

Bosideng (3998 HK)

Healthy inventory with an upbeat guidance

We are totally delighted about FY22E result, thanks to impressive inventory days (both listed co. and channel) as well as its FY23E guidance (positive surprises from more new categories and resumption of store expansions). The stock is not demanding at valuation of 13x FY24E P/E, vs 5-year average of 16x. Maintain BUY but raise TP to HK\$ 5.89, based on 18x FY24E (rolled over from 20x FY23E).

- An upbeat guidance given the current macro environment.** Management is now targeting 10%+/ 10%+ sales/ net profit growth in FY23E, with sales growth of 1) 15%-20% for down apparel (positive volume/ ASP growth), 2) double digit for OEM, 3) flat to slight increase for womenswear and 4) rapid growth for school uniforms. Also, GP margin should stay at least flattish and OP margin may enjoy more leverage.
- We are confident on this guidance, thanks to multiple drivers:** 1) more upgrades for existing collections like “light down apparel”, “high-end outdoor” and “high-end extreme cold”, 2) introducing more new categories and products like “trench-style down apparel” launched last year, 3) covering more consumers by introducing more items priced between RMB 900-1500 and leveraging the e-commerce focus Snow Flying (which had already competed restructuring), 4) store expansion to resume (expecting ~300/ 100 new stores for wholesale/ self-operated) and store upgrades (introducing the “experience” store, on top of flagship and pop up stores) and 5) better quality growth by separating out the Kidswear and TikTok divisions.
- GP margin may stay stable but OP margin shall improve, by refining its A&P costs and strategy.** We believe premiumization will certainly continue (expecting ASP to reach ~RMB 1,900, from ~RMB 1,800 in FY22), but for FY23E, a greater focus could be on mass market, and this is totally correct and reasonable, hence we are only forecasting a flattish GP margin (+0.2ppt to 60.3% in FY23E). However, by negotiating better marketing terms and emphasizing the advertising effectiveness during the product launches (there will be new brand ambassador as well), A&P expenses may even decline in absolute amount in FY23E, this will certainly drive massive OP margin expansion (+2.6ppt to 18.5% in FY23E).
- Maintain BUY and raise TP to HK\$ 5.89.** We raised our diluted EPS by 2%/ 2% in FY23E/ 24E to factor in: 1) faster store expansion, 2) lower GP margin but 3) lower A&P expenses. Reiterate BUY but raise TP to HK\$ 5.89, based on 18x FY24E P/E (rolled over from 20x FY23E). Current valuation of 13x FY24E P/E with a 20% FY22-25E NP CAGR is undemanding, vs 5-year average of 16x and GOOS’s 12x, MONC’s 18x and Li Ning’s 25x.

Earnings Summary

(YE 31 Mar)	FY20A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	13,517	16,214	18,862	21,114	23,277
YoY growth (%)	10.9	20.0	16.3	11.9	10.2
Net income (RMB mn)	1,710	2,062	2,538	3,067	3,606
Diluted EPS (RMB)	0.151	0.183	0.225	0.272	0.319
YoY growth (%)	48.1	22.8	23.1	20.8	17.6
Consensus EPS (RMB)	n/a	n/a	0.215	0.256	0.301
P/E (x)	24.4	19.9	16.1	13.4	11.4
P/B (x)	3.6	3.3	3.1	2.8	2.5
Yield (%)	3.1	4.3	4.3	5.2	6.2
ROE (%)	15.4	17.4	20.0	21.9	23.3
Net gearing (%)	1.8	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$5.89**
 (Previous TP **HK\$5.31**)
 Up/Downside **+34.8%**
 Current Price **HK\$4.37**

China Apparel Sector

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Stock Data

Mkt Cap (HK\$ mn)	47,571
Avg 3 mths t/o (HK\$ mn)	72.73
52w High/Low (HK\$)	6.93/3.11
Total Issued Shares (mn)	10,885.8

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	3.5%	-0.4%
3-mth	10.9%	15.5%
6-mth	-13.5%	-5.7%
12-mth	-13.1%	17.7%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: KPMG

Related Reports

- Bosideng (3998 HK, BUY) – The negatives should have priced in – 15 Feb 2022
- Bosideng (3998 HK, BUY) – Bosideng and BOGNER to co-develop the Greater China market – 3 Dec 2021

- **Impressive inventory control and dividend rise despite an inline result.** Sales increased by 20% to RMB 16.2bn, in line with BBG est. and beating CMBI est. by 7%. Net profit increased by 21% to RMB 2.06bn, in line with BBG and CMBI est.. However, inventory days declined to just 150 days (vs 175 last year). This was a positive surprised given the tough macro environment in China during Jan-Mar 2022. Management attributed this impressive result to: 1) better sales and hence production forecasts, 2) better use of logistic centre and more O2O inventory sharing and 3) upgrades in re-ordering system. Moreover, channel inventory is also healthy. Dividend payout ratio was raised to ~82% (vs ~75% last year).

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	18,862	21,114	23,277	17,202	19,291	n/a	9.6%	9.5%	n/a
Gross profit	11,378	12,803	14,291	10,511	11,918	n/a	8.2%	7.4%	n/a
EBIT	3,482	4,096	4,775	3,303	3,933	n/a	5.4%	4.1%	n/a
Net profit att.	2,538	3,067	3,606	2,486	3,010	n/a	2.1%	1.9%	n/a
Diluted EPS (RMB)	0.225	0.272	0.319	0.220	0.267	n/a	2.2%	1.8%	n/a
Gross margin	60.3%	60.6%	61.4%	61.1%	61.8%	n/a	-0.8ppt	-1.2ppt	n/a
EBIT margin	18.5%	19.4%	20.5%	19.2%	20.4%	n/a	-0.7ppt	-1ppt	n/a
Net profit att. margin	13.5%	14.5%	15.5%	14.5%	15.6%	n/a	-1ppt	-1.1ppt	n/a

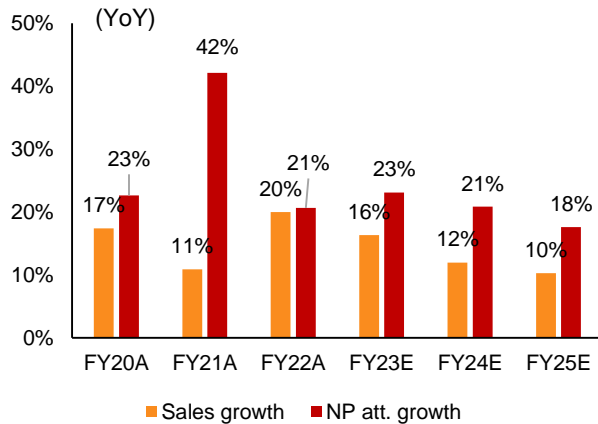
Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

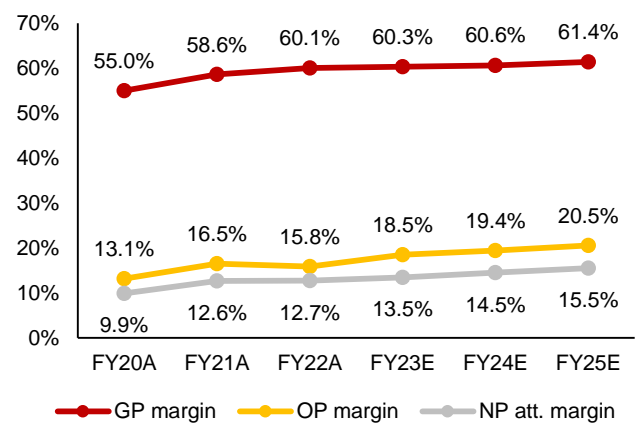
RMB mn	CMBIGM			Consensus			Diff (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	18,862	21,114	23,277	18,877	21,737	26,556	-0.1%	-2.9%	-12.3%
Gross profit	11,378	12,803	14,291	11,393	13,294	16,082	-0.1%	-3.7%	-11.1%
EBIT	3,482	4,096	4,775	3,294	3,909	5,182	5.7%	4.8%	-7.9%
Net profit att.	2,538	3,067	3,606	2,562	3,041	3,840	-0.9%	0.9%	-6.1%
Diluted EPS (RMB)	0.225	0.272	0.319	0.231	0.273	0.353	-2.7%	-0.5%	-9.6%
Gross margin	60.3%	60.6%	61.4%	60.4%	61.2%	60.6%	0ppt	-0.5ppt	0.8ppt
EBIT margin	18.5%	19.4%	20.5%	17.4%	18.0%	19.5%	1ppt	1.4ppt	1ppt
Net profit att. margin	13.5%	14.5%	15.5%	13.6%	14.0%	14.5%	-0.1ppt	0.5ppt	1ppt

Source: Company data, CMBIGM estimates

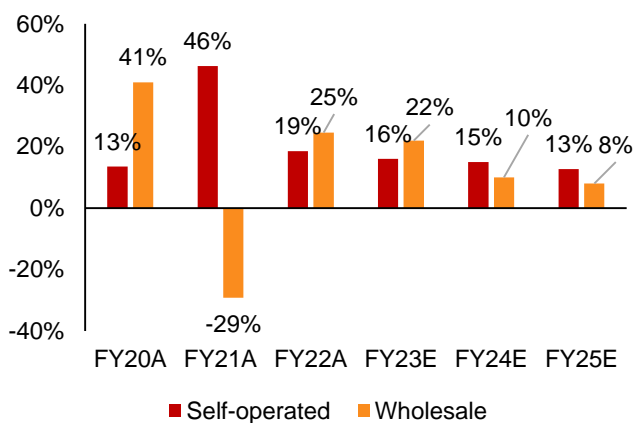
Focus Charts

Figure 3: Sales/ net profit att. growth


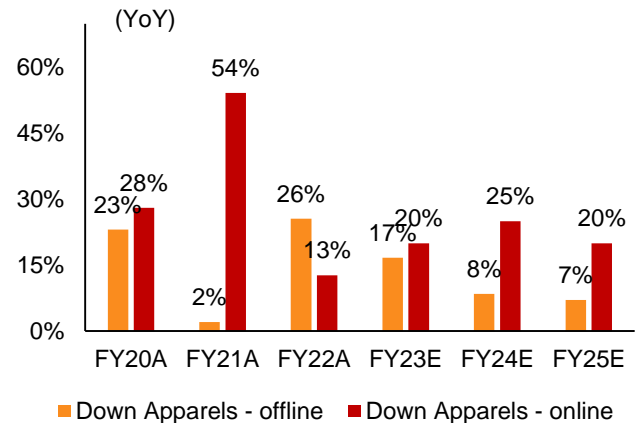
Source: Company data, CMBIS estimates

Figure 4: GP/ OP/ NP att. margin


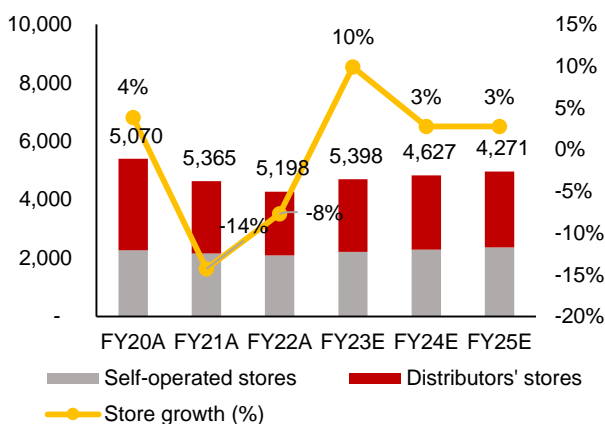
Source: Company data, CMBIS estimates

Figure 5: Sales growth, by self-operated/ wholesale


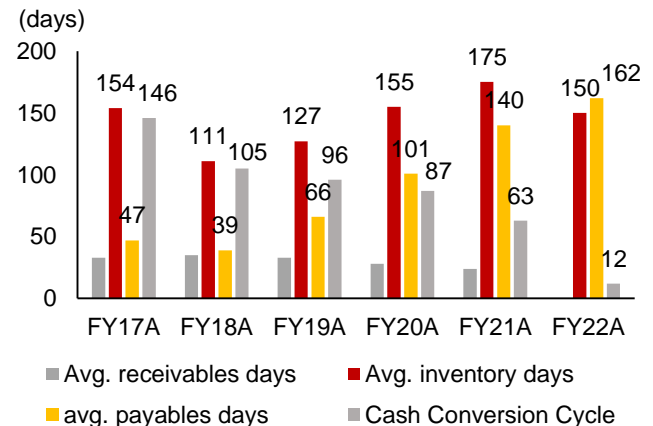
Source: Company data, CMBIS estimates

Figure 6: Down apparel sales growth, by online/offline


Source: Company data, CMBIS estimates

Figure 7: Number of stores and growth


Source: Company data, CMBIS estimates

Figure 8: Working capital and cash conversion cycle


Source: Company data, CMBIS estimates

Results review

Figure 9: Earnings review - Half Year

Half yearly - (Mar year end) (RMB mn)	1H21	2H21	1H22	2H22	1H21 YoY	2H21 YoY	1H22 YoY	2H22 YoY	2H22E CMBI	Actual vs CMBI
Revenue	4,661	8,855	5,390	10,824	5%	14%	16%	22%	9,705	12%
COGS	(2,434)	(3,158)	(2,669)	(3,808)					(3,366)	
Gross profit	2,227	5,697	2,721	7,016	15%	19%	22%	23%	6,339	11%
GP margins	47.8%	64.3%	50.5%	64.8%					65.3%	
Other income & gains	46	158	143	131					53	147%
S & D expenses	(1,209)	(3,598)	(1,614)	(4,557)	8%	14%	34%	27%	(3,776)	21%
S & D exp / sales	-25.9%	-40.6%	-29.9%	-42.1%					-38.9%	
Admin expenses	(390)	(636)	(453)	(750)	16%	23%	16%	18%	(651)	15%
Admin exp / sales	-8.4%	-7.2%	-8.4%	-6.9%					-6.7%	
Other opex	-8	-16	-0	-28					-45	
Operating profit (EBIT)	666	1,604	797	1,812	27%	37%	20%	13%	1,919	-6%
OP margins	14.3%	18.1%	14.8%	16.7%					19.8%	
Other items	0	(46)	0	(40)					0	
Net finance income	(19)	36	27	91					(31)	-389%
Net finance income / sales	-0.4%	0.4%	0.5%	0.8%					-0.3%	
Profit after financing costs	648	1,595	824	1,862					1,888	
Associated coms	0	0	0	(14)					0	
Jointly controlled coms	0	0	0	0					0	
Pre-tax profit	648	1,595	824	1,848	33%	43%	27%	16%	1,888	-2%
Tax	(156)	(381)	(197)	(417)					(481)	-13%
Tax / sales	-3.4%	-4.3%	-3.7%	-3.8%					-5.0%	
Effective tax rate	-24.1%	-23.9%	-23.9%	-22.5%					-25.5%	
Minority interests	5	(10)	(11)	8					19	
Net profit att.	486	1,224	638	1,424	42%	42%	31%	16%	1,388	3%
NP margins	10.4%	13.8%	11.8%	13.2%					14.3%	

Source: Company data, CMBIS estimates

Figure 10: Earnings review - Full Year

Full yearly - (Mar year end) (RMB mn)	FY21	FY22	FY23E	FY22 YoY	FY23E YoY	FY22E CMBI	Actual vs CMBI
Revenue	13,517	16,214	18,862	20%	16%	15,094	7%
COGS	(5,592)	(6,476)	(7,484)			(6,034)	
Gross profit	7,924	9,737	11,378	23%	17%	9,060	7%
GP margins	58.6%	60.1%	60.3%			60.0%	
Other income & gains	204	274	189			196	40%
S & D expenses	(4,807)	(6,171)	(6,752)	28%	9%	(5,390)	14%
S & D exp / sales	-35.6%	-38.1%	-35.8%			-35.7%	
Admin expenses	(1,026)	(1,203)	(1,238)	17%	3%	(1,104)	9%
Admin exp / sales	-7.6%	-7.4%	-6.6%			-7.3%	
Other opex	-24	-28	-57			-45	
Operating profit (EBIT)	2,271	2,609	3,520	15%	35%	2,716	-4%
OP margins	16.8%	16.1%	18.7%			18.0%	
Other items	(46)	(40)	(38)			0	
Net finance income	18	117	114			(4)	-2724%
Net finance income / sales	0.1%	0.7%	0.6%			0.0%	
Profit after financing costs	2,242	2,686	3,596			2,712	
Associated coms	0	(14)	(199)			0	
Jointly controlled coms	0	0	0			0	
Pre-tax profit	2,242	2,672	3,397	19%	27%	2,712	-1%
Tax	(537)	(613)	(849)			(678)	
Tax / sales	-4.0%	-3.8%	-4.5%			-4.5%	
Effective tax rate	-24.0%	-23.0%	-25.0%			-25.0%	
Minority interests	(5)	(4)	9			8	
Net profit att.	1,710	2,062	2,538	21%	23%	2,026	2%
NP margins	12.6%	12.7%	13.5%			13.4%	

Source: Company data, CMBIS estimates

Assumption

Figure 11: CMBIGM estimates vs consensus

Major assumptions	FY21A	FY22A	FY23E	FY24E	FY25E
Sales by segment (RMB mn)					
Down apparels	10,889	13,223	15,557	17,650	19,656
OEM management	1,536	1,901	2,129	2,236	2,348
Ladieswear	947	904	953	994	1,028
Diversified apparels	145	186	223	234	246
Total	13,517	16,214	18,862	21,114	23,277
Sales by segment growth (%)					
Down apparels	14.5%	21.4%	17.7%	13.5%	11.4%
OEM management	-4.7%	23.8%	12.0%	5.0%	5.0%
Ladieswear	-3.7%	-4.5%	5.4%	4.4%	3.4%
Diversified apparels	72.6%	28.3%	20.0%	5.0%	5.0%
Total	10.9%	20.0%	16.3%	11.9%	10.2%
Sales by channel growth (%)					
Down Apparels - offline	2.1%	25.6%	16.7%	8.4%	7.0%
Down Apparels - online	54.3%	12.7%	20.0%	25.0%	20.0%
OEM management	-4.7%	23.8%	12.0%	5.0%	5.0%
Non-down apparels - offline	1.1%	-1.1%	7.3%	4.5%	3.9%
Non-down apparels - online	21.8%	11.3%	15.0%	5.0%	2.0%
Total	10.9%	20.0%	16.3%	11.9%	10.2%
Sales network by segment					
Down apparel	4,150	3,809	4,218	4,333	4,452
Non - down apparel	477	462	476	490	505
Total	4,627	4,271	4,694	4,823	4,956
Sales network by channel type					
Self-operated	2,161	2,090	2,212	2,286	2,362
Third party distributors	2,466	2,181	2,481	2,537	2,595
Total	4,627	4,271	4,694	4,823	4,956
GP margins by segment					
Down apparels	63.7%	65.7%	66.0%	66.4%	67.0%
OEM management	19.6%	18.6%	19.0%	18.5%	18.5%
Ladieswear	72.6%	72.4%	70.0%	65.0%	65.0%
Diversified apparels	0.1%	25.7%	15.0%	10.0%	10.0%
Total	58.6%	60.1%	60.3%	60.6%	61.4%
Opex breakdown					
D&A/ sales	3.6%	3.0%	2.4%	2.1%	1.9%
Rental/ sales	13.3%	14.2%	13.9%	14.0%	14.0%
Labor/ sales	11.9%	10.6%	10.6%	10.4%	10.4%
A&P/ sales	6.5%	7.5%	5.0%	5.0%	5.0%
Others/ sales	7.7%	10.2%	10.5%	10.3%	10.2%
OP margins	16.5%	15.8%	18.5%	19.4%	20.5%
Effective tax rate	24.0%	23.0%	25.0%	25.0%	25.0%
NP att. margins	12.6%	12.7%	13.5%	14.5%	15.5%
NP att. growth (%)	42.1%	20.6%	23.1%	20.8%	17.6%

Source: Company data, CMBIGM estimates

Valuation

Figure 12: 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	5.89	4.37	35%	47,571	Mar-22	16.1	13.4	3.1	2.8	17.7	0.8	4.2	
China Lilang	1234 HK	BUY	4.94	3.87	28%	4,634	Dec-21	6.2	5.3	1.0	0.9	12.8	0.3	11.5	
Jnby Design	3306 HK	BUY	14.51	9.14	59%	4,741	Jun-21	6.8	5.9	2.2	2.0	37.1	1.0	10.6	
Cosmo Lady	2298 HK	NR	N/A	0.39	N/A	866	Dec-21	16.4	5.5	0.4	0.4	(23.2)	0.0	0.0	
Mulsanne Group	709 HK	NR	N/A	1.86	N/A	2,938	Dec-21	15.5	11.6	N/A	N/A	7.8	0.9	N/A	
Giordano	1817 HK	NR	N/A	3.45	N/A	3,278	Dec-21	N/A	N/A	N/A	N/A	(11.6)	0.0	N/A	
Koradior	3709 HK	NR	N/A	11.72	N/A	8,251	Dec-21	9.2	8.4	1.6	1.4	15.3	0.6	4.9	
								Avg.	11.7	8.3	1.6	1.5	8.0	0.5	6.2
								Med.	12.4	7.2	1.6	1.4	12.8	0.6	4.9
A-shares Apparel															
Ningbo Peacebird	603877 CH	NR	N/A	19.82	N/A	11,086	Dec-21	12.0	9.9	2.0	1.8	15.5	0.7	4.3	
Joeone Co Ltd	601566 CH	NR	N/A	8.39	N/A	5,657	Dec-21	20.2	13.0	1.2	1.2	0.9	0.7	5.1	
Fujian Septwolves	002029 CH	NR	N/A	5.40	N/A	4,788	Dec-21	12.6	11.5	N/A	N/A	3.5	0.0	N/A	
Hla Corp Ltd	600398 CH	NR	N/A	5.30	N/A	26,861	Dec-21	8.5	7.4	1.4	1.3	15.7	0.8	6.6	
Jiangsu Hongdou	600400 CH	NR	N/A	4.70	N/A	12,700	Dec-21	100.0	78.3	3.2	3.1	1.7	3.2	N/A	
Dazzle Fashion	603587 CH	NR	N/A	15.57	N/A	8,790	Dec-21	9.9	8.4	1.8	1.6	17.1	0.9	6.6	
Anzheng Fashion	603839 CH	NR	N/A	7.00	N/A	3,286	Dec-21	N/A	N/A	N/A	N/A	0.4	0.0	N/A	
Lancy Co Ltd	002612 CH	NR	N/A	25.51	N/A	13,243	Dec-21	65.4	46.6	3.6	3.4	5.0	3.8	0.4	
Shenzhen Huijie	002763 CH	NR	N/A	7.43	N/A	3,573	Dec-21	N/A	N/A	N/A	N/A	12.4	0.0	N/A	
Ellassay Fashion	603808 CH	NR	N/A	9.62	N/A	4,166	Dec-21	10.7	8.6	1.1	1.0	9.9	0.8	2.6	
Bobaolon Co	002776 CH	NR	N/A	2.82	N/A	1,780	Dec-20	N/A	N/A	N/A	N/A	(22.0)	0.0	N/A	
								Avg.	29.9	23.0	2.1	1.9	5.5	1.0	4.3
								Med.	12.3	10.7	1.8	1.6	5.0	0.7	4.7
International Apparel															
Canada Goose	GOOS US	NR	N/A	19.85	N/A	16,410	Apr-22	15.0	12.2	4.2	2.9	18.9	0.0	n/a	
Moncler Spa	MONC IM	NR	N/A	39.70	N/A	89,947	Dec-21	21.2	18.5	3.8	3.4	19.1	1.5	1.8	
Hugo Boss	BOSS GR	NR	N/A	49.40	N/A	28,790	Dec-21	19.8	15.9	3.3	2.8	19.9	1.0	1.9	
Ted Baker	TED LN	NR	N/A	83.50	N/A	1,485	Jan-22	N/A	83.5	N/A	N/A	(26.1)	0.0	n/a	
Next	NXT LN	NR	N/A	5982.0	N/A	74,896	Jan-22	10.9	10.9	6.3	5.3	81.1	(30.4)	3.4	
Hennes & Mauritz	HMB SS	NR	N/A	121.48	N/A	155,855	Nov-21	18.0	14.8	3.4	3.3	21.6	2.6	5.6	
Industria De Diseno	ITX SM	NR	N/A	21.93	N/A	565,817	Jan-22	18.0	16.6	4.1	4.0	24.7	2.7	5.0	
Ovs Spa	OVS IM	NR	N/A	1.62	N/A	3,911	Jan-22	7.4	6.8	0.5	0.4	5.8	0.6	3.7	
Pvh Corp	PVH US	NR	N/A	63.35	N/A	33,295	Jan-22	7.0	6.0	0.8	0.7	19.5	5.9	0.2	
Vf Corp	VFC US	NR	N/A	48.01	N/A	146,393	Apr-22	14.3	12.8	5.0	4.6	42.1	2.8	4.2	
Marks & Spencer	MKS LN	NR	N/A	144.00	N/A	27,166	Apr-22	8.5	8.5	1.0	0.9	11.8	4.5	4.2	
								Avg.	14.0	18.8	3.2	2.8	21.7	(0.8)	3.4
								Med.	14.7	12.8	3.6	3.1	19.5	1.5	3.7

Source: Bloomberg, CMBIGM estimates

Financial Summary

Income statement						Cash flow summary					
YE 31 Mar (RMB mn)	FY21A	FY22A	FY23E	FY24E	FY25E	YE 31 Mar (RMB mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	13,517	16,214	18,862	21,114	23,277	EBIT	2,225	2,569	3,482	4,096	4,775
Down apparels	10,889	13,223	15,557	17,650	19,656	D & A	564	358	375	370	370
OEM management	1,536	1,901	2,129	2,236	2,348	Change in working capital	425	62	(102)	(88)	(87)
Ladieswear	947	904	953	994	1,028	Income tax paid	(348)	(613)	(849)	(1,026)	(1,225)
Diversified apparels	145	186	223	234	246	Others	267	316	312	405	524
Cost of goods sold	(5,592)	(6,476)	(7,484)	(8,311)	(8,986)	Net cash from operating	3,133	2,691	3,218	3,757	4,355
Gross profit	7,924	9,737	11,378	12,803	14,291	Capex & investments	(437)	(524)	(609)	(682)	(752)
Other income	204	274	189	232	256	Associated companies	(3,193)	-	-	-	-
Operating expenses	(5,903)	(7,442)	(8,084)	(8,939)	(9,773)	Interest received	153	-	-	-	-
D & A	(177)	(148)	(150)	(149)	(149)	Others	(386)	-	-	-	-
Staff costs	(1,633)	(1,735)	(2,011)	(2,221)	(2,433)	Net cash from investing	(3,863)	(524)	(609)	(682)	(752)
S & D costs (ex-staff, D&A)	(3,155)	(4,301)	(4,737)	(5,289)	(5,835)	Equity raised	-	-	-	-	-
Admin exp. (ex-staff, D&A)	(523)	(669)	(621)	(662)	(694)	Net change in bank loans	148	-	-	-	-
Other operating expenses	(416)	(589)	(565)	(618)	(661)	Dividend paid	(880)	(1,295)	(1,666)	(1,773)	(2,125)
EBIT	2,225	2,569	3,482	4,096	4,775	Others	(361)	(199)	(199)	(199)	(199)
Finance costs, net	18	117	114	206	325	Net cash from financing	(1,092)	(1,494)	(1,864)	(1,972)	(2,323)
JVs & associates	-	(14)	(199)	(199)	(199)	Net change in cash	(1,822)	673	744	1,102	1,280
Exceptional	-	-	-	-	-	Beginning cash balance	3,639	1,771	2,445	3,189	4,291
Pre-tax profit	2,242	2,672	3,397	4,103	4,901	Exchange difference	(46)	-	-	-	-
Income tax	(537)	(613)	(849)	(1,026)	(1,225)	Cash at the end of the year	1,771	2,445	3,189	4,291	5,571
Less: Minority interests	(5)	(4)	9	11	70		2,225	2,569	3,482	4,096	4,775
Net profit	1,710	2,062	2,538	3,067	3,606						

Balance sheet						Key ratios					
YE 31 Mar (RMB mn)	FY21A	FY22A	FY23E	FY24E	FY25E	YE 31 Mar	FY21A	FY22A	FY23E	FY24E	FY25E
Non-current assets	6,080	6,232	6,267	6,381	6,565	Sales mix (%)					
Fixed asset	1,762	2,041	2,388	2,813	3,308	Down apparels	80.6	81.6	82.5	83.6	84.4
Intangible assets & goodwill	1,572	1,459	1,346	1,234	1,121	OEM management	11.4	11.7	11.3	10.6	10.1
Prepaid lease payments	912	912	912	912	912	Ladieswear	7.0	5.6	5.0	4.7	4.4
Interest in joint ventures	-	-14	-213	-411	-610	Diversified apparels	1.1	1.1	1.2	1.1	1.1
Other non-current assets	1,833	1,833	1,833	1,833	1,833	Total	100.0	100.0	100.0	100.0	100.0
Current assets	12,877	14,166	15,757	17,567	19,477	P&L ratios (%)					
Cash and cash equivalents	1,771	2,445	3,189	4,291	5,571	Gross margin	58.6	60.1	60.3	60.6	61.4
Inventories	2,646	2,662	3,076	3,416	3,693	Operating margin	16.5	15.8	18.5	19.4	20.5
Trade and other receivables	876	1,244	1,447	1,620	1,786	Pre-tax margin	16.6	16.5	18.0	19.4	21.1
Prepayments	1,168	1,401	1,630	1,825	2,012	Net margin	12.6	12.7	13.5	14.5	15.5
Other current assets	6,415	6,415	6,415	6,415	6,415	Effective tax rate	24.0	22.8	23.6	23.8	24.0
Current liabilities	5,442	6,120	6,865	7,484	8,027	Balance sheet ratios					
Bank loans	671	671	671	671	671	Current ratio (x)	2.4	2.3	2.3	2.3	2.4
Trade payables	2,469	2,839	3,281	3,643	3,939	Quick ratio (x)	1.9	1.9	1.8	1.9	2.0
Accruals & other payables	1,543	1,851	2,154	2,411	2,658	Cash ratio (x)	0.3	0.4	0.5	0.6	0.7
Tax payables	520	520	520	520	520	Inventory turnover days	173	150	150	150	150
others	239	239	239	239	239	Trade receivables days	24	28	28	28	28
Non-current liabilities	2,263	2,263	2,263	2,263	2,263	Trade payables days	161	160	160	160	160
Bank loans	-	-	-	-	-	Total debt / total equity ratio (%)	21	19	18	16	15
Deferred income	-	-	-	-	-	Net debt / equity ratio (%)	2	Net cash	Net cash	Net cash	Net cash
Deferred tax	174	174	174	174	174	Returns (%)					
Others	2,089	2,089	2,089	2,089	2,089	ROE	15.4	17.4	20.0	21.9	23.3
Minority Interest	182	178	187	198	268	ROA	9.0	10.1	11.5	12.8	13.8
Total net assets	11,069	11,836	12,709	14,002	15,483	Per share					
Shareholders' equity	11,069	11,836	12,709	14,002	15,483	Diluted EPS (RMB)	0.15	0.18	0.22	0.27	0.32
						DPS (RMB)	0.11	0.16	0.16	0.19	0.22
						BVPS (RMB)	1.03	1.11	1.18	1.31	1.44

Source: Company data, CMBIGM estimates

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