



Rating
Buy

Asia
China

Consumer
Retail / Wholesale Trade

Company
**SUN ART RETAIL
GROUP**

Reuters 6808.HK	Bloomberg 6808 HK	Exchange HSI	Ticker 6808
ADR Ticker SURRY	ISIN US8666331009		

Date
3 March 2015

Forecast Change

Price at 2 Mar 2015 (HKD)	6.96
Price target - 12mth (HKD)	8.80
52-week range (HKD)	10.38 - 6.75
HANG SENG INDEX	24,823

Lydia Ling Research Analyst (+852) 2203 6181 lydia.ling@db.com	Anne Ling Research Analyst (+852) 2203 6177 anne.ling@db.com
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Proven ability to retain profitability but sssg remains sluggish; Buy

Lowering target price to HKD8.8; maintaining Buy

Management's tone on sssg this year is not encouraging, given the YTD decline in prepaid card sales, but it is confident it can maintain EBITM through a GPM improvement and expects rapid network expansion, which could partly offset weak sssg and drive the top line. We cut FY15-16E EPS by 7-12% on the sluggish sssg outlook and increased investment in Feiniu. We maintain a Buy rating as we think Sun Art will be a market consolidator, leveraging its strong skill set and ability to retain profitability. In 2014, it remained China's largest and most productive hypermarket operator. Feiniu is likely to be one of the most profitable e-commerce platforms, due to its offline business advantages.

Focus on profitability and market share for sustainable competitiveness

Management is not optimistic on sssg this year, given the 17% decline in prepaid card sales ahead of CNY and the -2% sssg in January and February. The decline in prepaid card sales, in management's view, is yet to bottom out, but it hopes to narrow the decline in 2H15. Given the sluggish sssg outlook, management is keen to further improve GPM to offset an increase in opex and maintain a stable EBITM. It will continue to expand its network, with 50-plus annual openings. In 2014, excluding the Feiniu loss, its EBITM remained stable, despite the negative sssg.

Feiniu loss controlled within 10% of net earnings in 2015

While management did not comment on the target sales of Feiniu.com for 2015, it mentioned that orders in January 2015 rose more than tenfold over the same period last year. It expects faster growth for the rest of the year, as Feiniu.com goes nationwide. In 2014, Feiniu's sales were RMB150m, with a net loss of RMB162m (5% of group's earnings impact). Fresh food will be its key advantage over its peers, and it targets mid- to high-end consumers.

Valuation and risks

Our TP is based on 9.5% WACC, 1.0 beta and 2% TGR, implying FY15E/16E PE of 21.9x/19.9x. Risks: 1) competition; 2) overexpansion; 3) rising opex.

Key changes

Price target	10.00 to 8.80	↓	-12.0%
Sales (FYE)	103,549 to 99,188	↓	-4.2%
Op prof margin (FYE)	4.4 to 4.2	↓	-3.3%
Net profit (FYE)	3,350.6 to 3,102.8	↓	-7.4%

Source: Deutsche Bank

Price/price relative



Performance (%)	1m	3m	12m
Absolute	3.1	-21.3	-21.1
HANG SENG INDEX	1.4	4.9	8.7

Source: Deutsche Bank

Forecasts And Ratios

Year End Dec 31	2013A	2014A	2015E	2016E	2017E
Sales (CNYm)	86,195.0	91,855.0	99,188.0	109,243.8	121,410.4
Reported NPAT (CNYm)	2,775.0	2,908.0	3,102.8	3,413.0	3,797.4
Reported EPS FD(CNY)	0.29	0.30	0.33	0.36	0.40
DB EPS FD(CNY)	0.29	0.30	0.33	0.36	0.40
OLD DB EPS FD(CNY)	0.29	0.31	0.35	0.41	-
% Change	0.0%	-1.3%	-7.4%	-11.8%	-
DB EPS growth (%)	15.5	4.8	6.7	10.0	11.3
PER (x)	30.3	24.2	17.3	15.7	14.1
DPS (net) (CNY)	0.22	0.13	0.14	0.15	0.17
Yield (net) (%)	2.5	1.8	2.5	2.7	3.0

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: 02 March 2015

Running the numbers

Asia
China
Retail / Wholesale Trade

SUN ART RETAIL GROUP

Reuters: 6808.HK Bloomberg: 6808 HK

Buy

Price (2 Mar 15) HKD 6.96
Target Price HKD 8.80
52 Week range HKD 6.75 - 10.38
Market Cap (m) HKDm 66,398
USDm 8,562

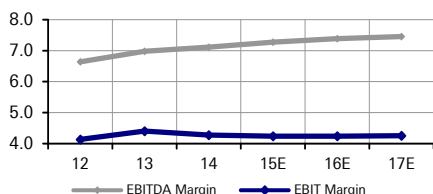
Company Profile

Sun Art operates hypermarket complexes under two banners, 'Auchan' and 'RT-Mart', in China.

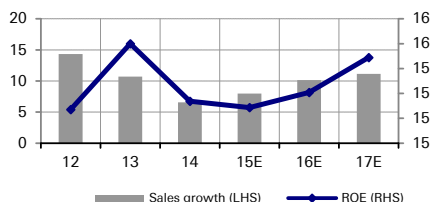
Price Performance



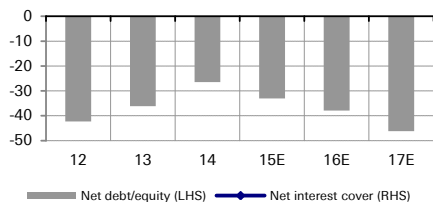
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2012	2013	2014	2015E	2016E	2017E
DB EPS (CNY)	0.25	0.29	0.30	0.33	0.36	0.40
Reported EPS (CNY)	0.25	0.29	0.30	0.33	0.36	0.40
DPS (CNY)	0.10	0.22	0.13	0.14	0.15	0.17
BVPS (CNY)	1.8	2.0	2.1	2.2	2.5	2.7
Weighted average shares (m)	9,566	9,540	9,540	9,540	9,540	9,540
Average market cap (CNYm)	78,372	84,020	70,501	53,677	53,677	53,677
Enterprise value (CNYm)	71,032	77,017	65,069	46,255	44,360	41,243

Valuation Metrics

P/E (DB) (x)	32.5	30.3	24.2	17.3	15.7	14.1
P/E (Reported) (x)	32.5	30.3	24.2	17.3	15.7	14.1
P/BV (x)	5.49	4.41	2.97	2.50	2.29	2.10
FCF Yield (%)	0.8	0.5	1.4	5.0	6.1	8.6
Dividend Yield (%)	1.2	2.5	1.8	2.5	2.7	3.0
EV/Sales (x)	0.9	0.9	0.7	0.5	0.4	0.3
EV/EBITDA (x)	13.7	12.8	10.0	6.4	5.5	4.6
EV/EBIT (x)	22.1	20.3	16.6	11.0	9.6	8.0

Income Statement (CNYm)

Sales revenue	77,851	86,195	91,855	99,188	109,244	121,410
Gross profit	16,150	18,613	20,998	23,826	27,181	31,021
EBITDA	5,170	6,016	6,533	7,217	8,071	9,052
Depreciation	1,952	2,221	2,606	3,011	3,438	3,885
Amortisation	0	0	0	0	0	0
EBIT	3,218	3,795	3,927	4,205	4,633	5,167
Net interest income/(expense)	258	321	291	298	320	345
Associates/affiliates	0	0	0	0	0	0
Exceptionals/extraordinaries	30	18	0	0	0	0
Other pre-tax income/(expense)	0	0	0	0	0	0
Profit before tax	3,506	4,134	4,218	4,503	4,953	5,511
Income tax expense	973	1,192	1,176	1,261	1,387	1,543
Minorities	124	167	134	140	154	171
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	2,409	2,775	2,908	3,103	3,413	3,797
DB adjustments (including dilution)	0	0	0	0	0	0
DB Net profit	2,409	2,775	2,908	3,103	3,413	3,797

Cash Flow (CNYm)

Cash flow from operations	5,782	7,277	6,703	8,410	9,061	10,345
Net Capex	-5,132	-6,839	-5,740	-5,753	-5,790	-5,706
Free cash flow	650	438	963	2,657	3,271	4,639
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	-782	-919	-1,312	-667	-1,376	-1,522
Net inc/(dec) in borrowings	203	-46	0	0	0	0
Other investing/financing cash flows	172	144	-1,222	0	0	0
Net cash flow	243	-383	-1,571	1,990	1,895	3,117
Change in working capital	1,288	2,093	907	1,408	1,930	2,336

Balance Sheet (CNYm)

Cash and other liquid assets	7,827	7,444	6,380	8,370	10,265	13,382
Tangible fixed assets	22,410	26,962	30,096	32,838	35,190	37,011
Goodwill/intangible assets	0	0	0	0	0	0
Associates/investments	471	612	599	599	599	599
Other assets	13,877	14,892	15,368	16,383	17,775	19,460
Total assets	44,585	49,910	52,443	58,190	63,829	70,451
Interest bearing debt	487	441	948	948	948	948
Other liabilities	26,740	30,088	30,961	34,782	38,303	42,569
Total liabilities	27,227	30,529	31,909	35,730	39,251	43,517
Shareholders' equity	16,830	18,748	19,673	21,459	23,424	25,610
Minorities	528	633	861	1,001	1,154	1,325
Total shareholders' equity	17,358	19,381	20,534	22,460	24,578	26,935
Net debt	-7,340	-7,003	-5,432	-7,422	-9,317	-12,434

Key Company Metrics

Sales growth (%)	14.3	10.7	6.6	8.0	10.1	11.1
DB EPS growth (%)	25.8	15.5	4.8	6.7	10.0	11.3
EBITDA Margin (%)	6.6	7.0	7.1	7.3	7.4	7.5
EBIT Margin (%)	4.1	4.4	4.3	4.2	4.2	4.3
Payout ratio (%)	38.5	75.9	42.4	42.4	42.4	42.4
ROE (%)	15.1	15.6	15.1	15.1	15.2	15.5
Capex/sales (%)	6.6	7.9	6.2	5.8	5.3	4.7
Capex/depreciation (x)	2.6	3.1	2.2	1.9	1.7	1.5
Net debt/equity (%)	-42.3	-36.1	-26.5	-33.0	-37.9	-46.2
Net interest cover (x)	nm	nm	nm	nm	nm	nm

Source: Company data, Deutsche Bank estimates

Lydia Ling

+852 2203 6181

lydia.ling@db.com



Company update

Valuation – maintaining Buy; lowering target price to HKD8.8

Given the sluggish sssg outlook and increased investment in e-commerce, we are cutting our FY15-16E EPS by 7.4-11.8% and lowering our target price to HKD8.8. We base this on the following:

- FY14 results came in slightly below expectations, on higher-than-expected opex, due to investment in network expansion and e-commerce. This was partly offset by a lower ETR.
- For 2015, the company is not optimistic on the sssg trend, given the continuous decline in prepaid card sales ytd. The Feiniu loss will increase, but should remain within 10% of net earnings. Management is positive on the potential of further GPM improvement to offset the opex rise and expects to maintain stable EBITM.

We maintain our Buy rating for several reasons:

- Sun Art will be a market consolidator, leveraging on its strong execution ability within the industry. Despite negative sssg, it remains the largest hypermarket operator in China, and market share increased to 14% in 2014, from 13.8% in 2013. Sun Art is also China's most productive operator, with the highest sales per store in the segment (RMB256.6m per year, 28% higher the No.2 player).
- Although the visibility of an sssg turnaround remains low at this time, Sun Art is the most resilient player, retaining profitability vs. its peers' significant earnings declines. We attribute this to 1) its ability to improve GPM while maintaining price leadership, thanks to its stronger bargaining power when scale grows and its product mix optimisation, and 2) a higher percentage of self-owned properties and size of retail galleries, which could help offset rental pressure. In 2014, excluding the Feiniu loss, its EBITM remained stable, despite negative sssg. Rapid expansion will partly offset weak sssg and drive the top line.
- Feiniu has the most potential to succeed. It is a latecomer to e-commerce, but it is highly likely to be one of the most profitable e-commerce platforms in China, leveraging Sun Art's off-line stores and distribution centres, procurement systems, and solid knowledge in merchandising and marketing.

We believe the stock is trading at an attractive level (17x FY15E P/E). Our target valuation of 21.9x FY15E P/E is in line with the average multiple of strong leaders in other Asian countries and developed markets.

Valuation method. Our target price implies 21.9x FY15E P/E and 19.9x FY16E P/E. Our primary valuation methodology is a DCF, employing WACC of 9.5% and a terminal growth rate of 2.0%, which is within the range of rates that we use for Chinese consumer companies (2.0-2.5% – generally we apply 2% when economic growth is slower and 2.5% in better times). We use the Deutsche Bank China COE of 9.5%, as Sun Art's business is in China. We use a beta of



1.0, which is also in line with the range we use for consumer stocks listed in Hong Kong. We also look at trading multiples in the China/HK consumer sector – both the overall sector and within food retailers – which we believe support our target price, when taking into account the strong earnings growth we expect Sun Art to deliver.

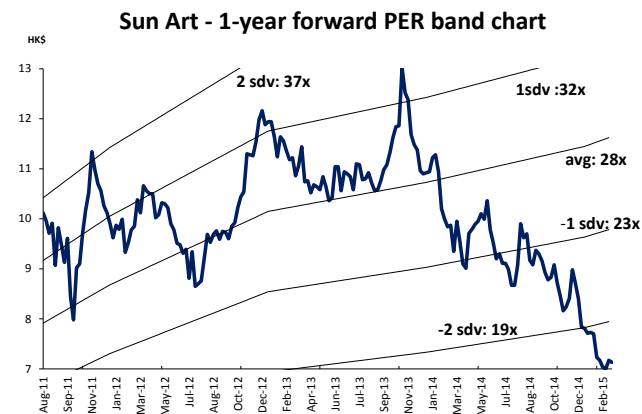
Downside risks: 1) slower-than-expected expansion plans; 2) improvement in GPM failing to offset an opex increase; and 3) competition from e-commerce and offline peers.

Figure 1: Change in Deutsche Bank forecasts and vs. market consensus

RMBm YE Dec	New forecast			Old forecast			New vs. Old forecast			Market consensus			New vs. market forecast		
	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E
Revenue	91,855	99,188	109,244	91,784	103,549	118,437	0.1%	-4.2%	-7.8%	93,373	102,594	114,013	-1.6%	-3.3%	-4.2%
Reported Gross profit	20,998	23,826	27,181	20,948	24,206	28,241	0.2%	-1.6%	-3.8%						
GP margin	22.9%	24.0%	24.9%	22.8%	23.4%	23.8%									
EBIT	3,927	4,205	4,633	4,031	4,541	5,249	-2.6%	-7.4%	-11.7%	4,083	4,471	4,990	-3.8%	-5.9%	-7.1%
EBIT margin	4.3%	4.2%	4.2%	4.4%	4.4%	4.4%				4.4%	4.4%	4.4%			
NPAT	2,908	3,103	3,413	2,947	3,351	3,871	-1.3%	-7.4%	-11.8%	2,954	3,207	3,582	-1.6%	-3.2%	-4.7%
Net margin	3.2%	3.1%	3.1%	3.2%	3.2%	3.3%				3.2%	3.1%	3.1%			

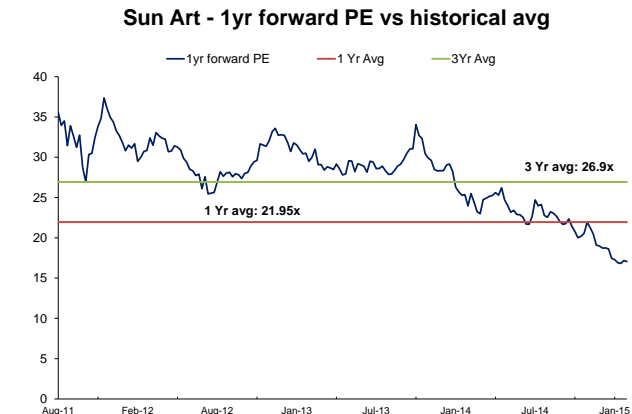
Source: Deutsche Bank estimates, Bloomberg Finance LP

Figure 2: One-year forward PE band



Source: Deutsche Bank, Datastream

Figure 3: One-year forward PE vs. historical average



Source: Deutsche Bank, Datastream



Figure 4: Valuation comps for foreign players

Reuter's Code	Company	Recom (12 mth)	Target Price	Share Price Local	Mkt Cap Local	Rpt. Coy	Y/E	Headline PE		PB		Div Yield		Free cashflow yield		Net Debt/ Mkt cap		
								FY14	FY15E	FY14	FY15E	FY14	FY15E	FY14	FY15E	FY14	FY15E	
Food Retailing																		
Asia (Excluding HK/China)																		
CPALL.BK	CP ALL	Hold	41.00	40.00	360,000	THB	31.12	40.10	29.56	12.40	10.44	2.59	3.38	1.95	NM	5%	3%	
AMRT.JK	Allmart	Buy	650.00	471.00	17,780	IDR	31.12	34.90	28.59	6.50	5.55	0.86	1.05	NM	1.82	24%	23%	
139480.KS	Emart	Buy	246,000.00	211,000.00	5,879	KRW	31.12	15.34	13.09	0.85	0.80	0.71	0.71	NM	NM	70%	81%	
3382.T	Seven & I	Buy	5,100.00	4,553.50	1,885	JPY	28.02	18.38	22.46	1.52	1.83	1.85	1.58	-0.42	-0.14	NA	NA	
004170.KS	Shinsegae	Hold	185,000.00	169,500.00	1,667	KRW	31.12	11.62	10.10	0.65	0.61	0.59	0.59	NM	NM	157%	170%	
2912.TW	President Chain	Hold	220.00	251.50	261,465	TWD	31.12	29.78	26.20	9.73	8.99	2.88	2.98	5.01	4.91	-9%	-11%	
Average								25.02	21.66	5.28	4.70	1.58	1.72	2.18	2.20	49%	53%	
International																		
COST.OO	Costco	Hold	142.00	146.96	64,574	USD	30.08	25.08	28.55	4.35	5.80	1.13	4.39	2.87	1.53	-1%	3%	
MEOG.DE	Metro	Hold	26.00	29.92	9,776	EUR	30.09	16.74	16.31	1.71	1.89	2.99	3.07	11.41	4.49	46%	47%	
KR.N	Kroger	Buy	75.00	71.15	41,772	USD	30.01	13.07	20.22	3.51	6.00	1.67	1.01	5.51	3.13	57%	31%	
SORIANAB.MX	Soriana	Sell	31.85	35.26	63,468	MXN	31.12	17.35	14.67	1.38	1.29	1.10	1.13	4.07	4.40	-2%	-4%	
TGT.N	Target	Hold	76.00	76.83	52,548	USD	31.01	15.47	14.90	2.24	3.37	2.37	3.00	7.41	6.79	31%	26%	
TSCO.L	Tesco	Hold	275.00	245.40	19,684	GBP	28.02	11.10	24.58	1.81	1.44	4.15	0.47	4.69	NM	29%	52%	
WMT.N	Wal-Mart	Hold	82.00	83.93	291,615	USD	31.01	15.05	15.43	3.22	3.39	2.46	2.44	4.36	6.69	17%	16%	
WALMEXV.MX	Wal-Mart de Mexico	Hold	27.40	37.10	657,471	MXN	31.12	30.07	27.62	4.77	4.54	3.35	2.24	3.46	2.42	-3%	-3%	
Average								17.99	20.28	2.87	3.46	2.40	2.22	5.47	4.21	21.7%	21.0%	

Source: Deutsche Bank estimates (pricing as of 28 Feb 2015)

2015 outlook

Management is not optimistic regarding the sssg trend this year; prepaid card sales continue to decline

Given the prepaid card sales performance ahead of CNY (down 17%), management is not positive on the sssg trend this year. Sssg was -2% in January and February. The peak seasons for prepaid card sales are generally the mid-autumn festival and CNY. Management does not think the decline of prepaid card sales has bottomed, but hopes the decline could narrow further, to 10%, during the mid-autumn festival.

Given a weak sssg outlook ahead, management intends to

- Further solidify its pricing leadership.** It closely tracked pricing both online and offline and maintains the price leader in key categories (3-4% cheaper than peers). In addition, it will continue to improve its product mix with the introduction of new products. It will also improve its shopping environment and operation efficiency.
- Improve GPM to offset the rise in opex and maintain a stable EBITM.** Management is confident in the potential for a GPM improvement through mix optimisation, direct purchases, and stronger bargaining power when scale grows. It hopes the hypermarket expansion could further help drive the top line.

50-plus annual openings

Sun Art opened 13 stores in January and February 2015, bringing its total store count to 385 at the end of February 2015, versus 325 at end-February 2014. Of the 49 stores opened in 2014, 30 were opened in 4Q14. As of end-2014, Sun Art had secured 162 sites for hypermarket complexes, of which 116 were under construction. Three per cent of the secured sites were located in tier 1 cities, 18% in tier two, 48% in tier 3, 24% in tier 4, and 7% in tier 5.



Figure 5: Store networks by region

Store number	FY2011			FY2012			FY2013			FY2014		
	Auchan	RTMart	Total	Auchan	RTMart	Total	Auchan	RTMart	Total	Auchan	RTMart	Total
Total	45	185	230	54	219	273	59	264	323	68	304	372
<i>By region</i>												
Eastern China	35	79	114	39	87	126	41	100	141	43	110	153
Northern China	4	27	31	6	28	34	6	34	40	7	35	42
North-Eastern China		21	21	1	24	25	1	30	31	1	37	38
Central China	3	21	24	4	30	34	5	39	44	8	47	55
Southern China		32	32	1	41	42	2	50	52	5	63	68
Western China	3	5	8	3	9	12	4	11	15	4	12	16

GFA	FY2011			FY2012			FY2013			FY2014		
	Auchan	RTMart	Total	Auchan	RTMart	Total	Auchan	RTMart	Total	Auchan	RTMart	Total
Total	1,788,084	4,681,247	6,469,331	2,099,346	5,544,563	7,643,909	2,262,701	6,663,803	8,926,504	2,641,038	7,636,487	10,277,525
<i>By region</i>												
Eastern China	1,451,679	1,977,939	3,429,618	1,574,484	2,194,678	3,769,162	1,651,053	2,503,068	4,154,121	1,834,683	2,724,740	4,559,423
Northern China	124,990	658,962	783,952	196,444	680,582	877,026	196,444	814,075	1,010,519	216,811	843,714	1,060,525
North-Eastern China		556,550	556,550	23,906	667,220	691,126	23,906	821,222	845,128	23,906	1,014,622	1,038,528
Central China	96,219	537,304	633,523	138,096	763,425	901,521	170,463	1,016,730	1,187,193	262,506	1,217,962	1,480,468
Southern China		818,898	818,898	15,968	1,018,231	1,034,199	42,226	1,244,340	1,286,566	124,523	1,550,931	1,675,454
Western China	115,196	131,594	246,790	150,448	220,427	370,875	178,609	264,368	442,977	178,609	284,518	463,127

Source: Deutsche Bank, Company data

Online loss to be controlled within 10% of net earnings in 2015

While management did not comment on the target sales of Feiniu.com for 2015, it mentioned that orders in January 2015 increased tenfold over the same period last year and it expects faster growth for the rest of the year, as Feiniu.com goes nationwide. In 2014, Feiniu's sales came to RMB150m, with a net loss of RMB162m (5% of group's earnings impact). For 2015, management expects to keep Feiniu's losses controlled within 10% of earnings. It has invested another RMB500m in Feiniu and will consider investing more when appropriate.

- **Fresh food, in management's view, could be a key differentiator** from online peers in terms of freshness, timeliness, cold chain and variety. However, considering the last mile and warehouse cost (around 10% of sales), it targets only mid- to high-end fresh food on Feiniu.
- **The company will consider using self-owned or third-party logistics** for Feiniu, depending on the order scale. It does not necessarily need to build up the last mile alone, as it has been already well established in China.

Figure 6: Feiniu's milestones so far

Date	Event	Remarks
16-Jan-14	Official operation commenced	The number of its online registered members had reached 1.395m by end-2014, with 0.4m active members. It has around 145,658 self-operated SKUs online.
18-Dec-14	Mobile App launched	Currently, orders from the mobile end accounted for 35% of total orders vs. 32-34% for mature players.
27-Dec-14	Fresh products' delivery commenced in Shanghai	Management believes fresh food is its key advantage online, and targets mid- to high-end consumption. Fresh food account for 3% of online sales currently.
1-Mar-15	Feiniu.com goes nationwide	Starting from southern China since 1 March with support from Sun Art's offline stores. Targets to reach nationwide in April.
2Q 2015	Market place launches	Possibly in April or May at the latest. To gain some market share as it has traffic.

Source: Deutsche Bank, Company data

Exploring multi-formats

Shopping centre. In 2014, the company opened a shopping centre named "Sun Art Plaza" in Ningbo, with total GFA of 170,000 sqm (larger than the average hypermarket size). The company will cautiously expand this format; perhaps one every one to two years. It does not aim to be a large shopping mall operator.



Small store format. It plans to open two small stores, one in Changzhou and one in Shanghai.

Further optimise national supply chain with set-up of two regional DCs

Sun Art has a national distribution network, including six distribution centres (eastern, northern, southern, northeastern, and central, under RT Mart, and eastern, under Auchan). The total GFA of DC has reached 340,000. This year, it plans to operate two regional distribution centres – in eastern China and southern China.

- **The central distribution centre under RT-Mart commenced operation** in October 2014 and now serves more than 30 stores. Auchan Shenyang stores started common procurement and deliveries of FMCG through RT-Mart's northeastern DC.
- The percentage of common procurement by dual banners has reached 43.8%.

Key takeaways from analyst briefing

The -1.6% sssg in 2014 was dragged mainly by Q4, due to prepaid card sales (down 23%) and e-commerce. ASP increased 2.1% and traffic declined 3.7%. In general, newer stores performed better than older stores. By category, sssg was +1.9% for fresh food, flat for MCP, -12.5% for CE (affected by PC) and -2% for apparel.

In terms of the product mix at the offline stores, fresh food accounted for 30%, MCP 29%, CE 11%, bazaar 7.7%, detergent 13-14% and textiles 7-8%. The mix for Feiniu was MCP 30%, CE 30%, mothercare 10%, bazaar 10%, fashion 7-8%, imported 5-6% and fresh 3%.

Private-label products accounts for 10% of sales. The sales growth of private label grew by 21% in 2014. It now contributes 10% of sales, vs. 9% in 2013. It also partnered with Disney for co-branded food items, and developed the private Ekolia appliances brand and the Cosmia skincare brand.

Net cash declined to RMB5.48bn, vs. RMB7.05bn at end-2013, due to a cash dividend payout and the decline in prepaid cash sales.

Capex was RMB5.7bn in 2014, down from RMB6.7bn in 2013. The capex was mainly for new store openings.



Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist

Company	Ticker	Recent price*	Disclosure
SUN ART RETAIL GROUP	6808.HK	6.93 (HKD) 2 Mar 15	14,15

*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: SUN ART RETAIL GROUP (6808.HK)
(as of 3/2/2015)



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.	18/03/2013:	Hold, Target Price Change HKD10.00	4.	23/07/2014:	Buy, Target Price Change HKD10.50
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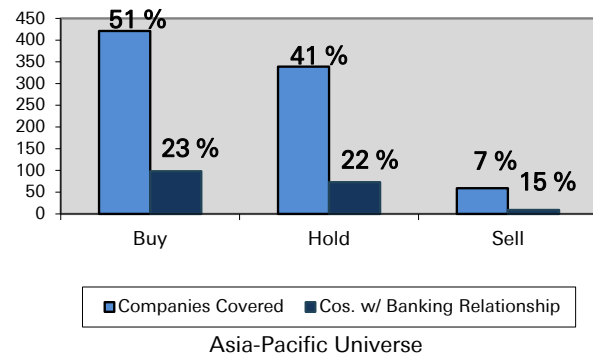
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Equity rating dispersion and banking relationships





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David Folkerts-Landau
Group Chief Economist
Member of the Group Executive Committee

Raj Hindocha
Global Chief Operating Officer
Research

Marcel Cassard
Global Head
FICC Research & Global Macro Economics

Richard Smith and Steve Pollard
Co-Global Heads
Equity Research

Michael Spencer
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Asia Pacific Research

Ralf Hoffmann
Regional Head
Deutsche Bank Research, Germany

Andreas Neubauer
Regional Head
Equity Research, Germany

Steve Pollard
Regional Head
Americas Research

International locations

Deutsche Bank AG

Deutsche Bank Place
Level 16
Corner of Hunter & Phillip Streets
Sydney, NSW 2000
Australia
Tel: (61) 2 8258 1234

Deutsche Bank AG

Große Gallusstraße 10-14
60272 Frankfurt am Main
Germany
Tel: (49) 69 910 00

Deutsche Bank AG

Filiale Hongkong
International Commerce Centre,
1 Austin Road West, Kowloon,
Hong Kong
Tel: (852) 2203 8888

Deutsche Securities Inc.

2-11-1 Nagatacho
Sanno Park Tower
Chiyoda-ku, Tokyo 100-6171
Japan
Tel: (81) 3 5156 6770

Deutsche Bank AG London

1 Great Winchester Street
London EC2N 2EQ
United Kingdom
Tel: (44) 20 7545 8000

Deutsche Bank Securities Inc.

60 Wall Street
New York, NY 10005
United States of America
Tel: (1) 212 250 2500

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