



## HONG KONG

825 HK Neutral

Price (at 07:59, 06 Mar 2015 GMT) HK\$1.94

|                               |                   |              |
|-------------------------------|-------------------|--------------|
| <b>Valuation</b>              | <b>HK\$</b>       | <b>1.90</b>  |
| - PER                         |                   |              |
| <b>12-month target</b>        | <b>HK\$</b>       | <b>1.90</b>  |
| <b>Upside/Downside</b>        | <b>%</b>          | <b>-2.1</b>  |
| <b>12-month TSR</b>           | <b>%</b>          | <b>+2.5</b>  |
| <b>Volatility Index</b>       | <b>Low/Medium</b> |              |
| <b>GICS sector</b>            | <b>Retailing</b>  |              |
| <b>Market cap</b>             | <b>HK\$m</b>      | <b>3,271</b> |
| <b>Market cap</b>             | <b>US\$m</b>      | <b>422</b>   |
| <b>Free float</b>             | <b>%</b>          | <b>28</b>    |
| <b>30-day avg turnover</b>    | <b>US\$m</b>      | <b>0.4</b>   |
| <b>Number shares on issue</b> | <b>m</b>          | <b>1,686</b> |

## Investment fundamentals

| Year end 30 Jun |   | 2014A   | 2015E   | 2016E   | 2017E   |
|-----------------|---|---------|---------|---------|---------|
| Revenue         | m | 4,136.2 | 4,208.5 | 4,430.2 | 4,780.1 |
| EBIT            | m | 668.8   | 432.9   | 397.3   | 460.1   |
| EBIT growth     | % | -18.8   | -35.3   | -8.2    | 15.8    |
| Reported profit | m | 522.3   | 310.1   | 288.8   | 339.5   |
| Adjusted profit | m | 522.3   | 310.1   | 288.8   | 339.5   |
| EPS rep         | ¢ | 31.0    | 18.4    | 17.1    | 20.1    |
| EPS rep growth  | % | -15.8   | -40.6   | -6.9    | 17.6    |
| EPS adj         | ¢ | 31.0    | 18.4    | 17.1    | 20.1    |
| EPS adj growth  | % | -13.7   | -40.6   | -6.9    | 17.6    |
| PER rep         | x | 6.3     | 10.5    | 11.3    | 9.6     |
| PER adj         | x | 6.3     | 10.5    | 11.3    | 9.6     |
| Total DPS       | ¢ | 8.9     | 10.1    | 8.6     | 10.1    |
| Total div yield | % | 4.6     | 5.2     | 4.4     | 5.2     |
| ROA             | % | 5.2     | 3.5     | 3.3     | 3.7     |
| ROE             | % | 8.0     | 4.9     | 4.6     | 5.3     |
| EV/EBITDA       | x | 3.1     | 3.9     | 4.2     | 3.8     |
| Net debt/equity | % | -12.9   | -3.5    | -2.1    | -6.2    |
| P/BV            | x | 0.5     | 0.5     | 0.5     | 0.5     |

## 825 HK rel HSI performance, &amp; rec history



Note: Recommendation timeline - if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.

Source: FactSet, Macquarie Research, March 2015  
(all figures in HKD unless noted)

## Analyst(s)

Linda Huang, CFA

+852 3922 4068

linda.huang@macquarie.com

Terence Chang

+852 3922 3581

terence.chang@macquarie.com

6 March 2015

Macquarie Capital Securities Limited

## New World Dept Store

## Private label to save the day?

## Event

- We lower NWDS FY15 and FY16 earnings by 52% and 61% respectively post the analyst briefing, mainly driven by the cut in our SSSg assumptions in 2HFY15 and FY16 and higher expense as the company explores expansion of its private label business. We maintain Neutral with a lower target price of HK\$1.9/sh vs HK\$ 3.7/sh previously, based on 10x our FY16E earnings forecast. We remain concerned about the company's outlook in the next 6-12 months due to weak macro sentiment and highlight that the potential provision risks as the company considers store consolidation to control its costs.

## Impact

- Slowing down its store expansion plan.** With the weaker consumer environment, the company is turning conservative in the next few years in terms of store expansion. The company is currently opening a store from redevelopment in FY16 and adding one managed store in FY17. On the other hand, the company is seeking ways to improve store productivity by further developing its online to offline strategy. On a longer-term basis the company remain bullish on the growth opportunities and see that Western China cities such as Chongqing and Chengdu still provide enough opportunities to grow. They will continue to pursue the multi-store in one city strategy.
- Cost control will become top priority.** The management noted cost controls to be implemented in 2HFY15 will likely be reflected in FY16. This includes store consolidation and rental negotiation with landlords. The company will consider stores which are older and of smaller sizes and unlikely to turn profitable, given the specific store outlook. As a result, we are concerned that store closure provisions may have negative impact on the company's financials if they decide to kitchen sink and start afresh next year. YTD SSSG is better than management's expectations at low single digit decline.
- Will private label be the saviour of their business?** Subsequent to launching the private label LoL focusing on non-apparel items, the company is planning to launch private label products in accessory categories such as shoes and leather goods before moving to clothing. The acquisition of Well Metro, a distributor and retailer of RED Valentino and MOSCHINO, will help the company to build out its merchandising and procurement capability. We will need some time to observe the results; however, the company guided direct sales for the full year to achieve 25-30% growth with direct sales margin increasing to >20% as Well Metro becomes fully operational in 2HFY15.

## Earnings and target price revision

- We lower NWDS FY15 and FY16 earnings by 52% and 61% respectively on lower SSSg assumptions and higher expenses. TP lowered to HK\$1.9/sh

## Price catalyst

- 12-month price target: HK\$1.90 based on a PER methodology.
- Catalyst: 2HFY15 results

## Action and recommendation

- Maintain Neutral. The company is trading at 11x FY16 PER.

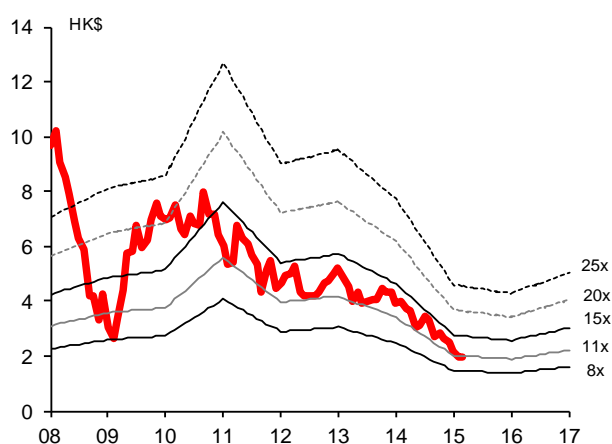
## Investment thesis: Maintain Neutral; TP lowered to HK\$1.9/sh

Our thesis for the stock is largely unchanged.

- ⇒ We believe that SSSg in 2HFY15 will be worse than our original expectations. We are forecasting -8% SSSg for 2HFY15 vs +2% previously. This will likely result in negative operating leverage as the rental expense of the Well Metro acquisition and Shanghai 118 store will be recognised for 2HFY15 full year.
- ⇒ We believe the outlook for the company remains challenging, as consumer sentiment remains weak. We expect 2HFY15 will be just as challenging as 1HFY15, given we have yet to see consumer sentiment pick up, while the threat from e-commerce remains competitive pressure.
- ⇒ We acknowledge the company's efforts to invest in merchandising and private label but it will likely take a while to bear fruit. It is nevertheless the right step forward. The company's plan for store consolidation may ultimately result in impairment provisions which will impact its financials.

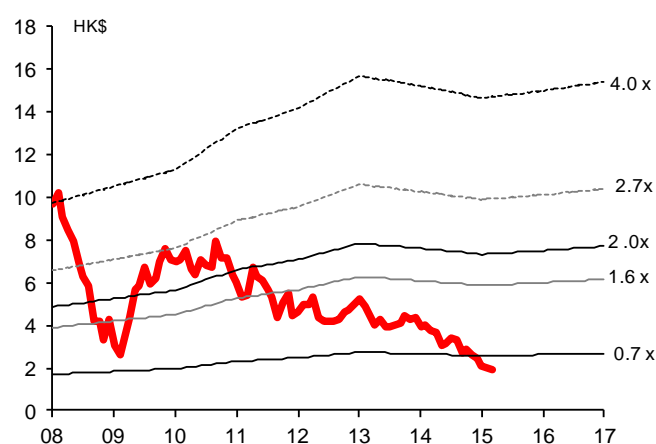
We maintain Neutral with a lower target price of HK\$1.9/sh vs HK\$ 3.7/sh previously, based on 10x our FY16E earnings forecast. We remain concerned about the company's outlook in the next 6-12 months due to weak macro sentiment.

**Fig 1 Historical PER band**



Source: Bloomberg, Macquarie Research, February 2015

**Fig 2 Historical P/BV band**



Source: Bloomberg, Macquarie Research, February 2015

**Fig 3 Department store valuation comparison**

| Company Name Code                         | Price lcy/sh | Rating | TP lcy/sh | Up-side (%) | Mkt cap US\$m | P/E (x) |             | P/B (x)     |            | EPS (lcy/sh) |      | BPS (lcy/sh) |       | ROE (%) |             | EPS Growth (%) |       |      |
|---|--------------|--------|-----------|-------------|---------------|---------|-------------|-------------|------------|--------------|------|--------------|-------|---------|-------------|----------------|-------|------|
|   |              |        |           |             |               | 2015    | 2016        | 2015        | 2016       | 2015         | 2016 | 2015         | 2016  | 2015    | 2016        | 2015           | 2016  |      |
| <b>Department stores</b>                  |              |        |           |             |               |         |             |             |            |              |      |              |       |         |             |                |       |      |
| Parkson                                   | 3368 HK      | 1.67   | OP        | 2.4         | 44%           | 591     | 19.4        | 17.4        | 0.7        | 0.6          | 0.09 | 0.10         | 2.54  | 2.59    | 4.2         | 4.7            | 2.7   | 12.0 |
| Golden Eagle                              | 3308 HK      | 9.50   | OP        | 12.12       | 28%           | 2,187   | 14.1        | 12.8        | 2.1        | 1.8          | 0.67 | 0.74         | 4.63  | 5.28    | 19.2        | 18.5           | 13.7  | 10.1 |
| Lifestyle                                 | 1212 HK      | 14.18  | OP        | 20.5        | 45%           | 2,978   | 10.0        | 9.4         | 1.8        | 1.6          | 1.42 | 1.51         | 8.00  | 8.90    | 18.8        | 17.9           | 3.3   | 6.5  |
| NWDS                                      | 825 HK       | 1.94   | N         | 1.9         | -2%           | 422     | 10.5        | 11.3        | 0.5        | 0.5          | 0.18 | 0.17         | 3.67  | 3.75    | 4.9         | 4.6            | -40.6 | -6.9 |
| Maoye                                     | 848 HK       | 1.18   | NR        | NR          | NR            | 791     | 8.6         | 7.9         | 0.7        | 0.7          | 0.14 | 0.15         | 1.61  | 1.76    | 11.8        | 12.2           | -4.2  | 9.5  |
| Intime dept                               | 1833 HK      | 4.72   | OP        | 9.9         | 110%          | 1,322   | 10.7        | 11.7        | 1.0        | 0.9          | 0.44 | 0.40         | 4.84  | 5.16    | 11.7        | 10.0           | 7.9   | -8.5 |
| Springland                                | 1700 HK      | 2.43   | NR        | NR          | NR            | 764     | 8.0         | 7.8         | 0.9        | 0.8          | 0.30 | 0.31         | 2.72  | 2.88    | 13.9        | 13.8           | 7.0   | 3.0  |
| BJ Wangfujing                             | 600859 CH    | 20.05  | NR        | NR          | NR            | 1,596   | 12.2        | 11.5        | 1.3        | 1.2          | 1.64 | 1.75         | 15.94 | 17.43   | 9.9         | 9.7            | 8.4   | 6.3  |
| Rainbow dept                              | 002419 CH    | 13.06  | NR        | NR          | NR            | 1,682   | 16.8        | 15.2        | 2.0        | 1.9          | 0.78 | 0.86         | 6.43  | 7.02    | 12.4        | 12.5           | 7.5   | 10.7 |
| Chongqing dept                            | 600729 CH    | 25.46  | NR        | NR          | NR            | NA      | 13.7        | 12.8        | 1.9        | 1.7          | 1.86 | 1.98         | 13.52 | 15.08   | 12.5        | 12.4           | 14.1  | 6.7  |
| <b>HK listed department store average</b> |              |        |           |             |               |         | <b>11.6</b> | <b>11.2</b> | <b>1.1</b> | <b>1.0</b>   |      |              |       |         | <b>12.1</b> | <b>11.7</b>    |       |      |
| <b>CN listed department store average</b> |              |        |           |             |               |         | <b>14.5</b> | <b>13.7</b> | <b>1.6</b> | <b>1.5</b>   |      |              |       |         | <b>10.6</b> | <b>10.5</b>    |       |      |

Source: Bloomberg, Macquarie Research, March 2015. Prices as of 6 March 2015

## Earnings estimates lowered

We lower our FY15 and FY16 earnings by 52% and 61% respectively, mainly driven by the cut in our SSSg assumption as 2HFY15 and FY16. Based on our new assumptions, we expect an FY15 adjusted profit decline of 46% YoY, followed by 4% decline for FY16. Our earnings forecasts are 42%-55% below consensus.

Our new earnings forecasts are based on the following assumptions.

- **SSSg:** We cut our FY15 SSSg assumption from 1.0% previously to -8.8% and FY16 from 5% to -1.5%. This is based on a tougher outlook in 2HFY15 as consumer sentiment remains weak.
- **Commission rate:** We raised our commission rate assumption as we believe a lower portion of gold sales and company's effort to control promotion efforts should pay off.
- **Operating margin:** We lower our operating margin by 8.3ppt and 10.4ppt for FY15 and FY16 respectively due to negative operating leverage from SSSg slowdown and higher staff and rental expense from acquisition and newly operated department stores.

**Fig 4 Macquarie's lowered earnings forecasts**

| (HK\$m)                     | Old<br>FY15 | Old<br>FY16 | New<br>FY15 | New<br>FY16 | % chg.<br>FY15 | % chg.<br>FY16 |
|-----------------------------|-------------|-------------|-------------|-------------|----------------|----------------|
| <b>Assumption</b>           |             |             |             |             |                |                |
| <b>SSSg</b>                 | 1.0%        | 5.0%        | (8.8%)      | (1.5%)      | (9.8ppt)       | (6.5ppt)       |
| <b>Commission rate</b>      | 17.72%      | 17.72%      | 18.18%      | 18.20%      | 0.47ppt        | 0.48ppt        |
| Revenue                     | 4,491       | 5,126       | 4,209       | 4,430       | (6.3%)         | (13.6%)        |
| Gross Profit                | 3,789       | 4,410       | 3,382       | 3,485       | (10.7%)        | (21.0%)        |
| Operating Profit            | 834         | 994         | 433         | 397         | (48.1%)        | (60.0%)        |
| Pre-Tax                     | 852         | 991         | 443         | 391         | (48.0%)        | (60.6%)        |
| Net Income (ex exceptional) | 630         | 733         | 301         | 289         | (52.2%)        | (60.6%)        |
| EPS (HK\$)                  | 0.37        | 0.43        | 0.18        | 0.17        | (52.2%)        | (60.6%)        |
| Margin (%)                  |             |             |             |             |                |                |
| Gross Margin                | 84.4%       | 86.0%       | 80.4%       | 78.7%       | (4.0ppt)       | (7.4ppt)       |
| OP Margin                   | 18.6%       | 19.4%       | 10.3%       | 9.0%        | (8.3ppt)       | (10.4ppt)      |
| Net Margin                  | 14.0%       | 14.3%       | 7.2%        | 6.5%        | (6.9ppt)       | (7.8ppt)       |

Source: Macquarie Research, February 2015

**Fig 5 Our new forecasts are 43%-55% below consensus**

| HK\$m            | Macq<br>FY15 | Macq<br>FY16 | Bloomberg Consensus<br>FY15 | Bloomberg Consensus<br>FY16 | vs Consensus<br>FY15 | vs Consensus<br>FY16 |
|------------------|--------------|--------------|-----------------------------|-----------------------------|----------------------|----------------------|
| Revenue          | 4,209        | 4,430        | 4,364                       | 4,783                       | -3.6%                | -7.4%                |
| Gross Profit     | 3,382        | 3,485        | 3,430                       | 3,695                       | N/A                  | N/A                  |
| Operating Profit | 433          | 397          | 537                         | 609                         | -19.4%               | -34.8%               |
| Pre-Tax          | 443          | 391          | 584                         | 668                         | -24.1%               | -41.5%               |
| Net Income       | 301          | 289          | 529                         | 638                         | -43.1%               | -54.7%               |
| EPS (HK\$)       | 0.18         | 0.17         | 0.31                        | 0.38                        | -42.4%               | -54.9%               |
| Margin (%)       |              |              |                             |                             |                      |                      |
| Gross Margin     | 80.4%        | 78.7%        | N/A                         | N/A                         | N/A                  | N/A                  |
| OP Margin        | 10.3%        | 9.0%         | 12.3%                       | 12.7%                       | -2.0ppt              | -3.8ppt              |
| Net Margin       | 7.2%         | 6.5%         | 12.1%                       | 13.3%                       | -5.0ppt              | -6.8ppt              |

Source: Bloomberg, Macquarie Research, February 2015

## Earnings review

New World Department store announced 1HFY15 results during lunch with net profit down 41.1% YoY, in line with the [profit warning announcement issued in January](#). Revenue was down 4.1% YoY while operating profit was down 36.7% YoY, suggesting significant negative operating leverage as both staff and rental expense were up ~20% YoY. OPM declined from 21.7% last year to 14.3% this year.

- ⇒ **SSSg down 9.5% for the period while rental income recorded 0.5% decline.** Beijing and Shanghai outperformed. Concessionaire sales declined by 7.2% YoY as general consumer sentiment remained weak. Rental income in particular slowed down from the 30% YoY growth seen in the past 2 years, registering a 0.5% YoY decline due to change in tenant mix and revamp of the Shanghai Hongxin Trendy Plaza and Shaanxi Road Branch Store, as well as the closure of the Qiaokou Store in Wuhan.
- ⇒ **Commission rate improved due to product mix change.** The company saw commission rate improve from 17.7% to 18.3% due to a lower portion of gold jewellery sales for the period. Direct sales gross margin also contracted by 1.4ppt to 13.5% due to a decline in cosmetics gross margins.
- ⇒ **Employee and rental expenses were up by 19% YoY and 20% YoY, respectively, which led to significant negative operating leverage.** The company noted the higher expenses were largely attributed to the recognition of expenses from the full period of operation of the Shanghai Hongxin Trendy Plaza, Wujiaochang branch and Yantai Store. The opening of the Shanghai 118 Branch store in November also contributed to the increase in expenses

**Fig 6 Earnings Review**

|                                   | 1H14 Actual   | 1H15 Actual   | YoY growth       |
|-----------------------------------|---------------|---------------|------------------|
| <b>Total gross sales proceeds</b> | <b>8,465</b>  | <b>7,928</b>  | <b>-6.3%</b>     |
| <b>Commission rate</b>            | <b>17.73%</b> | <b>18.35%</b> | <b>0.62ppt</b>   |
| <b>SSSg</b>                       | <b>0.40%</b>  | <b>-9.50%</b> | <b>(9.90ppt)</b> |
| Revenue                           | 2,125         | 2,038         | -4.1%            |
| Gross Profit                      | 1,776         | 1,714         | -3.5%            |
| Operating Profit                  | 460           | 291           | -36.7%           |
| Pre-Tax                           | 473           | 302           | -36.1%           |
| Net Income                        | 350           | 206           | -41.1%           |
| EPS (HK\$/sh)                     | 0.21          | 0.12          | -42.9%           |
| Margin (%)                        |               |               |                  |
| Gross Margin                      | 83.6%         | 84.1%         | 0.53%            |
| OP Margin                         | 21.7%         | 14.3%         | (7.37%)          |
| Net Margin                        | 16.3%         | 0.0%          | (16.26%)         |

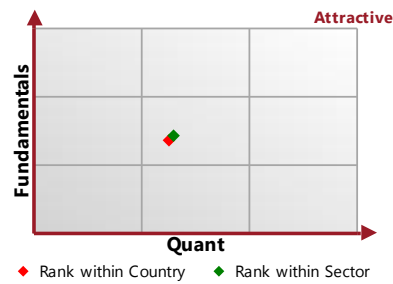
Source: Macquarie Research, February 2015

## Macquarie Quant View

The quant model currently holds a neutral view on New World Dept Store. The strongest style exposure is Valuations, indicating this stock is under-priced in the market relative to its peers. The weakest style exposure is Price Momentum, indicating this stock has had weak medium to long term returns which often persist into the future.

**168/295**  
Global Alpha Model  
Sector Rank

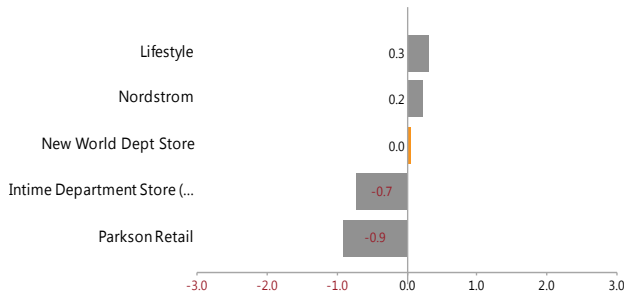
**% of BUY recommendations** 50% (1/2)  
**Number of Price Target downgrades** 0  
**Number of Price Target upgrades** 0



Displays where the company's ranked based on the fundamental consensus Price Target and Macquarie's Quantitative Alpha model. The rankings are displayed relative to the sector and country.

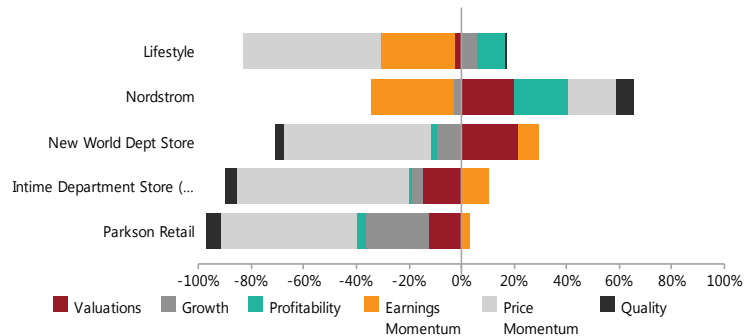
### Macquarie Alpha Model ranking

A list of comparable companies and their Macquarie Alpha model score (higher is better).



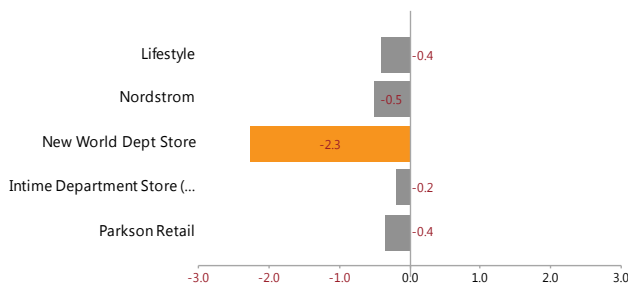
### Factors driving the Alpha Model

For the comparable firms this chart shows the key underlying styles and their contribution to the current overall Alpha score.



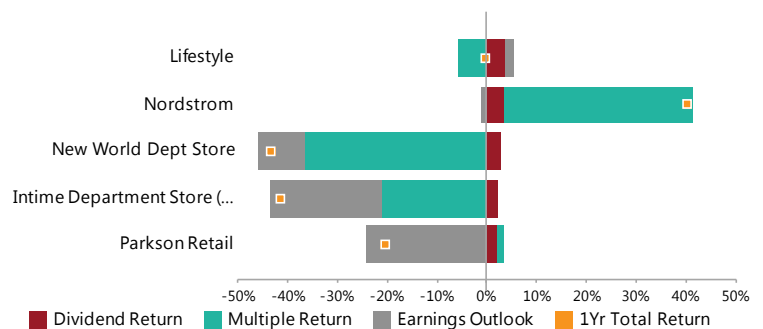
### Macquarie Earnings Sentiment Indicator

The Macquarie Sentiment Indicator is an enhanced earnings revisions signal that favours analysts who have more timely and higher conviction revisions. Current score shown below.



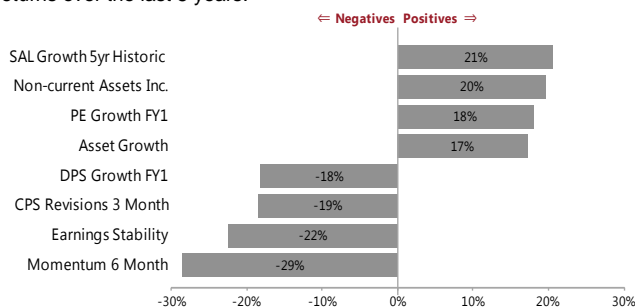
### Drivers of Stock Return

Breakdown of 1 year total return (local currency) into returns from dividends, changes in forward earnings estimates and the resulting change in earnings multiple.



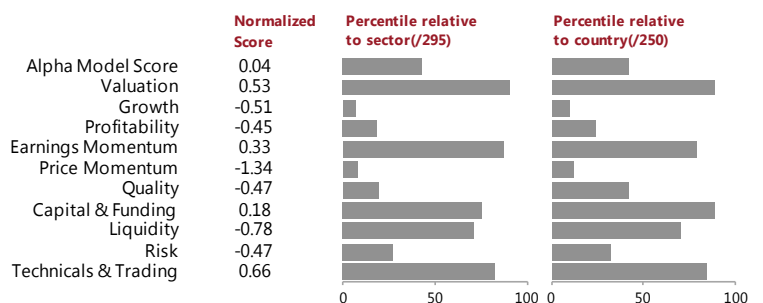
### What drove this Company in the last 5 years

Which factor score has had the greatest correlation with the company's returns over the last 5 years.



### How it looks on the Alpha model

A more granular view of the underlying style scores that drive the alpha (higher is better) and the percentile rank relative to the sector and country



For more details on the Macquarie Alpha model or for more customised analysis and screens, please contact the Macquarie Global Quantitative/Custom Products Group ([cpg@macquarie.com](mailto:cpg@macquarie.com))

## New World Dept Store (825 HK, Neutral, Target Price: HK\$1.90)

| Interim Results             |        |        |        |        | Profit & Loss             |                                   |        |        |        |        |        |
|-----------------------------|--------|--------|--------|--------|---------------------------|-----------------------------------|--------|--------|--------|--------|--------|
|                             | 1H/15A | 2H/15E | 1H/16E | 2H/16E |                           | 2014A                             | 2015E  | 2016E  | 2017E  |        |        |
| <b>Revenue</b>              | m      | 2,038  | 2,171  | 2,239  | 2,191                     | <b>Revenue</b>                    | m      | 4,136  | 4,209  | 4,430  | 4,780  |
| <b>Gross Profit</b>         | m      | 1,714  | 1,668  | 1,776  | 1,710                     | <b>Gross Profit</b>               | m      | 3,465  | 3,382  | 3,485  | 3,758  |
| Cost of Goods Sold          | m      | 324    | 502    | 463    | 482                       | Cost of Goods Sold                | m      | 671    | 827    | 945    | 1,023  |
| <b>EBITDA</b>               | m      | 453    | 340    | 409    | 326                       | <b>EBITDA</b>                     | m      | 990    | 793    | 735    | 800    |
| Depreciation                | m      | 171    | 189    | 148    | 189                       | Depreciation                      | m      | 321    | 360    | 337    | 340    |
| Amortisation of Goodwill    | m      | 0      | 0      | 0      | 0                         | Amortisation of Goodwill          | m      | 0      | 0      | 0      | 0      |
| Other Amortisation          | m      | 0      | 0      | 0      | 0                         | Other Amortisation                | m      | 0      | 0      | 0      | 0      |
| <b>EBIT</b>                 | m      | 282    | 151    | 261    | 137                       | <b>EBIT</b>                       | m      | 669    | 433    | 397    | 460    |
| Net Interest Income         | m      | 11     | -10    | 3      | -10                       | Net Interest Income               | m      | 35     | 1      | -7     | -1     |
| Associates                  | m      | 0      | 0      | 0      | 0                         | Associates                        | m      | 0      | 0      | 0      | 0      |
| Exceptionals                | m      | 0      | 0      | 0      | 0                         | Exceptionals                      | m      | 0      | 0      | 0      | 0      |
| Forex Gains / Losses        | m      | 0      | 0      | 0      | 0                         | Forex Gains / Losses              | m      | 0      | 0      | 0      | 0      |
| Other Pre-Tax Income        | m      | 9      | 0      | 0      | 0                         | Other Pre-Tax Income              | m      | 8      | 9      | 0      | 0      |
| <b>Pre-Tax Profit</b>       | m      | 302    | 141    | 264    | 127                       | <b>Pre-Tax Profit</b>             | m      | 713    | 443    | 390    | 459    |
| Tax Expense                 | m      | -96    | -37    | -69    | -33                       | Tax Expense                       | m      | -190   | -133   | -101   | -119   |
| <b>Net Profit</b>           | m      | 206    | 104    | 195    | 94                        | <b>Net Profit</b>                 | m      | 522    | 310    | 289    | 339    |
| Minority Interests          | m      | 0      | 0      | 0      | 0                         | Minority Interests                | m      | 0      | 0      | 0      | 0      |
| <b>Reported Earnings</b>    | m      | 206    | 104    | 195    | 94                        | <b>Reported Earnings</b>          | m      | 522    | 310    | 289    | 339    |
| <b>Adjusted Earnings</b>    | m      | 206    | 104    | 195    | 94                        | <b>Adjusted Earnings</b>          | m      | 522    | 310    | 289    | 339    |
| EPS (rep)                   | ¢      | 12.2   | 6.2    | 11.6   | 5.6                       | EPS (rep)                         | ¢      | 31.0   | 18.4   | 17.1   | 20.1   |
| EPS (adj)                   | ¢      | 12.2   | 6.2    | 11.6   | 5.6                       | EPS (adj)                         | ¢      | 31.0   | 18.4   | 17.1   | 20.1   |
| EPS Growth yoy (adj)        | %      | -41.1  | -39.6  | -5.3   | -10.0                     | EPS Growth (adj)                  | %      | -13.7  | -40.6  | -6.9   | 17.6   |
|                             |        |        |        |        |                           | PE (rep)                          | x      | 6.3    | 10.5   | 11.3   | 9.6    |
|                             |        |        |        |        |                           | PE (adj)                          | x      | 6.3    | 10.5   | 11.3   | 9.6    |
| EBITDA Margin               | %      | 22.2   | 15.7   | 18.3   | 14.9                      | Total DPS                         | ¢      | 8.9    | 10.1   | 8.6    | 10.1   |
| EBIT Margin                 | %      | 13.8   | 6.9    | 11.6   | 6.2                       | Total Div Yield                   | %      | 4.6    | 5.2    | 4.4    | 5.2    |
| Earnings Split              | %      | 66.4   | 33.6   | 67.6   | 32.4                      | Basic Shares Outstanding          | m      | 1,686  | 1,686  | 1,686  | 1,686  |
| Revenue Growth              | %      | -4.1   | 7.9    | 9.9    | 1.0                       | Diluted Shares Outstanding        | m      | 1,686  | 1,686  | 1,686  | 1,686  |
| EBIT Growth                 | %      | -37.9  | -29.8  | -7.6   | -9.4                      |                                   |        |        |        |        |        |
| Profit and Loss Ratios      |        |        |        |        | Cashflow Analysis         |                                   |        |        |        |        |        |
|                             | 2014A  | 2015E  | 2016E  | 2017E  |                           | 2014A                             | 2015E  | 2016E  | 2017E  |        |        |
| Revenue Growth              | %      | 3.1    | 1.7    | 5.3    | 7.9                       | <b>EBITDA</b>                     | m      | 1,220  | 906    | 818    | 800    |
| EBITDA Growth               | %      | -13.5  | -19.9  | -7.4   | 8.9                       | Tax Paid                          | m      | -192   | -133   | -101   | -119   |
| EBIT Growth                 | %      | -18.8  | -35.3  | -8.2   | 15.8                      | Chgs in Working Cap               | m      | -421   | -278   | -90    | 218    |
| Gross Profit Margin         | %      | 83.8   | 80.4   | 78.7   | 78.6                      | Net Interest Paid                 | m      | 31     | 0      | 0      | 0      |
| EBITDA Margin               | %      | 23.9   | 18.8   | 16.6   | 16.7                      | Other                             | m      | -269   | -148   | -129   | -34    |
| EBIT Margin                 | %      | 16.2   | 10.3   | 9.0    | 9.6                       | <b>Operating Cashflow</b>         | m      | 369    | 347    | 498    | 865    |
| Net Profit Margin           | %      | 12.6   | 7.4    | 6.5    | 7.1                       | Acquisitions                      | m      | 0      | 0      | 0      | 0      |
| Payout Ratio                | %      | 28.6   | 54.7   | 49.9   | 49.9                      | Capex                             | m      | -1,722 | -492   | -492   | -492   |
| EV/EBITDA                   | x      | 3.1    | 3.9    | 4.2    | 3.8                       | Asset Sales                       | m      | 0      | 0      | 0      | 0      |
| EV/EBIT                     | x      | 4.6    | 7.1    | 7.7    | 6.6                       | Other                             | m      | 0      | 0      | 0      | 0      |
| <b>Balance Sheet Ratios</b> |        |        |        |        | <b>Investing Cashflow</b> | m                                 | -1,722 | -492   | -492   | -492   |        |
| ROE                         | %      | 8.0    | 4.9    | 4.6    | 5.3                       | Dividend (Ordinary)               | m      | -314   | -541   | -148   | -161   |
| ROA                         | %      | 5.2    | 3.5    | 3.3    | 3.7                       | Equity Raised                     | m      | 0      | 0      | 0      | 0      |
| ROIC                        | %      | 11.3   | 5.4    | 4.9    | 5.5                       | Debt Movements                    | m      | 38     | 0      | 0      | 0      |
| Net Debt/Equity             | %      | -12.9  | -3.5   | -2.1   | -6.2                      | Other                             | m      | 0      | 0      | 0      | 0      |
| Interest Cover              | x      | nmf    | nmf    | 56.4   | 353.5                     | <b>Financing Cashflow</b>         | m      | -276   | -541   | -148   | -161   |
| Price/Book                  | x      | 0.5    | 0.5    | 0.5    | 0.5                       | <b>Net Chg in Cash/Debt</b>       | m      | -1,629 | -686   | -142   | 212    |
| Book Value per Share        |        | 3.8    | 3.7    | 3.8    | 3.9                       | <b>Free Cashflow</b>              | m      | -1,353 | -145   | 6      | 373    |
|                             |        |        |        |        |                           |                                   |        |        |        |        |        |
|                             |        |        |        |        |                           | Balance Sheet                     |        |        |        |        |        |
|                             |        |        |        |        |                           |                                   | 2014A  | 2015E  | 2016E  | 2017E  |        |
|                             |        |        |        |        |                           | Cash                              | m      | 1,527  | 841    | 699    | 911    |
|                             |        |        |        |        |                           | Receivables                       | m      | 105    | 98     | 96     | 104    |
|                             |        |        |        |        |                           | Inventories                       | m      | 161    | 198    | 226    | 245    |
|                             |        |        |        |        |                           | Investments                       | m      | 0      | 0      | 0      | 0      |
|                             |        |        |        |        |                           | Fixed Assets                      | m      | 7,411  | 7,519  | 7,649  | 7,778  |
|                             |        |        |        |        |                           | Intangibles                       | m      | 1,867  | 1,867  | 1,867  | 1,867  |
|                             |        |        |        |        |                           | Other Assets                      | m      | 1,607  | 1,561  | 1,551  | 1,602  |
|                             |        |        |        |        |                           | <b>Total Assets</b>               | m      | 12,679 | 12,084 | 12,090 | 12,508 |
|                             |        |        |        |        |                           | Payables                          | m      | 4,569  | 4,275  | 4,202  | 4,497  |
|                             |        |        |        |        |                           | Short Term Debt                   | m      | 0      | 63     | 56     | 51     |
|                             |        |        |        |        |                           | Long Term Debt                    | m      | 697    | 564    | 508    | 457    |
|                             |        |        |        |        |                           | Provisions                        | m      | 941    | 941    | 941    | 941    |
|                             |        |        |        |        |                           | Other Liabilities                 | m      | 56     | 56     | 56     | 56     |
|                             |        |        |        |        |                           | <b>Total Liabilities</b>          | m      | 6,262  | 5,898  | 5,763  | 6,002  |
|                             |        |        |        |        |                           | Shareholders' Funds               | m      | 6,417  | 6,185  | 6,326  | 6,505  |
|                             |        |        |        |        |                           | Minority Interests                | m      | 0      | 0      | 0      | 0      |
|                             |        |        |        |        |                           | Other                             | m      | 0      | 0      | 0      | 0      |
|                             |        |        |        |        |                           | <b>Total S/H Equity</b>           | m      | 6,417  | 6,185  | 6,326  | 6,505  |
|                             |        |        |        |        |                           | <b>Total Liab &amp; S/H Funds</b> | m      | 12,679 | 12,084 | 12,089 | 12,507 |

All figures in HKD unless noted.

Source: Company data, Macquarie Research, March 2015

Important disclosures:

|  |  |  |
|--|--|--|
| <p><b>Recommendation definitions</b></p> <p><b>Macquarie - Australia/New Zealand</b><br/>                 Outperform – return &gt;3% in excess of benchmark return<br/>                 Neutral – return within 3% of benchmark return<br/>                 Underperform – return &gt;3% below benchmark return</p> <p>Benchmark return is determined by long term nominal GDP growth plus 12 month forward market dividend yield</p> <p><b>Macquarie – Asia/Europe</b><br/>                 Outperform – expected return &gt;+10%<br/>                 Neutral – expected return from -10% to +10%<br/>                 Underperform – expected return &lt;-10%</p> <p><b>Macquarie First South - South Africa</b><br/>                 Outperform – expected return &gt;+10%<br/>                 Neutral – expected return from -10% to +10%<br/>                 Underperform – expected return &lt;-10%</p> <p><b>Macquarie - Canada</b><br/>                 Outperform – return &gt;5% in excess of benchmark return<br/>                 Neutral – return within 5% of benchmark return<br/>                 Underperform – return &gt;5% below benchmark return</p> <p><b>Macquarie - USA</b><br/>                 Outperform (Buy) – return &gt;5% in excess of Russell 3000 index return<br/>                 Neutral (Hold) – return within 5% of Russell 3000 index return<br/>                 Underperform (Sell) – return &gt;5% below Russell 3000 index return</p> | <p><b>Volatility index definition*</b></p> <p>This is calculated from the volatility of historical price movements.</p> <p><b>Very high–highest risk</b> – Stock should be expected to move up or down 60–100% in a year – investors should be aware this stock is highly speculative.</p> <p><b>High</b> – stock should be expected to move up or down at least 40–60% in a year – investors should be aware this stock could be speculative.</p> <p><b>Medium</b> – stock should be expected to move up or down at least 30–40% in a year.</p> <p><b>Low–medium</b> – stock should be expected to move up or down at least 25–30% in a year.</p> <p><b>Low</b> – stock should be expected to move up or down at least 15–25% in a year.<br/>                 * Applicable to Asia/Australian/NZ/Canada stocks only</p> <p><b>Recommendations</b> – 12 months<br/> <b>Note:</b> Quant recommendations may differ from Fundamental Analyst recommendations</p> | <p><b>Financial definitions</b></p> <p>All "Adjusted" data items have had the following adjustments made:<br/>                 Added back: goodwill amortisation, provision for catastrophe reserves, IFRS derivatives &amp; hedging, IFRS impairments &amp; IFRS interest expense<br/>                 Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends &amp; minority interests</p> <p><b>EPS</b> = adjusted net profit / efpowa*<br/> <b>ROA</b> = adjusted ebit / average total assets<br/> <b>ROA Banks/Insurance</b> = adjusted net profit / average total assets<br/> <b>ROE</b> = adjusted net profit / average shareholders funds<br/> <b>Gross cashflow</b> = adjusted net profit + depreciation<br/>                 *equivalent fully paid ordinary weighted average number of shares</p> <p>All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).</p> |
|--|--|--|

**Recommendation proportions – For quarter ending 31 December 2014**

|              | AU/NZ  | Asia   | RSA    | USA    | CA     | EUR    |   |
|--------------|--------|--------|--------|--------|--------|--------|---|
| Outperform   | 51.80% | 58.06% | 45.07% | 44.42% | 60.54% | 46.81% | (for US coverage by MCUSA, 5.29% of stocks followed are investment banking clients) |
| Neutral      | 31.80% | 27.37% | 30.99% | 50.10% | 35.37% | 33.51% | (for US coverage by MCUSA, 3.08% of stocks followed are investment banking clients) |
| Underperform | 16.39% | 14.57% | 23.94% | 5.48%  | 4.08%  | 19.68% | (for US coverage by MCUSA, 0.44% of stocks followed are investment banking clients) |



**12-month target price methodology**

825 HK: HK\$1.90 based on a PER methodology

**Company-specific disclosures:**

Important disclosure information regarding the subject companies covered in this report is available at [www.macquarie.com/disclosures](http://www.macquarie.com/disclosures).

| Date        | Stock Code (BBG code) | Recommendation | Target Price |
|-------------|-----------------------|----------------|--------------|
| 08-Aug-2014 | 825 HK                | Neutral        | HK\$3.70     |
| 17-Jan-2014 | 825 HK                | Neutral        | HK\$4.00     |
| 26-Sep-2013 | 825 HK                | Outperform     | HK\$5.90     |
| 19-Sep-2012 | 825 HK                | Outperform     | HK\$5.50     |
| 29-Feb-2012 | 825 HK                | Outperform     | HK\$6.00     |

**Target price risk disclosures:**  
**825 HK:** Any inability to compete successfully in their markets may harm the business. This could be a result of many factors which may include geographic mix and introduction of improved products or service offerings by competitors. The results of operations may be materially affected by global economic conditions generally, including conditions in financial markets. The company is exposed to market risks, such as changes in interest rates, foreign exchange rates and input prices. From time to time, the company will enter into transactions, including transactions in derivative instruments, to manage certain of these exposures.

**Analyst certification:**  
 The views expressed in this research accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst principally responsible for the preparation of this research receives compensation based on overall revenues of Macquarie Group Ltd ABN 94 122 169 279 (AFSL No. 318062) (MGL) and its related entities (the Macquarie Group) and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

**General disclaimers:**  
 Macquarie Securities (Australia) Ltd; Macquarie Capital (Europe) Ltd; Macquarie Capital Markets Canada Ltd; Macquarie Capital Markets North America Ltd; Macquarie Capital (USA) Inc; Macquarie Capital Securities Ltd and its Taiwan branch; Macquarie Capital Securities (Singapore) Pte Ltd;

Macquarie Securities (NZ) Ltd; Macquarie First South Securities (Pty) Limited; Macquarie Capital Securities (India) Pvt Ltd; Macquarie Capital Securities (Malaysia) Sdn Bhd; Macquarie Securities Korea Limited and Macquarie Securities (Thailand) Ltd are not authorized deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia), and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL) or MGL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of any of the above mentioned entities. MGL provides a guarantee to the Monetary Authority of Singapore in respect of the obligations and liabilities of Macquarie Capital Securities (Singapore) Pte Ltd for up to SGD 35 million. This research has been prepared for the general use of the wholesale clients of the Macquarie Group and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient you must not use or disclose the information in this research in any way. If you received it in error, please tell us immediately by return e-mail and delete the document. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person. MGL has established and implemented a conflicts policy at group level (which may be revised and updated from time to time) (the "Conflicts Policy") pursuant to regulatory requirements (including the FCA Rules) which sets out how we must seek to identify and manage all material conflicts of interest. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction. In preparing this research, we did not take into account your investment objectives, financial situation or particular needs. Macquarie salespeople, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions which are contrary to the opinions expressed in this research. Macquarie Research produces a variety of research products including, but not limited to, fundamental analysis, macro-economic analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research, whether as a result of differing time horizons, methodologies, or otherwise. Before making an investment decision on the basis of this research, you need to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of your particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. This research is based on information obtained from sources believed to be reliable but we do not make any representation or warranty that it is accurate, complete or up to date. We accept no obligation to correct or update the information or opinions in it. Opinions expressed are subject to change without notice. No member of the Macquarie Group accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Clients should contact analysts at, and execute transactions through, a Macquarie Group entity in their home jurisdiction unless governing law permits otherwise. The date and timestamp for above share price and market cap is the closed price of the price date. #CLOSE is the final price at which the security is traded in the relevant exchange on the date indicated.

#### Country-specific disclaimers:

**Australia:** In Australia, research is issued and distributed by Macquarie Securities (Australia) Ltd (AFSL No. 238947), a participating organisation of the Australian Securities Exchange. **New Zealand:** In New Zealand, research is issued and distributed by Macquarie Securities (NZ) Ltd, a NZX Firm. **Canada:** In Canada, research is prepared, approved and distributed by Macquarie Capital Markets Canada Ltd, a participating organisation of the Toronto Stock Exchange, TSX Venture Exchange & Montréal Exchange. Macquarie Capital Markets North America Ltd., which is a registered broker-dealer and member of FINRA, accepts responsibility for the contents of reports issued by Macquarie Capital Markets Canada Ltd in the United States and sent to US persons. Any US person wishing to effect transactions in the securities described in the reports issued by Macquarie Capital Markets Canada Ltd should do so with Macquarie Capital Markets North America Ltd. The Research Distribution Policy of Macquarie Capital Markets Canada Ltd is to allow all clients that are entitled to have equal access to our research. **United Kingdom:** In the United Kingdom, research is issued and distributed by Macquarie Capital (Europe) Ltd, which is authorised and regulated by the Financial Conduct Authority (No. 193905). **Germany:** In Germany, this research is issued and/or distributed by Macquarie Capital (Europe) Limited, Niederlassung Deutschland, which is authorised and regulated by the UK Financial Conduct Authority (No. 193905). and in Germany by BaFin. **France:** In France, research is issued and distributed by Macquarie Capital (Europe) Ltd, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority (No. 193905). **Hong Kong & Mainland China:** In Hong Kong, research is issued and distributed by Macquarie Capital Securities Ltd, which is licensed and regulated by the Securities and Futures Commission. In Mainland China, Macquarie Securities (Australia) Limited Shanghai Representative Office only engages in non-business operational activities excluding issuing and distributing research. Only non-A share research is distributed into Mainland China by Macquarie Capital Securities Ltd. **Japan:** In Japan, research is issued and distributed by Macquarie Capital Securities (Japan) Limited, a member of the Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co. Ltd (Financial Instruments Firm, Kanto Financial Bureau (kin-sho) No. 231, a member of Japan Securities Dealers Association and The Financial Futures Association of Japan and Japan Investment Advisers Association). **India:** In India, research is issued and distributed by Macquarie Capital Securities (India) Pvt. Ltd. (CIN: U65920MH1995PTC090696), formerly known as *Macquarie Capital (India) Pvt. Ltd.*, 92, Level 9, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, India, which is a SEBI registered stockbroker having membership with National Stock Exchange of India Limited (INB231246738) and BSE Limited (INB011246734). **Malaysia:** In Malaysia, research is issued and distributed by Macquarie Capital Securities (Malaysia) Sdn. Bhd. (Company registration number: 463469-W) which is a Participating Organisation of Bursa Malaysia Berhad and a holder of Capital Markets Services License issued by the Securities Commission. **Taiwan:** In Taiwan, research is issued and distributed by Macquarie Capital Securities Ltd, Taiwan Branch, which is licensed and regulated by the Financial Supervisory Commission. No portion of the report may be reproduced or quoted by the press or any other person without authorisation from Macquarie. Nothing in this research shall be construed as a solicitation to buy or sell any security or product. Research Associate(s) in this report who are registered as Clerks only assist in the preparation of research and are not engaged in writing the research. **Thailand:** In Thailand, research is produced, issued and distributed by Macquarie Securities (Thailand) Ltd. Macquarie Securities (Thailand) Ltd. is a licensed securities company that is authorized by the Ministry of Finance, regulated by the Securities and Exchange Commission of Thailand and is an exchange member of the Stock Exchange of Thailand. The Thai Institute of Directors Association has disclosed the Corporate Governance Report of Thai Listed Companies made pursuant to the policy of the Securities and Exchange Commission of Thailand. Macquarie Securities (Thailand) Ltd does not endorse the result of the Corporate Governance Report of Thai Listed Companies but this Report can be accessed at: <http://www.thai-iod.com/en/publications.asp?type=4>. **South Korea:** In South Korea, unless otherwise stated, research is prepared, issued and distributed by Macquarie Securities Korea Limited, which is regulated by the Financial Supervisory Services. Information on analysts in MSKL is disclosed at <http://dis.kofia.or.kr/websquare/index.jsp?w2xPath=/wq/fundMgr/DISFundMgrAnalystStut.xml&divisionId=MDIS03002001000000&serviceId=SDIS03002001000>. **South Africa:** In South Africa, research is issued and distributed by Macquarie First South Securities (Pty) Limited, a member of the JSE Limited. **Singapore:** In Singapore, research is issued and distributed by Macquarie Capital Securities (Singapore) Pte Ltd (Company Registration Number: 198702912C), a Capital Markets Services license holder under the Securities and Futures Act to deal in securities and provide custodial services in Singapore. Pursuant to the Financial Advisers (Amendment) Regulations 2005, Macquarie Capital Securities (Singapore) Pte Ltd is exempt from complying with sections 25, 27 and 36 of the Financial Advisers Act. All Singapore-based recipients of research produced by Macquarie Capital (Europe) Limited, Macquarie Capital Markets Canada Ltd, Macquarie First South Securities (Pty) Limited and Macquarie Capital (USA) Inc. represent and warrant that they are institutional investors as defined in the Securities and Futures Act. **United States:** In the United States, research is issued and distributed by Macquarie Capital (USA) Inc., which is a registered broker-dealer and member of FINRA. Macquarie Capital (USA) Inc. accepts responsibility for the content of each research report prepared by one of its non-US affiliates when the research report is distributed in the United States by Macquarie Capital (USA) Inc. Macquarie Capital (USA) Inc.'s affiliate's analysts are not registered as research analysts with FINRA, may not be associated persons of Macquarie Capital (USA) Inc., and therefore may not be subject to FINRA rule restrictions on communications with a subject company, public appearances, and trading securities held by a research analyst account. Information regarding futures is provided for reference purposes only and is not a solicitation for purchases or sales of futures. Any persons receiving this report directly from Macquarie Capital (USA) Inc. and wishing to effect a transaction in any security described herein should do so with Macquarie Capital (USA) Inc. Important disclosure information regarding the subject companies covered in this report is available at [www.macquarie.com/research/disclosures](http://www.macquarie.com/research/disclosures), or contact your registered representative at 1-888-MAC-STOCK, or write to the Supervisory Analysts, Research Department, Macquarie Securities, 125 W.55th Street, New York, NY 10019.

© Macquarie Group



---

|   |   |  |  |  |   |  |
|---|---|--|--|--|---|--|
| <b>Auckland</b><br>Tel: (649) 377 6433  | <b>Bangkok</b><br>Tel: (662) 694 7999       | <b>Calgary</b><br>Tel: (1 403) 294 9541      | <b>Denver</b><br>Tel: (303) 952 2800           | <b>Frankfurt</b><br>Tel: (069) 509 578 000 | <b>Geneva</b><br>Tel: (41) 22 818 7777    | <b>Hong Kong</b><br>Tel: (852) 2823 3588 |
| <b>Jakarta</b><br>Tel: (62 21) 515 1818 | <b>Johannesburg</b><br>Tel: (2711) 583 2000 | <b>Kuala Lumpur</b><br>Tel: (60 3) 2059 8833 | <b>London</b><br>Tel: (44 20) 3037 2000        | <b>Manila</b><br>Tel: (63 2) 857 0888      | <b>Melbourne</b><br>Tel: (613) 9635 8139  | <b>Mumbai</b><br>Tel: (91 22) 6653 3000  |
| <b>Munich</b><br>Tel: (089) 2444 31800  | <b>New York</b><br>Tel: (1 212) 231 2500    | <b>Paris</b><br>Tel: (33 1) 7842 3823        | <b>Perth</b><br>Tel: (618) 9224 0888           | <b>Seoul</b><br>Tel: (82 2) 3705 8500      | <b>Shanghai</b><br>Tel: (86 21) 6841 3355 | <b>Singapore</b><br>Tel: (65) 6601 1111  |
| <b>Sydney</b><br>Tel: (612) 8232 9555   | <b>Taipei</b><br>Tel: (886 2) 2734 7500     | <b>Tokyo</b><br>Tel: (81 3) 3512 7900        | <b>Toronto</b><br><b>Tel: (1 416) 848 3500</b> | <b>Vancouver</b><br>Tel: (1 604) 605 3944  |   |  |

---

Available to clients on the world wide web at [www.macquarieresearch.com](http://www.macquarieresearch.com) and through Thomson Financial, FactSet, Reuters, Bloomberg, and CapitalIQ.



## Asia Research

### Head of Equity Research

|                                |                 |
|--------------------------------|-----------------|
| John O'Connell (Global – Head) | (612) 8232 7544 |
| Peter Redhead (Asia – Head)    | (852) 3922 4836 |

### Automobiles/Auto Parts

|                        |                  |
|------------------------|------------------|
| Janet Lewis (China)    | (852) 3922 5417  |
| Zhixuan Lin (China)    | (8621) 2412 9006 |
| Amit Mishra (India)    | (9122) 6720 4084 |
| Takuo Katayama (Japan) | (813) 3512 7856  |

### Banks and Non-Bank Financials

|                                      |                  |
|--------------------------------------|------------------|
| Ismael Pili (Asia, Hong Kong, China) | (852) 3922 4774  |
| Jian Li (China, Hong Kong)           | (852) 3922 3579  |
| Matthew Smith (China)                | (8621) 2412 9022 |
| Suresh Ganapathy (India)             | (9122) 6720 4078 |
| Nicolaos Oentung (Indonesia)         | (6221) 2598 8366 |
| Alastair Macdonald (Japan)           | (813) 3512 7476  |
| Chan Hwang (Korea)                   | (822) 3705 8643  |
| Gilbert Lopez (Philippines)          | (632) 857 0892   |
| Thomas Stoegner (Singapore)          | (65) 6601 0854   |
| Dexter Hsu (Taiwan)                  | (8862) 2734 7530 |
| Passakorn Linmaneechote (Thailand)   | (662) 694 7728   |

### Conglomerates

|                             |                |
|-----------------------------|----------------|
| Gilbert Lopez (Philippines) | (632) 857 0892 |
|-----------------------------|----------------|

### Consumer and Gaming

|                                |                  |
|--------------------------------|------------------|
| Linda Huang (China, Hong Kong) | (852) 3922 4068  |
| Jamie Zhou (China, Hong Kong)  | (852) 3922 1147  |
| Elaine Lai (Hong Kong)         | (852) 3922 4749  |
| Zibo Chen (Hong Kong)          | (852) 3922 1130  |
| Amit Mishra (India)            | (9122) 6720 4084 |
| Lyll Taylor (Indonesia)        | (6221) 2598 8489 |
| Hendy Soegiarto (Indonesia)    | (6221) 2598 8369 |
| Toby Williams (Japan)          | (813) 3512 7392  |
| HongSuk Na (Korea)             | (822) 3705 8678  |
| Karisa Magpayo (Philippines)   | (632) 857 0899   |
| Somesh Agarwal (Singapore)     | (65) 6601 0840   |
| Best Waiyanont (Thailand)      | (662) 694 7993   |

### Emerging Leaders

|                          |                  |
|--------------------------|------------------|
| Jake Lynch (China, Asia) | (8621) 2412 9007 |
| Kwang Cho (Korea)        | (822) 3705 4953  |

### Industrials

|                               |                  |
|-------------------------------|------------------|
| Janet Lewis (Asia)            | (852) 3922 5417  |
| Patrick Dai (China)           | (8621) 2412 9082 |
| Saiyi He (China)              | (852) 3922 3585  |
| Inderjeetsingh Bhatia (India) | (9122) 6720 4087 |
| Andy Lesmana (Indonesia)      | (6221) 2598 8398 |
| Kenjin Hotta (Japan)          | (813) 3512 7871  |
| James Hong (Korea)            | (822) 3705 8661  |
| Somesh Agarwal (Singapore)    | (65) 6601 0840   |
| David Gambrell (Thailand)     | (662) 694 7753   |

### Insurance

|                             |                 |
|-----------------------------|-----------------|
| Scott Russell (Asia, Japan) | (852) 3922 3567 |
| Jian Li (China, Hong Kong)  | (852) 3922 3579 |
| Chan Hwang (Korea)          | (822) 3705 8643 |

## Asia Sales

### Regional Heads of Sales

|                                  |                  |
|----------------------------------|------------------|
| Miki Edelman (Asia)              | (813) 3512 7857  |
| Jeffrey Shiu (China & Hong Kong) | (852) 3922 2061  |
| Thomas Renz (Geneva)             | (41) 22 818 7712 |
| Bharat Rawla (India)             | (9122) 6720 4100 |
| Riaz Hyder (Indonesia)           | (6221) 2598 8486 |
| Mark Chadwick (Japan)            | (813) 3512 7827  |
| John Jay Lee (Korea)             | (822) 3705 9988  |
| Nik Hadi (Malaysia)              | (603) 2059 8888  |
| Eric Roles (New York)            | (1 212) 231 2559 |
| Gino C Rojas (Philippines)       | (632) 857 0861   |

### Software and Internet

|                                 |                  |
|---------------------------------|------------------|
| David Gibson (Asia)             | (813) 3512 7880  |
| Wendy Huang (Hong Kong)         | (852) 3922 3378  |
| Alice Yang (China, Hong Kong)   | (852) 3922 1266  |
| Hillman Chan (China, Hong Kong) | (852) 3922 3716  |
| Nitin Mohta (India)             | (9122) 6720 4090 |
| Nathan Ramler (Japan)           | (813) 3512 7875  |
| Prem Jearajasingam (Malaysia)   | (603) 2059 8989  |

### Oil, Gas and Petrochemicals

|                                  |                  |
|----------------------------------|------------------|
| James Hubbard (Asia)             | (852) 3922 1226  |
| Aditya Suresh (Hong Kong, China) | (852) 3922 1265  |
| Abhishek Agarwal (India)         | (9122) 6720 4079 |
| Polina Diyachkina (Japan)        | (813) 3512 7886  |
| Anna Park (Korea)                | (822) 3705 8669  |
| Trevor Buchinski (Thailand)      | (662) 694 7829   |

### Pharmaceuticals and Healthcare

|                              |                  |
|------------------------------|------------------|
| John Yung (Hong Kong, China) | (852) 3922 1132  |
| Abhishek Singhal (India)     | (9122) 6720 4086 |

### Property

|                                  |                  |
|----------------------------------|------------------|
| Tuck Yin Soong (Asia, Singapore) | (65) 6601 0838   |
| David Ng (China, Hong Kong)      | (852) 3922 1291  |
| Raymond Liu (China, Hong Kong)   | (852) 3922 3629  |
| Kai Tan (China)                  | (852) 3922 3720  |
| Abhishek Bhandari (India)        | (9122) 6720 4088 |
| Andy Lesmana (Indonesia)         | (6221) 2598 8398 |
| William Montgomery (Japan)       | (813) 3512 7864  |
| RJ Aguirre (Philippines)         | (632) 857 0890   |
| Corinne Jian (Taiwan)            | (8862) 2734 7522 |
| David Liao (Taiwan)              | (8862) 2734 7518 |
| Patti Tomaitrichitr (Thailand)   | (662) 694 7727   |

### Resources / Metals and Mining

|                           |                  |
|---------------------------|------------------|
| Matty Zhao (Asia, China)  | (852) 3922 1293  |
| Hefei Deng (China)        | (852) 3922 1136  |
| Rakesh Arora (India)      | (9122) 6720 4093 |
| Polina Diyachkina (Japan) | (813) 3512 7886  |
| Anna Park (Korea)         | (822) 3705 8669  |
| David Liao (Taiwan)       | (8862) 2734 7518 |

### Technology

|                           |                  |
|---------------------------|------------------|
| Jeffrey Su (Asia, Taiwan) | (8862) 2734 7512 |
| Nitin Mohta (India)       | (9122) 6720 4090 |
| Claudio Aritomi (Japan)   | (813) 3512 7858  |
| Damian Thong (Japan)      | (813) 3512 7877  |
| David Gibson (Japan)      | (813) 3512 7880  |
| George Chang (Japan)      | (813) 3512 7854  |
| Daniel Kim (Korea)        | (822) 3705 8641  |
| Soyun Shin (Korea)        | (822) 3705 8659  |
| Ellen Tseng (Taiwan)      | (8862) 2734 7524 |
| Tammy Lai (Taiwan)        | (8862) 2734 7525 |

### Telecoms

|  |                 |
|--|-----------------|
| Nathan Ramler (Asia, Japan)              | (813) 3512 7875 |
| Danny Chu (China, Hong Kong, Taiwan)     | (852) 3922 4762 |
| David Lee (Korea)                        | (822) 3705 8686 |
| Prem Jearajasingam (Malaysia, Singapore) | (603) 2059 8989 |

### Regional Heads of Sales cont'd

|                             |                   |
|-----------------------------|-------------------|
| Ruben Boopalan (Singapore)  | (603) 2059 8888   |
| Paul Colaco (San Francisco) | (1 415) 762 5003  |
| Erica Wang (Taiwan)         | (8862) 2734 7586  |
| Angus Kent (Thailand)       | (662) 694 7601    |
| Ben Musgrave (UK/Europe)    | (44) 20 3037 4882 |
| Julien Roux (UK/Europe)     | (44) 20 3037 4867 |

### Sales Trading

|                           |                 |
|---------------------------|-----------------|
| Adam Zaki (Asia)          | (852) 3922 2002 |
| Stanley Dunda (Indonesia) | (6221) 515 1555 |

### Transport & Infrastructure

|                       |                  |
|-----------------------|------------------|
| Janet Lewis (Asia)    | (852) 3922 5417  |
| Andrew Lee (Asia)     | (852) 3922 1167  |
| Azita Nazrene (ASEAN) | (603) 2059 8980  |
| Corinne Jian (Taiwan) | (8862) 2734 7522 |

### Utilities & Renewables

|                               |                  |
|-------------------------------|------------------|
| Gary Chiu (Asia)              | (852) 3922 1435  |
| Alan Hon (Hong Kong)          | (852) 3922 3589  |
| Inderjeetsingh Bhatia (India) | (9122) 6720 4087 |
| Prem Jearajasingam (Malaysia) | (603) 2059 8989  |
| Karisa Magpayo (Philippines)  | (632) 857 0899   |

### Commodities

|                         |                  |
|-------------------------|------------------|
| Colin Hamilton (Global) | (4420) 3037 4061 |
| Jim Lennon              | (4420) 3037 4271 |
| Matthew Turner          | (4420) 3037 4340 |
| Graeme Train            | (8621) 2412 9035 |
| Angela Bi               | (8621) 2412 9086 |
| Rakesh Arora            | (9122) 6720 4093 |

### Economics

|                                  |                  |
|----------------------------------|------------------|
| Peter Eadon-Clarke (Asia, Japan) | (813) 3512 7850  |
| Richard Gibbs (Australia)        | (612) 8232 3935  |
| PK Basu (ASEAN)                  | (603) 2059 8993  |
| Larry Hu (China, Hong Kong)      | (852) 3922 3778  |
| Tanvee Gupta Jain (India)        | (9122) 6720 4355 |

### Quantitative / CPG

|                             |                  |
|-----------------------------|------------------|
| Gurvinder Brar (Global)     | (4420) 3037 4036 |
| Woei Chan (Asia)            | (852) 3922 1421  |
| Anthony Ng (Asia)           | (852) 3922 1561  |
| Jason Zhang (Asia)          | (852) 3922 1168  |
| Suni Kim (Japan, Hong Kong) | (852) 3922 3342  |

### Special Situations

|                     |                 |
|---------------------|-----------------|
| Matthew Hook (Asia) | (852) 3922 3743 |
|---------------------|-----------------|

### Strategy/Country

|                                |                  |
|--------------------------------|------------------|
| Viktor Shvets (Asia)           | (852) 3922 3883  |
| Chetan Seth (Asia)             | (852) 3922 4769  |
| Joshua van Lin (Asia Micro)    | (852) 3922 1425  |
| Peter Eadon-Clarke (Japan)     | (813) 3512 7850  |
| David Ng (China, Hong Kong)    | (852) 3922 1291  |
| Erwin Sanft (China, Hong Kong) | (852) 3922 1516  |
| Rakesh Arora (India)           | (9122) 6720 4093 |
| Nicolaos Oentung (Indonesia)   | (6121) 2598 8366 |
| Chan Hwang (Korea)             | (822) 3705 8643  |
| PK Basu (Malaysia)             | (603) 2059 8993  |
| Gilbert Lopez (Philippines)    | (632) 857 0892   |
| Conrad Werner (Singapore)      | (65) 6601 0182   |
| David Gambrell (Thailand)      | (662) 694 7753   |

### Find our research at

|   |  |
|---|--|
| Macquarie:  | <a href="http://www.macquarie.com.au/research">www.macquarie.com.au/research</a> |
| Thomson:  | <a href="http://www.thomson.com/financial">www.thomson.com/financial</a>         |
| Reuters:  | <a href="http://www.knowledge.reuters.com">www.knowledge.reuters.com</a>         |
| Bloomberg:  | MAC GO   |
| Factset:  | <a href="http://www.factset.com/home.aspx">http://www.factset.com/home.aspx</a>  |
| CapitallQ   | <a href="http://www.capitallq.com">www.capitallq.com</a>                         |
| Email <a href="mailto:macresearch@macquarie.com">macresearch@macquarie.com</a> for access |  |

### Sales Trading cont'd

|                              |                   |
|------------------------------|-------------------|
| Suhaida Samsudin (Malaysia)  | (603) 2059 8888   |
| Michael Santos (Philippines) | (632) 857 0813    |
| Kenneth Cheung (Singapore)   | (65) 6601 0288    |
| Chris Reale (New York)       | (1 212) 231 2555  |
| Marc Rosa (New York)         | (1 212) 231 2555  |
| Isaac Huang (Taiwan)         | (8862) 2734 7582  |
| Dominic Shore (Thailand)     | (662) 694 7707    |
| Mike Keen (UK/Europe)        | (44) 20 3037 4905 |