

Bosideng (3998 HK)

Successful new product and premiumization

Given tough weather in Sep, 1H22 result was decent and we are highly confident on FY22E. Also, Bosideng's growth is still a multi-year story, thanks to their thorough plan on branding investment and product development. The stock is attractive at valuation of 19x FY23E P/E, vs GOOS's 31x, MONC's 35x and Li Ning's 39x. Reiterate BUY and fine-tuned TP to HK\$6.69.

- 1H22 slightly miss due to higher A&P expenses.** Bosideng's 1H22 sales grew by 16% YoY to RMB 5.4bn, inline with CMBI est. while NP att. rose by 31% YoY to RMB 638mn, ~5% below CMBI est. where massive GP margin expansion was offset by surge in S&D expenses (esp. A&P). However, given the tough macro environment (e.g. COVID outbreaks and warmer weather) during Jul - Sep 2021, this result was rather decent in our view.
- We remain highly confident on FY22E.** We believe **sales growth could pick up in 2H22E** (SSSG so far was inline with management expectation), because of: 1) improving sales growth in Oct - Nov, 2) colder than last year weather in Nov, 3) outstanding double 11 performance, 4) accelerating e-commerce growth and 5) successful product launches (trench coat made of down apparel). We also believe **OP margin could improve meaningfully in 2H22E**, due to: 1) better operating leverage in offline stores once sales trend gets better, 2) significant reduction in retail discounts (from 29% off in 2020 to just 16% off in 2021, during double 11) and 3) A&P expenses are mostly front-loaded in 1H22, hence the ratio for FY22E is still controllable.
- Long-term growth story remained intact.** Management believe Bosideng is highly competitive and has the ability to make more major breakthroughs in the future, regarding: **1) branding**, more A&P investments will be made, partnering with more local designers and schools, **2) products**, more new product categories will be introduced (e.g. in FY23E) to overcome weather constraint and seasonality (trench coat this year is a good example), and a new research institute was formed for more high-tech product R&D and consumer insight and **3) channels**, Bosideng is agile enough to monitor demand from different age groups and is prepared to penetrate into any new social media platforms or forms of channels (e.g. TikTok, Xiao Hong Shu, Bilibili, etc.). Moreover, premiumization will certainly continue and ASP will climb to RMB 2,000+ in 3 years, from ~1,600 in FY21 and ~1,000 in FY17.
- Maintain BUY and fine-tuned TP to HK\$ 6.69.** We revised down our diluted EPS by ~2% in FY22-24E to factor in higher GP margin but higher opex. Reiterate BUY but cut TP to HK\$ 6.69, based on 23x FY23E P/E (unchanged). Current valuation of 19x FY23E P/E with a 24% FY21-24E NP CAGR is undemanding, vs GOOS's 31x, MONC's 35x and Li Ning's 39x.

Earnings Summary

(YE 31 Mar)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue (RMB mn)	12,191	13,517	15,904	18,137	20,352
YoY growth (%)	17.4	10.9	17.7	14.0	12.2
Net income (RMB mn)	1,203	1,710	2,261	2,726	3,290
Diluted EPS (RMB)	0.111	0.151	0.200	0.241	0.291
YoY growth (%)	12.8	48.1	34.7	20.6	20.7
Consensus EPS (RMB)	n/a	n/a	0.202	0.254	0.305
P/E (x)	46.1	31.1	23.1	19.2	15.9
P/B (x)	5.3	4.6	4.1	3.8	3.4
Yield (%)	1.6	2.4	3.0	3.6	4.4
ROE (%)	11.8	15.4	18.8	20.7	22.6
Net gearing (%)	Net cash	1.8	1.6	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

BUY (Maintain)

Target Price **HK\$6.69**
 (Previous TP **HK\$6.79**)
 Up/Downside **+19.9%**
 Current Price **HK\$5.58**

China Apparel Sector

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Stock Data

Mkt Cap (HK\$ mn)	60,690
Avg 3 mths t/o (HK\$ mn)	195.52
52w High/Low (HK\$)	6.93/2.99
Total Issued Shares (mn)	10,876.3

Source: Bloomberg

Shareholding Structure

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

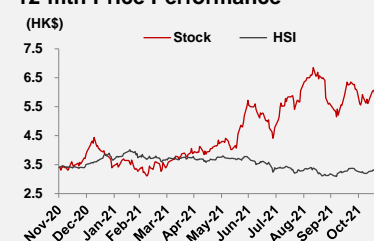
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-8.5%	-2.6%
3-mth	-7.9%	-2.8%
6-mth	28.3%	55.1%
12-mth	63.6%	82.8%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: KPMG

Related Reports

- Bosideng (3998 HK, BUY) - Outstanding double 11 and e-commerce sales - 15 Nov 2021
- Bosideng (3998 HK, BUY) - Agility and brand elevation are key strategies - 25 Jun 2021
- Bosideng (3998 HK, BUY) - Stay confident on 2H21E after strong beat - 30 Nov 2020

Focus Charts

Figure 1: Bosideng's sales growth during double 11, vs industry



Source: Tmall, CMBIS estimates

Figure 2: Bosideng's retail discounts, ASP and sales mix for different price ranges



Source: Tmall, CMBIS estimates

Figure 3: Performance of Bosideng's trench coat made of down apparel

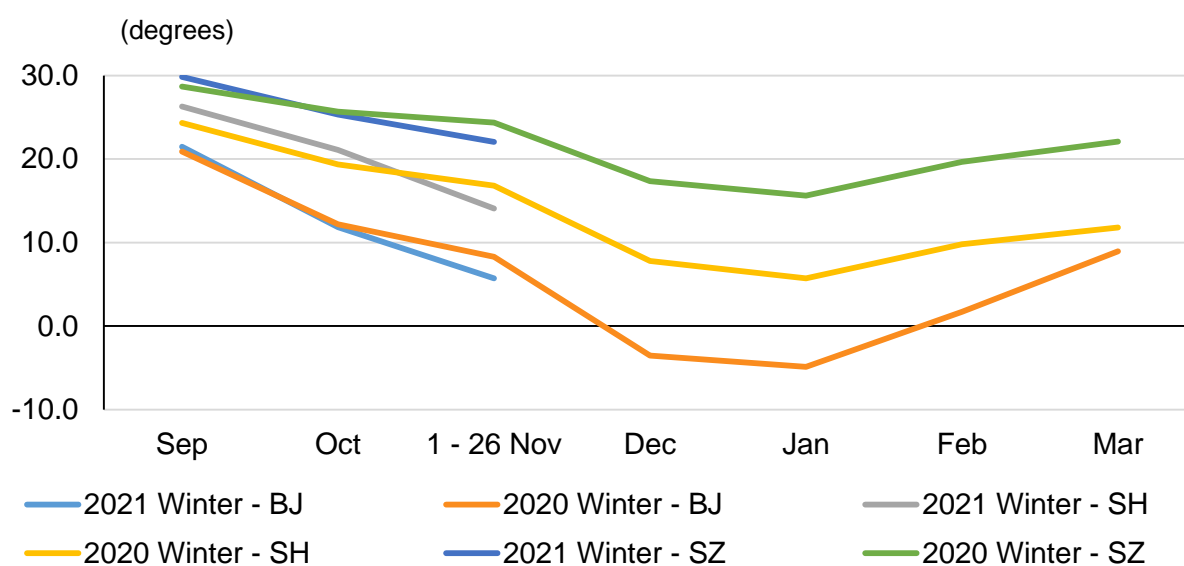


Source: Tmall, CMBIS estimates

Figure 4: Historical temperature in BJ, SG and SZ

(degrees)	Beijing				Shanghai				Shenzhen			
	2021 Winter	2020 Winter	2019 Winter	2018 Winter	2021 Winter	2020 Winter	2019 Winter	2018 Winter	2021 Winter	2020 Winter	2019 Winter	2018 Winter
Sep	21.5	20.9	22.8	20.5	26.3	24.3	25.2	26.4	29.8	28.7	28.9	28.4
Oct	11.9	12.2	12.5	12.1	21.1	19.3	20.1	19.3	25.3	25.7	26.8	25.1
1 - 26 Nov	5.7	8.3	9.9	7.3	14.1	16.8	17.2	16.6	22.0	24.4	24.3	24.0
Dec		-3.5	-1.7	-3.1		7.8	9.6	8.4		17.3	19.0	18.2
Jan		-4.9	-1.9	-2.0		5.7	8.0	6.4		15.6	18.3	17.5
Feb		1.7	0.7	-0.6		9.8	8.9	6.5		19.6	18.1	20.1
Mar		9.0	8.3	9.2		11.8	12.0	11.8		22.1	21.6	20.7

Source: Bloomberg, CMBIS estimates

Figure 5: Temperature in BJ, SG and SZ in 2021 Winter vs last year

Source: Bloomberg, CMBIS estimates

Earnings revision

Figure 6: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	15,904	18,137	20,352	15,887	18,062	20,256	0.1%	0.4%	0.5%
Gross profit	9,694	11,128	12,623	9,529	10,946	12,409	1.7%	1.7%	1.7%
EBIT	3,024	3,612	4,292	3,106	3,732	4,441	-2.6%	-3.2%	-3.4%
Net profit att.	2,261	2,726	3,290	2,293	2,766	3,315	-1.4%	-1.5%	-0.7%
Diluted EPS (RMB)	0.200	0.241	0.291	0.205	0.247	0.296	-2.3%	-2.4%	-1.7%
Gross margin	61.0%	61.4%	62.0%	60.0%	60.6%	61.3%	1ppt	0.8ppt	0.8ppt
EBIT margin	19.0%	19.9%	21.1%	19.5%	20.7%	21.9%	-0.5ppt	-0.8ppt	-0.8ppt
Net profit att. margin	14.2%	15.0%	16.2%	14.4%	15.3%	16.4%	-0.2ppt	-0.3ppt	-0.2ppt

Source: Company data, CMBIS estimates

Figure 7: CMBIS estimates vs consensus

RMB mn	CMBIS			Consensus			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	15,904	18,137	20,352	16,285	19,254	22,445	-2.3%	-5.8%	-9.3%
Gross profit	9,694	11,128	12,623	9,726	11,600	13,655	-0.3%	-4.1%	-7.6%
EBIT	3,024	3,612	4,292	2,864	3,544	4,232	5.6%	1.9%	1.4%
Net profit att.	2,261	2,726	3,290	2,157	2,723	3,277	4.8%	0.1%	0.4%
Diluted EPS (RMB)	0.200	0.241	0.291	0.202	0.254	0.305	-1.0%	-4.7%	-4.4%
Gross margin	61.0%	61.4%	62.0%	59.7%	60.2%	60.8%	1.2ppt	1.1ppt	1.2ppt
EBIT margin	19.0%	19.9%	21.1%	17.6%	18.4%	18.9%	1.4ppt	1.5ppt	2.2ppt
Net profit att. margin	14.2%	15.0%	16.2%	13.2%	14.1%	14.6%	1ppt	0.9ppt	1.6ppt

Source: Bloomberg, CMBIS estimates

Results review

Figure 8: Earnings forecast - Half Year

Half yearly - (Mar year end) (RMB mn)	1H21	2H21	1H22	2H22E	1H21 YoY	2H21 YoY	1H22 YoY	2H22E YoY	1H22E CMBI	Actual vs CMBI
Revenue	4,661	8,855	5,390	10,515	5%	14%	16%	19%	5,406	0%
COGS	(2,434)	(3,158)	(2,669)	(3,541)					(2,757)	
Gross profit	2,227	5,697	2,721	6,974	15%	19%	22%	22%	2,649	3%
GP margins	47.8%	64.3%	50.5%	66.3%					49.0%	
Other income & gains	46	158	143	63					65	121%
S & D expenses	(1,209)	(3,598)	(1,614)	(4,054)	8%	14%	34%	13%	(1,352)	19%
S & D exp / sales	-25.9%	-40.6%	-29.9%	-38.6%					-25.0%	
Admin expenses	(390)	(636)	(453)	(708)	16%	23%	16%	11%	(405)	12%
Admin exp / sales	-8.4%	-7.2%	-8.4%	-6.7%					-7.5%	
Other opex	-8	-16	-0	-48					-16	
Operating profit (EBIT)	666	1,604	797	2,227	27%	37%	20%	39%	941	-15%
OP margins	14.3%	18.1%	14.8%	21.2%					17.4%	
Other items	0	(46)	0	0					0	
Net finance income	(19)	36	27	(26)					(27)	-199%
Net finance income / sales	-0.4%	0.4%	0.5%	-0.2%					-0.5%	
Profit after financing costs	648	1,595	824	2,201					914	
Associated coms	0	0	0	0					0	
Jointly controlled coms	0	0	0	0					0	
Pre-tax profit	648	1,595	824	2,201	33%	43%	27%	38%	914	-10%
Tax	(156)	(381)	(197)	(559)					(228)	-14%
Tax / sales	-3.4%	-4.3%	-3.7%	-5.3%					-4.2%	
Effective tax rate	-24.1%	-23.9%	-23.9%	-25.4%					-25.0%	
Minority interests	5	(10)	(11)	19					16	
Net profit att.	486	1,224	638	1,622	42%	42%	31%	33%	669	-5%
NP margins	10.4%	13.8%	11.8%	15.4%					12.4%	

Source: Company data, CMBIS estimates

Figure 9: Earnings forecast - Full Year

Full yearly - (Mar year end) (RMB mn)	FY21	FY22E	FY23E	FY21 YoY	FY22E YoY	FY23E YoY
Revenue	13,517	15,904	18,137	11%	18%	14%
COGS	(5,592)	(6,210)	(7,009)			
Gross profit	7,924	9,694	11,128	18%	22%	15%
GP margins	58.6%	61.0%	61.4%			
Other income & gains	204	207	218			
S & D expenses	(4,807)	(5,668)	(6,413)	12%	18%	13%
S & D exp / sales	-35.6%	-35.6%	-35.4%			
Admin expenses	(1,026)	(1,161)	(1,267)	20%	13%	9%
Admin exp / sales	-7.6%	-7.3%	-7.0%			
Other opex	-24	-48	-54			
Operating profit (EBIT)	2,271	3,024	3,612	34%	33%	19%
OP margins	16.8%	19.0%	19.9%			
Other items	(46)	0	0			
Net finance income	18	1	35			
Net finance income / sales	0.1%	0.0%	0.2%			
Profit after financing costs	2,242	3,025	3,646			
Associated coms	0	0	0			
Jointly controlled coms	0	0	0			
Pre-tax profit	2,242	3,025	3,646	40%	35%	21%
Tax	(537)	(756)	(912)			
Tax / sales	-4.0%	-4.8%	-5.0%			
Effective tax rate	-24.0%	-25.0%	-25.0%			
Minority interests	(5)	8	9			
Net profit att.	1,710	2,261	2,726	42%	32%	21%
NP margins	12.6%	14.2%	15.0%			

Source: Company data, CMBIS estimates

Assumption

Figure 10: CMBIS estimates vs consensus

Major assumptions	FY20A	FY21A	FY22E	FY23E	FY24E
Sales by segment (RMB mn)					
Down apparels	9,513	10,889	13,052	15,138	17,210
OEM management	1,611	1,536	1,705	1,790	1,880
Ladieswear	983	947	966	1,018	1,063
Diversified apparels	84	145	181	190	199
Total	12,191	13,517	15,904	18,137	20,352
Sales by segment growth (%)					
Down apparels	24.2%	14.5%	19.9%	16.0%	13.7%
OEM management	17.8%	-4.7%	11.0%	5.0%	5.0%
Ladieswear	-17.7%	-3.7%	2.0%	5.4%	4.4%
Diversified apparels	-48.9%	72.6%	25.0%	5.0%	5.0%
Total	17.4%	10.9%	17.7%	14.0%	12.2%
Sales by channel growth (%)					
Down Apparels - offline	23.1%	2.1%	8.0%	3.9%	4.4%
Down Apparels - online	28.0%	54.3%	45.0%	35.0%	25.0%
OEM management	17.8%	-4.7%	11.0%	5.0%	5.0%
Non-down apparels - offline	-22.3%	1.1%	5.1%	4.6%	4.5%
Non-down apparels - online	-6.1%	21.8%	5.0%	15.0%	5.0%
Total	17.4%	10.9%	17.7%	14.0%	12.2%
Sales network by segment					
Down apparel	4,866	4,150	4,060	4,170	4,284
Non - down apparel	525	477	469	483	497
Total	5,391	4,627	4,528	4,653	4,781
Sales network by channel type					
Self-operated	2,267	2,161	2,154	2,228	2,304
Third party distributors	3,131	2,466	2,374	2,425	2,476
Total	5,398	4,627	4,528	4,653	4,781
GP margins by segment					
Down apparels	59.8%	63.7%	66.8%	67.2%	67.6%
OEM management	18.5%	19.6%	19.0%	17.0%	17.0%
Ladieswear	74.4%	72.6%	67.0%	63.0%	63.0%
Diversified apparels	-16.4%	0.1%	2.0%	2.0%	2.0%
Total	55.0%	58.6%	61.0%	61.4%	62.0%
Opex breakdown					
D&A/ sales	2.8%	3.6%	2.8%	2.6%	2.3%
Rental/ sales	11.6%	13.3%	12.9%	13.0%	13.1%
Labor/ sales	10.7%	11.9%	11.2%	10.4%	10.2%
A&P/ sales	7.0%	6.5%	7.7%	8.0%	8.0%
Others/ sales	9.9%	7.7%	8.3%	8.3%	8.1%
OP margins	13.1%	16.5%	19.0%	19.9%	21.1%
Effective tax rate	25.3%	24.0%	25.0%	25.0%	25.0%
NP att. margins	9.9%	12.6%	14.2%	15.0%	16.2%
NP att. growth (%)	22.6%	42.1%	32.2%	20.6%	20.7%

Source: Company data, CMBIS estimates

Valuation

Figure 11: 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	6.69	5.58	20%	60,690	Mar-21	23.1	19.2	4.1	3.8	17.5	0.9	3.2	
China Lilang	1234 HK	BUY	6.27	4.34	44%	5,197	Dec-20	5.4	5.3	1.1	1.0	15.6	0.3	11.0	
Jnby Design	3306 HK	BUY	22.84	12.64	81%	6,557	Jun-21	8.1	6.7	2.9	2.7	40.4	0.6	9.1	
Cosmo Lady	2298 HK	NR	n/a	0.70	n/a	1,575	Dec-20	6.2	14.3	0.5	0.5	1.2	(0.0)	1.9	
Mulsanne Group	709 HK	NR	n/a	1.54	n/a	2,431	Dec-20	n/a	n/a	n/a	n/a	5.2	0.0	n/a	
Giordano	1817 HK	NR	n/a	6.02	n/a	5,719	Dec-20	n/a	n/a	n/a	n/a	(13.6)	0.0	n/a	
Koradior	3709 HK	NR	n/a	10.20	n/a	7,181	Dec-20	9.4	7.5	1.5	1.3	17.2	0.3	5.3	
								Avg.	10.4	10.6	2.0	1.9	11.9	0.3	6.1
								Med.	8.1	7.5	1.5	1.3	15.6	0.3	5.3
A-shares Apparel															
Ningbo Peacebird	603877 CH	NR	n/a	34.33	n/a	19,963	Dec-20	15.8	13.0	3.6	3.2	25.1	0.5	3.4	
Joeone Co Ltd	601566 CH	NR	n/a	13.08	n/a	9,168	Dec-20	35.4	21.8	1.8	1.7	3.6	7.4	n/a	
Fujian Septwolves	002029 CH	NR	n/a	5.86	n/a	5,402	Dec-20	17.8	13.5	0.7	0.7	4.1	0.8	2.0	
Hla Corp Ltd	600398 CH	NR	n/a	6.35	n/a	33,459	Dec-20	9.6	8.2	1.8	1.6	18.2	0.3	7.2	
Jiangsu Hongdou	600400 CH	NR	n/a	3.80	n/a	10,621	Dec-20	66.7	56.7	2.5	2.5	2.7	4.6	n/a	
Dazzle Fashion	603587 CH	NR	n/a	18.85	n/a	11,064	Dec-20	12.4	10.7	2.4	2.2	20.4	0.7	4.8	
Anzheng Fashion	603839 CH	NR	n/a	8.33	n/a	4,065	Dec-20	15.7	14.4	n/a	n/a	6.7	1.6	n/a	
Lancy Co Ltd	002612 CH	NR	n/a	36.59	n/a	19,748	Dec-20	65.3	46.3	5.2	4.9	8.4	1.3	0.8	
Shenzhen Huijie	002763 CH	NR	n/a	9.07	n/a	4,536	Dec-20	n/a	n/a	n/a	n/a	15.7	0.0	n/a	
Ellassay Fashion	603808 CH	NR	n/a	15.17	n/a	6,830	Dec-20	15.1	12.6	2.0	1.8	14.0	3.0	2.7	
Bobaolon Co	002776 CH	NR	n/a	3.70	n/a	2,428	Dec-20	n/a	n/a	n/a	n/a	(22.0)	0.0	n/a	
								Avg.	28.2	21.9	2.5	2.3	8.8	1.8	3.5
								Med.	15.8	13.5	2.2	2.0	8.4	0.8	3.1
International Apparel															
Canada Goose	GOOS US	NR	n/a	45.90	n/a	38,155	Mar-21	44.2	30.9	10.8	7.5	14.4	0.0	n/a	
Moncler Spa	MONC IM	NR	n/a	62.72	n/a	151,322	Dec-20	43.0	35.0	7.4	6.6	22.3	2.2	0.9	
Hugo Boss	BOSS GR	NR	n/a	50.84	n/a	31,552	Dec-20	29.6	20.1	4.0	3.4	6.3	(0.1)	1.5	
Ted Baker	TED LN	NR	n/a	112.70	n/a	2,163	Jan-21	n/a	23.0	n/a	n/a	(21.7)	0.0	0.0	
Next	NXT LN	NR	n/a	7848.0	n/a	108,498	Jan-21	15.2	14.0	10.2	8.8	88.3	0.4	2.5	
Hennes & Mauritz	HMB SS	NR	n/a	159.36	n/a	225,723	Nov-20	25.5	17.4	4.6	4.3	15.1	0.2	4.0	
Industria De Diseno	ITX SM	NR	n/a	29.24	n/a	803,368	Jan-21	25.0	22.3	5.7	5.4	19.1	0.4	3.3	
Ovs Spa	OVS IM	NR	n/a	2.49	n/a	6,396	Jan-21	12.5	10.4	0.8	0.8	16.9	0.6	0.0	
Pvh Corp	PVH US	NR	n/a	110.11	n/a	61,012	Jan-21	12.7	11.4	1.5	1.5	6.1	(0.1)	0.1	
Vf Corp	VFC US	NR	n/a	73.98	n/a	226,612	Mar-21	23.2	19.9	7.7	7.1	37.4	0.4	2.7	
Marks & Spencer	MKS LN	NR	n/a	238.10	n/a	48,488	Apr-21	11.7	12.7	1.9	1.8	1.1	(0.1)	0.3	
								Avg.	24.3	19.7	5.5	4.7	18.7	0.4	1.5
								Med.	24.1	19.9	5.2	4.8	15.1	0.2	1.2

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	15,904	18,137	20,352	EBIT	1,599	2,225	3,024	3,612	4,292
Down apparels	9,513	10,88	13,05	15,13	17,21	D & A	400	564	357	374	369
OEM management	1,611	1,536	1,705	1,790	1,880	Change in working capital	(487)	425	(808)	(198)	(186)
Ladieswear	983	947	966	1,018	1,063	Income tax paid	(497)	(348)	(756)	(912)	(1,100)
Diversified apparels	84	145	181	190	199	Others	218	267	188	222	296
Cost of goods sold	(5,482)	(5,592)	(6,210)	(7,009)	(7,729)	Net cash from operating	1,233	3,133	2,005	3,098	3,670
Gross profit	6,709	7,924	9,694	11,128	12,623	Capex & investments	(714)	(437)	(514)	(586)	(657)
Other income	187	204	207	218	224	Associated companies	1,118	(3,193)	-	-	-
Operating expenses	(5,297)	(5,903)	(6,877)	(7,734)	(8,555)	Interest received	129	153	-	-	-
D & A	(151)	(177)	(148)	(150)	(149)	Others	79	(386)	-	-	-
Staff costs	(1,346)	(1,652)	(1,820)	(1,927)	(2,119)	Net cash from investing	612	(3,863)	(514)	(586)	(657)
S & D costs (ex-staff, D&A)	(2,938)	(3,174)	(3,834)	(4,431)	(4,901)	Equity raised	-	-	-	-	-
Admin exp. (ex-staff, D&A)	(423)	(503)	(587)	(661)	(737)	Net change in bank loans	(552)	148	-	-	-
Other operating expenses	(439)	(396)	(487)	(565)	(649)	Dividend paid	(863)	(880)	(1,289)	(1,582)	(1,912)
EBIT	1,599	2,225	3,024	3,612	4,292	Others	1,408	(361)	(187)	(187)	(187)
Finance costs, net	1	18	1	35	109	Net cash from financing	(8)	(1,092)	(1,476)	(1,770)	(2,099)
JVs & associates	-	-	-	-	-	Net change in cash	1,837	(1,822)	15	743	914
Exceptional	-	-	-	-	-	Beginning cash balance	1,754	3,639	1,771	1,787	2,529
Pre-tax profit	1,600	2,242	3,025	3,646	4,401	Exchange difference	47	(46)	-	-	-
Income tax	(405)	(537)	(756)	(912)	(1,100)	Cash at the end of the year	3,639	1,771	1,787	2,529	3,443
Less: Minority interests	(8)	(5)	8	9	10						
Net profit	1,203	1,710	2,261	2,726	3,290						

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	6,080	6,236	6,448	6,736	Sales mix (%)					
Fixed asset	1,390	1,762	2,031	2,355	2,757	Down apparels	78.0	80.6	82.1	83.5	84.6
Intangible assets & goodwill	1,654	1,572	1,459	1,346	1,234	OEM management	13.2	11.4	10.7	9.9	9.2
Prepaid lease payments	99	912	912	912	912	Ladieswear	8.1	7.0	6.1	5.6	5.2
Interest in joint ventures	-	-	-	-	-	Diversified apparels	0.7	1.1	1.1	1.0	1.0
Other non-current assets	1,765	1,833	1,833	1,833	1,833	Total	100.0	100.0	100.0	100.0	100.0
Current assets	12,470	12,877	13,545	15,004	16,594	P&L ratios (%)					
Cash and cash equivalents	3,639	1,771	1,787	2,529	3,443	Gross margin	55.0	58.6	61.0	61.4	62.0
Inventories	2,726	2,646	2,938	3,316	3,657	Operating margin	13.1	16.5	19.0	19.9	21.1
Trade and other receivables	1,197	876	1,031	1,175	1,319	Pre-tax margin	13.1	16.6	19.0	20.1	21.6
Prepayments	971	1,168	1,375	1,567	1,759	Net margin	9.9	12.6	14.2	15.0	16.2
Other current assets	3,937	6,415	6,415	6,415	6,415	Effective tax rate	25.3	24.0	25.0	25.0	25.0
Current liabilities	4,690	5,442	5,288	5,805	6,295	Balance sheet ratios					
Bank loans	818	671	671	671	671	Current ratio (x)	2.7	2.4	2.6	2.6	2.6
Trade payables	1,830	2,469	2,042	2,304	2,541	Quick ratio (x)	2.1	1.9	2.0	2.0	2.1
Accruals & other payables	1,412	1,543	1,816	2,071	2,324	Cash ratio (x)	0.8	0.3	0.3	0.4	0.5
Tax payables	365	520	520	520	520	Cash turnover days	181	173	173	173	173
others	266	239	239	239	239	Trade receivables days	36	24	24	24	24
Non-current liabilities	2,286	2,263	2,263	2,263	2,263	Trade payables days	122	161	120	120	120
Bank loans	-	-	-	-	-	Total debt / total equity ratio (%)	24	21	19	17	16
Deferred income	-	-	-	-	-	Net debt / equity ratio (%)	Net cash	2	2	Net cash	Net cash
Deferred tax	140	174	174	174	174	Returns (%)					
Others	2,146	2,089	2,089	2,089	2,089	ROE	11.8	15.4	18.8	20.7	22.6
Minority Interest	189	182	190	199	209	ROA	6.9	9.0	11.4	12.7	14.1
Total net assets	10,214	11,069	12,041	13,184	14,562	Per share					
Shareholders' equity	10,214	11,069	12,041	13,184	14,562	Diluted EPS (RMB)	0.11	0.15	0.20	0.24	0.29
						DPS (RMB)	0.08	0.11	0.14	0.17	0.20
						BVPS (RMB)	0.96	1.03	1.13	1.23	1.36

Source: Company data, CMBIS estimates

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