

# Haier Smart Home (6690 HK)

## Solid market share gain and 2H21E outlook

We maintain BUY on HSH-H, as we believe its current valuation is attractive and stock price has factored in domestic industry slowdown in 2H21E. Our new TP of HK\$ 40.36 is based on 18x FY22E P/E (from 23x for recent sector de-rating). HSH-H's valuation is attractive at 13x FY22E P/E, vs HSH-A's 17x, Midea's 15x and China peers average of 16x, given 30% NP CAGR in FY20-23E.

■ **1H21 net profit beat, thanks to better margins.** Haier's 1H21 sales increased by 17% YoY to RMB 111.6bn (12% vs 1H19), inline with CMBI est. while net profit grew by 146% YoY to RMB 6.8bn (36% vs 1H19), beating CMBI est. by 26%. Sluggish growth in mainland China (although Casarte sales grew by ~75%) in 1H21 was offset by robust overseas demand. GP margin was holding up well even with hikes in raw material prices and transportation costs, while OP margin expansion was impressive, thanks to: 1) premiumization, 2) ASP increases, 3) optimization of product designs and supply chain and 4) smarter marketing (more online, less offline), etc.

■ **2H21E domestic sales growth target maintained despite concerns on industry slowdown.** Management maintained 10%+ domestic sales growth in 2H21E (achieved during Jul - Aug 2021, even though the industry was weak). Management also expects 30%+ Casarte sales growth in 2H21E and FY22E, supported by: 1) superior brand and technology (liked by customers), 2) high profitability for distributors, 3) category expansions (Air-cons, kitchen appliances and water heaters) and 4) speed up in development of "three-winged bird" solution (targeting 1,000+ stores by FY21E, from ~400 in 1H21).

■ **Overseas market sales to stay strong and margin expansion to continue.** Overseas sales growth was impressive in 1H21 (~13%/ 42%/ 43%/ 50% for North America/ Europe/ Australia/ South Asia, etc.) and OP margin surged to 5.7% (vs 4.0% in FY20). Management believe overseas sales might slow down slightly in 2H21E (not surprising due to high base) but margin in 2H21E should be at least stable (vs 1H21), because of: 1) blooming overseas property market and replacement demand thru consumption upgrades, 2) successful premiumization (premium segment sales mix reached 18%+ in 1H21, vs <5% back in FY16), 3) ample room for efficiency improvements, economies of scale and supply chain upgrades (new factories in US, Italy and India to gradually ramp up). We now expect 7.5%/ 7.0% OP margin by FY25E, still conservative vs management's long target of 10%/ 7-8%.

■ **Maintain BUY but trim TP to HK\$ 40.36, based on 18x FY22E P/E.** We revised up FY21E/ 22E/ 23E net profit forecasts by 10%/ 9%/ 7% to factor in: faster overseas/Casarte sales growth and better GP margin, offsetting domestic weakness. New TP is based on 18x FY22E P/E (from 23x). The stock is trading at 14x/ 13x FY21E/ 22E P/E, fairly attractive in our view, vs China peers average of 16x and ~25% discounts to HSH-A's 17x FY22E P/E.

### Earnings Summary

(YE 31 Dec)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue (RMB mn)	198,006	209,703	237,583	260,537	276,214
YoY growth (%)	11.5	5.9	13.3	9.7	6.0
NP att. (RMB mn)	8,206	8,877	13,239	16,801	19,581
Diluted EPS (RMB)	1.249	1.335	1.663	1.861	2.169
YoY growth (%)	5.5	8.2	26.7	11.9	16.5
Consensus EPS (RMB)	n/a	n/a	1.376	1.687	1.975
P/E (x)	19.2	17.7	14.0	12.5	10.7
P/B (x)	2.7	2.1	2.3	2.0	1.7
Yield (%)	1.6	2.1	2.9	3.2	3.7
ROE (%)	17.1	13.3	17.3	19.0	20.5
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

### BUY (Maintain)

Target Price	HK\$40.36
(Previous TP)	HK\$47.26)
Up/Downside	+30.2%
Current Price	HK\$30.00

### China Home Appliance Sector

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#### Stock Data

Mkt Cap (HK\$ mn)	307,654
Avg 3 mths t/o (HK\$ mn)	338.41
52w High/Low (HK\$)	38.45/ 22.60
Total Issued Shares (mn)	2,814.3

Source: Bloomberg

#### Shareholding Structure

Haier Group - A	28.54%
Haier Group - H	5.97%
Haier Group - D	0.63%
HKEX stock connect	6.06%
GIC	1.26%
Free Float - A	34.02%
Free Float - H	21.15%
Free Float - D	2.37%

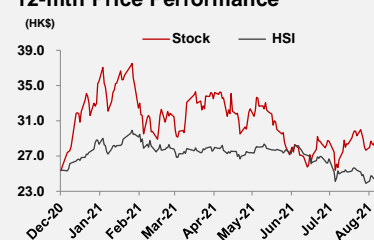
Source: HKEx

#### Share Performance

	Absolute	Relative
1-mth	10.7%	13.0%
3-mth	-3.3%	8.0%
6-mth	4.2%	17.6%
12-mth	n/a	n/a

Source: Bloomberg

#### 12-mth Price Performance



Source: Bloomberg

#### Auditor: Ernst & Young

#### Related Report

- Haier Smart Home (6690 HK, BUY) – Positive outlook for 2Q21E, after a strong 1Q21 - 3 May 2021
- Haier Smart Home (6690 HK, BUY) – Outperforming by various self-upgrades - 7 Apr 2021
- Haier Smart Home (6690 HK, BUY) – Premiumization, globalization and synergies - 23 Dec 2020

## Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	237,583	260,537	276,214	238,192	258,886	274,348	-0.3%	0.6%	0.7%
Gross profit	70,909	79,620	85,164	69,897	77,915	83,389	1.4%	2.2%	2.1%
EBIT	16,290	20,549	23,634	15,891	19,956	23,100	2.5%	3.0%	2.3%
Net profit att.	13,239	16,801	19,581	12,070	15,396	18,323	9.7%	9.1%	6.9%
Diluted EPS (RMB)	1.663	1.861	2.169	1.516	1.705	2.030	9.7%	9.1%	6.9%
Gross margin	29.8%	30.6%	30.8%	29.3%	30.1%	30.4%	0.5ppt	0.5ppt	0.4ppt
EBIT margin	6.9%	7.9%	8.6%	6.7%	7.7%	8.4%	0.2ppt	0.2ppt	0.1ppt
Net profit att. margin	5.6%	6.4%	7.1%	5.1%	5.9%	6.7%	0.5ppt	0.5ppt	0.4ppt

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	237,583	260,537	276,214	234,167	256,310	277,367	1.5%	1.6%	-0.4%
Gross profit	70,909	79,620	85,164	70,100	78,632	86,594	1.2%	1.3%	-1.7%
EBIT	16,290	20,549	23,634	14,917	18,445	22,118	9.2%	11.4%	6.9%
Net profit att.	13,239	16,801	19,581	12,686	15,788	18,634	4.4%	6.4%	5.1%
Diluted EPS (RMB)	1.663	1.861	2.169	1.376	1.687	1.975	20.9%	10.3%	9.8%
Gross margin	29.8%	30.6%	30.8%	29.9%	30.7%	31.2%	-0.1ppt	-0.1ppt	-0.4ppt
EBIT margin	6.9%	7.9%	8.6%	6.4%	7.2%	8.0%	0.5ppt	0.7ppt	0.6ppt
Net profit att. margin	5.6%	6.4%	7.1%	5.4%	6.2%	6.7%	0.2ppt	0.3ppt	0.4ppt

Source: Bloomberg, CMBIS estimates

## Assumptions

Figure 3: CMBI's assumptions

RMB mn	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Sales by segment (RMB mn)</b>						
Mainland China						
Refrigerators/freezers	29,638	30,424	30,562	34,841	37,628	39,509
Kitchen appliances	2,271	2,149	2,636	3,216	3,763	4,064
Air-conditioners	23,420	20,366	21,861	27,763	31,095	34,205
Laundry appliances	20,853	22,113	22,483	24,956	26,953	28,031
Water appliances	8,812	9,521	9,833	11,406	12,205	12,571
Overseas	74,896	92,392	100,044	118,687	130,677	138,707
Other businesses	17,704	21,041	22,284	16,713	18,217	19,128
Total	177,594	198,006	209,703	237,583	260,537	276,214
<b>Sales by segment growth (%)</b>						
Mainland China						
Refrigerators/freezers	12.2%	2.7%	0.5%	14.0%	8.0%	5.0%
Kitchen appliances	17.1%	-5.4%	22.7%	22.0%	17.0%	8.0%
Air-conditioners	8.7%	-13.0%	7.3%	27.0%	12.0%	10.0%
Laundry appliances	13.2%	6.0%	1.7%	11.0%	8.0%	4.0%
Water appliances	11.1%	8.0%	3.3%	16.0%	7.0%	3.0%
Overseas	7.1%	23.4%	8.3%	18.6%	10.1%	6.1%
Other businesses	121.7%	18.8%	5.9%	-25.0%	9.0%	5.0%
Total	15.2%	11.5%	5.9%	13.3%	9.7%	6.0%
<b>Sales by brand growth (%)</b>						
Haier, Leader & others	21.0%	1.1%	2.8%	4.8%	6.7%	4.5%
Casarte	40.0%	32.1%	17.6%	50.0%	30.0%	15.0%
GEA	13.8%	9.0%	10.0%	10.0%	12.0%	6.0%
Candy	n/a	n/a	2.0%	9.0%	11.0%	4.0%
Others	-5.7%	13.5%	6.9%	41.8%	6.5%	7.0%
Total	15.2%	11.5%	5.9%	13.3%	9.7%	6.0%
GP margin (%)	29.4%	29.6%	29.0%	29.8%	30.6%	30.8%
<b>Costs breakdown</b>						
Selling & distribution expenses	16.4%	17.1%	16.0%	15.8%	15.7%	15.5%
Admin expenses	7.9%	8.7%	8.6%	8.0%	7.8%	7.8%
Effective tax rate	15.8%	14.9%	16.5%	15.7%	15.5%	15.3%
<b>NP margin (con. bus.)</b>	<b>5.4%</b>	<b>4.6%</b>	<b>5.4%</b>	<b>6.3%</b>	<b>7.1%</b>	<b>7.8%</b>
<b>NP growth (con. bus.)</b>	<b>8.4%</b>	<b>-5.4%</b>	<b>25.5%</b>	<b>31.6%</b>	<b>25.0%</b>	<b>15.5%</b>
<b>NP att. margin</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>5.6%</b>	<b>6.4%</b>	<b>7.1%</b>
<b>NP att. growth</b>	<b>7.8%</b>	<b>9.6%</b>	<b>8.2%</b>	<b>49.1%</b>	<b>26.9%</b>	<b>16.5%</b>

Source: Company data, CMBIS estimates

## Valuation

**Figure 4: 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
<b>A+ H shares Home Appliances - White goods, Kitchen and Small Appliances</b>														
Haier SH - H	6690 HK	BUY	40.36	31.00	30%	307,654	Dec-20	14.0	12.5	2.3	2.0	17.9	0.8	2.9
Gree Electronics	000651 CH	NR	n/a	40.59	n/a	293,956	Dec-20	9.9	8.6	2.0	1.8	19.4	0.6	6.2
Haier SH - A	600690 CH	NR	n/a	28.44	n/a	307,662	Dec-20	20.2	16.8	3.5	3.1	17.5	1.3	1.9
Midea Group	000333 CH	BUY	95.24	70.04	36%	588,651	Dec-20	17.1	14.8	3.7	3.2	21.8	1.2	2.6
Hisense JA	921 HK	NR	n/a	9.56	n/a	18,908	Dec-20	6.0	5.0	1.0	0.8	17.3	0.3	3.5
Hisense HA	000921 CH	NR	n/a	a	n/a	18,909	Dec-20	10.2	8.5	1.6	1.4	16.7	0.6	2.1
Whirlpool China	600983 CH	NR	n/a	7.85	n/a	7,243	Dec-20	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Zhejiang Aishida	002403 CH	NR	n/a	7.26	n/a	3,062	Dec-20	17.9	45.4	1.1	1.1	3.3	n/a	1.1
Bear Electric	002959 CH	NR	n/a	48.70	n/a	9,172	Dec-20	17.9	14.0	3.4	2.8	18.6	1.0	2.4
Ecovacs Robotics	603486 CH	NR	n/a	150.95	n/a	103,996	Dec-20	49.0	34.3	18.4	13.2	40.7	0.7	0.7
JS Global Lifestyle	1691 HK	BUY	27.54	18.68	47%	65,279	Dec-20	17.3	14.2	4.3	3.5	24.5	0.6	1.5
Joyoung Co	002242 CH	NR	n/a	20.92	n/a	19,317	Dec-20	16.1	14.2	3.5	3.2	22.0	1.2	4.6
Hangzhou Robam	002508 CH	NR	n/a	35.08	n/a	40,079	Dec-20	17.1	14.8	3.5	3.0	20.5	0.9	2.0
Zhejiang Supor	002032 CH	NR	n/a	48.90	n/a	48,087	Dec-20	19.4	17.0	4.8	4.1	25.1	1.3	2.8
Vatti Corporation	002035 CH	NR	n/a	7.62	n/a	7,974	Dec-20	11.5	9.9	1.8	1.6	15.5	0.5	2.5
Xinbao Electrica	002705 CH	NR	n/a	21.40	n/a	21,299	Dec-20	15.6	12.5	2.6	2.3	15.5	1.0	2.7
<b>Avg.</b>								<b>17.3</b>	<b>16.2</b>	<b>3.8</b>	<b>3.1</b>	<b>19.8</b>	<b>0.9</b>	<b>2.6</b>
<b>Med.</b>								<b>17.1</b>	<b>14.2</b>	<b>3.4</b>	<b>2.8</b>	<b>18.6</b>	<b>0.9</b>	<b>2.5</b>
<b>International Home Appliances - White goods, Kitchen and Small Appliances</b>														
Whirlpool Corp	WHR US	NR	n/a	226	n/a	110,075	Dec-20	8.6	9.3	2.8	2.4	35.4	0.8	2.4
Ingersoll-Rand Plc	IR US	NR	n/a	53	n/a	172,875	Dec-20	28.2	24.2	2.8	2.5	5.6	(0.1)	0.0
Smith (A.O.) Corp	AOS US	NR	n/a	73	n/a	90,609	Dec-20	26.4	22.8	6.7	6.2	25.1	1.5	1.5
Helen Of Troy	HELE US	NR	n/a	240	n/a	44,867	Feb-21	22.2	19.7	4.1	3.4	17.3	n/a	n/a
Cree Inc	CREE US	NR	n/a	86	n/a	77,165	Jun-21	n/a	n/a	4.5	4.4	(7.5)	n/a	0.0
Irobot Corp	IRBT US	NR	n/a	83	n/a	18,172	Jan-21	30.1	20.2	3.3	3.1	10.3	7.9	0.0
Electrolux Ab	ELUXB SS	NR	n/a	218	n/a	61,711	Dec-20	11.3	11.9	3.5	3.2	30.6	(4.1)	4.1
Seb Sa	SK FP	NR	n/a	138	n/a	70,366	Dec-20	16.9	15.2	2.6	2.3	16.7	0.7	1.7
Koninklijke Philips	PHIA NA	NR	n/a	40	n/a	338,642	Dec-20	21.1	19.2	2.9	2.8	10.9	1.0	2.3
Daikin Industries	6367 JP	NR	n/a	28435	n/a	590,825	Mar-21	37.4	33.1	4.5	4.1	12.8	1.9	0.7
Panasonic Corp	6752 JP	NR	n/a	1344	n/a	233,787	Mar-21	13.5	11.8	1.2	1.1	9.0	0.7	2.2
Sony Corp	6758 JP	NR	n/a	11880	n/a	1,061,992	Mar-21	19.9	17.8	2.2	2.0	12.7	(2.3)	0.5
Hitachi	6501 JP	NR	n/a	6499	n/a	446,063	Mar-21	10.6	11.5	1.6	1.4	16.1	2.5	1.7
Sharp Corp	6753 JP	NR	n/a	1444	n/a	62,640	Mar-21	12.4	13.1	2.2	1.9	18.1	1.6	2.3
Fujitsu General	6755 JP	NR	n/a	2927	n/a	22,679	Mar-21	22.6	18.7	2.4	2.2	10.3	2.0	1.1
Lg Electronics	066570 KS	NR	n/a	153500	n/a	169,027	Dec-20	10.6	8.2	1.5	1.3	14.3	0.4	0.8
Samsung Elect.	005930 KS	NR	n/a	76600	n/a	3,076,981	Dec-20	12.8	10.7	1.7	1.6	14.0	0.5	1.9
Woongjin Coway	021240 KS	NR	n/a	77600	n/a	38,535	Dec-20	12.4	11.1	3.1	2.6	27.9	1.0	1.6
<b>Avg.</b>								<b>18.6</b>	<b>16.4</b>	<b>3.0</b>	<b>2.7</b>	<b>15.5</b>	<b>1.0</b>	<b>1.5</b>
<b>Med.</b>								<b>16.9</b>	<b>15.2</b>	<b>2.8</b>	<b>2.5</b>	<b>14.1</b>	<b>0.9</b>	<b>1.6</b>

Source: Bloomberg, CMBIS estimates

## 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>Revenue</b>	<b>198,00</b>	<b>209,70</b>	<b>237,58</b>	<b>260,53</b>	<b>276,21</b>	<b>Net income</b>	<b>10,090</b>	<b>12,537</b>	<b>16,290</b>	<b>20,549</b>	<b>23,634</b>
Food Solutions	32,573	33,198	38,057	41,391	43,573	D&A	33,843	33,641	37,573	40,865	42,735
Air Solutions	20,366	21,861	27,763	31,095	34,205	Change in working capital	848	1,928	6,949	1,796	1,304
Clothing & Water Solutions	31,634	32,316	36,362	39,157	40,602	Income tax paid	(8,011)	(8,019)	(2,775)	(3,416)	(3,886)
Overseas & Other business	113,43	122,32	135,40	148,89	157,83	Others	(21,687)	(22,488)	(31,088)	(33,816)	(35,223)
<b>Cost of goods sold</b>	<b>(139,393)</b>	<b>(148,870)</b>	<b>(166,674)</b>	<b>(180,917)</b>	<b>(191,050)</b>	<b>Net cash from operating</b>	<b>15,083</b>	<b>17,599</b>	<b>26,949</b>	<b>25,978</b>	<b>28,563</b>
<b>Gross profit</b>	<b>58,613</b>	<b>60,833</b>	<b>70,909</b>	<b>79,620</b>	<b>85,164</b>	Capex & investments	(7,575)	(7,272)	(9,301)	(9,932)	(11,000)
<b>Other net income</b>	<b>2,485</b>	<b>3,275</b>	<b>2,019</b>	<b>2,215</b>	<b>2,624</b>	Associated companies	-	-	-	-	-
<b>Operating expenses</b>	<b>(51,008)</b>	<b>(51,571)</b>	<b>(56,638)</b>	<b>(61,286)</b>	<b>(64,154)</b>	Interest received	-	-	-	-	-
S & D costs	(33,843)	(33,641)	(37,573)	(40,865)	(42,735)	Others	(3,386)	2,008	-	-	-
Admin exp. (ex- R&D)	(10,944)	(11,070)	(11,463)	(12,083)	(12,581)	<b>Net cash from investing</b>	<b>(10,962)</b>	<b>(5,264)</b>	<b>(9,301)</b>	<b>(9,932)</b>	<b>(11,000)</b>
R & D exp.	(6,221)	(6,860)	(7,603)	(8,337)	(8,839)	Equity raised	(1,250)	-	-	-	-
Other operating exp.	-	-	-	-	-	Change of Debts	(559)	(277)	-	-	-
<b>EBIT</b>	<b>10,090</b>	<b>12,537</b>	<b>16,290</b>	<b>20,549</b>	<b>23,634</b>	Dividend paid	(2,467)	(4,980)	(3,400)	(4,983)	(5,578)
Finance costs, net	(893)	(602)	(513)	(331)	(167)	Others	(1,737)	4,231	(1,352)	(1,352)	(1,352)
JV & associates	-	-	-	-	-	<b>Net cash from financing</b>	<b>(6,013)</b>	<b>(1,026)</b>	<b>(4,752)</b>	<b>(6,335)</b>	<b>(6,930)</b>
Exceptional	1,409	1,620	1,901	1,824	1,933	<b>Net change in cash</b>	<b>(1,892)</b>	<b>11,309</b>	<b>12,895</b>	<b>9,710</b>	<b>10,633</b>
<b>Pre-tax profit</b>	<b>10,606</b>	<b>13,555</b>	<b>17,678</b>	<b>22,042</b>	<b>25,400</b>	Beginning cash balance	44,051	43,588	54,897	67,792	77,501
Income tax	(1,584)	(2,232)	(2,775)	(3,416)	(3,886)	Exchange difference	1,428	-	-	-	-
Less: Minority interests	816	2,446	1,663	1,824	1,933	<b>Cash at the end of the year</b>	<b>43,588</b>	<b>54,897</b>	<b>67,792</b>	<b>77,501</b>	<b>88,134</b>
<b>Net profit</b>	<b>8,206</b>	<b>8,877</b>	<b>13,239</b>	<b>16,801</b>	<b>19,581</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>86,907</b>	<b>89,196</b>	<b>94,752</b>	<b>100,48</b>	<b>107,08</b>	<b>Sales mix (%)</b>					
Fixed asset	21,180	24,815	30,577	36,712	43,226	Food Solutions	16.5	15.8	16.0	15.9	15.8
Intangible assets & goodwill	34,232	31,475	30,569	29,662	28,756	Air Solutions	10.3	10.4	11.7	11.9	12.4
Prepaid lease payments	21,206	24,228	24,928	25,428	26,428	Clothing & Water Solutions	16.0	15.4	15.3	15.0	14.7
Interest in asso. & JV	-	-	-	-	-	Overseas & Other business	57.3	58.3	57.0	57.1	57.1
Others	10,289	8,678	8,678	8,678	8,678	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Current assets</b>	<b>100,54</b>	<b>114,24</b>	<b>127,29</b>	<b>142,94</b>	<b>157,70</b>	<b>P&amp;L ratios (%)</b>					
Cash and cash equivalents	43,588	45,635	58,530	68,240	78,873	Gross margin	29.6	29.0	29.8	30.6	30.8
Inventories	28,229	29,447	29,682	32,218	34,023	Operating margin	5.1	6.0	6.9	7.9	8.6
Trade and other receivables	24,967	30,066	29,291	32,121	34,054	Pre-tax margin	5.4	6.5	7.4	8.5	9.2
Prepayments	3,436	5,212	5,905	6,475	6,865	Net margin	4.1	4.2	5.6	6.4	7.1
Others	327	3,886	3,886	3,886	3,886	Effective tax rate	14.9	16.5	15.7	15.5	15.3
<b>Current liabilities</b>	<b>95,610</b>	<b>109,47</b>	<b>116,57</b>	<b>124,30</b>	<b>129,74</b>	<b>Balance sheet ratios</b>					
Borrowings	8,585	12,643	12,643	12,643	12,643	Current ratio (x)	1.1	1.0	1.1	1.1	1.2
Trade payables	53,059	57,539	61,646	66,915	70,662	Quick ratio (x)	0.8	0.8	0.8	0.9	1.0
Accruals & other payables	18,312	22,519	25,513	27,978	29,661	Cash ratio (x)	0.5	0.4	0.5	0.5	0.6
Tax payables	2,117	1,371	1,371	1,371	1,371	Inventory turnover days	74	72	65	65	65
Others	13,537	15,402	15,402	15,402	15,402	Trade receivables days	46	52	45	45	45
<b>Non-current liabilities</b>	<b>26,855</b>	<b>25,874</b>	<b>25,874</b>	<b>25,874</b>	<b>25,874</b>	Trade payables days	139	141	135	135	135
Borrowings	14,675	11,858	11,858	11,858	11,858	Total debt / total equity ratio (%)	63	48	42	36	31
Deferred income	-	-	-	-	-	Net debt / equity ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Deferred tax	1,154	1,900	1,900	1,900	1,900	<b>Returns (%)</b>					
Others	11,025	12,116	12,116	12,116	12,116	ROE	17.1	13.3	17.3	19.0	19.1
<b>Minority Interest</b>	<b>17,102</b>	<b>1,295</b>	<b>2,958</b>	<b>4,782</b>	<b>6,715</b>	ROA	4.4	4.4	6.0	6.9	7.4
<b>Total net assets</b>	<b>47,888</b>	<b>66,799</b>	<b>76,638</b>	<b>88,456</b>	<b>102,45</b>	<b>Per share</b>					
<b>Shareholders' equity</b>	<b>47,888</b>	<b>66,799</b>	<b>76,638</b>	<b>88,456</b>	<b>102,45</b>	EPS (RMB)	1.25	1.34	1.66	1.86	2.17
						DPS (RMB)	0.39	0.49	0.67	0.74	0.87
						BVPS (RMB)	8.77	11.47	10.23	11.81	13.67

Source: Company data, CMBIS estimates

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