, Diageo's market presence is global.

North America accounts for 34 percent of its sales, Europe, Russia, and Turkey 24 percent, Africa 12 percent, Latin America at 10 percent, with the Asia-Pacific at 20 percent, according to its interim financial report six months ended Dec 31, 2016. The improving alcohol market has also affected Diageo's business in China. Last year its Asia-Pacific net sales grew 3 percent, with sig-

nificant growth in China. On the Chinese mainland, its net sales grew 44 percent as a result of strong underlying momentum in Chinese white spirits and an earlier Chinese New Year, and scotch returned to growth, delivering a net sales increase of 7 percent. Contact the writers at wangzhuoqiong@chinadaily.com.cn

# CSRC bats for investors, raps dividend-shy companies

By WU YIYAO in Shanghai

The China Securities Regulatory Commission has urged listed companies to reward investors with cash dividends.

Liu Shiyu, chairman of the CSRC, said the market regulator will take tough measures against companies that do not pay cash dividends in spite of being able to do so.

Liu made the remarks in a recent speech. Its transcript was posted on the CSRC web-

site on Saturday. Analysts said that as increasing numbers of investors attach importance to cash dividends and see it as a major goal for long-term value investment, China's listed companies will need to make payment of cash dividends one of their priorities when rewarding investors. Offering investors cash dividends is also a way to protect investors' rights, as cash dividends reflect a company's capacity to make profits in an obvious, direct and transpar-

ent way, said analysts. Liu said in the speech that paying cash dividends is a basic way to reward investors, and cash dividends are the very source of a stock's value. For investors who buy a company's shares when its growth is uncertain, buying stock with no dividend would be a game of "passing flowers until the drum beat stops", with those holding the "flowers" bearing all the risks, Liu said in his speech. "Steady and stable cash dividend payout often signals

healthy financial and operational conditions of a listed company. On the contrary, if a company doesn't pay dividends with no proper reasons, it could signal accounting fraud or mismanagement." The CSRC will take tough measures against "those iron roosters which have the ability to offer cash dividends but never plucked a feather", said Liu. According to data of Shanghai-based Wind, an information company, out of 3,166 A-share listed companies that

announced annual results by Monday, there are as many as 39 companies that have never rewarded investors with cash dividends. A research note from Founders Securities said dividend-shy companies attribute their decision to "loss-making" performance or decreasing profits. China Galaxy Securities said in a note that Liu's speech marks the CSRC's determination to make the stock market more transparent and small investor-friendly.

# HNA takeover buzz elevates CWT by 10%

### Singapore's logistics major seen benefiting from Belt and Road

By ZHONG NAN and ZHENG YIRAN

The share price of Singapore-based logistics service provider CWT Ltd surged over 10 percent on Monday to close at S\$2.27 (\$1.61), boosted by Chinese conglomerate HNA Holding Group Co's recent decision to acquire the company. After almost a year of exclusive talks, HNA Group plans to acquire CWT for S\$1.4 billion (\$1 billion), offering its shareholders S\$2.33 per share in cash, representing a premium of 2.6 percent on the company's price of S\$2.27 after the shares were suspended from trading on Monday.

Singapore-listed logistics firm CWT Ltd, incorporated in 1970 as a private arm of the Port of Singapore Authority, specializes in logistics services, commodity marketing, financial services and engineering services. As Singapore's largest homegrown logistics provider, CWT has global network connectivity to around 200 direct ports and 1,600 inland destinations. During the past fiscal year ended Dec 31, 2016, the company's sales revenues totaled S\$9.25 billion.

"HNA Group's plan to acquire CWT, including the infrastructure on its important logistics nodes, is beneficial for the company to gain competitiveness in the future. For CWT, the decision is probably based on its positive expectations toward the Belt and Road Initiative," said Zhou Mi, a senior research fellow at the Chinese Academy of International Trade and Economic Cooperation.

In 2016, HNA Group purchased Ingram Micro Inc, the world's largest wholesale technology products distributor, with an equity value of approximately \$6 billion.

Ingram Micro possess a vast global supply chain, offering services in over 100 countries around the world. It owns 122 delivery centers and more than 1,700 suppliers globally. The acquisition was one of the crucial steps by HNA Group toward perfecting its supply chain management system.

**\$9.2 billion**  
CWT's sales revenues during the past fiscal year ended Dec 31, 2016

HNA Group ranked 353rd on the 2016 Fortune 500 list. Founded in 2000, it is involved in logistics, aviation, real estate, financial services and tourism. It is a part owner of Grand China Air (Hainan Airlines), China's fourth-largest airline.

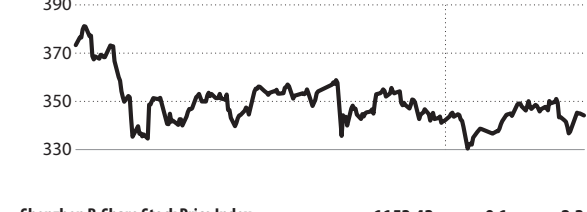
In recent years, the company has experienced massive expansion by making acquisitions in various sectors. Last year, it acquired 25 percent of Hilton Worldwide for \$6.5 billion. In 2017, it purchased Irish aircraft leasing company Avolon for \$2.5 billion. It is also leading a deal to buy a controlling stake in the owner of the publisher of Forbes magazine.

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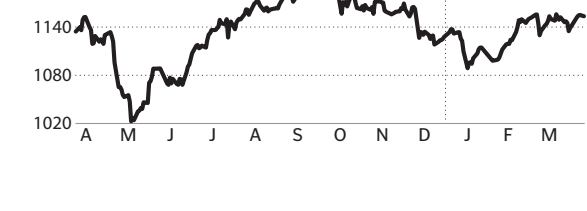
## Daily Stock Market Performance

Index	Close	Daily % Chg	YTD % Chg
Shanghai Stock Exchange Composite Index	3269.39	-0.5	+5.3
Shenzhen Stock Exchange Component Index	10,603.28	-0.6	+4.2
Shanghai Shenzhen CSI 300 Index	3505.64	-0.3	+5.9

## Shanghai B-Share Stock Price Index



## Shenzhen B-Share Stock Price Index



## Gainers and Losers

GAINERS				LOSERS				
Close	Daily % Chg	Close	Daily % Chg	Close	Daily % Chg	Close	Daily % Chg	
TangShan Port Group Co	6.44	10.09	Eurocrane China Co Ltd	30.84	-10.01	ShanghaiKELMchtrncsEng	48.12	-10.01
Beijing Vantone RE	6.12	10.07	Baiyin Nonferrous	11.96	-10.01	Juewei Food Co Ltd	41.20	-10.00
Beijing Capital Co Ltd	6.25	10.04	Shanghai Beite Tech	42.49	-10.00	ShanghOrgnldwAdvCmpnds	49.25	-10.00
PangDaAutomobile Trade	3.51	10.03	Shanghai Baite Tech	42.49	-10.00	Linewell Software Co	23.95	-10.00
Langfang Development	24.27	10.02	HefeiThOptctmctChlgy	64.38	-10.00	HefeiThOptctmctChlgy	64.38	-10.00
Hebei Baoshuo Co	18.89	10.02	DashengTimesCltrlnvst	49.53	-9.99	Beijing Vastdata Tech	59.71	-9.99
BeijingHanjianHshnPlln	21.31	10.02	China Fortune Land Dev	39.92	10.00	NSFOCUS Info Tech	25.89	-10.01
TianjinCapEnvirProtctn	11.10	10.01	ShenzhenYsstchInfotech	33.45	-10.01	ShenzhenYsstchInfotech	33.45	-10.01
SilvryDrgnPrstrsdMtrl	23.19	10.01	CSGSmartSciencTchngy	25.20	-10.00	HunanChina Sun Ph Mach	26.91	-10.00
China Fortune Land Dev	39.92	10.00	HunanChina Sun Ph Mach	26.91	-10.00	All Winner Technology	62.30	-7.57
JointoEnlnvst Co Hebei	13.15	10.04	All Winner Technology	62.30	-7.57	Risen Energy Co Ltd	15.07	-7.38
Beijing eGOVA Co Ltd	24.40	10.01	Risen Energy Co Ltd	15.07	-7.38	Jinlong Mach & Electr	13.79	-6.82
Palm Eco-Town Dev	13.20	10.00	Shenzhen Rapoo Tech	29.07	-6.74	Shenzhen Rapoo Tech	29.07	-6.74
RiseSun RealEstate Dev	12.77	9.99	BlueFocus Comm	8.60	-6.72	BlueFocus Comm	8.60	-6.72
Hesteel Co Ltd	5.29	9.98	Leo Group Co Ltd	13.42	-6.55	Leo Group Co Ltd	13.42	-6.55
Financial Street	12.57	9.97	Geely Automobile	10.50	-4.89	Geely Automobile	10.50	-4.89
XinxingDuctileIronPips	7.96	9.94	China Unicom Hong Kong	10.56	-3.65	China Unicom Hong Kong	10.56	-3.65
BeijingNewBuildingMtrl	17.10	9.34	Lenovo Group Ltd	5.25	-2.78	Lenovo Group Ltd	5.25	-2.78
Chuying Agro-pastora	5.95	7.40	Link REIT	55.30	-1.43	Link REIT	55.30	-1.43
ChinaMerchtsShklndZne	19.53	7.37	Sands China Ltd	37.20	-1.33	Sands China Ltd	37.20	-1.33
Belle International	5.08	2.01						
MTR Corp Ltd	44.45	1.60						
China Resources Power	14.40	1.41						
Galaxy Entertainment	43.85	1.27						
Henderson Land Dev	49.60	1.22						

## Cross Currency Rates

	USD	EUR	CNY	HKD	GBP	KRW	BRL	RUB	JPY	INR	CAD
USD		1.059	0.145	0.129	1.240	0.001	0.318	0.017	0.009	0.016	0.746
EUR	0.945		0.137	0.122	1.171	0.001	0.300	0.017	0.008	0.015	0.705
CNY	6.903	7.308		0.888	8.557	0.006	2.194	0.120	0.062	0.107	5.152
HKD	7.771	8.226	1.126		9.632	0.007	2.470	0.135	0.070	0.121	5.800
GBP	0.807	0.854	0.117	0.104		0.001	0.256	0.014	0.007	0.013	0.602
KRW	1142.380	1209.690	165.484	147.012	1414.030		362.590	19.890	10.260	17.720	851.410
BRL	3.146	3.332	0.456	0.405	3.900	0.003		0.055	0.028	0.049	2.348
RUB	57.357	60.717	8.309	7.382	71.092	0.050	18.232		0.515	0.892	42.809
JPY	111.290	117.810	16.120	14.322	137.948	0.098	35.371	1.940		1.726	83.061
INR	64.470	68.256	9.339	8.297	79.909	0.056	20.490	1.124	0.579		48.115
CAD	1.340	1.418	0.194	0.172	1.661	0.001	0.426	0.023	0.012	0.021	

Data provided by Bloomberg

## International Stock Markets

Index	Daily Close	% Chg	YTD % Chg
Hang Seng Index	24,262.18	0.0	
Hang Seng China Ent Index	10,253.79	-0.2	
TAIEX Taiwan Stock Index	9,882.54	0.1	
Nikkei 225	18,797.88	0.7	
Sensex	29,631.46	-0.3	
KOSPI	2,133.32	-0.9	
S&P/ASX 200	5,912.88	0.9	
New Zealand 50 Gross Index	7,238.86	-0.1	
Straits Times Index STI	3,177.06	0.0	
Bangkok SET Index	1,581.84	-0.1	
Bursa Malaysia KLCI Index	1,739.52	-0.1	
VN-Index	729.87	0.3	
Dow Jones	20,656.10	0.0	

## Commodities

Commodity	Close	Daily % Chg	YTD % Chg
Brent Crude Oil (USD/bbl)	55.68	0.8	
Gold (USD/t oz)	1257.30	0.3	
Silver (USD/t oz)	18.15	-0.5	
Copper (USD/lb)	2.65	-0.4	
Aluminum (USD/MT)	1948.50	0.4	
Corn (USD/bu)	3.60	-0.3	
Wheat (USD/bu)	4.24	0.2	
Soybeans (USD/bu)	9.42	0.1	
Coffee (USD/lb)	1.40	-0.3	
Sugar #11 (USD/lb)	0.17	-0.4	
Palm Oil (MYR/MT)	2608.00	-2.0	

## ETFs

EQUITY ETFs	Ticker	Close	Daily % Chg
China 50	510050	2.38	-0.29
China AMC CSI 300 Index	510330	3.73	-0.29
China CSI 500	510500	6.86	-0.10
China SME	159902	3.28	-0.97
China Universal CSI Consumer Staples Index	159928	1.62	-0.43
E Fund ChiNext Price Index	159915	1.83	-1.77
E Fund CSI 300	510310	1.46	-0.48
E Fund CSI 300 Financials ex Banks Index	512070	1.67	-0.48
E Fund Hang Seng China Enterprises Index	510900	1.13	0.27
E FUND SZSE100 INDEX FUND	159901	4.22	-0.89
Fortune SGAM Xianjin Tianyi Money Market	511990	100.01	-0.01
Guangfa CSI 500	510510	1.81	-0.11
Guotai Shanghai Stock Exchange 180 Financial Index	510230	5.25	-0.55
Harvest CSI 300 Index	159919	3.77	-0.19
Huatai-Pinebridge CSI 300	510300	3.51	-0.26
Shanghai SSE180	510180	3.10	-0.23
SSE Pledge Urban Investment Bond	511220	95.41	0.20
Yinhua Traded Money Market Fund	511880	100.95	0.01