

Jiumaojiu (9922 HK)

Speedy recovery indicates rare popularity

Maintain BUY and adjusted SOTP-based TP to HK\$ 11.44, based on 10x FY21E P/E for Jiu Mao Jiu and 35x FY21E P/E for Tai Er (rolled over from 17x FY20E P/E and 0.65x 3 years PEG). The speedy recovery and stunning popularity of Tai Er brand, in our view, could yield exciting outperformance for the Company in the long run. We think its current valuation at 21x FY21E P/E is attractive with 106% FY20-22E EPS CAGR (vs industry average at 22x).

- FY19 pretax profit missed by 11% due to slightly slower-than-expected expansion.** FY19 net profit grew by 136% YoY to RMB 164mn, 18%/ 12% vs CMBIS/ BBG's est., while pre-tax profit only missed our est. by 11%. We attribute this miss to: 1) slower-than-expected store openings (by 3%/ 6% for Jiu Mao Jiu/ Tai Er), 2) higher-than-expected other operating expenses, such as travelling, A & P, IPO related and others (at 5.7% of sales vs CMBIS est. of 5.3%). We regard these are one-off, where opening was temporary delayed due to some fire safety regulation issues and higher opex was due to listing related activities.
- Tai Er's retail sales recovery is very well and its store expansion plan should be still intact.** Cited by the management, Tai Er's per store revenue recovery is highly decent, reaching 90% of the early Jan 2020 level, a number that should outperform majority of the catering industry in mainland China. Its delivery business had generated 40% of its per store sales, a level that is no doubt industry leading. Its dine-in business is also impressive, generated 60% of per store sales, even with the seats limitation, due to greater spacing per customer requirement by the government. We forecast its sales to normalize from mid-April and on top of that, we believe its expansion of 80 new stores in FY20E is still achievable, thanks to ample choice of shopping malls and superior popularity.
- Jiu Mao Jiu's expansion may have to delay.** We believe Jiu Mao Jiu's new round of store expansion has to be paused due to the unfavorable macro environment, thus may result in missing the pre-announced target in FY20E (adding 18 new stores). The Jiu Mao Jiu brand has several plans to reform and one of those is the trial run of four new format stores in FY20E.
- Maintain BUY and adjusted TP to HK\$ 11.44.** We adjusted FY20E/ 21E EPS estimates by -19.1%/ +1.1%, to factor in 1) losses due to store suspension and 2) more favourable rental costs. We maintain BUY but fine-tuned TP to HK\$ 11.44, based on 10x/ 35x FY21E P/E for Jiu Mao Jiu/ Tai Er (rolled over from 17x FY20E P/E for Jiu Mao Jiu and 0.65x 3 years PEG for Tai Er). Valuation is attractive at 21x FY21E P/E because we foresee its sales performance to bottom out from now on with 106% FY20-22E EPS CAGR, compared to industry average at 22x FY21E P/E.

Earnings Summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Revenue (RMB mn)	1,893	2,687	3,257	5,276	7,801
YoY growth (%)	28.8	42.0	21.2	62.0	47.9
Net income (RMB mn)	70	164	197	514	840
EPS (RMB)	0.05	0.12	0.14	0.37	0.61
YoY growth (%)	4.2	136.1	20.1	160.6	63.4
Consensus EPS (RMB)	n/a	n/a	0.20	0.34	n/a
P/E (x)	152.5	65.7	54.8	21.0	12.9
P/B (x)	52.2	63.3	4.2	3.5	2.8
Yield (%)	0.5	0.0	0.0	1.4	2.3
ROE (%)	33.9	87.9	14.4	18.1	24.4
Net gearing (%)	70.8	187.9	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

BUY (Maintain)

Target Price	HK\$11.44
(Previous TP)	HK\$10.82)
Up/Downside	+30.9%
Current Price	HK\$8.74

China Catering Sector

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Stock Data

Mkt Cap (HK\$ mn)	12,901
Avg 3 mths t/o (HK\$ mn)	132.40
52w High/Low (HK\$)	11.00/7.60
Total Issued Shares (mn)	1,383.4

Source: Bloomberg

Shareholding Structure

Mr. Guan Yi Hong	44.42%
Shanghai Ling Yu	10.84%
MT BVI	6.59%
MX BVI	6.60%
Others	3.83%
Free Float	27.71%

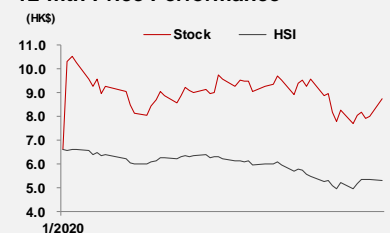
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-3.6%	8.6%
3-mth	n/a	n/a
6-mth	n/a	n/a
12-mth	n/a	n/a

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: KPMG

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Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Revenue	3,257	5,276	7,801	3,733	5,657	n/a	-12.8%	-6.7%	n/a
Gross profit	2,039	3,278	4,815	2,337	3,515	n/a	-12.7%	-6.7%	n/a
EBIT	376	896	1,444	439	871	n/a	-14.4%	2.8%	n/a
Reported Net profit	197	514	840	244	509	n/a	-19.1%	1.1%	n/a
Diluted EPS (RMB)	0.143	0.372	0.607	0.176	0.368	n/a	-19.1%	1.1%	n/a
Gross margin	62.6%	62.1%	61.7%	62.6%	62.1%	n/a	0ppt	0ppt	n/a
EBIT margin	11.6%	17.0%	18.5%	11.8%	15.4%	n/a	-0.2ppt	1.6ppt	n/a
Net profit att. margin	6.1%	9.7%	10.8%	6.5%	9.0%	n/a	-0.5ppt	0.8ppt	n/a

Source: Company data, CMBIS estimates

Figure 2: CMBIS estimates vs consensus

RMB mn	CMBIS			Consensus			Diff (%)		
	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Revenue	3,257	5,276	7,801	3,641	5,351	n/a	-10.6%	-1.4%	n/a
Gross profit	2,039	3,278	4,815	2,305	3,382	n/a	-11.5%	-3.1%	n/a
EBIT	376	896	1,444	439	871	n/a	-14.3%	2.8%	n/a
Net profit att.	197	514	840	276	458	n/a	-28.5%	12.4%	n/a
Diluted EPS (RMB)	0.143	0.372	0.607	0.195	0.343	n/a	-26.8%	8.5%	n/a
Gross margin	62.6%	62.1%	61.7%	63.3%	63.2%	n/a	-0.7ppt	-1.1ppt	n/a
EBIT margin	11.6%	17.0%	18.5%	12.1%	16.3%	n/a	-0.5ppt	0.7ppt	n/a
Net profit att. margin	6.1%	9.7%	10.8%	7.6%	8.6%	n/a	-1.5ppt	1.2ppt	n/a

Source: Company data, CMBIS estimates

Figure 3: Valuation table for SOTP methodology

SOTP Valuation	Target price (HK\$)	Valuation (RMB mn)	Value Split	Method	Target Ratio (x)	Implied P/E (x)	Implied 2 years PEG (x)	FY21E CMBI est. net profit (Rmb mn)	Remarks
1. Jiu Mao Jiu	1.20	1,487	11%	FY21E P/E	10.0	10.0		150	44% discount to industry average of 18x
2. Tai Er + others	10.24	12,653	89%	FY21E P/E	35.0	35.0		364	64% premium to leaders' average of 22x
Total/ implied valuation	11.44	14,140		FY20E		27.5	0.26	514	

Source: Company data, CMBIS estimates

Assumptions

Figure 4: CMBIS' assumptions

Major assumptions	FY17A	FY18A	FY19A	FY20E	FY21E	FY22E
Sales by brand (RMB mn)						
Jiu Mao Jiu	1,204	1,334	1,372	1,219	1,555	1,838
Tai Er	244	540	1,277	1,922	3,524	5,668
Other brands	22	19	39	116	197	295
Total	1,469	1,893	2,687	3,257	5,276	7,801
Sales growth by brand (%)						
Jiu Mao Jiu	10.2%	10.8%	2.8%	-11.1%	27.5%	18.2%
Tai Er	259.9%	121.4%	136.4%	50.5%	83.4%	60.8%
Other brands	424.5%	-14.1%	107.9%	200.0%	70.0%	50.0%
Total	26.2%	28.8%	42.0%	21.2%	62.0%	47.9%
Sales by segment growth (%)						
Restaurant operations	19.3%	24.9%	44.6%	20.8%	67.9%	49.6%
Delivery business	329.4%	80.3%	13.1%	21.3%	2.5%	21.7%
Sales of specialties	13.5%	-44.5%	278.9%	40.0%	20.0%	20.0%
Others	106.2%	40.5%	102.0%	50.0%	25.0%	20.0%
Sales by region growth (%)						
Tier 1 cities	27.9%	31.3%	25.8%	14.7%	51.4%	40.6%
New tier 1 cities	12.4%	37.4%	113.3%	33.2%	94.4%	65.7%
Tier 2 cities	2.6%	26.5%	105.4%	38.8%	78.3%	62.8%
Tier 3 cities and below	37.2%	20.5%	18.0%	-1.1%	37.5%	19.8%
GP margins by segment						
Jiu Mao Jiu			67.5%	67.0%	67.0%	67.0%
Tai Er			59.0%	60.0%	60.0%	60.0%
Other brands			58.0%	60.0%	62.0%	62.0%
Total	65.1%	64.5%	63.3%	62.6%	62.1%	61.7%
Opex breakdown						
Staff costs	-27.2%	-27.7%	-25.9%	-26.5%	-23.5%	-22.9%
Depreciation of right-of-use assets	-8.8%	-8.2%	-8.1%	-8.3%	-7.2%	-6.6%
Other rentals & related expenses	-0.6%	-1.5%	-1.6%	-2.0%	-2.2%	-2.3%
D & A of other assets	-5.2%	-4.3%	-3.6%	-4.4%	-3.6%	-3.2%
Utilities expenses	-5.4%	-5.0%	-4.0%	-4.2%	-3.2%	-2.8%
Others	-7.7%	-9.4%	-8.2%	-6.5%	-6.3%	-6.1%
EBIT margins						
EBIT margins	10.4%	8.6%	12.2%	11.6%	17.0%	18.5%
Effective tax rate	27.8%	28.7%	28.5%	27.0%	27.0%	26.0%
NP att. margins						
NP att. margins	4.6%	3.7%	6.1%	6.1%	9.7%	10.8%
NP att. growth (%)						
NP att. growth (%)	28.9%	4.2%	136.1%	20.1%	160.6%	63.4%

Source: Company data, CMBIS estimates

Valuation

Figure 5: Peers valuation

Company	Ticker	Rating	12M TP		Up/dow n-side (%)	Mkt cap HK\$ mn	Year End	PER (x)		PBR (x)		ROE	3yrs	Yield	YTD perf. (%)	
			HK\$/ LC	HK\$/ LC				(%)	FY1	FY2	FY1	FY2	(%)	PEG(x)		(%)
Leading Greater China Catering																
Jiumaojiu Int'l	9922 HK	BUY	11.44	8.74	31%	12,091	Dec-19	54.8	21.0	4.2	3.5	87.9	0.8	0.0	n/a	
Haidilao Int'l	6862 HK	BUY	37.90	29.10	30%	154,230	Dec-19	57.6	31.2	11.2	8.1	24.4	1.7	0.4	(7.0)	
Cafe De Coral	341 HK	HOLD	18.26	12.88	42%	7,544	Mar-19	19.5	16.1	2.3	2.3	16.5	(6.4)	5.2	(30.2)	
Xiabuxiabu	520 HK	NR	n/a	6.06	n/a	6,554	Dec-19	14.6	9.7	2.3	2.1	18.9	n/a	2.8	(40.6)	
Yihai Int'l	1579 HK	NR	n/a	57.45	n/a	60,144	Dec-19	56.2	41.9	15.3	11.7	31.1	2.0	0.5	25.7	
Yum China	YUMC US	NR	n/a	41.76	n/a	121,776	Dec-19	53.9	21.0	4.9	4.2	24.0	9.1	1.0	(13.0)	
Gourmet Master	2723 TT	NR	n/a	72.60	n/a	3,349	Dec-19	15.1	11.7	1.2	1.1	10.5	1.4	3.4	(41.2)	
								Avg.	38.8	21.8	5.9	4.7	30.5	1.4	1.9	(17.7)
								Med.	53.9	21.0	4.2	3.5	24.0	1.6	1.0	(21.6)
Other Greater China Catering																
Fairwood	52 HK	NR	n/a	14.66	n/a	1,899	Mar-19	8.6	12.4	2.5	2.3	18.3	(5.9)	6.0	(26.3)	
Tai Hing	6811 HK	NR	n/a	0.88	n/a	880	Dec-19	8.0	5.9	0.9	0.8	11.5	7.4	3.8	(46.3)	
Hop Hing	47 HK	NR	n/a	0.07	n/a	685	Dec-19	n/a	n/a	n/a	n/a	17.6	n/a	n/a	(34.0)	
Tsui Wah	1314 HK	NR	n/a	0.31	n/a	437	Mar-19	n/a	n/a	n/a	n/a	(5.2)	n/a	n/a	(27.9)	
Ajisen	538 HK	NR	n/a	1.77	n/a	1,932	Dec-18	8.1	8.3	n/a	n/a	17.1	(0.4)	5.9	(36.1)	
Tao Heung	573 HK	NR	n/a	1.00	n/a	1,017	Dec-19	n/a	n/a	n/a	n/a	7.6	n/a	n/a	(21.9)	
Tang Palace	1181 HK	NR	n/a	0.79	n/a	850	Dec-19	4.8	n/a	n/a	n/a	25.4	n/a	n/a	(33.1)	
								Avg.	7.4	8.9	1.7	1.6	13.2	0.4	5.2	(32.2)
								Med.	8.1	8.3	1.7	1.6	17.1	(0.4)	5.9	(33.1)
Greater China Catering																
								Avg.	27.4	17.9	5.0	4.0	21.8	1.1	2.9	(25.5)
								Med.	15.1	14.3	2.5	2.3	17.9	1.4	3.1	(30.2)
International Catering																
Yum! Brands	YUM US	NR	n/a	70.89	n/a	165,334	Dec-19	19.8	16.6	n/a	n/a	n/a	1.7	2.6	(29.6)	
McDonald's	MCD US	NR	n/a	167.38	n/a	967,397	Dec-19	20.9	18.7	n/a	n/a	n/a	3.2	3.0	(15.3)	
Starbucks	SBUX US	NR	n/a	67.96	n/a	618,410	Sep-19	26.1	20.8	n/a	n/a	n/a	2.8	2.5	(22.7)	
Restaurant Brands	QSR US	NR	n/a	39.60	n/a	143,185	Dec-19	14.3	12.6	5.5	5.2	31.4	1.4	5.2	(37.9)	
Chipotle Mexican	CMG US	NR	n/a	642.21	n/a	138,267	Dec-19	40.8	29.3	9.0	7.4	22.4	1.5	0.0	(23.3)	
Darden	DRI US	NR	n/a	55.93	n/a	52,689	May-19	18.5	15.9	3.2	2.8	27.3	14.2	4.9	(48.7)	
Domino's Pizza	DPZ US	NR	n/a	348.85	n/a	105,558	Dec-19	32.1	28.5	n/a	n/a	n/a	2.6	0.9	18.7	
Dunkin' Brands	DNKN US	NR	n/a	52.96	n/a	33,905	Dec-19	17.7	15.7	n/a	n/a	n/a	2.7	2.8	(29.9)	
Wendy's	WEN US	NR	n/a	14.95	n/a	25,844	Dec-19	28.3	21.1	7.3	8.6	23.5	2.3	3.1	(32.7)	
Shake Shack	SHAK US	NR	n/a	37.92	n/a	11,046	Dec-19	151.1	73.1	4.7	4.3	7.6	(16.1)	0.0	(36.3)	
Wingstop	WING US	NR	n/a	81.25	n/a	18,557	Dec-19	96.6	74.4	n/a	n/a	n/a	3.3	0.6	(5.8)	
Jollibee Foods	JFC PM	NR	n/a	103.00	n/a	17,209	Dec-19	19.5	15.5	1.8	1.7	12.9	27.6	1.9	(52.3)	
								Avg.	40.5	28.5	5.2	5.0	20.8	3.9	2.3	(26.3)
								Med.	23.5	19.7	5.1	4.8	23.0	2.7	2.5	(29.8)
A-shares Greater China Catering																
Foshan Haitian	603288 CH	NR	n/a	113.79	n/a	335,562	Dec-19	49.2	41.5	15.0	12.4	35.2	3.0	1.1	5.8	
Fujian Sunner	002299 CH	NR	n/a	22.93	n/a	31,158	Dec-19	7.2	9.5	2.2	2.1	44.7	(0.4)	7.6	(4.8)	
Angel Yeast	600298 CH	NR	n/a	32.48	n/a	29,230	Dec-19	25.0	21.5	4.6	4.0	19.0	n/a	1.4	5.9	
Meihua	600873 CH	NR	n/a	4.23	n/a	14,340	Dec-18	10.8	9.1	1.3	1.1	12.7	0.6	n/a	(4.9)	
Guangzhou Restaurant	603043 CH	NR	n/a	27.35	n/a	12,066	Dec-18	26.3	22.1	5.0	4.3	20.6	2.0	1.5	(9.9)	
China Quanjude	002186 CH	NR	n/a	9.62	n/a	3,241	Dec-18	64.1	33.2	n/a	n/a	(0.2)	9.9	n/a	(6.7)	
Xi'an Catering	000721 CH	NR	n/a	4.19	n/a	2,284	Dec-18	n/a	n/a	n/a	n/a	(1.5)	n/a	n/a	1.2	
								Avg.	30.4	22.8	5.6	4.8	18.6	3.0	2.9	(1.9)
								Med.	25.7	21.8	4.6	4.0	19.0	2.0	1.4	(4.8)
H-shares Consumer Staples																
UPC	220 HK	NR	n/a	7.07	n/a	30,538	Dec-19	19.3	17.7	2.0	2.0	10.2	3.3	5.1	(13.6)	
Tingyi	322 HK	NR	n/a	12.26	n/a	68,948	Dec-19	20.8	19.0	3.2	3.0	17.0	12.6	4.4	(7.8)	
Want Want	151 HK	NR	n/a	5.56	n/a	69,028	Mar-19	16.6	15.6	3.9	3.6	27.2	3.0	4.5	(23.6)	
Mengniu Dairy	2319 HK	NR	n/a	26.45	n/a	104,098	Dec-19	25.0	18.9	3.0	2.7	15.1	2.1	1.0	(16.0)	
Vitasoy	345 HK	NR	n/a	23.20	n/a	24,680	Mar-19	40.9	33.9	7.3	6.8	23.0	5.4	1.6	(17.9)	
Budweiser Brewing	1876 HK	NR	n/a	19.98	n/a	264,603	Dec-19	34.8	26.3	3.2	3.0	9.0	2.4	1.1	(24.0)	
Tsingtao Brewery	168 HK	NR	n/a	40.15	n/a	61,339	Dec-19	25.6	20.9	2.5	2.3	10.0	2.9	1.7	(23.3)	
CR Beer	291 HK	NR	n/a	34.65	n/a	112,411	Dec-19	41.6	29.1	4.9	4.4	6.8	0.9	0.9	(19.6)	
Dali Foods	3799 HK	NR	n/a	5.31	n/a	72,716	Dec-19	16.3	15.1	3.9	3.6	24.2	2.6	3.9	(8.0)	
								Avg.	26.8	21.8	3.8	3.5	15.8	3.9	2.7	(17.1)
								Med.	25.0	19.0	3.2	3.0	15.1	2.9	1.7	(17.9)

Source: Bloomberg, Company data, CMBIS estimates, average and median may not be applicable due to difference of fiscal year as at 27 Mar 2020 for different companies

Financial Summary

Income statement

YE 31 Dec (RMB mn)	FY17A	FY18A	FY19A	FY20E	FY21E	FY22E
Revenue	1,469	1,893	2,687	3,257	5,276	7,801
Jiu Mao Jiu	1,20	1,33	1,37	1,21	1,55	1,83
Tai Er	244	540	1,27	1,92	3,52	5,66
Other brands	22	19	39	116	197	295
						-
Cost of goods sold	(513)	(672)	(985)	(1,217)	(1,998)	(2,986)
Gross profit	957	1,221	1,702	2,039	3,278	4,815
Other income	2	3	12	23	46	58
Operating expenses	(806)	(1,060)	(1,385)	(1,686)	(2,428)	(3,428)
Staff costs	(400)	(523)	(697)	(862)	(1,240)	(1,786)
Rental & ROUA depre.	(138)	(184)	(263)	(336)	(496)	(694)
D & A expenses	(76)	(81)	(97)	(142)	(188)	(247)
Utilities expenses	(80)	(94)	(108)	(135)	(171)	(222)
Other opex	(112)	(178)	(220)	(210)	(334)	(479)
EBIT	153	163	329	376	896	1,444
Finance costs	(52)	(58)	(67)	(74)	(87)	(103)
JVs & associates	(1)	(2)	2	2	3	5
Exceptional	(1)	1	(5)	(6)	(10)	(14.48)
Pre-tax profit	99	104	259	298	802	1,332
Income tax	(28)	(31)	(73)	(80)	(216)	(345)
Less: Minority interests	5	4	21	21	72	146
Net profit att.	67	70	164	197	514	840

Balance sheet

YE 31 Dec (RMB mn)	FY17A	FY18A	FY19A	FY20E	FY21E	FY22E
Non-current assets	759	960	1,271	1,346	1,449	1,575
Fixed asset	216	268	323	396	495	617
Intangible assets & GW	460	578	808	808	808	808
Prepaid lease payments	40	57	66	66	66	66
Interest in joint ventures	4	4	8	10	14	19
Other non-current	39	54	66	66	66	66
Current assets	183	227	383	2,778	3,476	4,443
Cash and cash	52	60	127	2,505	3,066	3,859
Inventories	33	36	75	53	82	123
Trade and other	12	17	12	25	40	60
Prepayments	68	88	122	148	240	354
Other current assets	18	26	47	47	47	47
Current liabilities	290	440	794	840	1,043	1,291
Bank loans	20	49	220	220	220	220
Trade payables	54	72	97	100	153	213
Accruals & payables	82	145	200	243	393	581
Tax payables	8	12	23	23	23	23
others	127	162	253	253	253	253
Non-current liabilities	445	543	690	690	690	690
Bank loans	-	-	-	-	-	-
Deferred income	16	21	27	27	27	27
Deferred tax	-	-	-	-	-	-
Others	428	522	663	663	663	663
Minority Interest	-	-	-	21	93	240
Total net assets	207	204	171	2,574	3,098	3,799
Shareholders' equity	207	204	171	2,574	3,098	3,799

Source: Company data, CMBIS estimates

Cash flow summary

YE 31 Dec (RMB mn)	FY17A	FY18A	FY19A	FY20E	FY21E	FY22E
EBIT	153	163	329	376	896	1,444
D & A	76	81	97	142	188	-
Chg. in working capital	(18)	(1)	12	28	68	73
Income tax paid	(34)	(40)	(73)	(80)	(216)	(345)
Others	137	168	1	3	4	245
NC from operating	314	373	366	470	939	1,417
Capex & investments	(75)	(150)	(210)	(218)	(290)	(367)
Associated companies	(16)	(2)	(0)	(0)	(0)	(0)
Interest received	1	1	-	-	-	-
Others	(0)	(1)	-	-	-	-
NC from investing	(90)	(152)	(210)	(218)	(290)	(367)
Equity raised	-	-	-	2,200	-	-
Net change in bank	(19)	29	263	-	-	-
Dividend paid	(20)	(25)	30	-	-	(154)
Others	(166)	(218)	(382)	(74)	(87)	(103)
NC from financing	(205)	(214)	(89)	2,126	(87)	(258)
Net change in cash	19	7	67	2,377	562	793
Beginning cash	33	52	60	127	2,505	3,066
Exchange difference	-	-	-	-	-	-
Cash at end of year	52	60	127	2,505	3,066	3,859

Key ratios

YE 31 Dec	FY17A	FY18A	FY19A	FY20E	FY21E	FY22E
Sales mix (%)						
Jiu Mao Jiu	81.9	70.5	51.0	37.4	29.5	23.6
Tai Er	16.6	28.5	47.5	59.0	66.8	72.7
Other brands	1.5	1.0	1.4	3.6	3.7	3.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
P&L ratios (%)						
Gross margin	65.1	64.5	63.3	62.6	62.1	61.7
EBIT margin	10.4	8.6	12.2	11.6	17.0	18.5
Pre-tax margin	6.8	5.5	9.6	9.2	15.2	17.1
Net margin	4.6	3.7	6.1	6.1	9.7	10.8
Effective tax rate	27.8	28.7	28.5	27.0	27.0	26.0
Balance sheet ratios						
Current ratio (x)	0.6	0.5	0.5	3.3	3.3	3.4
Quick ratio (x)	0.5	0.4	0.4	3.2	3.3	3.3
Cash ratio (x)	0.2	0.1	0.2	3.0	2.9	3.0
Inventory turnover	19	19	21	16	15	15
Trade receivables	3	3	3	3	3	3
Trade payables days	37	34	31	30	28	26
Total debt / total equity	71	103	277	18	15	12
Net debt / equity	45	71	188	Net cash	Net cash	Net cash
Returns (%)						
ROE	32.3	34.2	96.3	7.7	16.6	22.1
ROA	7.1	5.9	9.9	4.8	10.4	14.0
Per share						
EPS (RMB)	n/a	n/a	n/a	0.14	0.37	0.61
DPS (RMB)	n/a	n/a	n/a	-	0.11	0.18
BVPS (RMB)	n/a	n/a	n/a	1.86	2.24	2.75

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