

2015 年 3 月 25 日

增持

维持

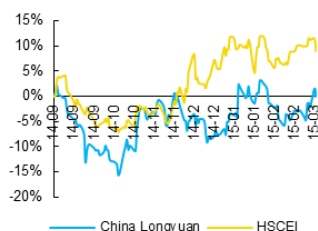
## 符合预期

### 龙源电力 (916:HK)

#### Market Data: Mar,24

Closing Price (HK\$)	8.09
Price Target (HK\$)	9.3
HSCEI	12005
HSCCI	4489
52-week High/Low (HK\$)	9.06/7.12
Market Cap (Rmb Mn)	52800
Market Cap (HK\$ Mn)	65000
Shares Outstanding (Mn)	8,036
Exchange Rate (RMB-HK\$)	1.26

#### Price Performance Chart:



Source: Bloomberg

#### Analyst

Vincent Yu

A0230513070005

BAM599

yuwj@swsresearch.com

#### Related Reports

"CHINA LONGYUAN POWER GROUP (182:HK)—Offshore wind" Oct 15,2014

#### Financial summary and valuation

	2013	2014	2015E	2016E	2017E
Revenue (Rmbm)	19,123	18,207	21,290	22,815	24,317
YOY (%)	10.6	(4.8)	16.9	7.2	6.6
Net income (Rmbm)	2124.0	2558.0	3408.0	3702.7	4005.8
YoY (%)	(18.1)	20.4	33.2	8.6	8.2
EPS (Rmb)	0.26	0.32	0.42	0.46	0.50
Diluted EPS (Rmb)	0.26	0.32	0.42	0.46	0.50
ROE (%)	7.8	8.7	9.6	9.6	9.5
Debt/asset (%)	65.6	66.9	64.9	64.7	64.4
Dividend Yield (%)	0.7	0.9	1.3	1.4	1.5
PE (x)	24.9	20.7	15.5	14.3	13.2
PB (x)	1.4	1.3	1.2	1.1	1.0
EV/Ebitda (x)	10.6	10.6	9.1	8.6	8.3

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

业绩于市场预期一致。龙源电力 2014 年实现 179.8 亿主营业务收入 (不包括服务特许权建设收入), 与 2013 年基本持平。税前利润为 40.62 亿人民币, 股东应占净利为 25.58 亿人民币, 同比增长 20.34%。

行业龙头地位。2014 年龙源控股装机容量达 15,697 兆瓦, 风电业务达 13,543 兆瓦 (占总装机容量 86%), 分布在 22 个地区, 煤炭电力业务达 1,875 兆瓦 (占总装机容量 12%), 其他可再生能源业务为 280 兆瓦 (占总装机容量 2%)。公司 2014 年获得批准的风电项目达 2,642 兆瓦, 其中 94% 不会有上网限制, 同时该公司仍储备有 6.5 吉瓦容量尚未投产。龙源有九个海上风电项目位列国家海上风电开发建设规划 (2014-2016 年), 容量达 2,049 兆瓦, 居中国首位, 使其成为海上风电发展的最大受益者。与此同时, 龙源与国电集团联合开发了 26 个新项目, 覆盖 9 个省, 达 2,273 兆瓦容量。丰富储备资源可以维持龙源的收入增长和风电行业的龙头地位。

海外扩张战略逐步成型。龙源第一单海外风电项目, 加拿大安大略省达弗林风电项目, 已在 2014 年成功投产, 另一个与南非合作的风电项目在南非已获得所有必需文件, 并计划于今年开工。

维持增持。我们上调 2015 年 EPS 预测 13.5%, 由 0.35 元提至 0.42 元 (同比增长+33.2%), 2016 年预测上调 24.3%, 从 0.37 元至 0.46 (同比增长 8.6%), 并引入 2017 年 EPS 预测为 0.50 元。鉴于公司的强势领先地位, 和持续获得并管理优质项目的的能力, 我们将目标价由 8.5 港币提升至 9.3 港币, 相当于 15E 18x 市盈率水平和 15E 1.43x 市净率水平, 或 16E 16x 市盈率水平和 16E 1.31x 市净率水平。股价有 15% 的上涨空间, 我们维持公司增持评级。

The company does not hold any equities or derivatives of the listed company mentioned in this report ("target"), but then we shall provide financial advisory services subject to the relevant laws and regulations. Any affiliates of the company may hold equities of the target, which may exceed 1 percent of issued shares subject to the relevant laws and regulations. The company may also provide investment banking services to the target. The Company fulfills its duty of disclosure within its sphere of knowledge. The clients may contact compliance@swsresearch.com for relevant disclosure materials or log into www.swsresearch.com under disclosure column for further information. The clients shall have a comprehensive understanding of the disclosure and disclaimer upon the last page.

### Investment Highlights:

**Annual result is in line with market expectation.** Longyuan reported revenue (excluding service concession construction revenue) of Rmb17.98bn, basically the same as last year, profit before taxation of Rmb4.06bn and net profit of Rmb2.56bn, up 20.34% YoY.

**Leading position sustained.** The company's consolidated installed capacity amounted to 15.70GW, with 13.54GW, or 86% of the total, in wind power installations with geographical coverage of 22 provinces. Coal power capacity reached 1.88GW (12% of the total), and other renewable accounted for the remaining 280MW. In 2014, the company obtained approvals for wind power projects with total capacity of 2.64GW, 94% of which will not be subject to grid curtailment, meanwhile the company has 6.5GW of cumulative capacity approved but not yet in operation. Among its offshore portfolio, nine projects with a capacity of 2.05GW were included in the National Offshore Wind Power Development and Construction Plan (2014–16), making it the largest beneficiary of the plan. Meanwhile, 26 new projects were under joint development by Longyuan and Guodian, with gross capacity of 2.27GW. We believe this pipeline positions Longyuan well to post continued revenue growth and to maintain its status as the leading player in the domestic wind sector.

**Overseas expansion.** The company's first overseas wind power project, Dufferin wind power project in Ontario, Canada, successfully started operation in 2014, while another wind project in South Africa has now obtained all major approvals to start construction, which is scheduled for this year.

**Maintain Outperform.** We raise our EPS forecasts by 13.5% from Rmb0.35 to Rmb0.42 (+33.2% YoY) in 15E, by 24.3% from Rmb0.37 to Rmb0.46 (+8.6% YoY) in 16E and forecast EPS of Rmb0.50 in 17E. Given the company's enhanced leading position and constant ability in obtaining and managing high-quality projects, we raise our target price from HK\$8.5 to HK\$9.3, representing 18x 15E PE and 1.43x 15E PB, or 16x 16E PE and 1.31x 16E PB. With 15% upside, we maintain our Outperform recommendation for the firm.

## APPENDIX

### Consolidated Income Statement

(Rmbm)	2013	2014	2015E	2016E	2017E
<b>Revenue</b>	19,123	18,207	21,290	22,815	24,317
<b>Cost of Sales</b>	12,760	12,907	13,748	13,898	14,054
<b>Gross Profit</b>	6,362	5,300	7,543	8,917	10,263
<b>Other Income</b>	432	437	400	400	400
Distribution expenses	n.a.	n.a.	n.a.	n.a.	n.a.
Administrative expenses	396	378	378	378	378
<b>EBITDA</b>	10,391	11,559	13,512	14,799	16,057
EBIT	6,000	6,559	7,926	8,612	9,277
Finance Costs	3,071	3,149	3,808	4,055	4,270
<b>Profit before tax</b>	3,529	4,062	5,071	5,510	5,961
Income tax expense	561	510	811	882	954
Minority interests	844	993	852	926	1,001
<b>Profit for the year</b>	2,968	3,551	4,260	4,628	5,007
NT to Equity Holders	2,124	2,558	3,408	3,703	4,006

Source: SWS Research

### Consolidated Cash Flow Statement

(Rmbm)	2013	2014	2015E	2016E	2017E
<b>Profit Before Taxation</b>	3,529	4,062	5,071	5,510	5,961
DeprAndAmortisation	4,391	5,561	6,218	6,785	7,381
FinanceCost	2,810	3,149	3,808	4,055	4,270
LossesFromInvestments	(6)	0	0	0	0
ChangeInWorkingCapital	3,094	(2,055)	(482)	(1,145)	(1,135)
Others	(198)	(510)	(811)	(882)	(954)
<b>CFFromOperatingActivities</b>	13,620	10,206	13,804	14,323	15,523
CAPEX	11,353	11,455	11,455	11,850	11,852
OtherCFFromInvestingActivities	0	0	0	0	0
<b>CFFromInvestingActivities</b>	(10,299)	(11,110)	(11,110)	(11,505)	(11,507)
EquityFinancing	0	0	0	0	0
NetChangeInLiabilities	(1,231)	(264)	4,885	3,935	3,936
DividendAndInterstPaid	(3,776)	(3,751)	(3,751)	(3,751)	(3,751)
OtherCFFromFinancingActivities	0	0	0	0	0
<b>CFFromFinancingActivities</b>	(5,519)	(4,515)	634	(316)	(314)
<b>NetCashFlow</b>	(2,199)	(5,419)	3,328	2,503	3,703

Source: SWS Research

### Consolidated Balance Sheet

(Rmbm)	2013	2014	2015E	2016E	2017E
<b>CurrentAssets</b>	13,766	14,753	12,667	15,727	19,979
BankBalancesAndCash	2,715	2,389	950	3,453	7,155
TradeAndOtherReceivables	6,708	6,411	7,342	7,867	8,385
Inventories	753	1,017	887	895	903
OtherCurrentAssets	3,590	4,936	3,489	3,512	3,536
<b>LongTermInvestment</b>	2,316	3,607	1,781	1,777	1,773

PPE	79,594	88,307	91,917	97,580	102,651
IntangibleAndOtherAssets	14,997	16,851	20,305	21,706	23,074
TotalAssets	110,674	123,518	126,670	136,789	147,477
CurrentLiabilities	36,676	46,248	39,127	38,886	39,382
Borrowings	24,680	36,070	29,589	28,217	27,262
TradeAndOtherPayables	2,142	1,021	1,021	1,021	1,021
OtherCurrentLiabilities	9,853	9,157	8,518	9,649	11,099
LongTermLiabilities	35,958	36,421	43,115	49,587	55,574
TotalLiabilities	72,633	82,668	82,243	88,474	94,956
MinorityInterests	38,040	40,849	44,428	48,316	52,522
ShareholderEquity	61,816	66,114	71,567	77,492	83,901
ShareCapital	8,036	8,036	8,036	8,036	8,036
Reserves	22,872	25,021	27,747	30,709	33,914
EquityAttributable	30,908	33,057	35,784	38,746	41,950
TotalLiabilitiesAndEquity	110,674	123,518	126,670	136,789	147,477

Source: SWS Research

### Key Financial Ratios

	2013	2014	2015E	2016E	2017E
<b>Ratios per share (HKD)</b>					
Earnings per share	0.26	0.32	0.42	0.46	0.50
Diluted earnings per share	1.69	1.27	1.72	1.78	1.93
Operating CF per share	0.05	0.06	0.08	0.09	0.10
Dividend per share	4.63	4.91	5.31	5.77	6.27
Net assets per share					
<b>Key Operating Ratios(%)</b>	6.0	5.3	4.8	4.2	3.7
ROIC	7.8	8.7	9.6	9.6	9.5
ROE	32.7	37.2	38.3	38.7	39.1
Gross profit margin	53.1	62.0	62.3	63.7	65.0
EBITDA Margin	30.7	35.2	36.5	37.1	37.5
EBIT Margin	10.6	(4.8)	16.9	7.2	6.6
Growth rate of Revenue(YoY)	(18.1)	20.4	33.2	8.6	8.2
Growth rate of Profit(YoY)	65.6	66.9	64.9	64.7	64.4
Debt-to-asset ratio	0.50	0.45	0.48	0.47	0.46
Turnover rate of net assets	0.17	0.15	0.17	0.17	0.16
Turnover rate of total assets	15.9	16.0	16.0	16.0	16.0
Effective tax rate (%)	0.7	0.9	1.3	1.4	1.5
Dividend yield (%)					
<b>Valuation Ratios (X)</b>	24.9	20.7	15.5	14.3	13.2
P/E	1.4	1.3	1.2	1.1	1.0
P/B	5.7	6.6	5.7	5.5	5.4
EV/Sale	10.6	10.6	9.1	8.6	8.3
EV/EBITDA	0.26	0.32	0.42	0.46	0.50

Source: SWS Research

## Information Disclosure:

The views expressed in this report accurately reflect the personal views of the analyst. The analyst declares that neither he/she nor his/her associate serves as an officer of nor has any financial interests in relation to the listed corporation reviewed by the analyst. None of the listed corporations reviewed or any third party has provided or agreed to provide any compensation or other benefits in connection with this report to any of the analyst, the Company or the group company(ies). A group company(ies) of the Company confirm that they, whether individually or as a group (i) are not involved in any market making activities for any of the listed corporation reviewed; or (ii) do not have any individual employed by or associated with any group company(ies) of the Company serving as an officer of any of the listed corporation reviewed; or (iii) do not have any financial interest in relation to the listed corporation reviewed or (iv) do not, presently or within the last 12 months, have any investment banking relationship with the listed corporation reviewed.

### Undertakings of the Analyst

I (We) am (are) conferred the Professional Quality of Securities Investment Consulting Industry by the Securities Association of China and have registered as the Securities Analyst. I hereby issue this report independently and objectively with due diligence, professional and prudent research methods and only legitimate information is used in this report. I am also responsible for the content and opinions of this report. I have never been, am not, and will not be compensated directly or indirectly in any form for the specific recommendations or opinions herein.

### Disclosure with respect to the Company

The company is a subsidiary of Shenwan Hongyuan Securities. The company is a qualified securities investment consulting institute approved by China Securities Regulatory Commission with the code number ZX0065.

Releasing securities research reports is the basic form of the securities investment consulting services. The company may analyze the values or market trends of securities and related products or other relevant affecting factors, provide investment analysis advice on securities valuation/ investment rating, etc. by issuing securities research reports solely to its clients.

The Company fulfills its duty of disclosure within its sphere of knowledge. The clients may contact [compliance@swsresearch.com](mailto:compliance@swsresearch.com) for the relevant disclosure materials or log into [www.swsresearch.com](http://www.swsresearch.com) for the analysts' qualifications, the arrangement of the quiet period and the affiliates' shareholdings.

### Introduction of Share Investment Rating

#### Security Investment Rating:

When measuring the difference between the markup of the security and that of the market's benchmark within six months after the release of this report, we define the terms as follows:

Trading BUY: Share price performance is expected to generate more than 20% upside over a 6-month period.

BUY: Share price performance is expected to generate more than 20% upside over a 12-month period.

Outperform: Share price performance is expected to generate between 10-20% upside over a 12-month period.

Hold: Share price performance is expected to generate between 10% downside to 10% upside over a 12-month period.

Underperform: Share price performance is expected to generate between 10-20% downside over a 12-month period.

SELL: Share price performance is expected to generate more than 20% downside over a 12-month period.

#### Industry Investment Rating:

When measuring the difference between the markup of the industry index and that of the market's benchmark within six months after the release of the report, we define the terms as follows:

Overweight: Industry performs better than that of the whole market;

Equal weight: Industry performs about the same as that of the whole market;

Underweight: Industry performs worse than that of the whole market.

We would like to remind you that different security research institutions adopt different rating terminologies and rating standards. We adopt the relative rating method to recommend the relative weightings of investment. The clients' decisions to buy or sell securities shall be based on their actual situation, such as their portfolio structures and other necessary factors. The clients shall read through the whole report so as to obtain the complete opinions and information and shall not rely solely on the investment ratings to reach a conclusion. The Company employs its own industry classification system. The industry classification is available at our sales personnel if you are interested.

HSCEI is the benchmark employed in this report.

## Disclaimer:

This report is to be used solely by the clients of SWS Research Co., Ltd. (subsidiary of Shenwan Hongyuan Securities, hereinafter referred to as the "Company"). The Company will not deem any other person as its client notwithstanding his receipt of this report.

This report is based on public information, however, the authenticity, accuracy or completeness of such information is not warranted by the Company. The materials, tools, opinions and speculations contained herein are for the clients' reference only, and are not to be regarded or deemed as an invitation for the sale or purchase of any security or other investment instruments.

The clients understand that the text message reminder and telephone recommendation are no more than a brief communication of the research opinions, which are subject to the complete report released on the Company's website (<http://www.swsresearch.com>). The clients may ask for follow-up explanations if they so wish.

The materials, opinions and estimates contained herein only reflect the judgment of the Company on the day this report is released. The prices, values and investment returns of the securities or investment instruments referred to herein may fluctuate. At different periods, the Company may release reports which are inconsistent with the materials, opinions and estimates contained herein.

Save and except as otherwise stipulated in this report, the contactor upon the first page of the report only acts as the liaison who shall not provide any consulting services.

The clients shall consider the Company's possible conflict of interests which may affect the objectivity of this report, and shall not base their investment decisions solely on this report. The clients should make investment decisions independently and solely at your own risk. Please be reminded that in any event, the company will not share gains or losses of any securities investment with the clients. Whether written or oral, any commitment to share gains or losses of securities investment is invalid. The investment and services referred to herein may not be suitable for certain clients and shall not constitute personal advice for individual clients. The Company does not ensure that this report fully takes into consideration of the particular investment objectives, financial situations or needs of individual clients. The Company strongly suggests the clients to consider themselves whether the opinions or suggestions herein are suitable for the clients' particular situations; and to consult an independent investment consultant if necessary.

Under no circumstances shall the information contained herein or the opinions expressed herein forms an investment recommendation to anyone. Under no circumstances shall the Company be held responsible for any loss caused by the use of any contents herein by anyone. Please be particularly cautious to the risks and exposures of the market via investment.

Independent investment consultant should be consulted before any investment decision is rendered based on this report or at any request of explanation for this report where the receiver of this report is not a client of the Company.

The Company possesses all copyrights of this report which shall be treated as non-public information. The Company reserves all rights related to this report.



Unless otherwise indicated in writing, all the copyrights of all the materials herein belong to the Company. In the absence of any prior authorization by the Company in writing, no part of this report shall be copied, photocopied, replicated or redistributed to any other person in any form by any means, or be used in any other ways which will infringe upon the copyrights of the Company. All the trademarks, service marks and marks used herein are trademarks, service marks or marks of the Company, and no one shall have the right to use them at any circumstances without the prior consent of the Company. This report may be translated into different languages. The Company does not warrant that the translations are free from errors or discrepancies. This report is for distribution in Hong Kong only to persons who fall within the definition of professional investors whether under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") or the Securities and Futures (Professional Investor) Rules (Chapter 571D of the laws of the Hong Kong under the SFO).

This report is for distribution in the United Kingdom only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) order 2001 (as amended) (the "Order") or (ii) are persons falling within Article 49(2)(a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order (All such persons together being referred to as "Relevant Persons"). This document is directed only at Relevant Persons. Other Persons who are not Relevant Persons must not act or rely upon this document or any of its contents.

## Disclaimer

This report was prepared, approved, published and distributed by the SWS Research Co., Ltd ( subsidiary of Shenwan Hongyuan Securities ) located outside of the United States (a "non-US Group Company"). This report is distributed in the U.S. by Enclave Capital LLC, a U.S. registered broker dealer, on behalf of SWS Research Co., Ltd only to major U.S. institutional investors (as defined in Rule 15a-6 under the U.S. Securities Exchange Act of 1934 (the "Exchange Act")) pursuant to the exemption in Rule 15a-6 and any transaction effected by a U.S. customer in the securities described in this report must be effected through Enclave Capital LLC (19 West 44th Street, suite 1700, New York, NY 10036).

Neither the report nor any analyst who prepared or approved the report is subject to U.S. legal requirements or the Financial Industry Regulatory Authority, Inc. ("FINRA") or other regulatory requirements pertaining to research reports or research analysts. No non-US Group Company is registered as a broker-dealer under the Exchange Act or is a member of the Financial Industry Regulatory Authority, Inc. or any other U.S. self-regulatory organization. The information has been compiled or arrived from sources believed to be reliable and in good faith, but no representation or warranty, express or implied is made as to their accuracy, completeness or correctness. SWS Research Co., Ltd has not verified the factual accuracy, assumptions, calculations or completeness of the information. Accordingly, SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) accepts no liability whatsoever for any direct or consequential loss or damage arising from (i) the use of this communication (ii) reliance of any information contained herein, (iii) any error, omission or inaccuracy in any such Information or (iv) any action resulting there from. SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) provides the information for the purpose of the intended recipient's analysis and review. Accordingly you are advised to verify the factual accuracy, assumptions, calculations or completeness of the information.

## Analyst Certification

Each of the analysts identified in this report certifies, with respect to the companies or securities that the individual analyses, that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report.

## Important US Regulatory Disclosures on Subject Companies

This material was produced by SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient. It is distributed in the United States of America by Enclave Capital LLC and elsewhere in the world by SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) or an authorized affiliate of SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ). This document does not constitute an offer of, or an invitation by or on behalf of SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) or its affiliates or any other company to any person, to buy or sell any security. The information contained herein has been obtained from published information and other sources, which SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) or its Affiliates consider to be reliable. None of SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) accepts any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document. Emerging securities markets may be subject to risks significantly higher than more established markets. In particular, the political and economic environment, company practices and market prices and volumes may be subject to significant variations. The ability to assess such risks may also be limited due to significantly lower information quantity and quality. By accepting this document, you agree to be bound by all the foregoing provisions.

1. SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) or its Affiliates have not recently been the beneficial owners of 1% or more of the securities mentioned in this report.
2. SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) or its Affiliates have not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) or its Affiliates have not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more person of SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) or its affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon either on their own account or on behalf of their clients.
5. As of the publication of this report Enclave Capital LLC, does not make a market in the subject securities.
6. SWS Research Co., Ltd. ( subsidiary of Shenwan Hongyuan Securities ) or its Affiliates may, to the extent permitted by law, act upon or use the above material or the conclusions stated above or the research or analysis on which they are based before the material is published to recipients and from time to time provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report

## Distribution in Singapore

If distributed in Singapore, this report is meant only for Accredited Investors and Institutional Investors as defined under Section 4A of the Securities and Futures Act of Singapore. If you are not an Accredited Investor or an Institutional Investor, you shall ignore the report and its contents. The Singapore recipients of the report are to contact the Singapore office of Shenyin Wanguo Singapore Private Limited at 65-6323-5208, or 65-6323-5209 in respect of any matters arising from, or in connection with, the report.