

# GDS (9698 HK)

## Growing uncertainty with cloud landscape change

GDS reported in-line FY2Q21 with adj. EBITDA growth of +41% YoY to RMB896mn but net loss widened to RMB325mn. Key highlights include 1) 3 new hyperscale order wins and higher visibility on overseas expansion plan, 2) flattish MSR despite more edge of town capacity being added and 3) backlog remains strong at +41% YoY. However, outlook is less clear given increasing concern over cloud service customers' investment plan amid internet sector crackdown.

- FY2Q21 adj. EBITDA +41% YoY, in-line with expectation.** GDS delivered revenue growth of +39% YoY to RMB1,864mn in FY2Q21 as area utilized rose by 41% to 272k sq m. Total area in-service increased at +48% YoY to 394k sq m. MSR was flattish QoQ but utilization declined to 69% (vs. 73% in 1Q21) as more edge of town capacity being added. Adj. EBITDA was at RMB896mn (+41% YoY), slightly above consensus but net loss widened to RMB325mn. GDS is confident to achieve FY21E target and maintained 37%/39% revenue/ adj. EBITDA YoY growth guidance.
- Concern on internet sector demand despite 3 new hyperscale order wins.** GDS won 3 new hyperscale orders (2 being new customers) with total committed area of 24.7k sq m. Despite strong backlog of 198k sq m (+41% YoY, +8% QoQ), investors are increasingly concerned about internet cloud service providers expansion plan amid regulatory uncertainty. We observed the YoY growth of total area committed by Alibaba+Tencent has declined to +40% YoY (vs. +63% YoY in 1Q21).
- More colors in overseas expansion plan.** GDS gave more details regarding its first overseas data center development. The Company has entered into a definitive agreement to acquire a greenfield site in Malaysia (7km to Singapore border) with 22.5k sq m capacity (or 54MW of IT power capacity). GDS aims to secure first phase commitment in coming few quarters and is expected to deliver 18MW in 2024.
- Lacks near term catalyst although share price weakness reflected cloud landscape change concern.** We largely maintained our FY21E forecast but cut FY22-23E adj. EBITDA by 4-8% to reflect increasing uncertainty to cloud customers' investment/ ramp-up schedule. GDS is trading at 1-SD below its three-year mean, maintain BUY with new target price of HK\$72.38 (prior HK\$78.63), based on unchanged 25x FY22E EV/EBITDA.

### Earnings Summary

(YE 31 Dec)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue (RMB mn)	4,122	5,739	7,871	10,313	12,812
YoY growth (%)	48%	39%	37%	31%	24%
Adj. EBITDA (RMB mn)	1,824	2,681	3,724	4,732	5,971
YoY growth (%)	74%	47%	39%	27%	26%
Consensus EBITDA (RMB)	1,824	2,681	3,659	4,982	6,474
Net income (RMB mn)	(442)	(669)	(885)	(772)	(264)
EPS (RMB)	(0.45)	(0.59)	(0.69)	(0.62)	(0.26)
YoY growth (%)	n.a.	n.a.	n.a.	n.a.	n.a.
EV/EBITDA	41.4	26.9	23.3	20.4	17.4
Yield (%)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data, Bloomberg, CMBIS estimates

### BUY (Maintain)

Target Price	HK\$72.38
(Previous TP)	HK\$78.63)
Up/Downside	+34.4%
Current Price	HK\$53.85

### China software & IT services

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#### Stock Data

Mkt Cap (HK\$ mn)	84,029
Avg 3 mths t/o (mn)	136.12
52w High/Low (HK\$)	118.70/ 47.10
Total Issued Shares (mn)	1,428

Source: Bloomberg

#### Shareholding Structure

STT GDC	32.1%
William Huang - Chairman	5.4%
Ping An	2.3%

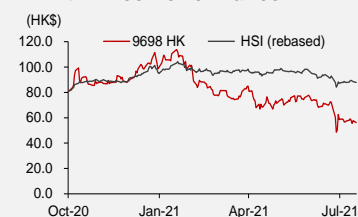
Source: Bloomberg

#### Share Performance

	Absolute	Relative
1-mth	-18.5%	-13.6%
3-mth	-15.6%	-10.4%
6-mth	-47.7%	-40.2%

Source: Bloomberg

#### 12-mth Price Performance



Source: Bloomberg

#### Auditor: KPMG

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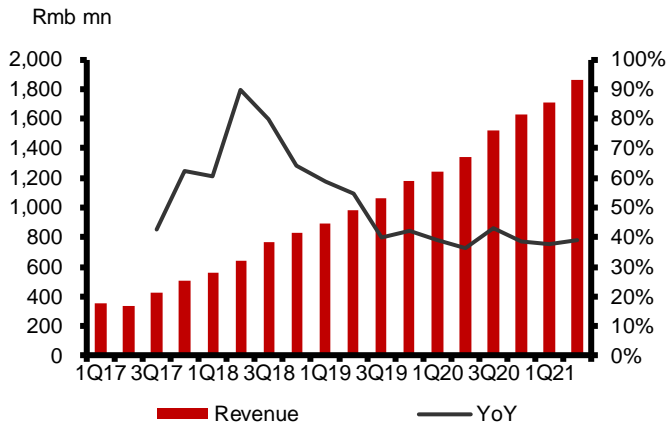
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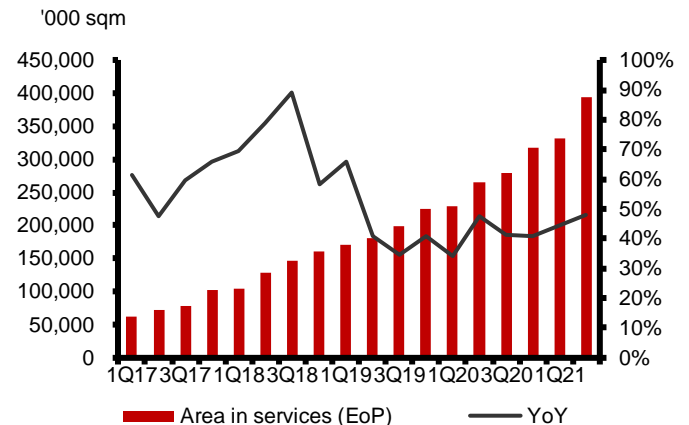
**Focus charts**

**Figure 1: Revenue and YoY growth**



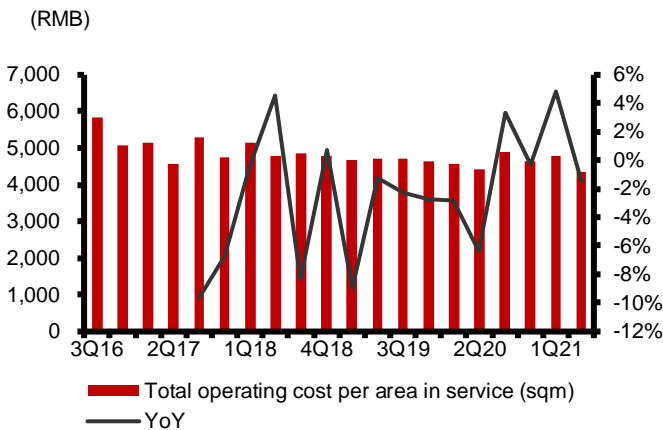
Source: Company data, CMBIS estimates

**Figure 2: Area in services and YoY**



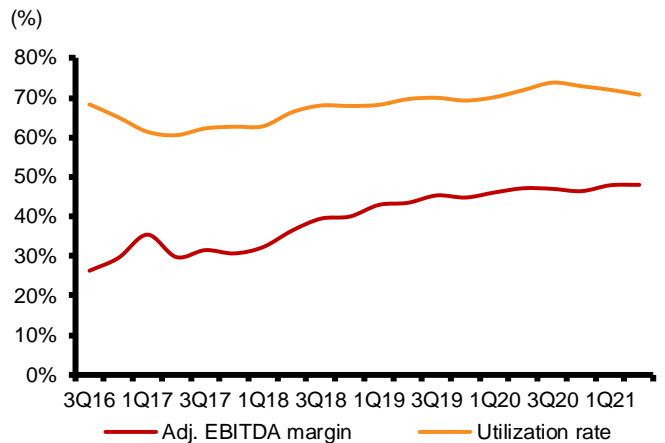
Source: Company data, CMBIS estimates

**Figure 3: Total operating cost per area in service**



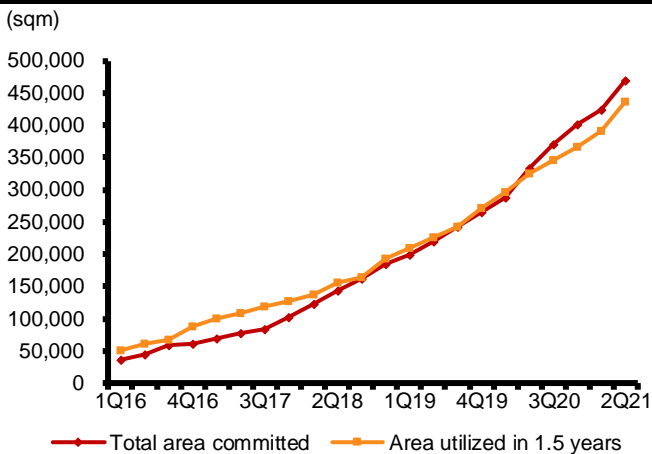
Source: Company data, CMBIS estimates

**Figure 4: EBITDA margin vs. utilization**



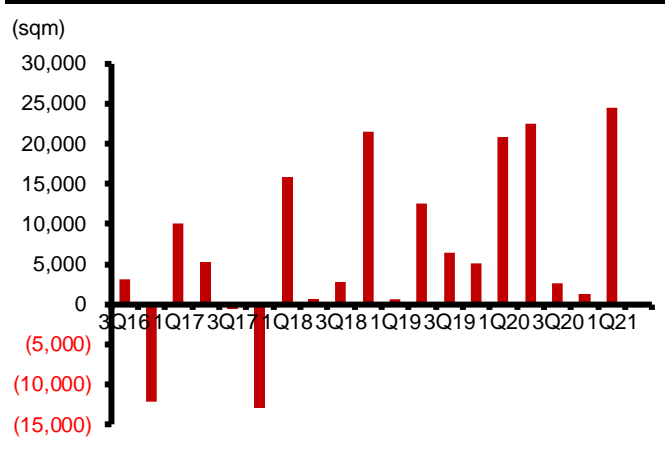
Source: Company data, CMBIS estimates

**Figure 5: Total area committed vs. fwd area utilized**



Source: Company data, CMBIS estimates

**Figure 6: Net adds in area under construction**



Source: Company data, CMBIS estimates

## 2Q21 earnings review

### 2Q21 results review

- **Revenue** was at RMB1,864mn (+39% YoY, +9% QoQ), **slightly above** our estimate by 2% and **in-line** with consensus.
- **Gross profit** was at RMB440mn (+22% YoY, +11% QoQ), **below** our and consensus estimate.
- **Gross margin** was at 23.6% (-3.3 pct pts YoY, +0.3 pct pts QoQ), **below** our and consensus estimates.
- **Adj. EBITDA** was at RMB896mn (+41% YoY, +10% QoQ), 3% **above** our and 2% **above** consensus estimates
- **Adj. EBITDA margin** was at 48.1% (+0.9 pct pts YoY, +0.1 pct pts QoQ), **beat** our estimates by 0.3 pct pts and **above** consensus by 1 pct pts.
- **Net loss** widened to RMB325mn, missed both our and consensus estimates.

### FY21E guidance unchanged

- **Revenue** will be in the range of RMB7,700-8,000mn (implying +34.2% to +39.4% YoY).
- **Adj. EBITDA** will be in the range of RMB3,660-3,800mn (implying +36.5% to +41.8% YoY).
- **Capex** will be at RMB12,000mn (+28% YoY).

Figure 7: 2Q21 results review

	Jun-20	Mar-21	Jun-21			Jun-21		Jun-21	
	2Q20	1Q21	2Q21			2Q21	versus	2Q21	versus
RMB mn	actual	actual	actual	YoY	QoQ	CMBI	CMBI	consensus	consensus
Revenue	1,342	1,706	1,864	39%	9%	1,826	2%	1,871	0%
Gross profit	361	397	440	22%	11%	466	-6%	497	-12%
Gross margin	26.9%	23.3%	23.6%	-3.3 pct pts	0.3 pct pts	25.5%	-1.9 pct pts	26.6%	-3 pct pts
Operating profit	164	121	147	-11%	22%	215	-32%	235	-38%
Operating margin	12.3%	7.1%	7.9%	-4.4 pct pts	0.8 pct pts	11.8%	-3.9 pct pts	12.6%	-4.7 pct pts
Adj. EBITDA	633	818	896	41%	10%	872	3%	880	2%
Adj. EBITDA margin	47.2%	47.9%	48.1%	0.9 pct pts	0.1 pct pts	47.7%	0.3 pct pts	47.0%	1 pct pts
Net non-op	-239	-340	-394			-381		-386	
PBT	-75	-219	-247	-231%	-13%	-166	-49%	-150	-65%
Net income	-114	-301	-325	-184%	-8%	-218	-49%	-203	-60%
Net margin	-8.5%	-17.7%	-17.4%	-8.9 pct pts	0.2 pct pts	-11.9%	-5.5 pct pts	-10.9%	-6.6 pct pts
EPS RMB	-0.10	-0.21	-0.22	-133%	-7%	-0.15	-49%	-0.13	-68%

Source: Company data, CMBIS

## Earnings revision

Figure 8: Earnings revision

RMB mn	2021E			2022E			2023E		
	New	Old	%Diff	New	Old	%Diff	New	Old	%Diff
Sales	7,871	7,829	1%	10,313	10,358	-0%	12,812	13,512	-5%
Gross profit	2,052	2,008	2%	2,837	2,993	-5%	3,794	4,378	-13%
OP Profit	819	838	-2%	1,337	1,549	-14%	2,042	2,505	-18%
Adj. EBITDA	3,724	3,696	1%	4,732	4,933	-4%	5,971	6,481	-8%
PBT	-745	-717	4%	-639	-417	53%	-220	220	-200%
Net profit	-989	-933	6%	-881	-595	48%	-376	159	-336%
EPS	-0.69	-0.65	6%	-0.62	-0.42	48%	-0.26	0.11	-336%
<b>Margins</b>									
GM	26.1%	25.7%	42 bps	27.5%	28.9%	-138 bps	29.6%	32.4%	-278 bps
OPM	10.4%	10.7%	-30 bps	13.0%	15.0%	-199 bps	15.9%	18.5%	-260 bps
Adj. EBITDA margin	47.3%	47.2%	10 bps	45.9%	47.6%	-174 bps	46.6%	48.0%	-136 bps
PBT margin	-9.5%	-9.2%	-31 bps	-6.2%	-4.0%	-218 bps	-1.7%	1.6%	-334 bps
Net margin	-12.6%	-11.9%	-65 bps	-8.5%	-5.7%	-279 bps	-2.9%	1.2%	-412 bps
<b>Key assumptions</b>									
Total area in service	466,694	464,509	0%	620,704	641,023	-3%	788,294	881,327	-11%
Total area utilized	326,043	325,396	0%	436,804	455,815	-4%	560,903	626,796	-11%
Avg. utilization rate	70%	71%	-44 bps	70%	71%	-118 bps	71%	71%	-6 bps
Average MSR	2,306	2,281	1%	2,228	2,165	3%	2,159	2,052	5%
Depreciation	2,299	2,292	0%	2,954	2,942	0%	3,477	3,479	-0%

Source: Company data, CMBIS estimates

Figure 9: CMBI estimates vs. consensus

RMB mn	2021			2022			2023		
	CMBI	Street	Diff	CMBI	Street	Diff	CMBI	Street	Diff
Sales	7,871	7,879	-0%	10,313	10,558	-2%	12,812	13,308	-4%
Gross profit	2,052	2,093	-2%	2,837	2,987	-5%	3,794	3,970	-4%
Operating profit	819	887	-8%	1,337	1,467	-9%	2,042	2,255	-9%
Adj. EBITDA	3,724	3,659	2%	4,732	4,982	-5%	5,971	6,474	-8%
Net profit	-989	-652	52%	-881	-304	189%	-376	342	-210%
EPS	-0.69	-1.59	-56%	-0.62	-0.64	-4%	-0.26	1.18	-122%
<b>Margins</b>									
GM	26.1%	26.6%	-50 bps	27.5%	28.3%	-78 bps	29.6%	29.8%	-22 bps
OPM	10.4%	11.3%	-85 bps	13.0%	13.9%	-93 bps	15.9%	16.9%	-101 bps
Adj. EBITDA margin	47.3%	46.4%	87 bps	45.9%	47.2%	-130 bps	46.6%	48.7%	-204 bps
Net margin	-12.6%	-8.3%	-430 bps	-8.5%	-2.9%	-566 bps	-2.9%	2.6%	-551 bps

Source: Company data, CMBIS estimates

**Figure 10: Operating model**

RMB mn	2019	2020	2021E	2022E	2023E
<b>Revenues</b>	<b>4,122</b>	<b>5,739</b>	<b>7,871</b>	<b>10,313</b>	<b>12,812</b>
Service Revenue	4,095	5,717	7,856	10,296	12,795
Equipment Revenue	28	22	15	17	18
Cost of sales	-3,080	-4,189	-5,819	-7,476	-9,018
<b>Gross Profit</b>	<b>1,043</b>	<b>1,550</b>	<b>2,052</b>	<b>2,837</b>	<b>3,794</b>
<i>Gross margin</i>	<i>25.3%</i>	<i>27.0%</i>	<i>26.1%</i>	<i>27.5%</i>	<i>29.6%</i>
R&D	-22	-40	-41	-66	-75
SG&A	-541	-837	-1,192	-1,434	-1,677
Operating Income	480	673	819	1,337	2,042
<b>Adj. EBITDA</b>	<b>1,824</b>	<b>2,681</b>	<b>3,724</b>	<b>4,732</b>	<b>5,971</b>
<i>Adj. EBITDA margin</i>	<i>44.2%</i>	<i>46.7%</i>	<i>47.3%</i>	<i>45.9%</i>	<i>46.6%</i>
Interest Expense	-969	-1,287	-1,634	-2,046	-2,332
Net other income (exp)	62	66	70	70	70
Profit Before Income Taxes	-426	-548	-745	-639	-220
Income Tax Expense	-16	-121	-140	-133	-44
<b>Net profit (loss)</b>	<b>-500</b>	<b>-738</b>	<b>-989</b>	<b>-881</b>	<b>-376</b>
<i>Net margin</i>	<i>-10.7%</i>	<i>-11.7%</i>	<i>-11.2%</i>	<i>-7.5%</i>	<i>-2.1%</i>
EPS (RMB)	-0.45	-0.59	-0.69	-0.62	-0.26
<b>Key assumptions</b>					
Total area in service (EoP)	225,963	318,272	466,694	620,704	788,294
Total area utilized (EoP)	156,020	226,212	326,043	436,804	560,903
Utilization rate (area utilized/ area in service)	69%	72%	70%	70%	71%
Average MSR (RMB / Sq m / Month)	2,532	2,403	2,306	2,228	2,159
Depreciation	1,142	1,638	2,353	2,954	3,477
<b>Growth (YoY)</b>					
Revenues	48%	39%	37%	31%	24%
Gross Profit	68%	49%	32%	38%	34%
Adj. EBITDA	74%	47%	39%	27%	26%
Net profit (loss)	3%	51%	32%	-13%	-66%

Source: Company data, CMBIS estimates

**Figure 11: Quarterly model**

<b>RMB mn</b>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>4Q20</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21E</b>	<b>4Q21E</b>
Revenues	1,240	1,342	1,525	1,632	1,706	1,864	2,057	2,244
Gross Profit	350	361	409	430	397	440	549	666
Adj. EBITDA	572	633	717	758	818	896	971	1,039
Net profit (loss)	-105	-114	-224	-294	-301	-325	-211	-152
EPS (RMB)	-0.09	-0.10	-0.18	-0.21	-0.21	-0.22	-0.15	-0.10
<b>Key assumptions</b>								
Total area in service (EoP)	229,986	266,260	279,618	318,272	332,534	393,885	424,741	466,694
Total area utilized (EoP)	163,835	193,163	209,751	226,212	242,364	271,735	295,251	326,043
Utilization rate (area utilized/ area in service)	71%	73%	75%	71%	73%	69%	70%	70%
Average MSR (RMB / Sq m / Month)	2,569	2,492	2,519	2,489	2,425	2,416	2,411	2,402
Depreciation	319	390	451	478	560	620	598	575
<b>Margins</b>								
Gross margin	28%	27%	27%	26%	23%	24%	27%	30%
Adj. EBITDA margin	46%	47%	47%	46%	48%	48%	47%	46%
Net margin	-8%	-9%	-15%	-18%	-18%	-17%	-10%	-7%
<b>Growth (QoQ)</b>								
Revenues	5%	8%	14%	7%	5%	9%	10%	9%
Gross Profit	19%	3%	13%	5%	-8%	11%	25%	21%
Adj. EBITDA	8%	11%	13%	6%	8%	10%	8%	7%
Net profit (loss)	-10%	9%	95%	31%	2%	8%	-35%	-28%
<b>Growth (YoY)</b>								
Revenues	38%	35%	44%	40%	38%	40%	35%	38%
Gross Profit	65%	38%	49%	46%	13%	22%	34%	55%
Adj. EBITDA	49%	48%	48%	43%	43%	41%	35%	37%
Net profit (loss)	33%	-8%	-88%	-162%	-203%	-195%	10%	54%

Source: Company data, CMBIS estimates

## Valuation

### Maintain BUY with new target price of HK\$72.38

We maintain our BUY recommendation on GDS with new target price of HK\$72.38, based on unchanged 25x FY22E adj. EV/EBITDA, in-line with its 3-year mean. We think the long term trend that China is increasing cloud investment remains unchanged but the stock lacks near term catalyst amid China internet sector crackdown.

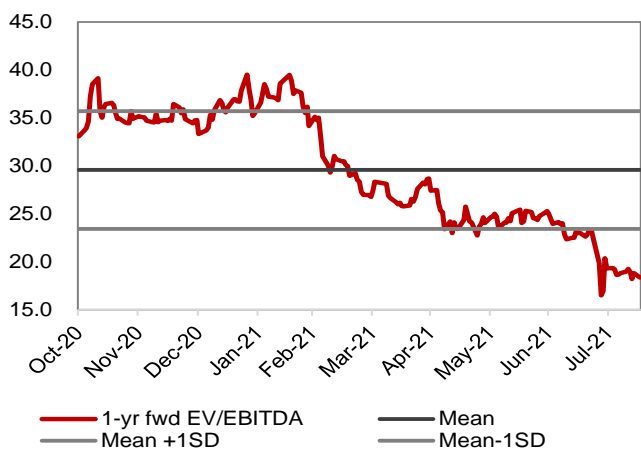
We use EV/EBITDA as the valuation methodology as it better reflects IDC operating profitability than P/E given high depreciation expense during ramp-up stage and large interest expense gap between peers if capital structure is different.

Figure 12: Peers' valuation

Company	Ticker	Rating	Market Cap (US\$ mn)	Price (LC)	TP (LC)	EV/EBITDA (x)		EBITDA margin (%)		Revenue FY20-23E CAGR
						FY21E	FY22E	FY21E	FY22E	
GDS	9698 HK	BUY	10,336	53.85	72.38	23.3	20.4	47.3%	45.9%	31%
21Vianet	VNET US	NR	2,497	18.11	N/A	8.1	5.7	28%	31%	27%
Sinnet	300383 CH	NR	3,641	15.29	N/A	13.6	11.7	22%	22%	13%
Baosight	600845 CH	NR	12,381	63.95	N/A	35.1	26.5	18%	18%	30%
AtHub	603881 CH	NR	1,590	31.33	N/A	17.1	12.3	60%	61%	37%
ChinData	CD US	NR	4,010	10.98	N/A	18.1	13.0	47%	46%	78%
Equinix	EQIX US	NR	73,859	822.94	N/A	27.4	25.1	47%	48%	12%
Digital Realty Trust	DLR US	NR	46,749	161.40	N/A	25.9	24.1	54%	54%	17%
					<b>Mean</b>	<b>20.8</b>	<b>16.8</b>	<b>40%</b>	<b>41%</b>	<b>31%</b>
					<b>Median</b>	<b>19.8</b>	<b>14.4</b>	<b>47%</b>	<b>46%</b>	<b>28%</b>

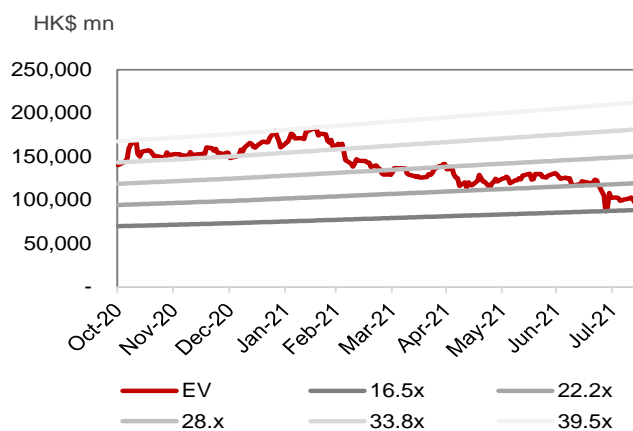
Source: Bloomberg, CMBIS

Figure 13: 12M forward EV/EBITDA chart



Source: Company data, CMBIS

Figure 14: 12M forward EV/EBITDA band



Source: Company data, CMBIS

## Financial Summary

Income statement						Cash flow summary					
YE 31 Dec (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E	YE 31 Dec (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Revenues</b>						<b>Net Income</b>	<b>(442)</b>	<b>(669)</b>	<b>(885)</b>	<b>(772)</b>	<b>(264)</b>
Service Revenue	4,095	5,717	7,856	10,296	12,795	Depreciation & Amortization	1,142	1,638	2,353	2,954	3,477
Equipment Revenue	28	22	15	17	18	Net change in WC	(653)	(1,023)	(890)	845	429
<b>Total Revenue</b>	<b>4,122</b>	<b>5,739</b>	<b>7,871</b>	<b>10,313</b>	<b>12,812</b>	Others	247	375	322	0	0
Cost of sales	(3,080)	(4,189)	(5,819)	(7,476)	(9,018)	<b>Net cash from operating</b>	<b>293</b>	<b>321</b>	<b>899</b>	<b>3,027</b>	<b>3,642</b>
<b>Gross Profit</b>	<b>1,043</b>	<b>1,550</b>	<b>2,052</b>	<b>2,837</b>	<b>3,794</b>	Capital Expenditures	(4,553)	(8,021)	(10,169)	(7,889)	(6,534)
R&D Expenditures	(22)	(40)	(41)	(66)	(75)	Acquisition of Business	(579)	(1,357)	(1,795)	(1,392)	(1,153)
Sales/Marketing/Ad Exp.	(130)	(135)	(164)	(193)	(256)	Other Investing Activities	0	0	(1,936)	(3,485)	(3,136)
G&A Expenses	(411)	(703)	(1,028)	(1,241)	(1,421)	<b>Net cash from investing</b>	<b>(5,131)</b>	<b>(9,378)</b>	<b>(13,900)</b>	<b>(12,767)</b>	<b>(10,824)</b>
<b>Operating Income</b>	<b>480</b>	<b>673</b>	<b>819</b>	<b>1,337</b>	<b>2,042</b>	Equity raised	4,934	12,724	0	0	0
<b>Adj. EBITDA</b>	<b>1,824</b>	<b>2,681</b>	<b>3,724</b>	<b>4,732</b>	<b>5,971</b>	Change of debts	3,730	790	5,447	6,836	3,538
Interest Expense	(969)	(1,287)	(1,634)	(2,046)	(2,332)	Dividend paid	(25)	0	0	0	0
Other non-oper. income	62	66	70	70	70	Others	(277)	6,630	(1,382)	0	113
<b>Profit Before Income Taxes</b>	<b>(426)</b>	<b>(548)</b>	<b>(745)</b>	<b>(639)</b>	<b>(220)</b>	<b>Net cash from financing</b>	<b>8,362</b>	<b>20,144</b>	<b>4,065</b>	<b>6,836</b>	<b>3,651</b>
Income Tax Expense	(16)	(121)	(140)	(133)	(44)	<b>Net change in cash</b>	<b>3,524</b>	<b>11,087</b>	<b>(8,935)</b>	<b>(2,904)</b>	<b>(3,531)</b>
<b>Net Profit (loss)</b>	<b>(442)</b>	<b>(669)</b>	<b>(885)</b>	<b>(772)</b>	<b>(264)</b>	Cash at beg. of the year	2,162	5,811	16,259	7,312	4,407
Non-controlling interests	(58)	(69)	(104)	(109)	(112)	Ex. difference and others	125	(638)	(13)	0	0
<b>Net Profit (loss) to shr holders</b>	<b>(500)</b>	<b>(738)</b>	<b>(989)</b>	<b>(881)</b>	<b>(376)</b>	<b>Cash at the end of the year</b>	<b>5,811</b>	<b>16,259</b>	<b>7,312</b>	<b>4,407</b>	<b>876</b>

Balance sheet						Key ratios					
YE 31 Dec (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E	YE 31 Dec	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Non-current assets</b>	<b>24,408</b>	<b>38,940</b>	<b>52,915</b>	<b>62,727</b>	<b>70,074</b>	<b>Key operating ratios</b>					
PPE - Net	19,185	29,596	41,097	49,518	55,711	Total area in service ('000 sqm)	226	318	467	621	788
Other Intangible Assets	2,300	3,382	5,000	6,392	7,545	Avg. UTR	69%	72%	70%	70%	71%
Other noncurrent assets	2,923	5,962	6,818	6,818	6,818	Avg. MSR (RMB/ sqm/ Month)	2,532	2,403	2,306	2,228	2,159
<b>Current assets</b>	<b>7,085</b>	<b>18,319</b>	<b>10,559</b>	<b>8,429</b>	<b>5,670</b>	<b>Growth (YoY)</b>					
Cash and Equivalents	5,811	16,259	7,312	4,407	876	Revenue	47.6%	39.2%	37.1%	31.0%	24.2%
A/R - Trade	880	1,480	2,206	2,834	3,500	Gross profit	67.5%	48.7%	32.3%	38.3%	33.7%
Other current assets	394	579	1,042	1,187	1,293	EBITDA	74.3%	47.0%	38.9%	27.1%	26.2%
<b>Current liabilities</b>	<b>4,000</b>	<b>7,644</b>	<b>8,810</b>	<b>11,359</b>	<b>13,041</b>	Net profit	n.a.	n.a.	n.a.	n.a.	n.a.
Borrowings	1,138	2,153	2,472	3,402	3,883	<b>Margins</b>					
AP - Trade	1,676	3,657	4,116	5,216	6,044	Gross margin	25.3%	27.0%	26.1%	27.5%	29.6%
Accrued Expenses	818	1,493	1,749	2,268	2,636	Operating margin	11.6%	11.7%	10.4%	13.0%	15.9%
Other non-current liab.	368	341	473	473	478	EBITDA margin	44.2%	46.7%	47.3%	45.9%	46.6%
<b>Non-current liabilities</b>	<b>16,137</b>	<b>22,947</b>	<b>28,577</b>	<b>34,483</b>	<b>37,653</b>	<b>Balance sheet ratio</b>					
Borrowings	8,028	10,567	15,696	21,602	24,659	Net debt / equity ratio (%)	0.5	net cash	0.5	0.9	1.2
Convertible bonds	2,050	1,928	1,915	1,915	1,915	Current ratio	1.8	2.4	1.2	0.7	0.4
Others	6,059	10,452	10,966	10,966	11,079	<b>Returns (%)</b>					
<b>Total mezzanine equity</b>	<b>1,062</b>	<b>1,102</b>	<b>1,283</b>	<b>1,283</b>	<b>1,283</b>	ROE	n.a.	n.a.	n.a.	n.a.	n.a.
Share capital	0	1	1	1	1	ROA	n.a.	n.a.	n.a.	n.a.	n.a.
Capital surplus	12,403	28,729	28,892	28,892	28,892	<b>Per share</b>					
Retained earnings	(2,057)	(2,724)	(3,605)	(4,377)	(4,641)	EPS (RMB)	(0.45)	(0.59)	(0.69)	(0.62)	(0.26)
Other reserves	(53)	(440)	(543)	(543)	(543)	BVPS (RMB)	9.3	20.4	19.8	19.2	19.0
<b>Total equity</b>	<b>10,294</b>	<b>25,566</b>	<b>24,803</b>	<b>24,031</b>	<b>23,767</b>						

Source: Company data, CMBIS estimates



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