



Rating
Buy

Asia
China

Consumer
Retail / Wholesale Trade

Company
Wumart Stores

Reuters 1025.HK	Bloomberg 1025 HK	Exchange HKG	Ticker 1025
ADR Ticker WUMSY	ISIN US9825801023		

Date
23 July 2015

Forecast Change

Price at 22 Jul 2015 (HKD)	4.89
Price target - 12mth (HKD)	6.38
52-week range (HKD)	7.99 - 4.28
HANG SENG INDEX	25,283

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2H15 outlook - Management focuses on driving top line

Best in class SSSg; maintaining Buy

We cut Wumart's FY15-17E NP by 7-10% on lower-than-expected 1H15. Our new target price is HK\$6.38 (from HK\$7). The company achieved 4.2% SSSg in 1H15 but at the expense of promotions. Into 2H, SSSg is likely to normalize. It seeks to offset opex increase (especially staff cost) with GPM improvement (via more direct sourcing and scale). We maintain Buy on its attractive valuation and believe its long-term potential remains intact.

To build a strong fresh food business

Management will focus on the merchandise management by optimizing its product portfolio to better meet customer needs. For fresh food, it has increased its sales mix from 27% a couple of years earlier to 33% currently, backed by its effort in the farm-supermarket and direct purchase from production bases. It is also opening up channels for importing agricultural products. We expect the fresh food business to lead top-line growth.

2H15: expanding regional operations for long-term foundation

The company aims to add 13 superstores in 2H15, with eight superstores in Hangzhou. For full-year 2015, it will increase its presence in Hangzhou by 13 stores. This will bring its superstores count to 52 (30% of its total number of superstores) in Hangzhou by end-2015. We believe its regional operation experiences will better help its penetration in Hangzhou. Separately, it is testing the warehouse membership store format in Beijing. We like these initiatives although these are still in the trial-and-error stage.

Lowering target price to HKD6.38; risks

1HFY15 results were below our expectation on lower-than-expected GP margin due to the continued overall low-price strategy. We cut our FY15-17E EPS by 7-10% to factor in less rental income and lower merchandise GPM as the promotion is to continue. We use DCF to arrive at out TP with WACC of 9.5% (RFR 3.9%; TGR 2%). Our new target price implies 14.0x FY16E PE, which is in line with its historical one-year average PE. Key downside risks are costs and competition.

Forecasts And Ratios

Year End Dec 31	2013A	2014A	2015E	2016E	2017E
Sales (CNYm)	16,988.2	18,902.3	20,967.6	23,631.5	26,461.4
Reported NPAT (CNYm)	459.0	394.8	425.7	466.6	518.4
Reported EPS FD(CNY)	0.36	0.31	0.33	0.36	0.40
DB EPS FD(CNY)	0.36	0.31	0.33	0.36	0.40
OLD DB EPS FD(CNY)	0.36	0.31	0.37	0.40	0.44
% Change	0.0%	0.0%	-10.5%	-9.1%	-7.4%
DB EPS growth (%)	-23.5	-14.0	7.8	9.6	11.1
PER (x)	31.5	20.0	11.8	10.8	9.7
EV/EBITDA (x)	11.0	5.0	1.9	1.1	0.3
Yield (net) (%)	2.2	0.0	0.0	0.0	0.0

Source: Deutsche Bank estimates, company data

¹ DB EPS is fully diluted and excludes non-recurring items

² Multiples and yields calculations use average historical prices for past years and spot prices for current and future years, except P/B which uses the year end close

Key changes

Price target	7.00 to 6.38	↓	-8.9%
Sales (FYE)	21,031 to 20,968	↓	-0.3%
Op prof margin (FYE)	3.0 to 2.7	↓	-11.9%
Net profit (FYE)	475.5 to 425.7	↓	-10.5%

Source: Deutsche Bank

Price/price relative



Performance (%)	1m	3m	12m
Absolute	-15.9	-30.3	-32.6
HANG SENG INDEX	-6.6	-9.5	6.3

Source: Deutsche Bank

Deutsche Bank AG/Hong Kong

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Model updated: 22 July 2015

Running the numbers

Asia
China
Retail / Wholesale Trade

Wumart Stores

Reuters: 1025.HK Bloomberg: 1025.HK

Buy

Price (22 Jul 15) HKD 4.89
Target Price HKD 6.38
52 Week range HKD 4.28 - 7.99
Market Cap (m) HKDm 6,265
USDm 808

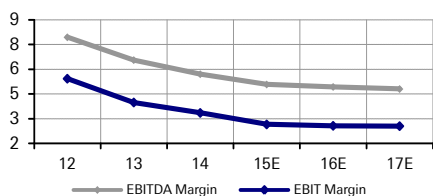
Company Profile

Wumart Stores is engaged in the operation of superstores and mini-marts, carrying out business in Beijing, Tianjin and Zhejiang.

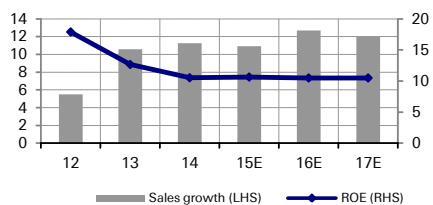
Price Performance



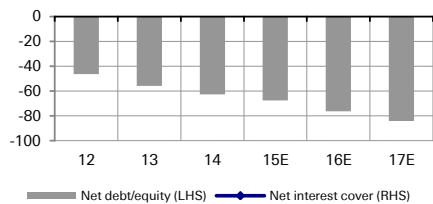
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2012	2013	2014	2015E	2016E	2017E
DB EPS (CNY)	0.47	0.36	0.31	0.33	0.36	0.40
Reported EPS (CNY)	0.47	0.36	0.31	0.33	0.36	0.40
DPS (CNY)	0.21	0.25	0.00	0.00	0.00	0.00
BVPS (CNY)	2.8	2.9	3.0	3.3	3.6	4.1
Weighted average shares (m)	1,285	1,281	1,281	1,281	1,281	1,281
Average market cap (CNYm)	16,282	14,464	7,891	5,019	5,019	5,019
Enterprise value (CNYm)	14,497	12,224	5,342	1,986	1,232	398

Valuation Metrics

P/E (DB) (x)	27.1	31.5	20.0	11.8	10.8	9.7
P/E (Reported) (x)	27.1	31.5	20.0	11.8	10.8	9.7
P/BV (x)	4.92	3.45	1.79	1.19	1.07	0.97
FCF Yield (%)	4.7	6.3	6.5	9.8	15.3	16.9
Dividend Yield (%)	1.7	2.2	0.0	0.0	0.0	0.0
EV/Sales (x)	0.9	0.7	0.3	0.1	0.1	0.0
EV/EBITDA (x)	11.9	11.0	5.0	1.9	1.1	0.3
EV/EBIT (x)	17.4	18.0	8.4	3.6	2.0	0.6

Income Statement (CNYm)

Sales revenue	15,363	16,988	18,902	20,968	23,632	26,461
Gross profit	3,386	3,965	4,589	5,015	5,781	6,635
EBITDA	1,221	1,115	1,079	1,066	1,166	1,273
Depreciation	386	436	444	508	557	596
Amortisation	0	0	0	0	0	0
EBIT	835	678	635	558	609	677
Net interest income/(expense)	16	33	19	27	34	39
Associates/affiliates	12	14	10	14	14	14
Exceptionals/extraordinary	3	-9	-108	0	0	0
Other pre-tax income/(expense)	0	0	0	0	0	0
Profit before tax	865	716	557	599	657	730
Income tax expense	227	222	140	150	164	182
Minorities	37	35	22	24	26	29
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	602	459	395	426	467	518
DB adjustments (including dilution)	0	0	0	0	0	0
DB Net profit	602	459	395	426	467	518

Cash Flow (CNYm)

Cash flow from operations	1,676	1,613	921	1,165	1,357	1,431
Net Capex	-908	-708	-404	-671	-591	-582
Free cash flow	768	905	517	494	766	849
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	-257	-235	-282	0	0	0
Net inc/(dec) in borrowings	0	0	0	0	0	0
Other investing/financing cash flows	18	-214	86	0	0	0
Net cash flow	529	456	321	494	766	849
Change in working capital	711	707	40	232	307	284

Balance Sheet (CNYm)

Cash and other liquid assets	2,245	2,758	3,557	4,051	4,817	5,665
Tangible fixed assets	3,410	3,621	3,633	3,796	3,829	3,816
Goodwill/intangible assets	0	0	0	0	0	0
Associates/investments	245	250	251	265	279	293
Other assets	4,168	4,790	4,924	5,263	5,701	6,167
Total assets	10,067	11,420	12,365	13,375	14,627	15,941
Interest bearing debt	525	582	1,060	1,060	1,060	1,060
Other liabilities	5,831	6,945	7,324	7,885	8,644	9,412
Total liabilities	6,356	7,527	8,384	8,945	9,704	10,472
Shareholders' equity	3,532	3,707	3,781	4,207	4,674	5,192
Minorities	180	186	199	223	249	278
Total shareholders' equity	3,712	3,893	3,981	4,430	4,923	5,470
Net debt	-1,720	-2,176	-2,497	-2,991	-3,757	-4,605

Key Company Metrics

Sales growth (%)	5.5	10.6	11.3	10.9	12.7	12.0
DB EPS growth (%)	2.4	-23.5	-14.0	7.8	9.6	11.1
EBITDA Margin (%)	7.9	6.6	5.7	5.1	4.9	4.8
EBIT Margin (%)	5.4	4.0	3.4	2.7	2.6	2.6
Payout ratio (%)	44.8	70.1	0.0	0.0	0.0	0.0
ROE (%)	17.9	12.7	10.5	10.7	10.5	10.5
Capex/sales (%)	5.9	4.2	2.1	3.2	2.5	2.2
Capex/depreciation (x)	2.4	1.6	0.9	1.3	1.1	1.0
Net debt/equity (%)	-46.3	-55.9	-62.7	-67.5	-76.3	-84.2
Net interest cover (x)	nm	nm	nm	nm	nm	nm

Source: Company data, Deutsche Bank estimates



Company update

Valuation – Lowering TP to HKD6.38; maintaining Buy

1HFY15 results came out below our expectation on lower-than-expected GP margin mainly due to the continued overall low-price strategy. We cut our FY15-17E EPS by 7-10% to factor in: 1) less rental income on traffic slowdown and less rental raise as new tenants require a long-term lease; and 2) lower merchandise GPM as the price promotion (started at the end of May 2014) will continue. We lower our DCF-based target price by 9% to HKD6.38. This implies 14.0x FY16E PE, which is in line with its historical one-year average PE. We believe the current share price (11x FY16E PE) offers an attractive entry point and thus we maintain our Buy recommendation.

We use a WACC of 9.5% (a risk-free rate of 3.9%, an ERP of 5.6%, a beta of 1.0 and target D/DE of 0). We use a terminal growth rate of 2%, in line with the 2-2.5% terminal growth range we use for Chinese consumer stocks. In order to be more conservative, we adjust net cash by deducting the net working capital.

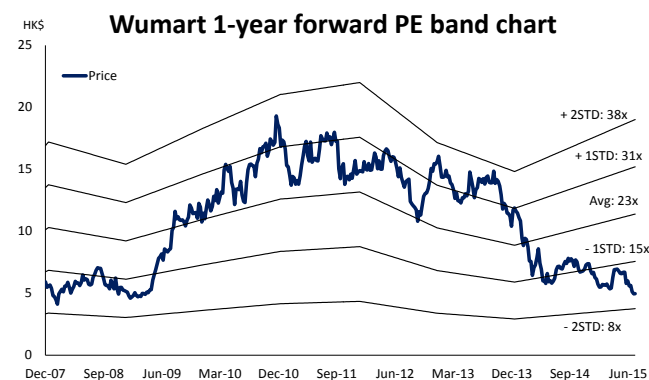
Downside risks: 1) rising operating costs, 2) intensified competition from foreign and online players, 3) CPI weakness, and 4) slowdown in acquisitions.

Figure 1: Key changes

YE 31Dec, RMBm	Current forecast			Previous forecast			Market forecast			% change vs. previous forecast			Diff. from market forecasts		
	FY15E	FY16E	FY17E	FY15E	FY16E	FY17E	FY15E	FY16E	FY17E	FY15E	FY16E	FY17E	FY15E	FY16E	FY17E
Sales	20,968	23,632	26,461	21,031	23,422	26,125	22,450	24,569	26,483	0%	1%	1%	-7%	-4%	0%
EBIT	558	609	677	635	680	735	595	623	658	-12%	-10%	-8%	-6%	-2%	3%
Net profit	426	467	518	476	514	560	434	455	500	-10%	-9%	-7%	-2%	3%	4%

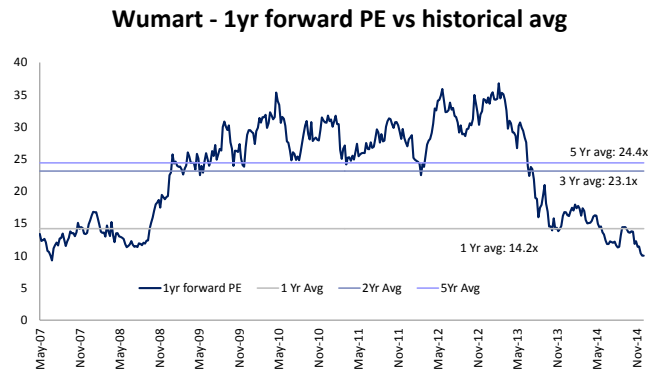
Source: Deutsche Bank estimates, Bloomberg Finance LP, Company data

Figure 2: One-year forward PE band



Source: Deutsche Bank, Bloomberg Finance LP

Figure 3: One-year forward PE vs. historical average



Source: Deutsche Bank, Bloomberg Finance LP



2H15 outlook

Continuing with overall low-price strategy – targeting top-line growth

Wumart plans to continue pursuing its low-price strategy to drive top-line growth. It believes this will eventually improve its GP margin as it will have better bargaining power with suppliers backed by its increased sourcing scale. To recap, it lowered its ticket price by 8-20% for entire categories excluding fresh food and CE products from May 2014. It will maintain the competitive pricing for c.5,000 SKUs out of the 19,000-20,000 SKUs in its superstores.

Mild SSSg in 2H15

We believe a mild SSSg in 2H15 is more reasonable as the promotion started in May 2014. In June, we believe SSSg saw a slight decline (4% in 1H15) in Beijing, while it was down to 4% in Zhejiang (6% in 1H15).

Store opening focus on Eastern China; new store format

It plans to add 13 superstores (eight in Huangzhou, one in Hebei and four in Beijing) in 2H15, taking the full-year number to 23 newly opened superstores. The majority of the new openings are in Eastern China. Compared with the Beijing market, management believes Eastern China is less competitive and has great potential to grow. However, the Eastern China stores will take more time to get mature due to the lower consumption power.

Separately, it is testing the warehouse membership store format in Beijing. It has learnt from Sam's Club to offer mid-to-high-end products with a low price to attract traffic. It believes Yonghui (601933.SS, Buy) is the only relevant competitor in Beijing, as Yonghui has accelerated its expansion since 2H14.

Capex is budgeted at RMB600-700m for 2015 vs. RMB400m in 2014. It plans to add 25 superstores in 2015, after adding 13 in 2014.

O2O initiatives

It has tried different O2O implementation strategies. It introduced mobile payment in its stores allied with Wechat and Alipay. It also tested the micro shop business (B2B2C), i.e. when consumers place an online order, online vendors source the merchandise from Wumart's offline stores and then deliver to the end users. However this was only a small test. The company does not have a plan to launch into e-commerce as it has not seen a profitable business model yet.

Online competition environment in Beijing

In Beijing, JD and Yihaodian are the key online retailers for general merchandise. The key online food retailers are Benlai (本来生活), Tootoo (沱沱公社), and Womai (我买网), which mainly offer organic/high-end fresh food and packaged food with a relatively higher retail price.

ETR is at 25-26% for 2015.

1HFY15 review

Net profit declined 20% yoy on erosion of GP margin

Net profit decreased by 20% yoy to RMB247m, while sales increased by 12% yoy to RMB11.7bn. Sales were in line with our expectation, but net profit was



10% below our forecast mainly due to the lower-than-expected GP margin. The company declared a nil interim dividend (nil for 1H14).

Key highlight of 1H15 results

Sales revenue. Merchandise sales increased 11.9% yoy to RMB10.3bn, mainly driven by store expansion and SSSg. By product, packaged food accounted for 44% of total sales, followed by fresh food (33%), detergent (12%), soft goods (3%), hard goods (3%) and CE (4%).

The fresh food unit achieved a high-speed growth in 1H15. It grew 13% yoy in Beijing despite a high base. It rose 78% yoy in Eastern China, benefiting from replicating the experience in Beijing and store expansion.

Figure 4: Sales mix trend

	Sales mix (1H15)	Sales mix (2-3 years before)	Comment
Packaged food	44%	40%	Less affected from online, as consumers still go to shops for the fresh milk and yogurt
Fresh food	33%	27%	It has grown the farm base and added high-end products such as imported meat and sea food products. Key area to increase its sales mix
Detergent	12%	15%	Impacted by e-commerce
Soft goods (apparel)	3%	4.5-5%	Impacted by e-commerce
Hard goods (furniture)	3%	4.5-5%	Impacted by e-commerce
CE	4%	5%	Operated by Gome in Beijing
Subtotal	99%	97%	

Source: Deutsche Bank, company data

SSSg was 4.2%, up from 0.9% in 1H14, mainly attributable to the promotion and the low base effect, as the promotion was launched at the end of May 2014. SSSg was mainly driven by ticket value, while traffic was flat. By region, it was 4% in Beijing and 6% in Eastern China. For fresh food, it was 9%/20% in Beijing and Eastern China.

Store network. It added 12 superstores (6 in Beijing/Hebei, 1 in Tianjin and 5 in Zhejiang) and 20 mini-marts (9 in Beijing and 11 in Zhejiang).

Gross profit. Consolidated GP margin decreased by 0.9ppt to 19.4%, due to the low-price strategy. By product, fresh food was 13-14%, packaged food and detergent at average GPM, and soft/hard goods at 20-30%.

SG&A as percentage of sales was flat at 18.2%. Staff cost as percentage of sales declined 0.3ppt to 6.4%, thanks to the optimizing of management structure at the store level. Staff headcount reduced by 3% yoy to 27,290 as of end-1H15, due to a flattened management structure and an integration of the back office.

EBIT decreased by 19% yoy to RMB321m and EBIT margin was 3.2% (4.5% in 1H14).

Cash position. It had net cash of RMB2.2bn vs. RMB2.4bn as of end of FY14. It established the Finance Co in May and deposited RMB709m with the central bank and other financial institutions.

It issued bill receivables in Feb/Mar amounting to RMB1.5bn to its subsidiary; this is secured by a bank deposit of an equivalent amount. The bills receivable



were discounted by the subsidiary subsequently at a discount rate of 2-4% (deposited rate of 3-5%). The discounting fee was RMB26m for the bank bills and was charged in admin expense.

Cooperation with Gome in CE segment

Wumart is satisfied with its tie-up with Gome in the CE segment. The gross sales of CE products rose 20% yoy vs. 10-20% yoy decline in the past two years. Gome caters more SKUs and newly launched products. The price is competitive backed by its sourcing scales. In addition, Wumart does not take the inventory and does not bear the staff cost. The cooperation is currently only in Beijing.

Figure 5: P&L estimates

YE Dec RMBmn P&L	2010	2011	2012	2013	2014	2015F	2016F	2017F	1H13	2H13	1H14	2H14	1H15	2H15E
Sales of goods	12,572	14,563	15,363	16,988	18,902	20,968	23,632	26,461	8,486	8,502	9,212	9,690	10,266	10,702
% growth	19.6%	15.8%	5.5%	10.6%	11.3%	10.9%	12.7%	12.0%	11.3%	9.9%	8.5%	14.0%	11.4%	10.4%
Contribution mix									50.0%	50.0%	48.7%	51.3%	49.0%	51.0%
Cost of sales	(11,446)	(13,244)	(13,948)	(15,089)	(17,049)	(19,068)	(21,410)	(23,868)	(7,654)	(7,435)	(8,311)	(8,737)	(9,414)	(9,653)
Gross profit	1,125	1,319	1,415	1,899	1,854	1,900	2,221	2,593	832	1,067	901	953	851	1,049
Other revenues	1,675	1,833	1,971	2,066	2,735	3,115	3,559	4,042	1,070	996	1,221	1,514	1,414	1,701
Total Gross profit	2,801	3,152	3,386	3,965	4,589	5,015	5,781	6,635	1,902	2,063	2,122	2,467	2,265	2,750
% growth														
Cost of sales	19.5%	15.7%	5.3%	8.2%	13.0%	11.8%	12.3%	11.5%	11.3%	5.1%	8.6%	17.5%	13.3%	10.5%
Gross profit	20.9%	17.2%	7.3%	34.2%	-2.4%	2.5%	16.9%	16.7%	10.8%	60.6%	8.3%	-10.7%	-5.5%	10.1%
Other revenues	31.9%	9.4%	7.5%	4.8%	32.4%	13.9%	14.3%	13.6%	13.5%	-3.1%	14.1%	52.0%	15.8%	12.3%
Total Gross profit	27.2%	12.5%	7.4%	17.1%	15.7%	9.3%	15.3%	14.8%	12.3%	21.9%	11.6%	19.6%	6.8%	11.4%
Margin %														
Gross margin	9.0%	9.1%	9.2%	11.18%	9.81%	9.06%	9.40%	9.80%	9.80%	12.55%	9.78%	9.83%	8.29%	9.80%
Total Gross margin	22.3%	21.6%	22.0%	23.3%	24.3%	23.9%	24.5%	25.1%	22.4%	24.3%	23.0%	25.5%	22.1%	25.7%
Consolidated Gross margin in presentation	19.7%	19.2%	19.5%	20.8%	21.2%	20.8%	21.3%	21.8%	19.9%	21.7%	20.3%	22.0%	19.4%	22.2%
Total OP cost	(2,023)	(2,228)	(2,551)	(3,287)	(3,954)	(4,457)	(5,171)	(5,958)	(1,401)	(1,886)	(1,712)	(2,242)	(1,934)	(2,523)
Staff costs	(670)	(738)	(932)	(1,167)	(1,431)	(1,583)	(1,889)	(2,245)	(504)	(663)	(696)	(735)	(745)	(838)
Rental expenses	(543)	(666)	(737)	(927)	(1,140)	(1,325)	(1,577)	(1,861)	(418)	(509)	(522)	(618)	(602)	(723)
Depreciation and amortisation	(324)	(386)	(386)	(436)	(444)	(508)	(557)	(596)	(167)	(270)	(193)	(251)	(205)	(302)
Other operating cost	(481)	(433)	(491)	(751)	(934)	(1,036)	(1,142)	(1,251)	(312)	(439)	(301)	(633)	(382)	(654)
% growth	31.7%	10.1%	14.5%	28.8%	20.3%	12.7%	16.0%	15.2%	17.8%	38.4%	22.2%	18.9%	13.0%	12.5%
Staff costs	32.2%	10.3%	26.2%	25.2%	22.6%	10.6%	19.3%	18.8%	17.2%	32.1%	38.2%	10.8%	7.0%	14.1%
Rental expenses	33.2%	22.5%	10.7%	25.8%	22.9%	16.2%	19.1%	18.0%	20.1%	30.8%	24.7%	21.5%	15.3%	16.9%
Total depreciation and amortisation	43.5%	19.0%	-0.1%	13.2%	1.7%	14.5%	9.7%	6.9%	0.8%	22.4%	15.7%	-7.0%	6.7%	20.4%
Other operating cost	23.0%	-10.1%	13.5%	52.9%	24.3%	10.8%	10.3%	9.5%	27.3%	75.0%	-3.4%	44.0%	26.8%	3.3%
As % of sales	16.1%	15.3%	16.6%	19.3%	20.9%	21.3%	21.9%	22.5%	16.5%	22.2%	18.6%	23.1%	18.8%	23.6%
Staff costs	5.3%	5.1%	6.1%	6.9%	7.6%	7.6%	8.0%	8.5%	5.9%	7.8%	7.6%	7.6%	7.3%	7.8%
rental expenses	4.3%	4.6%	4.8%	5.5%	6.0%	6.3%	6.7%	7.0%	4.9%	6.0%	5.7%	6.4%	5.9%	6.8%
Depreciation and amortization	2.6%	2.7%	2.5%	2.6%	2.3%	2.4%	2.4%	2.3%	2.0%	3.2%	2.1%	2.6%	2.0%	2.8%
Other operating cost	3.8%	3.0%	3.2%	4.4%	4.9%	4.9%	4.8%	4.7%	3.7%	5.2%	3.3%	6.5%	3.7%	6.1%
Operating profit (EBIT)	777	924	835	678	635	558	609	677	501	177	410	225	331	227
% growth	16.9%	18.9%	-9.6%	-18.8%	-6.4%	-12.1%	9.2%	11.1%	-0.8%	-46.4%	-18.2%	27.3%	-19.2%	0.8%
Margin as a % of sales	6.2%	6.3%	5.4%	4.0%	3.4%	2.7%	2.6%	2.6%	5.9%	2.1%	4.5%	2.3%	3.2%	2.1%
Contribution mix									73.9%	26.1%	64.6%	35.4%	59.3%	40.7%
Net finance income (expense)	(3)	12	16	33	19	27	34	39	(15)	49	7	12	24	4
Associate and JV	10	9	12	14	10	14	14	14	5	9	5	6	7	7
Exceptional Item	(8)	(82)	3	(9)	(108)	-	-	-	-	(9)	-	(108)	-	-
Profit before taxation	777	864	865	716	557	599	657	730	491	226	421	135	362	238
Taxation	(218)	(245)	(227)	(222)	(140)	(150)	(164)	(182)	(131)	(92)	(101)	(39)	(102)	(48)
% Effective tax rate	27.7%	25.9%	26.3%	30.6%	21.1%	25.0%	25.0%	25.0%	26.6%	39.1%	23.9%	16.2%	28.3%	20.0%
Profit for the year	560	619	639	494	417	449	493	547	360	134	321	96	259	190
Minority interest	(30)	(32)	(37)	(35)	(22)	(24)	(26)	(29)	(20)	(15)	(14)	(8)	(12)	(11)
Net Profit	530	586	602	459	395	426	467	518	340	119	306.7	88	247.0	178.7
net profit growth	21.0%	10.6%	2.7%	-23.7%	-14.0%	7.8%	9.6%	11.1%	0.4%	-54.8%	-9.8%	-25.9%	-19.5%	102.8%
net margin	4.2%	4.0%	3.9%	2.7%	2.1%	2.0%	2.0%	2.0%	4.0%	1.4%	3.3%	0.9%	2.4%	1.7%
Contribution mix									74%	26%	78%	22%	58%	42%

Source: Deutsche Bank estimates, company data



Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist

Company	Ticker	Recent price*	Disclosure
Wumart Stores	1025.HK	4.88 (HKD) 22 Jul 15	NA

*Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Other information is sourced from Deutsche Bank, subject companies, and other sources. For disclosures pertaining to recommendations or estimates made on securities other than the primary subject of this research, please see the most recently published company report or visit our global disclosure look-up page on our website at <http://gm.db.com/ger/disclosure/DisclosureDirectory.eqsr>.

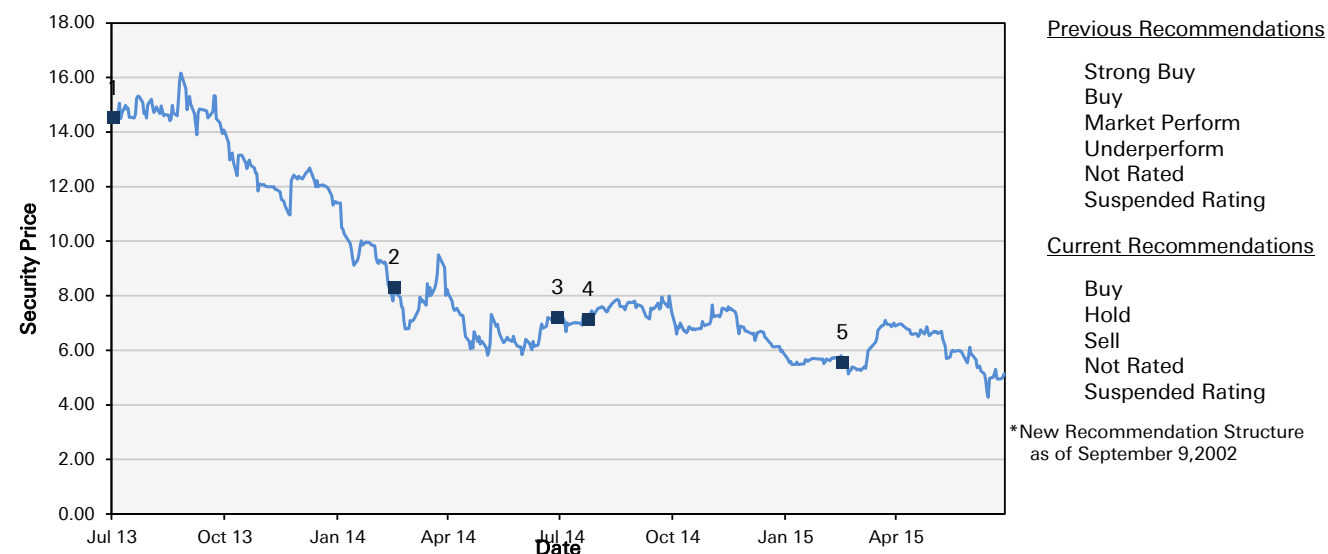
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Historical recommendations and target price: Wumart Stores (1025.HK)

(as of 7/22/2015)



1.	26/07/2013:	Buy, Target Price Change HKD16.50	4.	17/08/2014:	Buy, Target Price Change HKD8.20
2.	12/03/2014:	Buy, Target Price Change HKD10.05	5.	12/03/2015:	Buy, Target Price Change HKD7.00
3.	23/07/2014:	Buy, Target Price Change HKD8.80			



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Buy: Based on a current 12-month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield), we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total share-holder return, we recommend that investors sell the stock.

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Notes:

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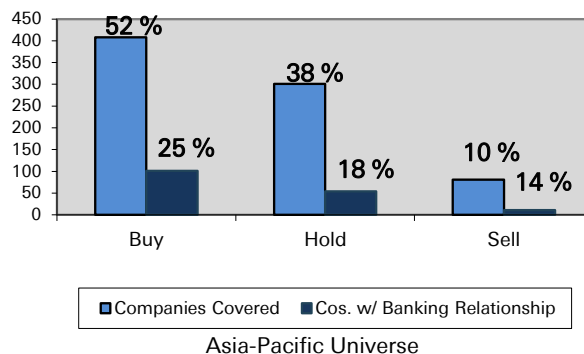
2. Ratings definitions prior to 27 January, 2007 were:

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Equity rating dispersion and banking relationships



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