

Company Report

China Merchants Securities (HK) Co. Ltd.
Hong Kong Equity Research

China Fordoo (2399 HK)

A leading menswear retailer with 5x P/E, 9% yield

- One of the leading menswear brands in the PRC
- FY14E earnings growth of at least 7% YoY based on forecast form IPO prospectus, Spring/Summer 2015 trade fair announced by the group also show positive signs with 11% growth YoY
- Valuation below peers (FY14E P/E <5.3x), dividend yield of +9%

One of the leading menswear brands in China

China Fordoo Holdings (Fordoo) is a leading menswear retailer in the PRC with a 2.9% market share (ranked 6th) in the middle-upper end of the menswear segment. Fordoo has 1,353 POS (75% franchised and 25% self-operated) and targets a net increase of 150 POS in FY15E-16E.

Trade fair results indicate first sign of a positive FY15E

Fordoo reported a 1H14 recurring earnings growth of 13% YoY to RMB144mn driven by 7% YoY growth in revenue and 2ppt YoY increase in gross margins to 35%. From IPO prospectus, Fordoo expects FY14E recurring earnings (excl. listing expenses) forecast of not less than RMB274mn and targets a dividend payout of 50%. In its recent Spring/Summer 2015 trade fair, Fordoo also reported 11% YoY growth in sales indicating likely sustainable revenue growth momentum in FY15E.

Improvement in balance sheet and cashflow

Fordoo's 1H14 net debt-to-equity was still high at 39% but improved significantly from 73% on improvements in operating cash flow. However, receivable days continued to increase from FY13's 102 to 119 in 1H14 (increase support to distributors from Fordoo under current difficult operating conditions) but is within the 3-6 months collection period policy.

Valuation and risks

Based on profit forecast from prospectus and target payout ratio of 50%, Fordoo trades at a valuation significantly below peer group (FY13/14E P/E <6x/5x and a FY14E dividend yield of +9%). Key risks: i) high receivable days (collection risk) and ii) difficult to track sales (SSSG) and channel inventory on the retail level as ERP system is just beginning to be set up.

Financials

RMB mn	2011	2012	2013
Revenue	818	1,109	1,453
Growth (%)	N/A	35.5%	31.0%
Recurring net profit	106	153	257
Growth (%)	N/A	44.5%	67.8%
EPS (RMB)	0.22	0.32	0.53
DPS (RMB)	N/A	N/A	N/A
P/E (x)	13.8	9.5	5.7
P/B (x)	7.4	4.1	2.5
ROAE (%)	N/A	58.1	51.7

Source: Company data, CMS (HK) estimates

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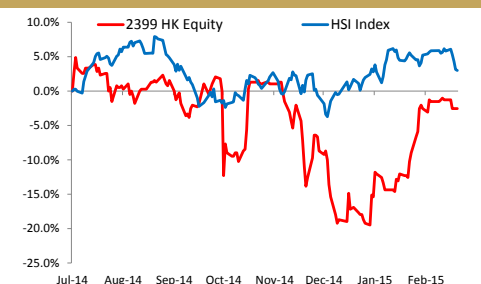
WHAT'S NEW

NA

NON-RATED

Previous	NA
Price	HK\$3.80
12-month Target Price (Potential upside/downside)	NA
Previous	NA

Price Performance



Source: Bigdata

%	1m	6m	12m
2399 HK	7.0	-4.0	NA
HSI	-2.1	-4.3	6.4

Industry: Retail and Manufacturing

Hang Seng Index	24164
HSCEI	11607

Key Data

52-week range (HK\$)	3.08-4.12
Market cap (HK\$ mn)	1824
Avg. daily volume (mn)	0.789
BVPS (HK\$)	1.54

Shareholdings Structure

Kwok Kin Sun	51.00%
Kwok Hon Fung	10.50%
Kwok Hon Pan	9.50%
No. of shares outstanding (mn)	480
Free float	29%

Related Research

1. China Lilang(1234 HK) - Expect improvements to continue in 2015, "BUY" December 17, 2014
2. China Lilang(1234 HK) - Further catalysts ahead for share price upside, "BUY" September 10, 2014

公司报告

招商证券(香港)有限公司

虎都 (2399 HK)

市盈率 5 倍, 股息率 9% 的领先男装零售商

■ 中国领先的男装品牌

■ 根据首次公开发售招股书的预测, 2014 年预测盈利至少同比增长 7%, 集团宣布 2015 年春夏交易会也显示正面迹象, 同比增长 11%

■ 估值低于市场平均 (2014 年度预测市盈率 <5.3x), 股息收益率 (+9%)

中国领先的男装品牌之一

中国虎都控股(虎都)是中国领先的男装零售商, 在中高端男装拥有 2.9% 的市场份额(排名第 6)。虎都拥有 1,353 个销售网点(75% 为特许经营, 25% 为自营), 目标在 2015-16 年度开设 150 个销售点。

春夏展表现有利于 2015 年度业绩

虎都公布 2014 年上半年经常性盈利同比增长 13% 至 1.44 亿人民币, 受到收入同比增长 7% 和毛利率同比上升 2 个百分点至 35% 带动。根据首次公开发售招股说明书, 虎都预计 2014 年预测经常性盈利(不包括上市费用)不低于 2.74 亿人民币, 目标派息比率 50%。在最近的 2015 年春夏展, 虎都公布销售同比增长 11%, 显示 2015 年度的收入增长势头很可能持续。

资产负债表和现金流改善

虎都 2014 年上半年的净债务与股东权益比率仍高达 39%, 但由于经营现金流改善, 已较先前的 73% 有大幅改善。不过, 应收账款天数继续从 2013 年度的 102 天上升到 2014 年上半年的 119 天(虎都在当前困难的经营环境下对分销商增加支持), 但仍符合 3-6 个月之内的收款期政策。

估值与风险

根据招股书的盈利预测和 50% 的目标派息比率, 虎都的估值低于市场平均 (2013/14 年度市盈率 <6 倍/5 倍, 2014 年度股息率 +9%)。主要风险: i) 应收账款天数较长(收款风险)和 ii) 由于企业资源规划系统刚开始建立, 难以跟踪零售层面的销售(同店销售增长)和渠道库存。

盈利预测及估值

人民币百万元	2011	2012	2013
营业额	818	1,109	1,453
同比增长(%)	N/A	35.5%	31.0%
经常性净利润	106	153	257
同比增长(%)	N/A	44.5%	67.8%
经常性每股盈利(元)	0.22	0.32	0.53
每股股息(元)	N/A	N/A	N/A
经常性市盈率 (X)	13.8	9.5	5.7
市净率 (X)	7.4	4.1	2.5
ROAE (%)	N/A	58.1	51.7

资料来源: 公司资料, 招商证券(香港)预测

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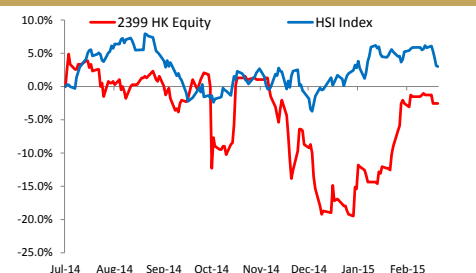
最新变动

NA

未评级

前次评级	NA
股价	HK\$3.80
12个月目标价 (上涨/下跌空间)	NA
前次目标价:	NA

股价表现



资料来源: 贝格数据

%	1m	6m	12m
2399 HK	7.0	-4.0	NA
HSI	-2.1	-4.3	6.4

行业: 零售及制造业

恒生指数	24164
国企指数	11607

重要数据

52周股价区间(港元)	3.08-4.12
港股市值(百万港元)	1824
日均成交量(百万股)	0.789
每股净资产(港元)	1.54

主要股东

Kwok Kin Sun	51.00%
Kwok Hon Fung	10.50%
Kwok Hon Pan	9.50%

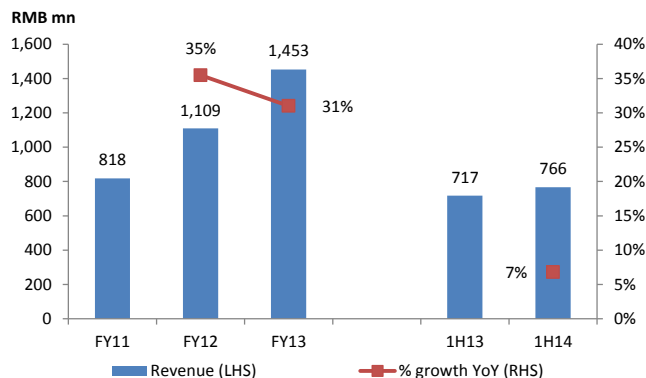
总股数(百万股)	480
自由流通量	29%

相关报告

1. 中国利郎(1234 HK) - 预测 2015 年情况继续好转, 买入, 2014 年 12 月 17 日
2. 中国利郎(1234 HK) - 利好因素在前, 行情持续看涨, 买入, 2014 年 9 月 10 日

Focus charts

Figure 1: Total revenue and growth



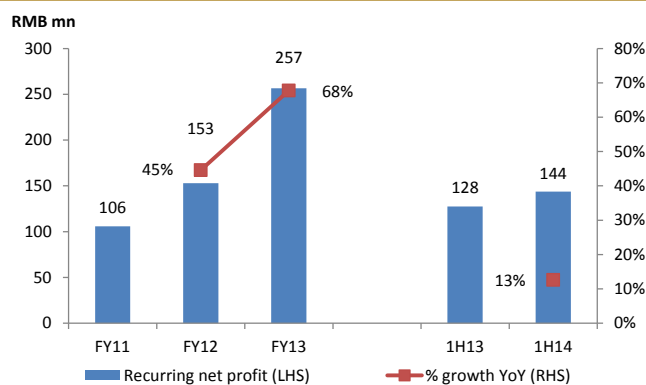
Source: Company, CMS (HK)

Figure 2: Total POS and breakdown by store format



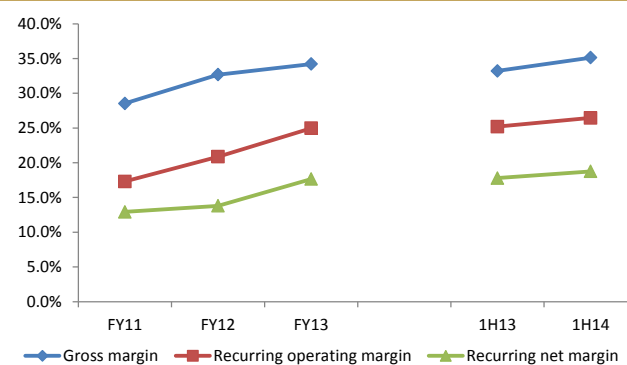
Source: Company, CMS (HK)

Figure 3: Recurring net profit and growth



Source: Company, CMS (HK)

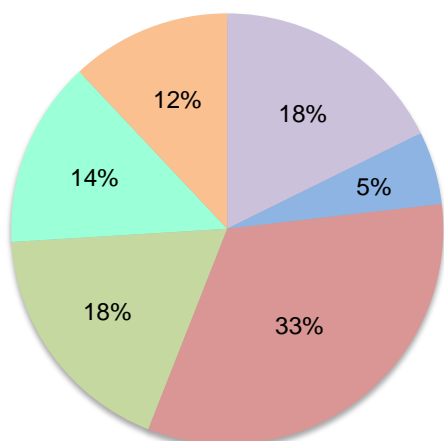
Figure 4: Profit margins



Source: Company, CMS (HK)

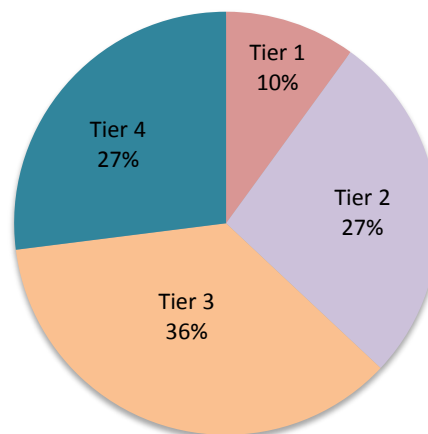
Figure 5: Stores by geography (30 June 2014)

Northern China
 Eastern China
 Southwestern China
 Northeastern China
 Central Southern China
 Northwestern China



Source: Company, CMS (HK)

Figure 6: Store by city tiers (30 June 2014)



Source: Company, CMS (HK)

Fordoo – A leading China menswear brand

China Fordoo Holdings Limited (Fordoo) is a menswear brand in the PRC, which was listed on the Hong Kong Stock Exchange in July 2014. According to the Frost & Sullivan Report, Fordoo was the number six player with a 2.9% market share in the middle-upper menswear market, the largest and fastest growing menswear segment, representing 30.4% of the overall menswear market in the PRC, all in terms of retail sales in 2013.

Fordoo targets middle class men aged 30 to 60 by offering a diverse range of menswear apparel and accessories, having trousers as the company's core product. Fordoo was ranked 2nd in the men's trousers category with a market share of 3%, and 5th in both business casual segment and business formal segment, with respective market share of 4% and 2.9%, all in terms of retail sales in 2013 according to the Frost & Sullivan Report.

Figure 7: PRC middle-upper menswear market share

Ranking	Brand	2013 Retail Revenue (RMB billion)	2013 Market Share (%)
1	Septwolves	6.6	4.2%
2	Jack & Jones	6.4	4.1%
3	Lilanz	6.2	4.0%
4	Joeone	5.8	3.7%
5	Seven Brand	5.7	3.7%
6	Fordoo	4.6	2.9%
7	Baoxiniao	2.4	1.5%
8	Cabbeen	2.2	1.4%
9	K-boxing	2.1	1.3%
10	Sinoer	1.8	1.2%

Source: Company, CMS (HK)

Figure 8: Top five players in men's trousers in 2013

Ranking	Brand	Market Share
1	Joeone	3.5%
2	Fordoo	3.0%
3	Heilan	2.2%
4	Seven Brand	1.7%
5	Lilanz	1.6%

Source: Company, CMS (HK)

Figure 9: PRC business casual menswear market share in 2013

Ranking	Brand	Retail Revenue	Market Share
1	Lilanz	5.3	6.9%
2	Septwolves	5	6.5%
3	Seven Brand	4.2	5.4%
4	Joeone	3.1	4.0%
5	Fordoo	3.1	4.0%

Source: Company, CMS (HK)

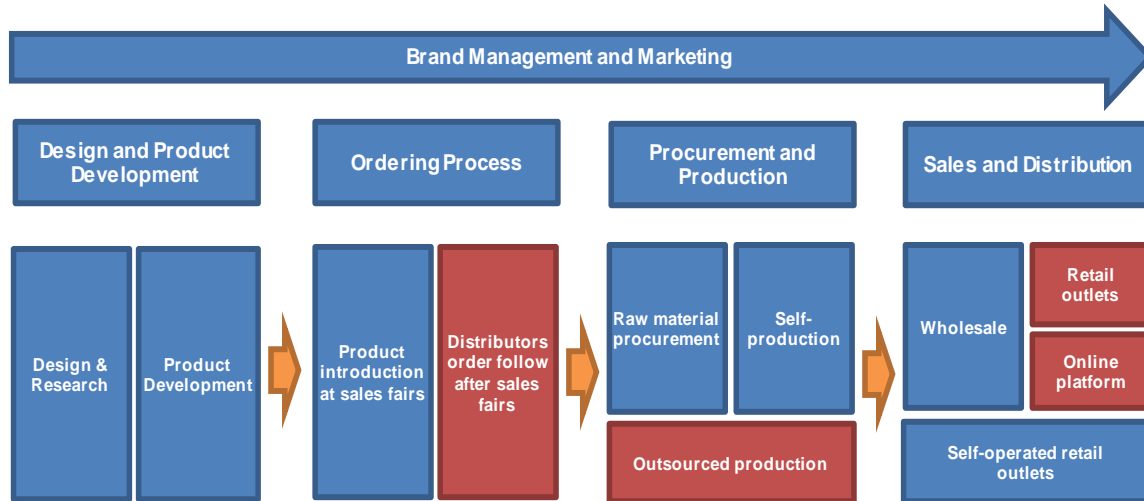
Figure 10: top five players in middle-upper business formal menswear market in 2013

Ranking	Brand	Retail Revenue	Market Share
1	Joeone	2.8	5.3%
2	Baoxiniao	1.7	3.2%
3	Septwolves	1.6	3.1%
4	Seven Brand	1.5	3.0%
5	Fordoo	1.5	2.9%

Source: Company, CMS (HK)

Business model

Figure 11: Strategically integrated business model



Source: Company, CMS (HK)

Fordoo adopts a strategically integrated business model, comprising brand management and marketing, design and product development, procurement, self- and outsourced production, and sales and distribution.

Fordoo has most of their core products produced in-house, contributing to 71.6% of the total cost of sales for 1H14, to maintain their product quality and protect their intellectual property while all accessory products and certain apparel products are outsourced through a diversified network of third-party OEM contractors (39 contractors as of December 31 2013) to enhance their cost efficiency and enable them to emphasize on design and product development, as well as brand management.

Product offerings

Fordoo offers a wide range of men's garments including jackets, trousers, and dress shirts etc. and accessories ranging from belts to shoes, given trousers are the company's key focus. Driven by the current trend of business casual outfits at workplace and other business and social events, Fordoo has enhanced its product offerings in the business casual category to satisfy the growing customer demand, which was highlighted by the progressive growth of the business casual category in turnover proportion that reached 63.4% in 1H14 from 46.3%/56.1%/58.5% in 2011/2012/2013.

Figure 12: Fordoo product offerings

Business formal	Jackets and trousers.
Business casual	Trousers, dress shirts, casual shirts, poloshirts, vests, jackets, coats, sweaters and overcoats.
Accessories	Ties, scarves, socks, belts, shoes, bags and wallets.

Source: Company, CMS (HK)

Figure 13: Suggested retail price ranges (RMB)

Men's trousers	
Business formal trousers	~360-2,600
Business casual trousers	~390-1,500
Jeans	~440-800
Men's tops	
Business formal jackets	~890-4,200
Jackets	~560-2,400
Shirts	~340-1,900
Polo shirts	~330-1,500
Accessories	~40-1,300

Source: Company, CMS (HK)

Figure 14: Turnover of Fordoo's main product series

	2011		2012		2013		1H14	
RMB million	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of turnover	Revenue	% of turnover
Apparel								
Business Casual	379.1	46.3	621.8	56.1	851.0	58.5	485.9	63.40%
Business Formal	345.4	42.2	388.3	35	457.5	31.5	223.3	29.10%
Casual	85.7	10.5	86.8	7.8	125.7	8.7	53.5	7.00%
Accessories								
Accessories	8.2	1.0	12.1	1.1	18.6	1.3	3.5	0.50%

Note: Business formal includes jackets and trousers.

Business casual includes trousers, dress shirts, casual shirts, poloshirts, vests, jackets, coats, sweaters and overcoats.

Accessories include ties, scarves, socks, belts, shoes, bags and wallets.

Source: Company, CMS (HK)

Distribution network

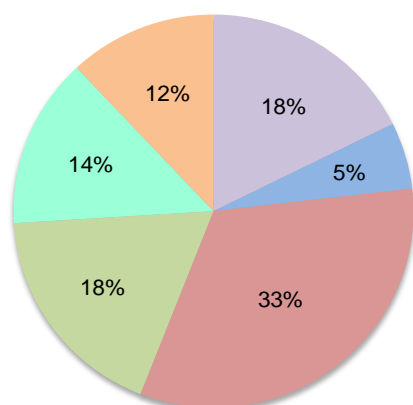
Fordoo adopts a wholesale distributorship model, with 52 distributors and 180 sub-distributors, operating a retail network of 1,353 retail outlets, covering 240 cities and 31 provinces, autonomous regions and central government-administered municipalities in the PRC, as of 30 June 2014. Fordoo has the largest exposure in the Eastern China, where 33% (as of 30 June 2014) of its retail outlets were located and the majority (62.7%, as of 30 June 2014) of its outlets was located in third-tier and fourth-tier cities, and the remaining stores were based in first-tier and second-tier cities, including Beijing, Shanghai, Shenzhen and Guangzhou etc. Bi-annual sales fairs are conducted by Fordoo in March and September for distributors to place orders for the company's respective fall/winter collections and spring/summer collections. Going forward, Fordoo targets to have an annual net increase of about 150 retail outlets annually in FY14E and FY15E.

A small quantity of Fordoo's products is sold to an online distributor which sells them through different third-party e-commerce websites, such as Tmall.com, and JD.com. The products sold online vary from those sold in retail outlets, avoiding direct competition with the physical retail outlets. In addition, Fordoo set up two self-operated stores mainly for the purpose of providing guidance to distributors on the store standards in order to harmonize the store environment across different regions in the PRC.

Monthly feedback and quarterly sales reports from distributors as well as regular store visits by Fordoo's representatives are the company's current measures to monitor distributors, and to further strengthen control on its distributors, an ERP system is expected to be installed through three-phases and completed in the next three years.

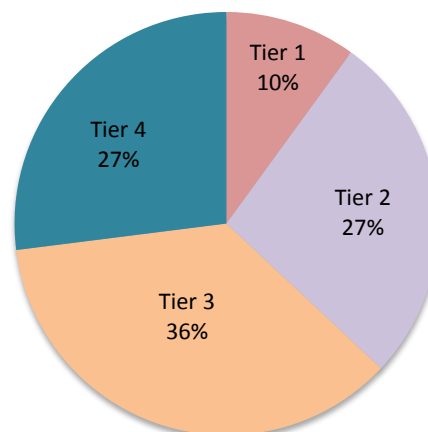
Figure 15: Stores by geography (30 June 2014)

■ Northern China
■ Eastern China
■ Southwestern China
■ Northeastern China
■ Central Southern China
■ Northwestern China



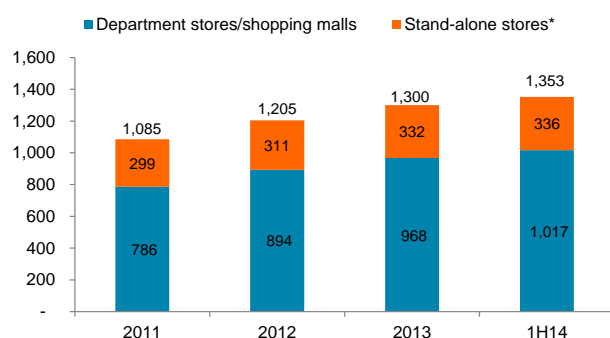
Source: Company, CMS (HK)

Figure 16: Store by city tiers (30 June 2014)



Source: Company, CMS (HK)

Figure 17: Total POS and breakdown by store format



*Includes two self-operated stores

Source: Company, CMS (HK)

Use of IPO proceeds

Fordoo raised net proceeds of approximately HK\$454.7mn (after deducting underwriting commissions and related expenses) from the global offerings on July 16, 2014, and for the period during 1H14, the company utilized HK\$90.9mn (20% of the net proceeds) for repayment of a portion of its bank borrowings, including amounts due to its controlling shareholder, Mr Kwok.

- The company is planning to use around 27% of the net proceeds for brand promotion and marketing, such as advertising through CCTV channels, increase the number of airports which it place rolling advertisements, and further improve in-store design and layout by renovating some existing retail outlets.
- Another 20% of the net proceeds are expected to be utilized for research, design and product development capabilities enhancement via its cooperation with reputable design institutes, such as Shanghai Biaoding, and obtaining feedback from end customers by market surveys at its retail outlets etc.
- About 13% of the net proceeds are to be used to expand distribution network and provide storefront decoration for the company's distributors and their sub-distributors.
- Approximately 10% is planned to apply in the installation of an ERP system and the remaining 10% is anticipated to be used for the company's working capital and other general corporate purposes.

Figure 18: Valuation table

Company	Ticker	Price	Mkt cap (USDmn)	3-mth avg t/o (USDmn)	FY-end	P/E Hist (x)	P/E FY1 (x)	P/E FY2 (x)	EPS FY1 y-o-y%	EPS FY2 y- o-y%	3-Yr EPS CAGR (%)	PEG (x)	Div yld Hist (%)	Div yld FY1 (%)	P/BV Hist (x)	P/BV FY1 (x)
China Fordoo	2399 HK	3.80	235	0.3	Dec	5.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.5	N/A
HSI		24,164				10.1	11.5	10.3	(12.2)	11.5	2.9	4.00	3.7	3.5	1.4	1.3
HSCEI		11,607				8.2	8.1	7.2	1.4	12.0	7.5	1.07	3.7	3.9	1.2	1.1
CSI300		3,479				15.3	12.7	11.0	20.6	15.8	N/A	N/A	1.7	2.1	2.2	1.9
Adjusted sector avg*						9.3	9.8	8.5	(3.3)	15.9	8.6	7.4	8.5	6.4	1.4	1.9
Bosideng Intl	3998 HK	0.89	919	0.6	Mar	9.2	10.1	8.6	(18.7)	18.3	0.3	34.5	3.6	4.5	0.8	0.8
Trinity Ltd	891 HK	1.49	335	0.6	Dec	8.5	13.1	10.6	(35.2)	22.8	1.5	5.7	8.7	5.5	0.8	4.5
Giordano Intl	709 HK	3.79	767	0.8	Dec	14.6	13.3	12.2	9.6	8.8	10.7	1.4	9.1	6.8	2.0	2.0
China Outfitters	1146 HK	0.89	395	0.0	Dec	6.5	8.2	6.5	(21.0)	25.0	N/A	N/A	27.0	N/A	1.3	N/A
China Lilang Ltd	1234 HK	5.24	813	0.5	Dec	9.8	9.7	9.1	1.9	5.9	6.0	1.6	7.1	7.1	2.0	1.9
LT Ltd	999 HK	2.26	358	0.2	Feb	9.9	9.4	8.3	5.7	12.4	14.9	0.7	4.4	4.9	1.0	1.0
Ygm Trading	375 HK	13.38	286	0.1	Mar	10.1	N/A	N/A	N/A	N/A	N/A	N/A	6.7	N/A	1.6	N/A
Evergreen Intern	238 HK	0.80	98	0.2	Dec	8.0	N/A	N/A	N/A	N/A	N/A	N/A	1.5	N/A	0.4	N/A
Cabbeen Fashion	2030 HK	3.04	279	0.4	Dec	7.4	6.8	6.0	8.7	13.9	N/A	N/A	7.4	6.1	2.4	N/A
Bossini Intl	592 HK	0.73	153	0.2	Jun	9.3	7.6	6.3	22.6	19.8	18.4	0.5	9.6	9.6	1.5	1.3

Figure 19: Valuation table (continued)

Company	Rev Hist (USDmn)	NP Hist (USDmn)	EV/ EBITDA Hist	EV/ EBITDA Cur Yr	Net gearing Hist (%)	Net gearing FY1 (%)	Unlev beta	Gross margin Hist (%)	Net margin Hist (%)	ROIC Hist (%)	ROE Hist (%)	ROE FY1 (%)	Sh px 1-mth %	Sh px 3-mth %
China Fordoo	232	38	5.4	N/A	72.7	N/A	N/A	34.2	17.7	29.0	51.7	N/A	7.0	11.4
HSI											13.4	11.0	(2.1)	0.7
HSCEI											15.2	13.6	(0.8)	0.1
CSI300											14.5	14.6	5.0	11.3
Adjusted sector avg*			5.2	5.6	4.4	0.0	0.3	56.2	14.2	11.1	17.6	17.4	2.3	(1.6)
Bosideng Intl	1,315	111	5.9	6.4	0.0	N/A	0.17	50.0	8.4	7.2	8.7	6.4	(2.2)	(22.6)
Trinity Ltd	348	39	5.4	7.5	2.6	0.0	0.73	75.5	11.4	4.3	7.1	34.5	(0.7)	(8.0)
Giordano Intl	715	53	5.4	7.5	0.0	0.0	0.71	58.0	7.4	13.5	13.6	15.1	2.4	6.2
China Outfitters	199	61	3.6	N/A	0.0	N/A	(0.02)	74.3	30.8	10.6	15.1	15.1	1.1	(6.3)
China Lilang Ltd	367	82	6.9	6.3	0.0	0.0	0.34	42.6	22.5	11.6	21.1	20.1	5.2	(2.8)
LT Ltd	870	36	3.5	3.2	0.0	0.0	0.21	59.9	4.1	6.8	11.5	10.6	(0.9)	(3.8)
Ygm Trading	161	28	9.1	N/A	0.0	N/A	0.20	64.0	17.5	6.6	8.8	N/A	(2.2)	(5.6)
Evergreen Intern	111	12	3.4	N/A	0.0	N/A	0.43	66.5	11.1	2.1	2.9	3.8	12.7	(4.8)
Cabbeen Fashion	175	38	5.0	4.6	0.0	N/A	N/A	42.1	21.4	19.4	35.7	32.4	(6.7)	4.5
Bossini Intl	328	16	3.6	3.8	0.0	N/A	0.15	51.1	5.0	N/A	17.5	19.0	9.0	14.1

*"N/A" entries excl. from calculations of averages

Source: CMS (HK), Bloomberg

Based on March 6, 2015 closing prices

Financial Summary

Balance Sheet

RMB million	2009	2010	2011	2012	2013
Current Assets	-	-	456	468	760
Cash & equivalents	-	-	32	56	63
Trading investments	-	-	-	-	-
ST bank deposits	-	-	57	10	27
Trade receivables	-	-	289	336	621
Other receivables	-	-	-	-	-
Inventories	-	-	78	65	49
Other current assets	-	-	-	-	-
Non-current assets	-	-	744	722	579
Investment property	-	-	30.87	29.68	28.49
Property, Plant & Eqt.	-	-	650	632	486
Intangible assets	-	-	-	-	-
Other non-current assets	-	-	63	60	65
Total assets	-	-	1,200	1,189	1,339
Current liabilities	-	-	885	719	627
Bank loans	-	-	519	406	357
Trade payables	-	-	361	292	249
Prepaid Accounts	-	-	-	-	-
Other liquid liabilities	-	-	5	21	22
Long term Liabilities	-	-	130	130	129
Bank loans	-	-	-	-	-
Others	-	-	130	130	129
Total Liabilities	-	-	1,015	849	757
Issued capital	-	-	11	11	11
Capital reserves	-	-	-	-	-
Reserves	-	-	185.08	340.86	582
Minority interests	-	-	-	-	-

Cashflow Statement

RMB million	2009	2010	2011	2012	2013
Operating cashflow	-	-	98	205	73
Pretax profit	-	-	121	207	321
Deprec & Amort.	-	-	30	33	28
Finance costs	-	-	22	26	25
Interest income	-	-	(1)	(1)	(1)
Working capital chg	-	-	(58)	(25)	(215)
Others	-	-	(16)	(35)	(84)
CF from IA	-	-	(128)	45	100
Capital expenditure	-	-	(123)	(3)	(14)
Other investments	-	-	(251)	42	87
CF from FA	-	-	34	(226)	(167)
Borrowings	-	-	118	(113)	(49)
Others	-	-	(84)	(113)	(118)
Net cash flow	-	-	3	24	7
Beginning cash	-	-	29	32	56
Forex effects	-	-	-	-	-
Ending cash	-	-	32	56	63

Profit & Loss Statement

RMB million	2009	2010	2011	2012	2013
Revenues	-	-	818	1,109	1,453
Cost of sales	-	-	(585)	(746)	(956)
Gross profit	-	-	234	362	497
Selling exp	-	-	(50)	(70)	(87)
Admin exp	-	-	(49)	(63)	(55)
Op expenses	-	-	-	-	-
Other revenue	-	-	7	2	8
Op Profit	-	-	142	231	363
Net fin. costs	-	-	(21)	(25)	(24)
Non-recurring (loss)/profit	-	-	-	-	(18)
PBT	-	-	121	207	321
Taxes	-	-	(15)	(54)	(82)
Profit after tax	-	-	106	153	239
Minority interests	-	-	-	-	-
Reported NP	-	-	106	153	239
Recurring NP	-	-	106	153	257
Recurring EPS (RMB)	-	-	0.22	0.32	0.53

Financial Ratios

	2009	2010	2011	2012	2013
YoY growth rate					
Revenue	-	-	-	35.5%	31.0%
Recurring op profit	-	-	-	63.4%	56.7%
Recurring NP	-	-	-	44.5%	67.8%
Profitability					
Gross margin	-	-	28.5%	32.7%	34.2%
Recurring NP margin	-	-	12.9%	13.8%	17.7%
ROAE	-	-	-	58.1%	51.7%
Liquidity					
Debt to Asset	-	-	54.1%	45.0%	36.3%
Net Debt to Equity	-	-	427.5%	169.0%	72.7%
Current ratio	-	-	0.5	0.7	1.2
Quick ratio	-	-	0.4	0.6	1.1
Operating efficiency					
Asset turnover	-	-	0.7	0.9	1.1
Inventory days	-	-	43	35	22
AR days	-	-	93	86	102
AP days	-	-	65	55	45
Per share ratios					
Recurring EPS (RMB)	-	-	0.22	0.32	0.53
CFPS (RMB)	-	-	0.20	0.43	0.15
BVPS (RMB)	-	-	0.41	0.73	1.24
DPS (RMB)	-	-	-	-	-
Valuation ratios					
P/E	-	-	13.8	9.5	5.7
P/B	-	-	7.4	4.1	2.5
EV/EBITDA	-	-	13.1	8.2	5.4

Source: Company data, CMS (HK) estimates

Investment Ratings

Rating	Definition
BUY	Expected to outperform the market index by >10% over the next 12 months
NEUTRAL	Expected to outperform or underperform the market index by 10% or less over the next 12 months
SELL	Expected to underperform the market index by >10% over the next 12 months

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