

23 March 2015

**Hold**  
**Unchanged**

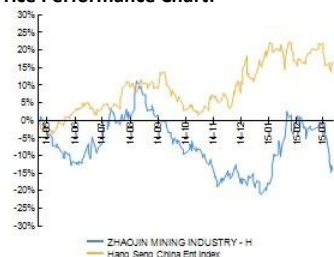
## 业绩疲弱

### 招金矿业 (1818:HK)

#### Market Data: Mar,20

Closing Price (HK\$)	4.29
Price Target (HK\$)	4.2
HSCEI	12,156
HSCCI	4,457
52-week High/Low (HK\$)	5.30/3.69
Market Cap (USD Mn)	1,559
Market Cap (HK\$ Mn)	12,097
Shares Outstanding (Mn)	2,915
Exchange Rate (RMB-HK\$)	1.26

#### Price Performance Chart:



Source: Bloomberg

#### Analyst

**Dimi Du A0230514070005**  
**BEE282**

**Rong Ye**  
**A0230512110001**  
**AYZ033**

**Daniel Huang**  
**A0230513030001**  
**BDQ227**

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#### Financial summary and valuation

	2013	2014	2015E	2016E	2017E
Revenue (Rmbm)	6,344.12	5606.18	6158.88	6480.70	6434.74
YoY (%)	(16.56)	(11.63)	9.84	5.23	0
Net income (Rmbm)	734.09	455.39	499.91	548.75	647.77
YoY (%)	(62.51)	(37.97)	9.77	9.76	18.04
EPS (Rmb)	0.25	0.15	0.17	0.19	0.22
Diluted EPS (Rmb)	0.25	0.15	0.17	0.19	0.22
ROE (%)	8.79	5.34	6.21	6.92	7.51
Debt/asset (%)	50.91	55.3	56.2	56.4	55.9
Dividend yield (%)	2.82	1.42	1.62	1.83	2.02
PE (x)	13.72	22.87	20.17	18.05	15.59
PB (x)	1.09	1.19	1.12	1.05	1.01
EV/Ebitda (x)	6.70	8.21	7.45	7.15	6.85

Note: Diluted EPS is calculated as if all outstanding convertible securities, such as convertible preferred shares, convertible debentures, stock options and warrants, were exercised. .

#### 投资要点:

- 金价疲弱，盈利大幅下滑。招金 14 年收入下滑 11.63%至 56 亿人民币。净利润下滑 38%至 4.55 亿人民币。2014 年 EPS 为 0.15 元。业绩低于我们预期，四季度盈利疲弱，仅为 4690 万元，环比三季度下滑 45%。
- 金价下滑，融资成本上升。上海黄金交易所 2014 年黄金均价为 249.12 元/克，同比下滑 11%。公司收入收到较大影响。同时，公司在 14 年新增债务上升，融资成本上升 50%至 5.14 亿元。
- 成本控制较为有效。公司去年矿产金成本小幅上涨 2%只 133.4 人民币/克，为近两年增幅最低。优化采矿技术控制成本较为有效。
- 产量稳定扩张。公司黄金总产量上升 14%至 32.9 吨。其中，自产黄金产量为 16.838 吨，同比增长 11.32%。 埠外企业增加黄金产量 28.71%至 7.6 吨。15 年，公司设定自产金目标为 17.71 吨。
- 维持中性评级。我们维持金价中性的观点。我们更新公司最新盈利预测至 2015/2016/2017 年 0.17 人民币,0.19 人民币和 0.21 人民币。公司目前股价反应 1.19x 市净率，我们维持目标价 4.2 港币。

**Weak gold price, weak earnings.** Zhaojin reported a 11.63% YoY decline in 2014 sales to Rmb5.6bn on weaker gold prices. Net profit for the year fell 38% YoY to Rmb455.3m, bringing EPS to Rmb0.15. The result is below expectation due to a weaker-than-expected bottom line performance in 4Q14 at Rmb46.9m (-45% QoQ).

**Weaker gold price and increasing financing cost.** The average gold price on the Shanghai Gold Exchange decreased 11% YoY to Rmb249.12/g in 2014. For Zhaojin, average selling price (ASP) was Rmb251/g. In addition, the company's cost of financing rose 50% YoY to Rmb514m as it increased its debt financing in the year and launched a gold leasing business.

**Effective cost control in 2014.** The company's unit gold cost increased 2% YoY to Rmb133.4/g thanks to effective controls and improving mining technology.

**Production expansion.** Total gold production volume increased 14% YoY to 32.9 tonnes. Own-mined gold production was 16.84t (+11.32% YoY). Gold production at mines outside the Zhaoyuan region increased 28.71% YoY to 7.6t. The company guided 2015 production of 17.71t (+5.19% YoY) of own-mined gold.

**Maintain Hold.** We maintain our neutral view on gold prices. We revise our EPS forecasts from Rmb0.22 to Rmb0.17 (+11.2% YoY) in 15E and from Rmb0.26 to Rmb0.19 (+8.9% YoY) in 16E and forecast EPS of Rmb0.21 (+12% YoY) in 17E. The company is currently trading at 1.12x 15E PB. We maintain our target price of HK\$4.2. With 2% downside, we maintain our Hold recommendation for the company.

## APPENDIX

### Consolidated Income Statement

Rmbm	2013	2014	2015E	2016E	2017E
Revenue	6,344	5,606	6,159	6,481	6,435
CostofSales	(4,104)	(3,434)	(3,939)	(3,815)	(3,760)
GrossProfit	2,240	2,172	2,220	2,621	2,675
OtherIncome	157	260	120	0	0
SGAExpenses	(918)	(1027)	(1049)	(1148)	(1205)
EBITDA	1,810	1,716	1,805	2,117	2,087
EBIT	1,323	1,145	1,171	1,473	1,470
FinanceCosts	(342)	(514)	(566)	(577)	(606)
ProfitBeforeTax	1,479	1,405	1,291	1,473	1,470
IncomeTaxExpense	(226)	(176)	(194)	(281)	(216)
MinorityInterests	33	51	31	67	0
ProfitfortheYear	734	455	500	549	648

Source: SWS Research

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### Consolidated Cash Flow Statement

Rmbm	2013	2014	2015E	2016E	2017E
<b>ProfitBeforeTaxation</b>	994	683	725	896	864
DeprAndAmortisation	487	570	634	644	618
FinanceCost	320	115	64	65	80
LossesFromInvestments	0	0	0	0	0
ChangeInWorkingCapital	(34)	102	(97)	(12)	85
Others	(17)	(1)	(1)	(3)	(11)
CFFFromOperatingActivities	(226)	(176)	(194)	(281)	(216)
CAPEX	1,524	1,294	1,132	1,310	1,420
OtherCFFFromInvestingActivities	(600)	(600)	0	0	0
CFFFromInvestingActivities	5	9	7	10	4
EquityFinancing	(594)	(591)	7	10	4
NetChangeInLiabilities	0	0	0	0	0
DividendAndInterstPaid	0	0	(500)	20	40
OtherCFFFromFinancingActivities	(897)	(374)	(277)	30	20
CFFFromFinancingActivities	0	0	0	1	2
<b>NetCashFlow</b>	(897)	(374)	(777)	(555)	(250)
FCFF	33	329	362	765	1,174
FCFE	950	1,042	1,514	1,825	1,957

Source : SWS Research

### Consolidated Balance Sheet

Rmbm	2013	2014	2015E	2016E	2017E
CurrentAssets	3,892	3,898	4,546	5,328	6,411
BankBalancesAndCash	1,502	1,832	2,194	2,959	4,132
TradeAndOtherReceivables	591	560	619	670	622
Inventories	1,790	1,497	1,718	1,683	1,640
OtherCurrentAssets	9	9	16	16	16
LongTermInvestment	72	72	75	79	83

PPE	5,531	5,106	4,618	4,120	3,649
IntangibleAndOtherAssets	72	72	75	79	83
TotalAssets	9,422	9,004	9,164	9,448	10,059
CurrentLiabilities	2,470	2,229	2,471	2,555	2,585
Borrowings	500	500	525	600	638
TradeAndOtherPayables	1,449	1,229	1,411	1,416	1,410
OtherCurrentLiabilities	521	499	535	539	537
LongTermLiabilities	1,847	2,302	2,734	3,061	2,978
TotalLiabilities	622	73	263	506	93
MinorityInterests	740	821	884	999	999
ShareholderEquity	8,060	8,257	8,544	8,956	9,453
ShareCapital	2,915	2,915	2,915	2,915	2,915
Reserves	1,216	1,216	1,216	1,216	1,216
EquityAttributable	3,929	4,125	4,412	4,824	5,322
TotalLiabilitiesAndEquity	9,422	9,004	9,164	9,448	10,059

Source: SWS Research

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