

Shenzhen International (152 HK)

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Company Update

BUY

UNCHANGED

Close price: HK\$11.58
Target Price: HK\$15.55 (+34%)
Prior TP: HK\$14.88

Key Data

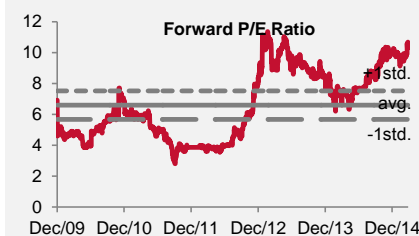
HKEx code	152
12 Months High (HK\$)	12.42
12 Month Low (HK\$)	8.16
3M Avg Dail Vol. (mn)	3.53
Issue Share (mn)	1,892.02
Market Cap (HK\$m)	21,909.53
Fiscal Year	12/2013
Major shareholder (s)	Shenzhen Investment Holdings Company Limited (43.9%)

Source: Company data, Bloomberg, OP Research
 Closing price are as of 27/03/2015

Price Chart



PE



Company Profile

Shenzhen International Holdings Limited is involved in investments, construction and operation of logistic infrastructure facilities, such as toll roads, integrated logistics hubs and ports. The company also offers logistics services to customers by utilizing its infrastructure facilities. The company also has a passive investment in Shenzhen Airlines and property development of the land in Qianhai.

FY14 results beat with surprise in CBEC

- **FY14 net profit beat consensus estimates by 10%**
- **Solid performance and outlook in logistics segment**
- **Vision on cross-border e-commerce ("CBEC") development**
- **Maintain BUY, TP revised up to HK\$15.55, 34% upside**

FY14 results beat: SZI announced FY14 result with revenue and net profit increased 7% and 36% to HK\$6,370mn and HK\$2,229mn respectively. Net profit beat both ours and consensus estimates by 5% and 10% respectively due to (1) higher profit shared from associates as Shenzhen Airlines turned to profits in 2H14 from losses in 1H14 (2) higher government grants (3) higher interest incomes from long-term receivables and (4) lower finance costs by debt repayment in SZE.

Solid performance and outlook in logistics segment: Logistics business recorded 16% and 32% increases in revenue and segment profit to HK\$1,192mn and HK\$262mn respectively, driven by (1) full year contribution of 125k sqm newly-built operating area in South China Logistics Park (2) rental rate improvement by upgrading logistics park into car mall and outlet (3) increasing throughput in Nanjing Xiba Port and (4) effective cost controls. As Phase 1 of the Shenyang logistics hub project will begin to operate its 240k sqm area in 4Q15, we believe SZI is on the right track to become one of the leading logistics facilities providers in China.

Vision on cross-border e-commerce ("CBEC") development: Most noticeably at the briefing of analysts, the company targeted leveraging on its Free Trade Zone policy to capture the dramatic growth in CBEC market. Two logistics parks in Shenzhen were selected to be pilot enterprises for CBEC export and import program. We believe it is proof of the management's vision as they aim to upgrade them into advance CBEC industrial parks.

Maintain BUY, TP revised up to HK\$15.55, 34% upside: The share is trading at FY15E 11.3x PE with 3% dividend yield. Given stronger growth in logistics business, we revised up our TP by 4.5% to HK\$15.55, representing 34% upside.

Exhibit 1: Forecast and Valuation

Year to Dec (HK\$ mn)	FY13A	FY14A	FY15E	FY16E	FY17E
Revenue	5,962.8	6,370.2	6,656.2	7,294.1	8,313.9
Growth (%)	3.9	6.8	4.5	9.6	14.0
Net Profit	1,641.0	2,229.3	1,985.9	2,193.7	2,533.2
Growth (%)	(12.6)	35.8	(10.9)	10.5	15.5
Diluted EPS (HK\$)	0.982	1.154	1.028	1.136	1.311
EPS growth (%)	(13.0)	17.6	(10.9)	10.5	15.5
Change to previous EPS (%)			0.0	5.3	11.2
Consensus EPS (HK\$)			1.085	1.213	N/A
ROE (%)	12.3	14.1	10.9	11.2	11.9
P/E (x)	11.8	10.0	11.3	10.2	8.8
P/B (x)	1.4	1.2	1.2	1.1	1.0
Yield (%)	3.2	3.9	3.0	3.3	3.8
DPS (HK\$)	0.374	0.455	0.342	0.378	0.437

Source: Bloomberg, OP Research

Toll road business: Toll road business revenue and segment profit increased 5% and 115% to HK\$5,178mn and HK\$1,795mn respectively. The revenue growth is mainly driven by entrusted construction management services revenue which increased 94% yoy to HK\$611mn as Coastal Expressway (Shenzhen Section) made a full year contribution. The segment profit included HK\$730mn one-off gain from Meiguan Expressway disposal, where the adjusted profit growth is 15% yoy to HK\$1,064mn.

South China Logistics Park: With full year contribution from the newly-built area of 125k sqm, the logistics park had 21% and 57% growth in revenue and profit in FY14 due to operating leverage. Besides, SZI targets to improve the rental rate by transforming and upgrading the traditional logistics business into other industries with synergy and integration, such as car malls and outlets. Two pilot projects, namely Longhua Luxury Cars Mall (龍華名車廣場) and The Outlets-8th (奧特萊斯), have moved into the exhibition centre and newly-built logistics centre with operations in 2Q14 and 1Q15 respectively.

China Urban Integrated Logistics Hub: SZI has signed investment agreements for logistics hub projects in Shijiazhuang, Changsha and Nanchang in FY14. Including the agreement made with Hefei in 1Q15, SZI currently has 8 projects in the pipeline with a total planned site area of 2.55mn sqm. The company targets to secure 3 to 4 cities in FY15E and start construction in 2 to 3 cities after land acquisition. Additionally, Phase 1 of the Shenyang project has finished construction in FY14 and will start commerce, becoming a model for other projects in 4Q15E. Overall, SZI are negotiating with near 20 cities in order to expand the network to cover all parts of China with a modern urban public integrated logistics service platform with IT application.

New plan for Qianhai development and cross-border e-commerce: SZI has been actively communicating with local government about the redevelopment in Qianhai land. With the land location of phase 1 project has been confirmed, preparation work such as land value evaluation has started and we believe the catalyst may realize in FY15E. Besides, as Western Logistics Park is located closely to Hong Kong, it has a great potential to be developed into cross-border e-commerce industrial park by leveraging lower free trade zone tax rules and bonded area treatments.

Port business: Nanjing Xiba Port reported 16% and 46% in revenue and profit due to increase in volume and stringent cost control. With Phase 2 start commence at the end of 2014, it is believed the capacity will increase by 270% in FY15E to drive a high growth in the next few years.

Capex: SZI plans to increase capex by 84% to HK\$4.3bn in FY15E with 49%/31%/14%/6% spending in logistics park / Meilin project / toll road / port. We think the capex for Meilin project is some kinds of bridging capital as the company target to dispose part of the interest after land transfer. Thus, the total capex for FY15E should be around HK\$2.9bn.

Shenzhen Airlines: Although the average airfare declined by 2% yoy in FY14, the revenue increased 6% given increasing air passenger traffic in China. Due to currency fluctuation and higher depreciation from larger fleet size, SZA reported net losses in 1H14. With lower fuel costs and higher load factor, SZA has

turnaround in 2H14 with profit only down 14% yoy for FY14. Although management indicated no plan to spin-off or dispose SZA in near future, as a passive investment to SZI, we still believe SZA would be a value to unlock in longer term.

CSG A-shares: Given strong rally in A-shares, SZI has been disposing CSG in the market. In order not to make large impact to the share price, it is expected SZI will slowly liquidate the shares and provide other gains for SZI in the next few years.

Special dividend: SZI announced a total HK\$0.455 per share dividend in FY14, making a yield of 3.9% and boosting share price performance last week. The HK\$0.192 per share special dividend stands for 50% payout ratio for the one-off gains from Meiguan Expressway disposal. The final dividend of HK\$0.263 per share means 33.2% payout ratio for adjusted net profit, which decreased from 38.1% in FY13.

Exhibit 2: Earnings Revision

(HK\$ mn)	FY15E			FY16E			FY17E			OP Comments
	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg	
Revenue	6,656	7,026	(5.3)	7,294	7,558	(3.5)	8,314	8,455	(1.7)	
Gross profit	3,443	3,741	(8.0)	3,846	3,931	(2.1)	4,490	4,325	3.8	
Gross margin	51.7%	53.2%	(1.5)	52.7%	52.0%	0.7	54.0%	51.2%	2.9	
Opex	(470)	(413)	13.9	(486)	(426)	14.0	(502)	(440)	14.0	Higher administrative expenses
EBIT	3,196	3,401	(6.0)	3,485	3,577	(2.6)	4,113	3,957	3.9	
Net Profit	1,986	1,985	0.0	2,194	2,083	5.3	2,533	2,240	13.1	Higher contribution from logistics
Diluted EPS (HK\$)	1.028	1.045	(1.6)	1.136	1.096	3.6	1.311	1.179	11.2	

Source: Company, OP Research

Exhibit 3: SOTP Valuation Revision

SOTP Valuation	New	Old	Chg	OP Comments
Toll Roads	10,803	10,531	3%	
Logistics Business				
Logistics Parks	8,563	6,624	29%	Better growth in logistics
Logistics Services	252	232	9%	Efficiency improvement
Port	570	418	37%	Capacity expansion
Shenzhen Airlines	2,997	3,043	-2%	
CSG (000012 CH) value, after-tax	997	601	66%	Gain in A-shares
Land in Qianhai	3,800	3,800	0%	
Land in Meilin Checkpoint	2,409	2,409	0%	
Net cash/(debt) ex. toll road business	-350	619	-157%	
Total	30,042	28,277	6%	
Target price	15.55			
Upside	34%			

Source: OP Research

Exhibit 4: Results summary

(HK\$ mn)	Actual	FY14E	Vs est.	Yoy	OP Comment
Revenue	6,370	6,598	-3%	7%	
COGS	-3,228	-3,339	-3%	7%	
Gross profit	3,142	3,259	-4%	7%	
Other gains / (losses)	1,999	1,900	5%	-6607%	
Other income	125	72	72%	72%	Higher government grants
Distribution costs	-57	-68	-16%	-11%	
Administrative expenses	-397	-332	20%	20%	Options expense
Operating profit (EBIT)	4,812	4,831	0%	86%	
Interest income	208	126	66%	170%	Interest from long-term receivables
Finance costs	-978	-1,075	-9%	20%	Debt repayment
Provisions or other items	0	0			
Profit after financing costs	4,042	3,882	4%	119%	
Associated cos	726	456	59%	-4%	Higher contribution from SZ Airlines
Jointly controlled cos	-12	32	-138%	-138%	
Pre-tax profit	4,756	4,370	9%	80%	
Tax	-1,069	-1,164	-8%	101%	
Minority interests	-1,458	-1,073	36%	213%	
Net profit	2,229	2,132	5%	36%	
Revenue breakdown					
Toll roads	5,178	5,427	-5%	5%	
Logistics business	1,192	1,171	2%	16%	
Logistics parks	598	615	-3%	15%	
Logistics services	426	384	11%	17%	
Port	169	173	-2%	16%	
Head Office	0	0			

Source: OP Research

Exhibit 5: Results summary

(HK\$ mn)	1H13	2H13	1H14	2H14	1H14 Yoy	2H14 Yoy	OP Comment
Revenue	2,882	3,081	3,271	3,099	14%	1%	
COGS	-1,456	-1,569	-1,647	-1,582	13%	1%	
Gross profit	1,425	1,512	1,624	1,518	14%	0%	
Other gains / (losses)	315	-346	1,938	61	514%	-118%	Disposal of CSG shares in 2H14
Other income	49	23	77	48	55%	108%	Government grants
Distribution costs	-25	-39	-30	-27	20%	-31%	
Administrative expenses	-132	-199	-150	-247	14%	24%	
Operating profit (EBIT)	1,633	951	3,459	1,353	112%	42%	
Interest income	41	37	77	132	88%	260%	
Finance costs	-406	-411	-580	-398	43%	-3%	Debt repayment
Provisions or other items	0	0	0	0	n.a.	n.a.	
Profit after financing costs	1,268	577	2,955	1,087	133%	88%	
Associated cos	240	520	130	596	-46%	15%	Turnaround in SZ Airlines in 2H14
Jointly controlled cos	11	21	14	-27	26%	-226%	
Pre-tax profit	1,519	1,118	3,099	1,656	104%	48%	
Tax	-325	-206	-787	-281	142%	37%	
Minority interests	-252	-213	-1,122	-336	345%	58%	
Net profit	942	699	1,191	1,039	26%	49%	

Source: OP Research

Financial Summary

Year to Dec	FY13A	FY14A	FY15E	FY16E	FY17E
Income Statement (HK\$ mn)					
Toll roads	4,934	5,178	5,230	5,439	5,657
Logistics business	1,029	1,192	1,426	1,855	2,657
Head Office	0	0	0	0	0
Turnover	5,963	6,370	6,656	7,294	8,314
YoY%	4	7	4	10	14
COGS	(3,025)	(3,228)	(3,213)	(3,448)	(3,824)
Gross profit	2,937	3,142	3,443	3,846	4,490
Gross margin	49.3%	49.3%	51.7%	52.7%	54.0%
Other income	42	2,124	222	125	125
Selling & distribution	(64)	(57)	(59)	(61)	(62)
Admin	(331)	(397)	(411)	(425)	(440)
R&D	0	0	0	0	0
Other opex	0	0	0	0	0
Total opex	(395)	(454)	(470)	(486)	(502)
Operating profit (EBIT)	2,584	4,812	3,196	3,485	4,113
Operating margin	43.3%	75.5%	48.0%	47.8%	49.5%
Provisions	0	0	0	0	0
Interest Income	77	208	265	272	290
Finance costs	(816)	(978)	(774)	(766)	(775)
Profit after financing costs	1,845	4,042	2,686	2,990	3,628
Associated companies & JVs	792	714	750	788	828
Pre-tax profit	2,637	4,756	3,437	3,779	4,456
Tax	(531)	(1,069)	(774)	(861)	(1,045)
Minority interests	(465)	(1,458)	(677)	(724)	(878)
Net profit	1,641	2,229	1,986	2,194	2,533
YoY%	(13)	36	(11)	10	15
Net margin	27.5%	35.0%	29.8%	30.1%	30.5%
EBITDA	2,884	6,265	4,583	4,964	5,744
EBITDA margin	48.4%	98.4%	68.9%	68.1%	69.1%
EPS (HK\$)	0.982	1.154	1.028	1.136	1.311
YoY%	(13)	18	(11)	10	15
DPS (HK\$)	0.374	0.455	0.342	0.378	0.437
Cash Flow (HK\$ mn)					
EBITDA	2,884	6,265	4,583	4,964	5,744
Chg in working cap	(280)	(1,350)	603	708	(34)
Others	1,105	0	0	0	0
Operating cash	3,709	4,916	5,186	5,672	5,710
Interests paid	(881)	(989)	(787)	(787)	(787)
Tax	(493)	(173)	(684)	(774)	(861)
Net cash from operations	2,336	3,753	3,715	4,111	4,062
Capex	(1,319)	(2,334)	(2,662)	(4,376)	(2,494)
Investments	(86)	(60)	0	0	0
Dividends received	480	270	283	297	312
Sales of assets	385	0	0	0	0
Interests received	81	208	265	272	290
Others	35	0	0	0	0
Investing cash	(425)	(1,915)	(2,114)	(3,808)	(1,892)
FCF	1,911	1,838	1,601	304	2,170
Issue of shares	84	2,342	0	0	0
Buy-back	0	0	0	0	0
Minority interests	97	0	0	0	0
Dividends paid	(776)	(620)	(861)	(648)	(715)
Net change in bank loans	(1,229)	(1,709)	0	0	0
Others	(4)	219	0	0	0
Financing cash	(1,828)	232	(861)	(648)	(715)
Net change in cash	82	2,070	740	(344)	1,455
Exchange rate or other Adj	2	141	0	0	0
Opening cash	4,866	4,950	7,161	7,902	7,558
Closing cash	4,950	7,161	7,902	7,558	9,012
CFPS (HK\$)	1.397	1.943	1.923	2.128	2.103

Source: Company, OP Research

Year to Dec	FY13A	FY14A	FY15E	FY16E	FY17E
Ratios					
Gross margin (%)	49.3	49.3	51.7	52.7	54.0
Operating margin (%)	43.3	75.5	48.0	47.8	49.5
Net margin (%)	27.5	35.0	29.8	30.1	30.5
Selling & dist'n exp/Sales (%)	1.1	0.9	0.9	0.8	0.7
Admin exp/Sales (%)	5.5	6.2	6.2	5.8	5.3
Payout ratio (%)	38.1	39.4	33.3	33.3	33.3
Effective tax (%)	28.8	26.4	28.8	28.8	28.8
Total debt/equity (%)	127.0	90.7	85.3	78.8	72.3
Net debt/equity (%)	91.5	47.5	40.8	39.4	29.6
Current ratio (x)	1.8	2.2	2.2	2.0	2.1
Quick ratio (x)	1.7	2.1	2.1	1.9	2.0
Inventory T/O (days)	54	76	76	76	76
AR T/O (days)	82	158	118	78	78
AP T/O (days)	231	254	254	254	254
Cash conversion cycle (days)	(96)	(20)	(60)	(100)	(100)
Asset turnover (x)	0.1	0.1	0.1	0.1	0.2
Financial leverage (x)	3.2	2.9	2.6	2.6	2.5
EBIT margin (%)	43.3	75.5	48.0	47.8	49.5
Interest burden (x)	1.0	1.0	1.1	1.1	1.1
Tax burden (x)	0.6	0.5	0.6	0.6	0.6
Return on equity (%)	12.3	14.1	10.9	11.2	11.9
ROIC (%)	5.3	10.0	6.2	6.4	7.2
Balance Sheet (HK\$ mn)					
Fixed assets	5,257	5,648	7,697	11,124	12,381
Intangible assets & goodwill	23,618	21,066	20,304	19,796	19,413
Associated companies & JVs	5,842	6,160	6,627	7,118	7,634
Long-term investments	103	100	100	100	100
Other non-current assets	389	2,030	2,030	2,030	2,030
Non-current assets	35,209	35,004	36,758	40,167	41,558
Inventories	447	674	671	720	798
AR	1,340	2,762	2,152	1,559	1,777
Prepayments & deposits	0	0	0	0	0
Other current assets	1,278	1,762	1,762	1,762	1,762
Cash	4,950	7,161	7,902	7,558	9,012
Current assets	8,014	12,359	12,486	11,598	13,349
AP	1,918	2,249	2,239	2,402	2,664
Tax	173	684	774	861	1,045
Accruals & other payables	0	0	0	0	0
Bank loans & leases	2,297	2,392	2,392	2,392	2,392
CB & other debts	135	188	188	188	188
Other current liabilities	32	0	0	0	0
Current liabilities	4,555	5,513	5,593	5,844	6,289
Bank loans & leases	15,034	13,360	13,360	13,360	13,360
CB & other debts	294	111	111	111	111
Deferred tax & others	1,432	1,650	1,650	1,650	1,650
MI	7,918	9,026	9,703	10,427	11,305
Non-current liabilities	24,678	24,147	24,825	25,548	26,427
Total net assets	13,990	17,702	18,827	20,373	22,191
Shareholder's equity					
Share capital	5,100	7,523	7,523	7,523	7,523
Reserves	8,890	10,180	11,305	12,851	14,668
BVPS (HK\$)	8.44	9.36	9.95	10.77	11.73
Total debts	17,760	16,051	16,051	16,051	16,051
Net cash/(debts)	(12,803)	(8,416)	(7,676)	(8,020)	(6,565)

Exhibit 6: Peer Group Comparison

Company	Ticker	Price	Mkt cap (US\$m)	3-mth		PER FY2	EPS FY1	EPS FY2	3-Yr EPS Cagr (%)	PEG (x)	Div yld Hist (%)	Div yld FY1 (%)	P/B Hist (x)	P/B FY1 (x)	EV/ Ebitda Hist	EV/ Ebitda Cur Yr	Net gearing Hist (%)	Gross margin Hist (%)	Net margin Hist (%)	ROE Hist (%)	ROE FY1 (%)	Sh px		
				avg t/o (US\$m)	PER Hist (x)																	YoY% YoY%	YoY% YoY%	YoY% YoY%
Shenz Intl Hldg	152 HK	11.58	2,826	5.0	10.0	11.3	10.2	(10.9)	10.5	4.4	2.59	3.9	3.0	1.24	1.16	4.8	6.5	47.5	49.3	35.0	14.1	10.9	6.8	2.5
HSI		24,486.20			10.3	11.7	10.5	(12.2)	11.2	2.5	4.75	3.7	3.4	1.36	1.27						13.3	10.9	(1.4)	4.9
HSCEI		11,898.09			8.6	8.2	7.4	3.8	11.6	8.4	0.98	3.6	3.8	1.25	1.11						14.6	13.5	(2.4)	2.9
CSI300		3,971.70			17.2	14.3	12.2	20.3	17.5	N/A	N/A	1.5	1.9	2.46	2.10						14.3	14.6	11.2	15.3
Adjusted sector avg*					15.8	14.1	11.8	11.5	11.8	13.6	1.30	3.0	3.1	2.17	2.07	11.9	8.8	35.7	27.8	12.5	13.7	13.6	0.1	3.3
Toll Roads																								
Zhejiangexpre-H	576 HK	9.90	5,546	6.9	14.7	14.6	13.3	0.8	9.7	6.4	2.27	3.9	4.4	2.03	1.90	8.3	6.6	0.0	38.4	26.0	14.2	13.9	3.8	8.3
Shenzhen Expre-H	548 HK	5.53	2,641	2.7	4.4	9.6	9.1	(54.0)	5.6	(22.7)	N/A	3.6	5.5	0.85	0.77	9.6	9.0	74.0	51.8	62.7	19.4	8.3	(4.0)	6.6
Anhui Express-H	995 HK	5.12	1,618	1.1	8.1	8.4	8.3	(3.1)	1.0	(3.8)	N/A	5.3	4.9	0.94	0.90	6.6	6.6	27.5	39.3	24.7	11.7	10.7	(5.2)	0.0
Jiangsu Expres-H	177 HK	9.90	6,295	4.1	14.8	14.8	13.7	(0.1)	8.2	5.3	2.78	4.8	4.9	2.10	1.96	9.8	9.5	20.2	50.2	36.5	14.0	13.8	3.4	8.6
Hopewell Infr	737 HK	3.69	1,467	0.7	16.5	17.2	15.1	(4.1)	14.0	7.0	2.44	5.6	5.6	1.26	1.26 (246.5)	5.3	0.0	N/A	N/A	6.9	7.4	(1.6)	(4.9)	
Yuexiu Transport	1052 HK	4.85	1,047	1.1	10.7	10.0	9.0	7.1	10.3	5.7	1.75	5.6	6.0	0.76	0.72	8.9	7.6	36.8	62.8	32.8	7.3	7.5	(8.3)	2.8
Sichuan Exp-H	107 HK	2.90	2,256	1.0	7.3	5.9	6.6	24.0	(10.9)	N/A	N/A	3.4	4.1	0.65	0.57	10.6	9.0	70.2	20.9	11.7	9.6	9.6	(8.2)	(8.5)
Airlines																								
Cathay Pac Air	293 HK	17.74	9,001	8.6	22.1	10.6	9.3	109.5	13.4	38.0	0.28	1.5	3.5	1.35	1.19	8.5	6.1	86.2	N/A	3.0	5.5	12.1	2.0	6.4
Air China Ltd-H	753 HK	6.94	16,701	12.2	17.9	10.2	8.7	75.5	17.8	26.0	0.39	0.8	1.7	1.34	1.12	11.7	8.7	176.7	16.1	3.6	7.1	12.1	0.9	11.6
China East Air-H	670 HK	4.19	11,874	5.9	16.8	16.2	8.5	3.5	89.9	34.5	0.47	N/A	0.3	1.59	1.35	13.8	9.7	251.0	N/A	2.7	6.4	9.1	13.2	15.4
China Southern-H	1055 HK	4.69	10,494	11.2	18.8	20.4	8.5	(8.0)	139.1	36.3	0.56	1.1	0.7	1.12	1.03	10.7	8.6	190.2	N/A	2.0	1.8	4.3	21.2	29.9
Integrated Logistics																								
Sinotrans Ltd-H	598 HK	4.11	2,442	7.8	11.8	10.2	8.8	15.7	15.1	14.2	0.72	2.1	2.7	1.23	1.04	11.0	6.9	0.0	N/A	2.7	9.5	10.2	(19.9)	(19.4)
Kerry Logistics	636 HK	11.52	2,513	2.6	11.8	16.8	14.9	(30.0)	12.4	(5.5)	N/A	1.5	1.3	1.40	1.23	12.4	9.9	1.2	N/A	7.9	13.6	7.7	2.7	(4.8)
Haier Electronic	1169 HK	19.98	6,941	7.7	17.4	14.8	12.5	17.0	18.6	N/A	N/A	0.5	0.7	3.74	3.25	10.8	8.8	0.0	14.7	3.6	25.5	24.8	(2.3)	6.5
Sitc	1308 HK	4.15	1,386	0.7	11.5	8.6	7.4	32.8	16.1	17.6	0.49	6.0	4.3	1.75	1.54	9.6	6.9	0.0	12.1	8.8	15.7	17.5	(6.5)	(3.0)
Asr Logistics	1803 HK	0.74	77	0.8	46.3	10.6	10.1	337.5	4.3	N/A	N/A	43.9	2.4	1.98	2.39	4.0	6.5	0.0	26.6	1.4	34.6	24.8	8.8	(28.1)
Global Logistic	GLP SP	2.62	9,249	22.1	13.9	32.9	26.9	(57.7)	22.4	(16.1)	N/A	1.7	1.8	1.05	1.03	35.8	28.5	11.1	N/A	116.1	6.2	3.7	1.2	5.6
Deutsche Post-Rg	DPW GR	28.88	37,827	120.7	16.9	16.0	14.5	5.6	10.6	7.5	2.12	2.8	3.2	3.73	3.35	8.5	8.1	19.2	N/A	3.7	21.6	21.7	(4.8)	5.9
Kuehne & Nagel-R	KNIN VX	144.40	17,916	23.0	27.3	26.2	23.9	4.5	9.7	6.2	4.22	4.1	3.5	7.08	7.39	16.1	15.7	0.0	35.9	3.6	25.4	27.6	4.0	6.1
Panalpina We-Reg	PWTN SW	143.40	3,521	3.2	39.0	28.8	21.1	35.2	36.5	31.2	0.92	1.5	2.2	4.72	4.38	17.5	14.0	0.0	23.6	1.3	12.3	16.2	8.3	6.9
United Parcel-B	UPS US	96.64	87,195	354.7	29.2	18.7	16.9	56.0	10.7	24.5	0.76	2.8	2.9	40.85	18.66	13.7	9.8	347.7	18.1	5.2	70.4	120.9	(5.0)	(13.7)
Expeditors Intl	EXPD US	48.06	9,215	53.8	25.0	22.5	20.3	11.4	10.6	10.1	2.22	1.3	1.5	4.93	5.06	12.8	11.8	0.0	13.2	5.7	19.1	22.3	(0.5)	7.5

* Outliners and "N/A" entries are excl. from the calculation of averages

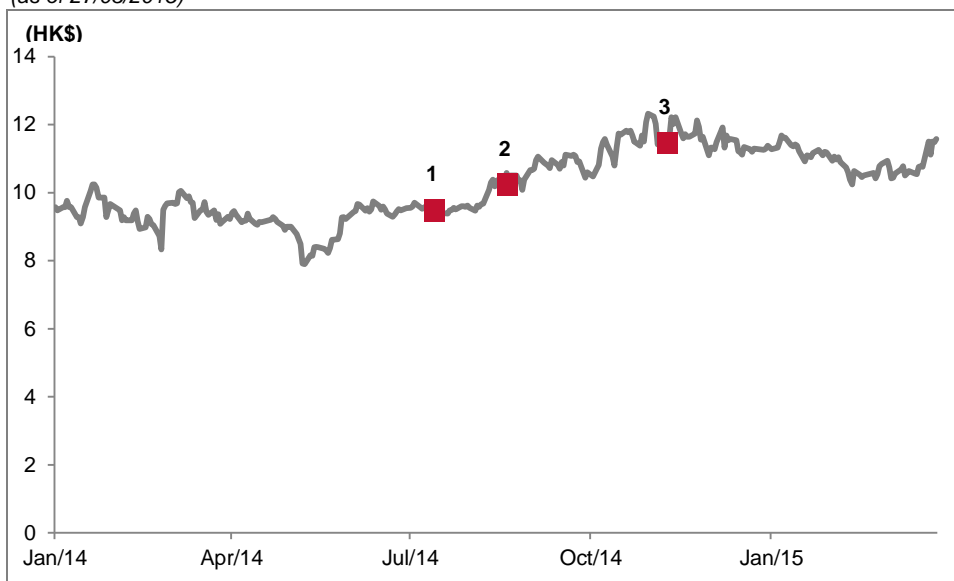
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Our recent reports

Date	Company / Sector	Stock Code	Title	Rating	Analyst
27/03/2015	BWI Intl	2339	FY14 earnings record huge gain of HK\$183 mn	NR	Kelvin Ng
25/03/2015	Sinotrans	598	FY14 result first take	HOLD	Bruce Yeung
25/03/2015	COOLPAD	2369	Question marks over Dazen JV bring some cool	HOLD	Yuji Fung
24/03/2015	Technovator	1206	NDR Takeaway	BUY	Yuji Fung
23/03/2015	Shenzhen International	152	Decent dividend from toll road subsidiary	BUY	Bruce Yeung
19/03/2015	Technovator	1206	FY14 results First Take	BUY	Yuji Fung
18/03/2015	Ju Teng Intl	3336	In-line FY14 result; Margin expansion resumed	BUY	Yuji Fung
17/03/2015	Kwoon Chung Bus	306	Value unlocked	NR	Bruce Yeung
12/03/2015	BWI Intl	2339	FY14 earnings hit huge gain of HK\$169 mn	NR	Kelvin Ng
10/03/2015	Technovator	1206	Spin-off and poised to swamp China	BUY	Yuji Fung
03/03/2015	TCL COMM	2618	Strong guidance ahead	BUY	Yuji Fung
06/02/2015	Technovator	1206	Positive signaling from stake increase by ParentCo	BUY	Yuji Fung
04/02/2015	Beijing Properties	925	Divest for reinvesting logistics properties	BUY	Bruce Yeung
03/02/2015	TK Group	2283	When the best is served by the best of best	NR	Lindsay Hu/ Yuji Fung
15/01/2015	Ju Teng Intl	3336	Correction overdone	BUY	Yuji Fung
12/01/2015	TCL COMM	2618	Profits soar with Iron Man, X-men and OneTouch	BUY	Yuji Fung
09/01/2015	Technovator	1206	Past year promising, New Year winning	BUY	Yuji Fung
06/01/2015	Sinomedia	623	Downgrade on economic slowdown	HOLD	Yuji Fung
05/01/2015	SCUD Group	1399	Beneficiary of Xiaomi Success	BUY	Yuji Fung
22/12/2014	China Fiber Optic Network	3777	Penetrating into a broadband service provider	BUY	Yuji Fung
10/12/2014	SCUD Group	1399	Introducing Value Partner as 2nd largest shareholder	BUY	Vivien Chan/ Yuji Fung
08/12/2014	Great Wall Motor	2333	SUV sales accelerates	BUY	Vivien Chan
27/11/2014	PAX Global	327	Overseas expansion on track	HOLD	Vivien Chan
26/11/2014	BWI Intl	2339	A Chinese-owned, Global Auto Parts Leader with a strong product	NR	Vivien Chan
24/11/2014	Tiangong	826	Solid order growth remains	BUY	Vivien Chan
19/11/2014	Sinotrans	598	A shift to risk aversion	HOLD	Bruce Yeung
17/11/2014	CMGC	8081	Mobile game coming to the stage	NR	Lindsay Hu/ Yuji Fung

Historical recommendations and target price: Shenzhen International (152 HK)

(as of 27/03/2015)



1	11 Jul 2014	BUY, Target price HK\$13
2	28 Aug 2014	BUY, Target price change HK\$14
3	12 Nov 2014	BUY, Target price change HK\$14.88

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