

Bosideng (3998 HK)

Improving fundamentals going into 2H21E

We are confident for Bosideng to deliver a solid 1H21E result and continue to outperform in 2H21E, thanks to: 1) favorable weather, 2) excellent price-to-quality products and 3) meaningful cost savings and operating leverage. The counter is attractive given its 19x FY3/22E P/E (vs GOOS's 29x and MONC's 31x) and 1.3x 3-years PEG. Reiterate BUY and raise TP to HK\$ 4.04.

- Expecting a solid net profit growth in 1H20E.** We expect 2% YoY sales decline and 14% YoY NP att. growth in 1H21E (vs 12% sales/ 18% NP att. growth in 2H20). Sales growth by segment will be: 1) 43%/ 2% for self-owned/ wholesale down apparel, 2) 18% decrease for OEM and 3) 14% drop for womenswear. We expect GP margin to be flattish at 43.7%, as greater online and self-owned mix offset by higher retail discounts and lower OEM GP margin. But NP margin will lift to 9.0%, thanks to rental and A&P savings.
- Remarkable retail sales growth since Oct 2020, thanks to: 1) favorable weather, 2) outstanding price to quality and 3) growth momentum after store revamp.** According to mgmt., offline/ online retail sales growth recorded 100%+/ 200%+ YoY during 1-8 Oct and remained fast at 100% YoY for both offline/ online on 9-26 Oct, which is better than their expectations. We believe growth drivers were: 1) earlier and colder winter (average temperature for BJ/ SH/ SZ were ~0.5/ 1.3/ 1.5 degrees colder than last year), 2) with limited increase in ASP, products are now more value for money and 3) over 2,000 store were either newly opened or remodeled in last 12 months. These more appealing stores are generating better SSSG.
- Grant of share options to an independent consultant.** 100mn shares options, with strike price of HK\$ 3.41 were granted to Wise Triumph Group with 48 months vesting period, accounting for ~0.92% of enlarged capital. Wise Triumph is the consultant for the rebranding campaign since 2017. Mgmt. stated that they co-developed the 10-year expansion plan (Phase 1: Rebranding, Phase 2: Professional positioning, Phase 3 Global expansion).
- Buying a logistic park for RMB 559mn.** Bosideng proposed to pay RMB 559mn to its parent for an advanced logistic park located in Changshu, with a total area/ GFA of 221K/ 192K sq.m. Mgmt. believe the acquisition can save ~RMB 50mn rental fees per year and generate rental incomes.
- Maintain BUY and raise TP to HK\$ 4.04.** We fine-tuned our EPS in FY21E/ 22E/ 23E by +4.8%/ +0.7%/ -3.4% to factor in stronger sales in Oct 2020, a relatively weak wholesale sales, option shares dilution and acquisition of logistic park. We remain positive and therefore reiterate BUY with a new TP of HK\$ 4.04, based on a 23x FY22E P/E (rolled over from 21x FY21E P/E), implying a 1.3x PEG (H shares peers avg. of 1.6x).

Earnings Summary

(YE 31 Mar)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue (RMB mn)	10,383	12,191	14,330	16,169	18,006
YoY growth (%)	16.9	17.4	17.5	12.8	11.4
Net income (RMB mn)	981	1,203	1,585	1,797	1,990
Diluted EPS (RMB)	0.092	0.111	0.142	0.161	0.178
YoY growth (%)	48.0	12.8	28.2	13.4	10.8
Consensus EPS (RMB)	n/a	n/a	0.140	0.173	0.185
P/E (x)	31.8	28.2	22.0	19.4	17.5
P/B (x)	3.1	3.2	3.1	2.9	2.7
Yield (%)	2.4	2.7	3.2	3.6	4.0
ROE (%)	10.1	12.0	15.0	16.0	16.7
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

BUY (Maintain)

Target Price **HK\$4.04**
 (Previous TP **HK\$3.26**)
 Up/Downside **+16.8%**
 Current Price **HK\$3.41**

China Apparel Sector

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Stock Data

Mkt Cap (HK\$ mn)	36,707
Avg 3 mths t/o (HK\$ mn)	84.11
52w High/Low (HK\$)	4.50/1.54
Total Issued Shares (mn)	10,764.6

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	49.6%	39.5%
3-mth	61.6%	60.2%
6-mth	62.4%	55.3%
12-mth	-13.9%	-7.8%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: KPMG

Related Reports

- Bosideng (3998 HK, BUY) - Mid-priced, efficiency, online are the focuses - 26 Jun 2020
- Bosideng (3998 HK, BUY) - Solid 1H20 results, improving 2H20E outlook - 2 Dec 2019
- Bosideng (3998 HK, BUY) - Solid performance on Single Day, buy the dip - 13 Nov 2019

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY214E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	14,330	16,169	18,006	13,572	15,291	17,021	5.6%	5.7%	5.8%
Gross profit	7,924	9,044	10,139	7,533	8,569	9,582	5.2%	5.5%	5.8%
EBIT	2,178	2,517	2,772	1,961	2,339	2,682	11.1%	7.6%	3.3%
Net profit att.	1,585	1,797	1,990	1,446	1,707	1,971	9.6%	5.3%	0.9%
Diluted EPS (RMB)	0.142	0.161	0.178	0.135	0.160	0.184	4.8%	0.7%	-3.4%
Gross margin	55.3%	55.9%	56.3%	55.5%	56.0%	56.3%	-0.2ppt	-0.1ppt	0ppt
EBIT margin	15.2%	15.6%	15.4%	14.4%	15.3%	15.8%	0.8ppt	0.3ppt	-0.4ppt
Net profit att. margin	11.1%	11.1%	11.1%	10.7%	11.2%	11.6%	0.4ppt	-0.1ppt	-0.5ppt

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	14,330	16,169	18,006	13,935	16,333	18,677	2.8%	-1.0%	-3.6%
Gross profit	7,924	9,044	10,139	7,632	9,027	10,366	3.8%	0.2%	-2.2%
EBIT	2,178	2,517	2,772	1,961	2,442	2,833	11.1%	3.0%	-2.2%
Net profit att.	1,585	1,797	1,990	1,499	1,830	2,110	5.7%	-1.8%	-5.7%
Diluted EPS (RMB)	0.142	0.161	0.178	0.140	0.173	0.185	1.2%	-7.3%	-3.8%
Gross margin	55.3%	55.9%	56.3%	54.8%	55.3%	55.5%	0.5ppt	0.7ppt	0.8ppt
EBIT margin	15.2%	15.6%	15.4%	14.1%	15.0%	15.2%	1.1ppt	0.6ppt	0.2ppt
Net profit att. margin	11.1%	11.1%	11.1%	10.8%	11.2%	11.3%	0.3ppt	-0.1ppt	-0.2ppt

Source: Bloomberg, CMBIS estimates

Assumption

Figure 3: CMBIS estimates vs consensus

Major assumptions	FY19A	FY20A	FY21E	FY22E	FY23E
Sales by segment (RMB mn)					
Down apparels	7,658	9,513	11,992	13,702	15,413
OEM management	1,368	1,611	1,370	1,438	1,510
Ladieswear	1,194	983	901	958	1,010
Diversified apparels	164	84	67	70	74
Total	10,383	12,191	14,330	16,169	18,006
Sales by segment growth (%)					
Down apparels	35.5%	24.2%	26.1%	14.3%	12.5%
OEM management	46.1%	17.8%	-15.0%	5.0%	5.0%
Ladieswear	3.5%	-17.7%	-8.3%	6.4%	5.4%
Diversified apparels	-85.6%	-48.9%	-20.0%	5.0%	5.0%
Total	16.9%	17.4%	17.5%	12.8%	11.4%
Sales by channel growth (%)					
Down Apparels - offline	30.5%	23.1%	22.0%	10.4%	9.5%
Down Apparels - online	55.6%	28.0%	39.0%	25.0%	20.0%
OEM management	46.1%	17.8%	-15.0%	5.0%	5.0%
Non-down apparels - offline	-9.0%	-22.3%	-10.8%	6.5%	5.6%
Non-down apparels - online	-92.3%	-6.1%	15.0%	3.0%	2.0%
Total	16.9%	17.4%	17.5%	12.8%	11.4%
Sales network by segment					
Down apparel	4,628	4,866	4,919	5,135	5,362
Non - down apparel	570	525	512	528	544
Total	5,198	5,391	5,431	5,663	5,905
Sales network by channel type					
Self-operated	2,068	2,267	2,384	2,505	2,631
Third party distributors	3,130	3,131	3,047	3,158	3,274
Total	5,198	5,398	5,431	5,663	5,905
GP margins by segment					
Down apparels	57.4%	59.8%	59.2%	59.6%	60.0%
OEM management	16.3%	18.5%	15.0%	16.0%	17.0%
Ladieswear	74.0%	74.4%	68.0%	67.0%	63.0%
Diversified apparels	6.9%	-16.4%	1.0%	1.0%	1.0%
Total	53.1%	55.0%	55.3%	55.9%	56.3%
Opex breakdown					
D&A/ sales	2.2%	2.8%	2.6%	2.5%	2.4%
Rental/ sales	11.9%	11.6%	10.5%	11.0%	11.1%
Labor/ sales	11.5%	10.7%	11.3%	11.2%	11.0%
A&P/ sales	5.5%	7.0%	6.0%	6.7%	7.4%
Others/ sales	9.1%	9.9%	9.9%	9.8%	9.8%
OP margins	13.2%	13.1%	15.2%	15.6%	15.4%
Effective tax rate	27.9%	25.3%	26.0%	26.0%	26.0%
NP att. margins	9.5%	9.9%	11.1%	11.1%	11.1%
NP att. growth (%)	59.4%	22.6%	31.7%	13.4%	10.8%

Source: Company data, CMBIS estimates

Results review

Figure 4: Earnings forecast - Half Year

Half yearly - (Mar year end) (RMB mn)	1H20	2H20	1H21E	2H21E	1H20 YoY	2H20 YoY	1H21E YoY	2H21E YoY
Revenue	4,436	7,754	4,364	9,966	29%	12%	-2%	29%
COGS	(2,507)	(2,975)	(2,456)	(3,949)				
Gross profit	1,930	4,779	1,908	6,016	33%	18%	-1%	26%
GP margins	43.5%	61.6%	43.7%	60.4%				
Other income & gains	51	136	48	124				
S & D expenses	(1,119)	(3,157)	(1,104)	(3,735)	42%	19%	-1%	18%
S & D exp / sales	-25.2%	-40.7%	-25.3%	-37.5%				
Admin expenses	(336)	(517)	(301)	(634)	1%	31%	-10%	23%
Admin exp / sales	-7.6%	-6.7%	-6.9%	-6.4%				
Other opex	-0	-69	-22	-78				
Operating profit (EBIT)	526	1,171	529	1,693	48%	11%	1%	45%
OP margins	11.9%	15.1%	12.1%	17.0%				
Other items	(48)	(50)	(9)	(34)				
Net finance income	9	(7)	4	(22)				
Net finance income / sales	0.2%	-0.1%	0.1%	-0.2%				
Profit after financing costs	486	1,114	524	1,637				
Associated coms	0	0	0	0				
Jointly controlled coms	0	0	0	0				
Pre-tax profit	486	1,114	524	1,637	35%	8%	8%	47%
Tax	(126)	(279)	(136)	(426)				
Tax / sales	-2.8%	-3.6%	-3.1%	-4.3%				
Effective tax rate	-25.9%	-25.0%	-26.0%	-26.0%				
Minority interests	18	(26)	(4)	19				
Net profit att.	343	861	392	1,192	36%	18%	14%	39%
NP margins	7.7%	11.1%	9.0%	12.0%				

Source: Company data, CMBIS estimates

Figure 5: Earnings forecast - Full Year

Full yearly - (Mar year end) (RMB mn)				FY20	FY21E
	FY19	FY20	FY21E	YoY	YoY
Revenue	10,383	12,191	14,330	17%	18%
COGS	(4,870)	(5,482)	(6,406)		
Gross profit	5,514	6,709	7,924	22%	18%
GP margins	53.1%	55.0%	55.3%		
Other income & gains	91	187	172		
S & D expenses	(3,440)	(4,276)	(4,839)	24%	13%
S & D exp / sales	-33.1%	-35.1%	-33.8%		
Admin expenses	(729)	(853)	(935)	17%	10%
Admin exp / sales	-7.0%	-7.0%	-6.5%		
Other opex	-22	-69	-100		
Operating profit (EBIT)	1,414	1,697	2,221	20%	31%
OP margins	13.6%	13.9%	15.5%		
Other items	(43)	(98)	(43)		
Net finance income	24	1	(18)		
Net finance income / sales	0.2%	0.0%	-0.1%		
Profit after financing costs	1,394	1,600	2,161		
Associated coms	0	0	0		
Jointly controlled coms	0	0	0		
Pre-tax profit	1,394	1,600	2,161	15%	35%
Tax	(389)	(405)	(562)		
Tax / sales	-3.7%	-3.3%	-3.9%		
Effective tax rate	-27.9%	-25.3%	-26.0%		
Minority interests	24	(8)	14		
Net profit att.	981	1,203	1,585	23%	32%
NP margins	9.5%	9.9%	11.1%		

Source: Company data, CMBIS estimates

Valuation

Figure 6: 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	4.04	3.41	19%	36,707	Mar-20	22.0	19.4	3.1	2.9	12.0	1.3	3.2	
China Lilang	1234 HK	BUY	5.89	5.42	9%	6,490	Dec-19	8.6	6.8	1.5	1.3	19.8	1.8	7.9	
Jnby Design	3306 HK	BUY	9.57	8.58	12%	4,451	Jun-20	8.1	7.4	2.4	2.2	23.9	0.5	8.6	
Cosmo Lady	2298 HK	NR	n/a	1.07	n/a	2,407	Dec-19	26.5	13.2	0.8	0.8	(46.7)	(0.2)	0.0	
Mulsanne Group	709 HK	NR	n/a	1.25	n/a	1,972	Dec-19	n/a	15.6	0.9	0.8	(4.2)	n/a	4.0	
Giordano	1817 HK	NR	n/a	4.88	n/a	4,636	Dec-19	n/a	n/a	n/a	n/a	36.8	n/a	n/a	
Koradior	3709 HK	NR	n/a	16.76	n/a	11,481	Dec-19	31.6	19.1	2.9	2.7	17.0	4.8	0.8	
I.T Ltd	999 HK	NR	n/a	1.00	n/a	1,196	Feb-20	n/a	n/a	n/a	n/a	(24.9)	n/a	n/a	
Esprit Holdings	330 HK	NR	n/a	0.85	n/a	1,604	Jun-20	n/a	n/a	0.3	0.4	(84.2)	n/a	n/a	
La Chapelle	6116 HK	NR	n/a	0.50	n/a	876	Dec-19	n/a	n/a	n/a	n/a	(135.5)	n/a	n/a	
Bauhaus Intl	483 HK	NR	n/a	0.66	n/a	242	Mar-20	n/a	n/a	n/a	n/a	(27.0)	n/a	n/a	
								Avg.	19.4	13.6	1.7	1.6	(19.4)	1.6	4.1
								Med.	22.0	14.4	1.5	1.3	(4.2)	1.3	3.6
A-shares Apparel															
Ningbo Peacebird	603877 CH	NR	n/a	40.21	n/a	22,125	Dec-19	31.4	25.4	5.0	4.5	19.7	1.8	1.9	
Joeone Co Ltd	601566 CH	NR	n/a	12.05	n/a	7,992	Dec-19	27.8	25.5	1.7	1.6	6.3	14.1	2.1	
Fujian Septwolves	002029 CH	NR	n/a	5.48	n/a	4,780	Dec-19	19.3	14.7	0.7	0.6	3.6	(4.8)	1.0	
Hla Corp Ltd	600398 CH	NR	n/a	7.04	n/a	35,099	Dec-19	12.6	9.5	2.0	1.7	15.8	2.1	3.6	
Jiangsu Hongdou	600400 CH	NR	n/a	3.33	n/a	9,737	Dec-19	42.7	40.1	2.0	1.9	4.5	4.5	1.2	
Dazzle Fashion	603587 CH	NR	n/a	22.00	n/a	12,219	Dec-19	16.0	13.8	3.1	2.8	18.7	1.4	n/a	
Anzheng Fashion	603839 CH	NR	n/a	11.15	n/a	5,149	Dec-19	13.4	11.2	1.5	1.3	7.2	0.8	3.7	
Lancy Co Ltd	002612 CH	NR	n/a	8.99	n/a	4,591	Dec-19	27.2	18.3	1.3	1.2	(1.2)	0.5	0.8	
Shenzhen Huijie	002763 CH	NR	n/a	8.01	n/a	3,804	Dec-19	n/a	n/a	n/a	n/a	7.1	n/a	n/a	
Ellassay Fashion	603808 CH	NR	n/a	17.93	n/a	6,881	Dec-19	12.7	16.2	2.7	2.3	18.8	2.5	1.8	
Bobaolon Co	002776 CH	NR	n/a	7.62	n/a	4,732	Dec-19	18.6	15.2	1.6	1.5	7.4	0.7	n/a	
								Avg.	22.2	19.0	2.1	2.0	9.8	2.4	2.0
								Med.	18.9	15.7	1.8	1.7	7.2	1.6	1.9
International Apparel															
Canada Goose	GOOS US	NR	n/a	33.47	n/a	28,610	Mar-20	63.5	29.3	8.0	6.1	32.5	n/a	n/a	
Moncler Spa	MONC IM	NR	n/a	37.13	n/a	87,777	Dec-19	45.4	30.8	6.3	5.4	22.4	26.0	0.8	
Hugo Boss	BOSS GR	NR	n/a	21.71	n/a	13,985	Dec-19	n/a	13.9	1.7	1.5	(10.5)	n/a	1.2	
Ted Baker	TED LN	NR	n/a	110.80	n/a	2,063	Jan-20	n/a	15.4	1.2	1.1	(37.3)	n/a	0.0	
Next	NXT LN	NR	n/a	6134.0	n/a	82,270	Jan-20	28.8	15.3	12.5	8.5	106.9	(39.5)	0.8	
Hennes & Mauritz	HMB SS	NR	n/a	151.75	n/a	222,611	Nov-19	126.6	21.7	4.5	4.2	5.6	40.0	3.5	
Industria De Diseno	ITX SM	NR	n/a	23.31	n/a	664,771	Jan-20	48.2	22.7	5.0	4.7	14.5	25.9	2.5	
Ovs Spa	OVS IM	NR	n/a	0.87	n/a	1,798	Jan-20	n/a	7.3	0.3	0.3	(29.0)	n/a	0.0	
Pvh Corp	PVH US	NR	n/a	62.28	n/a	34,314	Feb-20	n/a	11.1	0.9	0.9	(19.3)	n/a	0.1	
Vf Corp	VFC US	NR	n/a	73.75	n/a	222,709	Mar-20	56.7	26.4	9.2	9.1	(1.3)	2.4	2.6	
Marks & Spencer	MKS LN	NR	n/a	94.48	n/a	18,618	Mar-20	17.2	7.4	0.5	0.5	0.8	0.1	0.0	
								Avg.	55.2	18.3	4.6	3.9	7.8	9.2	1.2
								Med.	48.2	15.4	4.5	4.2	0.8	14.1	0.8

Source: Bloomberg, CMBIS estimates

Financial Summary

Income statement						Cash flow summary					
YE 31 Mar (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E	YE 31 Mar (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue	10,383	12,191	14,330	16,169	18,006	EBIT	1,371	1,599	2,178	2,517	2,772
Down apparels	7,658	9,513	11,992	13,702	15,413	D & A	277	290	334	376	398
OEM management	1,368	1,611	1,370	1,438	1,510	Change in working capital	264	(487)	(284)	(232)	(235)
Ladieswear	1,194	983	901	958	1,010	Income tax paid	(295)	(497)	(562)	(648)	(718)
Diversified apparels	164	84	67	70	74	Others	(108)	328	224	219	232
Cost of goods sold	(4,870)	(5,482)	(6,406)	(7,125)	(7,867)	Net cash from operating	1,509	1,233	1,891	2,231	2,448
Gross profit	5,514	6,709	7,924	9,044	10,139	Capex & investments	(311)	(714)	(573)	(647)	(720)
Other income	91	187	172	178	198	Associated companies	(180)	1,118	(560)	-	-
Operating expenses	(4,234)	(5,297)	(5,918)	(6,705)	(7,565)	Interest received	186	129	-	-	-
D & A	(148)	(151)	(161)	(170)	(175)	Others	52	79	-	-	-
Staff costs	(1,231)	(1,346)	(1,659)	(1,843)	(2,029)	Net cash from investing	(253)	612	(1,133)	(647)	(720)
S & D costs (ex-staff, D&A)	(2,271)	(2,938)	(3,294)	(3,885)	(4,472)	Equity raised	-	-	-	-	-
Admin exp. (ex-staff, D&A)	(334)	(423)	(411)	(465)	(505)	Net change in bank loans	(589)	(552)	-	-	-
Other operating expenses	(250)	(439)	(393)	(343)	(384)	Dividend paid	(739)	(863)	(943)	(1,112)	(1,245)
EBIT	1,371	1,599	2,178	2,517	2,772	Others	(28)	1,408	(242)	(242)	(242)
Finance costs, net	24	1	(18)	(23)	(10)	Net cash from financing	(1,356)	(8)	(1,185)	(1,354)	(1,487)
JVs & associates	-	-	-	-	-	Net change in cash	(99)	1,837	(427)	231	241
Exceptional	-	-	-	-	-	Beginning cash balance	1,794	1,754	3,639	3,212	3,443
Pre-tax profit	1,394	1,600	2,161	2,493	2,762	Exchange difference	60	47	-	-	-
Income tax	(389)	(405)	(562)	(648)	(718)	Cash at the end of the year	1,754	3,639	3,212	3,443	3,683
Less: Minority interests	24	(8)	14	49	54						
Net profit	981	1,203	1,585	1,797	1,990						

Balance sheet						Key ratios					
YE 31 Mar (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E	YE 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
Non-current assets	3,945	4,909	5,708	5,979	6,302	Sales mix (%)					
Fixed asset	1,024	1,390	1,742	2,126	2,562	Down apparels	73.7	78.0	83.7	84.7	85.6
Intangible assets & goodwill	1,800	1,654	1,542	1,429	1,316	OEM management	13.2	13.2	9.6	8.9	8.4
Prepaid lease payments	51	99	659	659	659	Ladieswear	11.5	8.1	6.3	5.9	5.6
Interest in joint ventures	-	-	-	-	-	Diversified apparels	1.6	0.7	0.5	0.4	0.4
Other non-current assets	1,069	1,765	1,765	1,765	1,765	Total	100.0	100.0	100.0	100.0	100.0
Current assets	11,138	12,470	12,883	13,798	14,735	P&L ratios (%)					
Cash and cash equivalents	1,754	3,639	3,212	3,443	3,683	Gross margin	53.1	55.0	55.3	55.9	56.3
Inventories	1,931	2,726	3,185	3,543	3,912	Operating margin	13.2	13.1	15.2	15.6	15.4
Trade and other receivables	1,642	1,959	2,302	2,598	2,893	Pre-tax margin	13.4	13.1	15.1	15.4	15.3
Prepayments	313	209	245	277	308	Net margin	9.5	9.9	11.1	11.1	11.1
Other current assets	5,498	3,937	3,937	3,937	3,937	Effective tax rate	27.9	25.3	26.0	26.0	26.0
Current liabilities	4,796	4,690	5,246	5,699	6,160	Balance sheet ratios					
Bank loans	1,628	818	818	818	818	Current ratio (x)	2.3	2.7	2.5	2.4	2.4
Trade payables	1,216	1,830	2,138	2,378	2,626	Quick ratio (x)	1.9	2.1	1.8	1.8	1.8
Accruals & other payables	1,484	1,412	1,659	1,872	2,085	Cash ratio (x)	0.4	0.8	0.6	0.6	0.6
Tax payables	463	365	365	365	365	Inventory turnover days	145	181	181	181	181
others	6	266	266	266	266	Trade receivables days	58	59	59	59	59
Non-current liabilities	178	2,286	2,286	2,286	2,286	Trade payables days	91	122	122	122	122
Bank loans	-	-	-	-	-	Total debt / total equity ratio (%)	16	24	23	22	20
Deferred income	-	-	-	-	-	Net debt / equity ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Deferred tax	173	140	140	140	140	Returns (%)					
Others	5	2,146	2,146	2,146	2,146	ROE	9.9	11.8	14.6	15.6	16.2
Minority Interest	210	189	203	252	306	ROA	6.5	6.9	8.5	9.1	9.5
Total net assets	9,899	10,214	10,855	11,540	12,285	Per share					
Shareholders' equity	9,899	10,214	10,855	11,540	12,285	EPS (Rmb)	0.09	0.11	0.14	0.16	0.18
						DPS (Rmb)	0.07	0.08	0.10	0.11	0.12
						BVPS (Rmb)	0.94	0.96	1.01	1.08	1.15

Source: Company data, CMBIS estimates

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