

Bosideng (3998 HK)

Agility and brand elevation are key strategies

Despite an inline result and lack of specific growth guidance, we stay confident on FY22E and forecast sales/ net profit to grow by 15%/ 23% YoY. The stock is still attractive with its 19x FY23E P/E (vs GOOS's 30x, MONC's 33x). Reiterate BUY and raised TP to HK\$6.13 (23x FY23E P/E, rolled over from FY22E).

- **An inline result with slight miss in sales and GP margin beat.** Bosideng's sales/ net profit rose by 11%/ 42% YoY, 6% below/ 2% above CMBI est., which was attributable to: 1) miss in wholesale sales, 2) surge in GP margin and 3) strong SSSG in the larger sized stores, hence the efficiency gains and operating leverage. We believe the subdued wholesale performance in FY21 was a result of both intentional de-stocking (asked by Bosideng) and preparation for the new replenishment system to be rolled out in FY22E. Inventory days seems to be high at 175 in FY21 (vs 155 in FY20), but if we exclude increased reserve for raw materials and as at Mar 2021, adjusted number will become just ~120, vs healthy level of 100-110.
- **A more flexible ordering system and inventory sharing in the channel.** Bosideng will further upgrade its order replenishment system and unlock more inventory sharing between self-owned and distributors in FY22E. Such system will allow distributors to return up to 10% of their initial trade fair orders (usually take up ~30% of annual sales targets). This allows the distributors to respond faster to the market and capture more sales opportunities, and avoid inventory pile up at the same time. This was supported by Bosideng's quick response ordering and production, which could help its distributors to gain more market shares.
- **We expect 15% YoY sales growth in FY22E, thanks to 1) positive sentiments during the current trade fair (commented by management), 2) expansions of category, as more outdoor and high-end SKUs will be launched, together with marketing events in Oct-Nov 2021(may account for 15-20% of total sales) and 3) excellent e-commerce sales growth momentum, etc.**
- **..and expect NP margin to be 13.6% in FY22E.** Driven by: 1) premiumization through brand elevation (ASP may drive more growth than volume), 2) better control over retail discounts (esp. for e-commerce), 3) more self-owned sales and 4) efficiency gains from more larger-sized stores. It also believed a more reasonable long term NP margin is at around 15-20%.
- **Maintain BUY and raised TP to HK\$ 6.13.** We revised up our diluted EPS in FY22E/ 23E by 17%/ 24% to factor in GP margin surge and operating leverage. Hence reiterate BUY with TP of HK\$ 6.13, based on 23x FY23E P/E (rolled over from FY22E). Current valuation of 19x FY23E P/E with a 19% NP CAGR in FY21-24E is still attractive, vs GOOS's 30x and MONC's 33x.

Earnings Summary

(YE 31 Mar)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue (RMB mn)	12,191	13,517	15,526	17,404	19,103
YoY growth (%)	17.4	10.9	14.9	12.1	9.8
Net income (RMB mn)	1,203	1,710	2,108	2,472	2,883
Diluted EPS (RMB)	0.111	0.153	0.188	0.221	0.258
YoY growth (%)	12.8	49.5	25.5	17.3	16.6
Consensus EPS (RMB)	n/a	n/a	0.186	0.221	0.221
P/E (x)	41.0	27.4	21.8	18.6	16.0
P/B (x)	4.7	4.1	3.7	3.4	3.1
Yield (%)	1.8	2.7	3.2	3.8	4.4
ROE (%)	11.8	15.5	17.8	19.2	20.6
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

BUY (Maintain)

Target Price	HK\$6.13
(Previous TP)	HK\$4.23)
Up/Downside	+23.5%
Current Price	HK\$4.96

China Apparel Sector

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Stock Data

Mkt Cap (HK\$ mn)	53,565
Avg 3 mths t/o (HK\$ mn)	90.93
52w High/Low (HK\$)	4.98/2.01
Total Issued Shares (mn)	10,799.4

Source: Bloomberg

Shareholding Structure

Mr Gao Dekang & Family	70.49%
Employee incentive scheme	6.81%
Free Float	22.70%

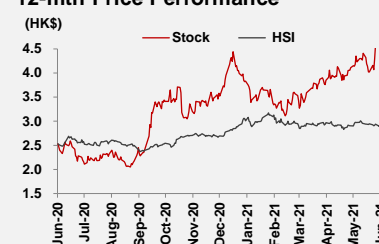
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	16.8%	15.3%
3-mth	39.9%	38.4%
6-mth	34.1%	22.6%
12-mth	98.3%	71.4%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: KPMG

Related Reports

1. Bosideng (3998 HK, BUY) - Stay confident on 2H21E after strong beat - 30 Nov 2020
2. Bosideng (3998 HK, BUY) - Improving fundamentals going into 2H21E - 28 Oct 2020

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Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	15,526	17,404	19,103	16,169	18,006	n/a	-4.0%	-3.3%	n/a
Gross profit	9,204	10,408	11,520	9,044	10,139	n/a	1.8%	2.7%	n/a
EBIT	2,860	3,344	3,873	2,517	2,772	n/a	13.6%	20.7%	n/a
Net profit att.	2,108	2,472	2,883	1,797	1,990	n/a	17.3%	24.2%	n/a
Diluted EPS (RMB)	0.188	0.221	0.258	0.161	0.178	n/a	17.3%	24.2%	n/a
Gross margin	59.3%	59.8%	60.3%	55.9%	56.3%	n/a	3.3ppt	3.5ppt	n/a
EBIT margin	18.4%	19.2%	20.3%	15.6%	15.4%	n/a	2.9ppt	3.8ppt	n/a
Net profit att. margin	13.6%	14.2%	15.1%	11.1%	11.1%	n/a	2.5ppt	3.2ppt	n/a

Source: Company data, CMBIS estimates

Figure 2: CMBIS estimates vs consensus

RMB mn	CMBIS			Consensus			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	15,526	17,404	19,103	16,677	19,314	19,314	-6.9%	-9.9%	-1.1%
Gross profit	9,204	10,408	11,520	9,634	11,236	11,236	-4.5%	-7.4%	2.5%
EBIT	2,860	3,344	3,873	2,708	3,032	3,032	5.6%	10.3%	27.7%
Net profit att.	2,108	2,472	2,883	2,044	2,409	2,409	3.1%	2.6%	19.7%
Diluted EPS (RMB)	0.188	0.221	0.258	0.186	0.221	0.221	1.5%	0.0%	16.6%
Gross margin	59.3%	59.8%	60.3%	57.8%	58.2%	58.2%	1.5ppt	1.6ppt	2.1ppt
EBIT margin	18.4%	19.2%	20.3%	16.2%	15.7%	15.7%	2.2ppt	3.5ppt	4.6ppt
Net profit att. margin	13.6%	14.2%	15.1%	12.3%	12.5%	12.5%	1.3ppt	1.7ppt	2.6ppt

Source: Bloomberg, CMBIS estimates

Results review

Figure 3: Earnings forecast - Half Year

Half yearly - (Mar year end) (RMB mn)	1H20	2H20	1H21	2H21	1H20 YoY	2H20 YoY	1H21 YoY	2H21 YoY	2H21E CMBI	Actual vs CMBI
Revenue	4,436	7,754	4,661	8,855	29%	12%	5%	14%	9,771	-9%
COGS	(2,507)	(2,975)	(2,434)	(3,158)					(3,745)	
Gross profit	1,930	4,779	2,227	5,697	33%	18%	15%	19%	6,027	-5%
GP margins	43.5%	61.6%	47.8%	64.3%					61.7%	
Other income & gains	51	136	46	158					105	50%
S & D expenses	(1,119)	(3,157)	(1,209)	(3,598)	42%	19%	8%	14%	(3,807)	-5%
S & D exp / sales	-25.2%	-40.7%	-25.9%	-40.6%					-39.0%	
Admin expenses	(336)	(517)	(390)	(636)	1%	31%	16%	23%	(579)	10%
Admin exp / sales	-7.6%	-6.7%	-8.4%	-7.2%					-5.9%	
Other opex	-0	-69	-8	-16					-79	
Operating profit (EBIT)	526	1,171	666	1,604	48%	11%	27%	37%	1,667	-4%
OP margins	11.9%	15.1%	14.3%	18.1%					17.1%	
Other items	(48)	(50)	0	(46)					(29)	
Net finance income	9	(7)	(19)	36					5	679%
Net finance income / sales	0.2%	-0.1%	-0.4%	0.4%					0.0%	
Profit after financing costs	486	1,114	648	1,595					1,643	
Associated coms	0	0	0	0					0	
Jointly controlled coms	0	0	0	0					0	
Pre-tax profit	486	1,114	648	1,595	35%	8%	33%	43%	1,643	-3%
Tax	(126)	(279)	(156)	(381)					(439)	-13%
Tax / sales	-2.8%	-3.6%	-3.4%	-4.3%					-4.5%	
Effective tax rate	-25.9%	-25.0%	-24.1%	-23.9%					-26.7%	
Minority interests	18	(26)	5	(10)					9	
Net profit att.	343	861	486	1,224	36%	18%	42%	42%	1,195	2%
NP margins	7.7%	11.1%	10.4%	13.8%					12.2%	

Source: Company data, CMBIS estimates

Figure 4: Earnings forecast - Full Year

Full yearly - (Mar year end) (RMB mn)	FY20	FY21	FY22E	FY21 YoY	FY22E YoY	FY21E CMBI	Actual vs CMBI
Revenue	12,191	13,517	15,526	11%	15%	14,433	-6%
COGS	(5,482)	(5,592)	(6,322)			(6,179)	
Gross profit	6,709	7,924	9,204	18%	16%	8,254	-4%
GP margins	55.0%	58.6%	59.3%			57.2%	
Other income & gains	187	204	171			152	34%
S & D expenses	(4,276)	(4,807)	(5,407)	12%	12%	(5,016)	-4%
S & D exp / sales	-35.1%	-35.6%	-34.8%			-34.8%	
Admin expenses	(853)	(1,026)	(1,061)	20%	3%	(970)	6%
Admin exp / sales	-7.0%	-7.6%	-6.8%			-6.7%	
Other opex	-69	-24	-47			-87	
Operating profit (EBIT)	1,697	2,271	2,860	34%	26%	2,334	-3%
OP margins	13.9%	16.8%	18.4%			16.2%	
Other items	(98)	(46)	0			(29)	
Net finance income	1	18	13			(14)	-227%
Net finance income / sales	0.0%	0.1%	0.1%			-0.1%	
Profit after financing costs	1,600	2,242	2,872			2,291	
Associated coms	0	0	0			0	
Jointly controlled coms	0	0	0			0	
Pre-tax profit	1,600	2,242	2,872	40%	28%	2,291	-2%
Tax	(405)	(537)	(718)			(596)	
Tax / sales	-3.3%	-4.0%	-4.6%			-4.1%	
Effective tax rate	-25.3%	-24.0%	-25.0%			-26.0%	
Minority interests	(8)	(5)	47			14	
Net profit att.	1,203	1,710	2,108	42%	23%	1,681	2%
NP margins	9.9%	12.6%	13.6%			11.6%	

Source: Company data, CMBIS estimates

Assumption

Figure 5: CMBIS estimates vs consensus

Major assumptions	FY20A	FY21A	FY22E	FY23E	FY24E
Sales by segment (RMB mn)					
Down apparels	9,513	10,889	12,677	14,409	15,964
OEM management	1,611	1,536	1,690	1,774	1,863
Ladieswear	983	947	1,007	1,062	1,109
Diversified apparels	84	145	152	160	168
Total	12,191	13,517	15,526	17,404	19,103
Sales by segment growth (%)					
Down apparels	24.2%	14.5%	16.4%	13.7%	10.8%
OEM management	17.8%	-4.7%	10.0%	5.0%	5.0%
Ladieswear	-17.7%	-3.7%	6.4%	5.4%	4.4%
Diversified apparels	-48.9%	72.6%	5.0%	5.0%	5.0%
Total	17.4%	10.9%	14.9%	12.1%	9.8%
Sales by channel growth (%)					
Down Apparels - offline	23.1%	2.1%	10.0%	7.3%	4.8%
Down Apparels - online	28.0%	54.3%	30.0%	25.0%	20.0%
OEM management	17.8%	-4.7%	10.0%	5.0%	5.0%
Non-down apparels - offline	-22.3%	1.1%	5.6%	5.0%	4.4%
Non-down apparels - online	-6.1%	21.8%	15.0%	10.0%	5.0%
Total	17.4%	10.9%	14.9%	12.1%	9.8%
Sales network by segment					
Down apparel	4,866	4,150	4,335	4,528	4,730
Non - down apparel	525	477	491	506	521
Total	5,391	4,627	4,826	5,034	5,252
Sales network by channel type					
Self-operated	2,267	2,161	2,272	2,387	2,508
Third party distributors	3,131	2,466	2,554	2,647	2,744
Total	5,398	4,627	4,826	5,034	5,252
GP margins by segment					
Down apparels	59.8%	63.7%	65.1%	65.5%	65.8%
OEM management	18.5%	19.6%	16.0%	17.0%	17.0%
Ladieswear	74.4%	72.6%	67.0%	63.0%	63.0%
Diversified apparels	-16.4%	0.1%	1.0%	1.0%	1.0%
Total	55.0%	58.6%	59.3%	59.8%	60.3%
Opex breakdown					
D&A/ sales	2.8%	3.6%	2.8%	2.6%	2.4%
Rental/ sales	11.6%	13.3%	12.6%	12.7%	12.8%
Labor/ sales	10.7%	11.9%	11.8%	11.2%	11.1%
A&P/ sales	7.0%	6.5%	6.7%	7.0%	7.0%
Others/ sales	9.9%	7.7%	7.8%	7.8%	7.6%
OP margins	13.1%	16.5%	18.4%	19.2%	20.3%
Effective tax rate	25.3%	24.0%	25.0%	25.0%	25.0%
NP att. margins	9.9%	12.6%	13.6%	14.2%	15.1%
NP att. growth (%)	22.6%	42.1%	23.3%	17.3%	16.6%

Source: Company data, CMBIS estimates

Valuation

Figure 6: Peers' valuation

Company	Ticker	Rating	12m TP (LC)	Price (LC)	Up/Down-side	Mkt. Cap (HK\$m)	Year End	P/E (x)		P/B (x)		ROE (%)	3yrs PEG (x)	Yield (%)
								FY1E	FY2E	FY1E	FY2E	FY1E	FY1E	FY1E
H-shares Apparel														
Bosideng Intl	3998 HK	BUY	6.13	4.96	23%	53,565	Mar-21	21.1	18.0	3.6	3.3	16.1	1.1	3.3
China Lilang	1234 HK	BUY	6.76	5.11	32%	6,119	Dec-20	6.3	5.9	1.3	1.2	15.4	0.3	10.1
Jnby Design	3306 HK	BUY	15.32	14.58	5%	7,563	Jun-20	12.9	10.8	3.7	3.4	22.9	0.5	5.8
Cosmo Lady	2298 HK	NR	n/a	1.06	n/a	2,384	Dec-20	11.8	8.8	0.8	0.7	(4.8)	(0.0)	2.8
Mulsanne Group	709 HK	NR	n/a	1.58	n/a	2,493	Dec-20	n/a	n/a	n/a	n/a	(4.4)	0.0	n/a
Giordano	1817 HK	NR	n/a	6.42	n/a	6,099	Dec-20	n/a	n/a	n/a	n/a	(32.5)	0.0	n/a
Koradior	3709 HK	NR	n/a	10.30	n/a	7,252	Dec-20	10.7	9.0	1.6	1.4	13.7	0.0	4.7
Esprit Holdings	330 HK	NR	n/a	0.78	n/a	2,208	Dec-20	n/a	n/a	n/a	n/a	(77.0)	0.0	n/a
La Chapelle	6116 HK	NR	n/a	0.72	n/a	1,405	Dec-20	n/a	n/a	n/a	n/a	n/a	0.0	n/a
Bauhaus Intl	483 HK	NR	n/a	0.95	n/a	349	Mar-20	n/a	n/a	n/a	n/a	(23.1)	0.0	n/a
							Avg.	12.6	10.5	2.2	2.0	(8.2)	0.2	5.3
							Med.	11.8	9.0	1.6	1.4	(4.4)	0.0	4.7
A-shares Apparel														
Ningbo Peacebird	603877 CH	NR	n/a	48.50	n/a	27,752	Dec-20	24.3	19.9	5.2	4.5	23.8	0.9	2.5
Joeone Co Ltd	601566 CH	NR	n/a	14.50	n/a	10,001	Dec-20	19.8	17.5	2.0	1.9	9.4	2.4	n/a
Fujian Septwolves	002029 CH	NR	n/a	6.19	n/a	5,614	Dec-20	17.7	15.4	0.8	0.7	5.3	1.1	2.1
Hla Corp Ltd	600398 CH	NR	n/a	6.91	n/a	35,827	Dec-20	10.0	8.6	1.9	1.7	16.5	0.3	5.8
Jiangsu Hongdou	600400 CH	NR	n/a	2.88	n/a	8,757	Dec-20	37.4	34.7	1.9	1.8	3.7	1.9	n/a
Dazzle Fashion	603587 CH	NR	n/a	22.19	n/a	12,817	Dec-20	14.6	12.7	2.8	2.5	19.9	0.8	n/a
Anzheng Fashion	603839 CH	NR	n/a	9.49	n/a	4,557	Dec-20	10.0	8.5	n/a	n/a	6.9	0.4	n/a
Lancy Co Ltd	002612 CH	NR	n/a	51.43	n/a	27,313	Dec-20	86.4	64.9	7.2	6.8	6.0	1.6	0.9
Shenzhen Huijie	002763 CH	NR	n/a	9.17	n/a	4,513	Dec-20	n/a	n/a	n/a	n/a	15.2	0.0	n/a
Ellassay Fashion	603808 CH	NR	n/a	15.66	n/a	6,250	Dec-20	14.4	12.2	2.1	1.9	13.3	2.1	2.8
Bobaolon Co	002776 CH	NR	n/a	2.46	n/a	1,589	Dec-20	n/a	n/a	n/a	n/a	(17.3)	0.0	n/a
							Avg.	26.1	21.6	3.0	2.7	9.3	1.0	2.8
							Med.	17.7	15.4	2.0	1.9	9.4	0.9	2.5
International Apparel														
Canada Goose	GOOS US	NR	n/a	41.77	n/a	35,751	Mar-21	42.7	29.5	7.2	5.4	12.5	0.0	n/a
Moncler Spa	MONC IM	NR	n/a	57.16	n/a	145,144	Dec-20	41.0	33.3	6.8	6.0	20.5	2.1	1.0
Hugo Boss	BOSS GR	NR	n/a	46.86	n/a	30,608	Dec-20	42.0	23.0	3.9	3.6	(24.2)	(0.2)	2.0
Ted Baker	TED LN	NR	n/a	144.00	n/a	2,874	Jan-21	n/a	24.4	1.8	1.8	(57.5)	0.0	0.0
Next	NXT LN	NR	n/a	7888.0	n/a	113,389	Jan-21	16.9	15.1	9.8	7.8	52.0	0.4	2.3
Hennes & Mauritz	HMB SS	NR	n/a	201.35	n/a	305,721	Nov-20	31.9	21.8	5.4	5.0	(3.1)	0.2	2.9
Industria De Diseno	ITX SM	NR	n/a	30.94	n/a	894,680	Jan-21	28.0	24.7	6.1	5.8	13.7	0.5	3.0
Ovs Spa	OVS IM	NR	n/a	1.69	n/a	3,564	Jan-21	19.7	9.1	0.7	0.6	4.7	1.4	0.0
Pvh Corp	PVH US	NR	n/a	107.75	n/a	59,698	Jan-21	16.0	12.8	1.5	1.6	1.3	(0.1)	0.1
Vf Corp	VFC US	NR	n/a	82.36	n/a	250,893	Mar-21	26.7	22.4	9.6	8.7	12.7	0.5	2.4
Marks & Spencer	MKS LN	NR	n/a	152.85	n/a	32,335	Apr-21	11.6	9.9	1.3	1.4	(6.6)	(0.1)	1.5
							Avg.	27.7	20.6	4.9	4.3	2.4	0.4	1.5
							Med.	27.4	22.4	5.4	5.0	4.7	0.2	1.7

Source: Bloomberg, CMBIS estimates

Financial Summary

Income statement						Cash flow summary					
YE 31 Mar (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E	YE 31 Mar (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	12,191	13,517	15,526	17,404	19,103	EBIT	1,599	2,225	2,860	3,344	3,873
Down apparels	9,513	10,88	12,67	14,40	15,96	D & A	290	333	373	393	388
OEM management	1,611	1,536	1,690	1,774	1,863	Change in working capital	(487)	(98)	(774)	(293)	(262)
Ladieswear	983	947	1,007	1,062	1,109	Income tax paid	(497)	(537)	(718)	(841)	(980)
Diversified apparels	84	145	152	160	168	Others	328	213	208	217	243
Cost of goods sold	(5,482)	(5,592)	(6,322)	(6,997)	(7,584)	Net cash from operating	1,233	2,136	1,948	2,820	3,262
Gross profit	6,709	7,924	9,204	10,408	11,520	Capex & investments	(714)	(541)	(621)	(696)	(764)
Other income	187	204	171	191	210	Associated companies	1,118	(560)	-	-	-
Operating expenses	(5,297)	(5,903)	(6,515)	(7,255)	(7,857)	Interest received	129	-	-	-	-
D & A	(151)	(161)	(169)	(174)	(173)	Others	79	-	-	-	-
Staff costs	(1,346)	(1,652)	(1,869)	(1,997)	(2,153)	Net cash from investing	612	(1,100)	(621)	(696)	(764)
S & D costs (ex-staff, D&A)	(2,938)	(3,174)	(3,655)	(4,170)	(4,516)	Equity raised	-	-	-	-	-
Admin exp. (ex-staff, D&A)	(423)	(503)	(472)	(518)	(565)	Net change in bank loans	(552)	-	-	-	-
Other operating expenses	(439)	(413)	(350)	(396)	(450)	Dividend paid	(863)	(905)	(1,262)	(1,474)	(1,729)
EBIT	1,599	2,225	2,860	3,344	3,873	Others	1,408	(196)	(196)	(196)	(196)
Finance costs, net	1	18	13	21	47	Net cash from financing	(8)	(1,101)	(1,458)	(1,669)	(1,925)
JVs & associates	-	-	-	-	-	Net change in cash	1,837	(65)	(131)	455	573
Exceptional	-	-	-	-	-	Beginning cash balance	1,754	3,639	3,573	3,443	3,897
Pre-tax profit	1,600	2,242	2,872	3,365	3,920	Exchange difference	47	-	-	-	-
Income tax	(405)	(537)	(718)	(841)	(980)	Cash at the end of the year	3,639	3,573	3,443	3,897	4,470
Less: Minority interests	(8)	(5)	47	52	57						
Net profit	1,203	1,710	2,108	2,472	2,883						

Balance sheet						Key ratios					
YE 31 Mar (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E	YE 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
Non-current assets	4,909	5,677	5,925	6,228	6,604	Sales mix (%)					
Fixed asset	1,390	1,711	2,072	2,488	2,977	Down apparels	78.0	80.6	81.7	82.8	83.6
Intangible assets & goodwill	1,654	1,542	1,429	1,316	1,203	OEM management	13.2	11.4	10.9	10.2	9.8
Prepaid lease payments	99	659	659	659	659	Ladieswear	8.1	7.0	6.5	6.1	5.8
Interest in joint ventures	-	-	-	-	-	Diversified apparels	0.7	1.1	1.0	0.9	0.9
Other non-current assets	1,765	1,765	1,765	1,765	1,765	Total	100.0	100.0	100.0	100.0	100.0
Current assets	12,470	13,124	13,781	14,968	16,192	P&L ratios (%)					
Cash and cash equivalents	3,639	3,573	3,443	3,897	4,470	Gross margin	55.0	58.6	59.3	59.8	60.3
Inventories	2,726	2,605	2,945	3,259	3,532	Operating margin	13.1	16.5	18.4	19.2	20.3
Trade and other receivables	1,959	2,777	3,190	3,576	3,925	Pre-tax margin	13.1	16.6	18.5	19.3	20.5
Prepayments	209	232	266	298	327	Net margin	9.9	12.6	13.6	14.2	15.1
Other current assets	3,937	3,937	3,937	3,937	3,937	Effective tax rate	25.3	24.0	25.0	25.0	25.0
Current liabilities	4,690	5,312	5,325	5,764	6,154	Balance sheet ratios					
Bank loans	818	818	818	818	818	Current ratio (x)	2.7	2.5	2.6	2.6	2.6
Trade payables	1,830	2,298	2,079	2,300	2,493	Quick ratio (x)	2.1	2.0	2.0	2.0	2.1
Accruals & other payables	1,412	1,565	1,798	2,015	2,212	Cash ratio (x)	0.8	0.7	0.6	0.7	0.7
Tax payables	365	365	365	365	365	Inventory turnover days	181	170	170	170	170
others	266	266	266	266	266	Trade receivables days	59	75	75	75	75
Non-current liabilities	2,286	2,286	2,286	2,286	2,286	Trade payables days	122	150	120	120	120
Bank loans	-	-	-	-	-	Total debt / total equity ratio (%)	24	23	21	19	18
Deferred income	-	-	-	-	-	Net debt / equity ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Deferred tax	140	140	140	140	140	Returns (%)					
Others	2,146	2,146	2,146	2,146	2,146	ROE	11.8	15.5	17.8	19.2	20.6
Minority Interest	189	185	231	283	341	ROA	6.9	9.1	10.7	11.7	12.6
Total net assets	10,214	11,018	11,864	12,862	14,015	Per share					
Shareholders' equity	10,214	11,018	11,864	12,862	14,015	Diluted EPS (RMB)	0.11	0.15	0.19	0.22	0.26
						DPS (RMB)	0.08	0.11	0.13	0.15	0.18
						BVPS (RMB)	0.96	1.02	1.11	1.20	1.31

Source: Company data, CMBIS estimates

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