

China / Hong Kong Company Update

Zijin Mining

Version 1 | Bloomberg: 2899 HK EQUITY | 601899 CH Equity | Reuters: 2899.HK | 601899.SS

Refer to important disclosures at the end of this report

DBS Group Research . Equity

25 Aug 2020

H: BUY

Last Traded Price (H) (24 Aug 2020):HK\$5.21(HSI : 25,552)
Price Target 12-mth (H):HK\$5.90 (13.2% upside) (Prev HK\$5.10)

A: HOLD

Last Traded Price (A) (24 Aug 2020):RMB6.70(CSI300 Index : 4,756)
Price Target 12-mth (A):RMB6.40 (4.5% downside) (Prev RMB5.80)

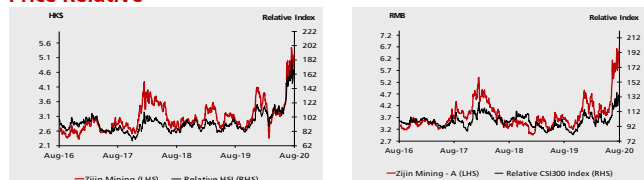
Analyst

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What's New

- 2Q20 results above our expectations; record-high quarterly results
- Strong results supported by copper/gold sales volume growth and higher gold prices
- Brighter outlook for 2H20 backed by strong metal prices; revised up FY20F EPS
- Raise TPs for A-/H-shares to RMB6.4/HK\$5.9; maintain HOLD call for A-share and BUY call for H-share

Price Relative



Forecasts and Valuation (H Shares)

FY Dec (RMBm)	2018A	2019A	2020F	2021F
Turnover	105,994	136,098	157,200	168,504
EBITDA	10,824	14,528	15,288	17,625
Pre-tax Profit	6,130	6,974	7,706	9,838
Net Profit	4,094	4,284	4,733	6,043
Net Pft (Pre Ex) (core profit)	4,094	4,284	4,733	6,043
Net Profit Gth (Pre-ex) (%)	16.7	4.6	10.5	27.7
EPS (RMB)	0.18	0.18	0.19	0.23
EPS (HK\$)	0.20	0.21	0.21	0.25
EPS Gth (%)	13.7	3.5	1.4	20.7
Diluted EPS (HK\$)	0.20	0.21	0.21	0.25
DPS (HK\$)	0.10	0.11	0.11	0.11
BV Per Share (HK\$)	1.97	2.26	2.36	2.62
PE (X)	26.2	25.3	24.9	20.7
P/Cash Flow (X)	10.5	10.2	11.4	9.4
P/Free CF (X)	38.4	nm	27.4	18.5
EV/EBITDA (X)	13.1	10.2	10.9	9.5
Net Div Yield (%)	1.9	2.1	2.1	2.1
P/Book Value (X)	2.6	2.3	2.2	2.0
Net Debt/Equity (X)	0.6	0.6	0.6	0.4
ROAE(%)	10.9	9.3	9.1	10.4

Earnings Rev (%): 7.8 4.8
Consensus EPS (RMB) 0.20 0.30
Other Broker Recs: B:19 S:1 H:1

Source of all data on this page: Company, DBS Bank (Hong Kong) Limited ("DBS HK"), Thomson Reuters

Strong metal prices forge firmer outlook

Investment Thesis

Raise TP on higher copper and gold prices. We raise our target prices (TPs) for A- and H-shares to RMB6.4 and HK\$5.9 respectively, and maintain our HOLD call on A-share and BUY call on H-share. This is following upward revisions to our FY20F/FY21F EPS forecasts by 7.8%/4.8% respectively, after raising forecasts for copper and gold prices and factoring in strong 2Q20 results. We raise our copper/gold price forecasts for 2020 by 3%/2% to US\$5,820/ton/US\$1,742/oz.

Zijin registered record-high quarterly results, thanks to copper sales volume growth and higher gold ASP. We expect Zijin to post a record-breaking quarterly operating profit in 3Q20 backed by strong copper and gold prices as copper and gold prices are expected to increase 16% and 11% q-o-q respectively. Also, its M&As of Tibet Julong Copper, Guyana Goldfields and Continental Gold, which are expected to expand its copper/gold resources by 18%/28% y-o-y in 2020, would enhance the company's long-term growth outlook.

Potential catalysts: Higher metal prices. Higher gold prices backed by ample liquidity, low interest rate and economic uncertainty, and higher copper prices from (i) demand growth, particularly in China, and (ii) supply disruptions are potential catalysts.

Valuation:

Our TP for its A-share is derived from DCF model using 8.1% WACC and 2% terminal growth rate. Our TP for its H-share is derived by factoring in a 15% discount to its A-share to account for its historical discounted trading. Our TP implies 28x PE and 2.5x P/BV based on 2020 earnings forecast.

Where we differ:

Less concerns on financial burden. Despite aggressive M&As, we are less concerned on its financial burden given the strong support from major shareholders and its financing capability from the recent issuance of RMB6bn worth of A-share convertible bonds.

Key Risks to Our View:

Volatility in metal prices, mine exploration and project execution risks, geopolitical risks and financial burden arising from M&As.

At A Glance

Issued Capital - H shares (m shs)	5,737
- Non H shrs (m shs)	19,222
H shs as a % of Total	23
Total Mkt Cap (HK\$m/US\$m)	174,132 / 22,468
Major Shareholders (%)	
MinxiXinghang State-owned Inv. & Operation Co., Ltd.	31.0
Major H Shareholders (As % of H shares)	
Van Eck Associates Corporation	6.0
H Shares-Free Float (%)	94.0
3m Avg. Daily Val. (US\$m)	33.54
GICS Industry: Materials / Metals & Mining	



Live more, Bank less

WHAT'S NEW

Record-high quarterly results prove our optimism

2Q20 results above our expectations; record-high quarterly results... Zijin registered RMB47bn revenue (+23.1% y-o-y, +29.9% q-o-q) and RMB3.23bn operating profit (+62.5% y-o-y, +59.3% q-o-q) in 2Q20 which is a record-high set of quarterly results, beating our initial expectations. Thanks to the strong operating results, the group's 2Q20 net profit soared to RMB1.38bn, up by 41% y-o-y and 33% q-o-q, despite posting a RMB105m loss from fixed asset write-off.

... supported by strong copper sales volume and higher gold prices. The strong results are attributable to i) strong sales volume growth of mined copper (+33.5% y-o-y) and refined copper (+30.1% y-o-y) backed by production ramp-up in Duobaoshan copper mine, and ii) whopping 53% gross margins or RMB1.8bn gross profit from mined gold following 30.6% y-o-y ASP hikes in 2Q20. With copper prices rebounding since May, gross profits in mined copper and refined copper grew 21.5% and 432.5% y-o-y to RMB1.6bn and RMB328m respectively. As a result, gold and copper contributed 38% and 37% to the group's gross profit in 2Q20, respectively.

Brighter outlook for 2H20 earnings supported by strong metal prices; revised up FY20F EPS. We expect Zijin to post a record-breaking quarterly operating profit in 3Q20 backed by strong copper and gold prices which are expected to increase 16% and 11% respectively q-o-q. According to our sensitivity analysis, 1% copper and gold price hikes will increase Zijin's EPS by 2.1% and 1.9% respectively. We revise up our FY20F/FY21F EPS by 7.8% and 4.8% respectively after raising our copper and gold price forecasts by 3%/2% to US\$5,820/ton/US\$1,742/oz and factoring in strong 2Q20 results.

Raise TPs for A- and H- shares while maintaining HOLD call for A-share and BUY call for H-share. Accordingly, we raise our TPs for A- and H-shares to RMB6.4 and HK\$5.6 respectively and retain HOLD call for A-share and BUY call for H-share. Our TP for its A-share is derived from DCF model using 8.1% WACC and 2% terminal growth rate. Our TP for its H-share is derived by factoring in a 15% discount to its A-share to account for its historical discounted trading. Our TP implies 28x PE and 2.5x P/BV based on 2020 earnings forecast.

Promising outlook for long-term growth. Recently, the company announced two major M&A plans for copper and gold mining companies: i) a 50.1% stake in Tibet Julong Copper for RMB3.9bn (c. US\$550m), adding c.18% to Zijin's copper resources; ii) a 100% stake in Guyana Goldfield for RMB1.7bn (c. US\$241m), which has 69.7 tons of reserves and 178 tons of resources for gold or c.9% of Zijin's gold resources in 2019. Along with addition of Continental Gold's Buritica mine, Zijin is expected to expand its gold resources by 28% y-o-y in 2020. We are optimistic on its long-term growth potential from its capability of turning around the acquired loss-making mines fast and further M&As based on its track record.

Quarterly Income Statement (RMBm)

FY Dec	2Q2019	1Q2020	2Q2020	% chg yoy	% chg qoq
Revenue	38,156	36,162	46,980	23.1	29.9
Cost of Goods Sold	(34,321)	(32,237)	(41,780)	nm	nm
Gross Profit	3,835	3,925	5,201	35.6	32.5
Other Oper. (Exp)/Inc	(1,849)	(1,900)	(1,975)	nm	nm
Operating Profit	1,986	2,025	3,226	62.5	59.3
Other Non Opg (Exp)/Inc	34.9	(4.7)	(261)	nm	nm
Associates & JV Inc	4.73	21.3	67.9	1,335.7	219.2
Net Interest (Exp)/Inc	(445)	(470)	(449)	nm	nm
Exceptional Gain/(Loss)	0.0	0.0	0.0	nm	nm
Pre-tax Profit	1,609	1,810	2,285	42.0	26.2
Tax	(420)	(483)	(520)	nm	nm
Minority Interest	(210)	(286)	(383)	nm	nm
Net Profit	979	1,040	1,381	41.0	32.8
Net profit bef Except.	979	1,040	1,381	41.0	32.8
EBITDA	2,758	3,671	4,468	62.0	21.7
Margins (%)					
Gross Margins	10.1	10.9	11.1		
Opg Profit Margins	5.2	5.6	6.9		
Net Profit Margins	2.6	2.9	2.9		

Source: Company, DBS HK

Quarterly Segment Breakdown

FY Dec	2Q2019	1Q2020	2Q2020	% chg yoy	% chg qoq
Revenue (RMB m)					
Mine-produced gold	2,545	3,367	3,326	30.7	-1.2
Refinery and processed gold	22,593	22,780	29,516	30.6	29.6
Mine-produced silver	135	164	197	45.9	20.3
Mine-produced copper	3,222	3,760	3,882	20.5	3.2
Refinery copper	4,888	5,633	5,825	19.2	3.4
Mine-produced zinc	971	580	692	-28.7	19.4
Refinery zinc	1,036	640	903	-12.8	41.2
Total	35,390	36,923	44,341	25.3	20.1
Sales volume					
Mine-produced gold (kg)	9,179	9,901	9,188	0.1	-7.2
Refinery and processed gold (kg)	77,816	64,121	76,788	-1.3	19.8
Mine-produced silver (kg)	56,316	63,718	78,903	40.1	23.8
Mine-produced copper (tons)	88,193	110,774	117,776	33.5	6.3
Refinery copper (tons)	115,325	140,507	150,011	30.1	6.8
Mine-produced zinc (tons)	93,653	84,240	85,778	-8.4	1.8
Refinery zinc (tons)	55,268	43,488	61,544	11.4	41.5
ASP					
Mine-produced gold (RMB/g)	277.3	340.1	362.0	30.6	6.5
Refinery and processed gold (RMB/g)	290.3	355.3	384.4	32.4	8.2
Mine-produced silver (RMB/g)	2.4	2.6	2.5	4.1	-2.8
Mine-produced copper (RMB/ton)	36,535.2	33,947.1	32,963.3	-9.8	-2.9
Refinery copper (RMB/ton)	42,381.5	40,094.0	38,827.9	-8.4	-3.2
Mine-produced zinc (RMB/ton)	10,370.4	6,881.0	8,068.6	-22.2	17.3
Refinery zinc (RMB/ton)	18,741.1	14,707.0	14,672.8	-21.7	-0.2
Gross profit (RMB m)					
Mine-produced gold	911	1,674	1,762	93.4	5.2
Refinery and processed gold	119	144	204	71.4	41.1
Mine-produced silver	42	78	90	111.8	14.7
Mine-produced copper	1,318	1,636	1,601	21.5	-2.2
Refinery copper	62	96	328	432.5	242.0
Mine-produced zinc	360	44	118	-67.1	167.2
Refinery zinc	89	13	104	16.8	724.9
Total	2,901	3,686	4,206	45.0	14.1
Gross margins (%)					
Mine-produced gold	35.8	49.7	53.0		
Refinery and processed gold	0.5	0.6	0.7		
Mine-produced silver	31.4	47.9	45.6		
Mine-produced copper	40.9	43.5	41.2		
Refinery copper	1.3	1.7	5.6		
Mine-produced zinc	37.1	7.6	17.1		
Refinery zinc	8.6	2.0	11.5		

Source: Company, DBS HK

Zijin Mining's copper and gold resources and production volume

	2017	2018	2019	2020F	y-o-y
Gold					
Resources (tons)	1,320	1,728	1,887	2,417	28.1%
Production volume (tons)	37.5	36.5	40.8	40.0	-2.0%
Copper					
Resources (k tons)	31,475	49,521	57,254	67,663	18.2%
Production volume (k tons)	208	249	370	396	7.0%

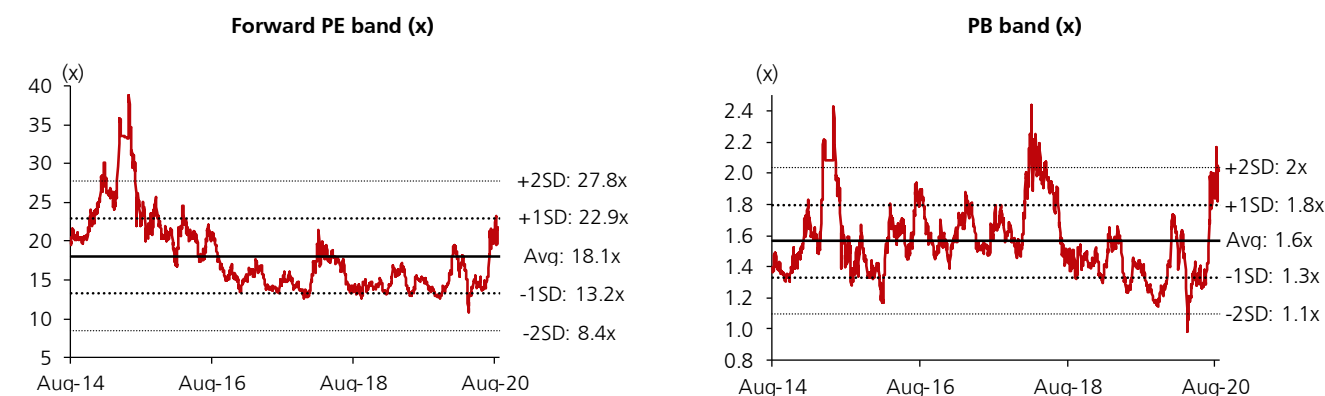
Source: Company, DBS HK

Zijin Mining DCF valuation

DCF Valuation		(RMBm)	
Risk free rate	1.5%	PV of forecast cash flows (2020-28)	49,566
Beta	1.1	PV of forecast cash flows (2029-perpetuity)	134,558
Market risk premium	8.5%	less: weighted average net debt	34,008
Pre-tax cost of debt	5.0%	less: unfunded pension liabilities	449
Cost of equity	11.1%	add: net investments / associates	13,324
Target debt/value ratio	40.0%	less: minority interests	777
Target equity/value ratio	60.0%	Total Valuation	162,214
WACC	8.1%	NPV / share	
Terminal growth rate	2.0%	A-share	RMB6.4
		H-share (15% discount to A-share)	HK\$5.9

Source: Company, DBS HK

Historical PE and PB band



Source: Bloomberg Finance L.P. DBS HK

Key Assumptions

FY Dec	2017A	2018A	2019A	2020F	2021F
Mined gold sales volume(ton)	37.4	36.1	39.2	40.0	40.0
Mined copper sales volume(k ton)	208.2	249.5	371.1	395.9	463.2
Refined copper sales volume(k ton)	431.2	436.0	501.2	599.6	635.6
Gold prices(US\$/oz)	1,258.0	1,269.1	1,393.4	1,741.8	1,776.6
LME Copper prices(US\$/ton)	6,166.0	6,523.0	6,000.0	5,819.7	5,994.3

Source: Company, DBS HK

Segmental Breakdown (RMB m)

FY Dec	2017A	2018A	2019A	2020F	2021F
Revenues (RMB m)					
Mine-produced gold	9,320	9,108	11,634	14,840	15,137
Refinery and processed gold	48,437	55,600	80,824	95,978	97,898
Mine-produced silver	603	505	658	649	701
Mine-produced copper	7,163	8,820	13,143	13,602	16,392
Refinery copper	18,061	18,964	20,898	24,252	26,479
Mine-produced zinc	4,067	4,012	3,889	2,110	2,681
Total	94,549	105,994	136,098	157,200	168,504
Gross Profit (RMB m)					
Mine-produced gold	3,164	2,857	4,865	7,864	8,091
Refinery and processed gold	268	141	447	837	853
Mine-produced silver	236	123	281	322	374
Mine-produced copper	3,625	4,405	5,444	5,552	6,832
Refinery copper	1,008	672	673	660	971
Mine-produced zinc	2,714	2,621	1,477	147	369
Total	13,177	13,343	15,515	17,201	19,453
Gross Profit Margins (%)					
Mine-produced gold	34.0	31.4	41.8	53.0	53.4
Refinery and processed gold	0.6	0.3	0.6	0.9	0.9
Mine-produced silver	39.1	24.3	42.7	49.6	53.3
Mine-produced copper	50.6	49.9	41.4	40.8	41.7
Refinery copper	5.6	3.5	3.2	2.7	3.7
Mine-produced zinc	66.7	65.3	38.0	7.0	13.8
Total	13.9	12.6	11.4	10.9	11.5

Source: Company, DBS HK

Income Statement (RMB m)

FY Dec	2017A	2018A	2019A	2020F	2021F
Revenue	94,549	105,994	136,098	157,200	168,504
Cost of Goods Sold	(81,372)	(92,651)	(120,583)	(139,999)	(149,050)
Gross Profit	13,177	13,343	15,515	17,201	19,453
Other Opng (Exp)/Inc	(6,293)	(6,968)	(6,841)	(8,049)	(8,398)
Operating Profit	6,884	6,375	8,675	9,152	11,055
Other Non Opg (Exp)/Inc	(459)	(81)	(307)	(300)	(100)
Associates & JV Inc	(29)	373	96	96	96
Net Interest (Exp)/Inc	(2,013)	(1,225)	(1,428)	(1,800)	(1,829)
Dividend Income	185	687	(62)	557	615
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	4,568	6,130	6,974	7,706	9,838
Tax	(1,320)	(1,448)	(1,913)	(2,114)	(2,699)
Minority Interest	260	(589)	(777)	(858)	(1,096)
Preference Dividend	0	0	0	0	0
Net Profit	3,508	4,094	4,284	4,733	6,043
Net Profit before Except.	3,508	4,094	4,284	4,733	6,043
EBITDA	11,211	10,824	14,528	15,288	17,625
Growth					
Revenue Gth (%)	19.9	12.1	28.4	15.5	7.2
EBITDA Gth (%)	24.8	(3.5)	34.2	5.2	15.3
Opg Profit Gth (%)	41.4	(7.4)	36.1	5.5	20.8
Net Profit Gth (%)	90.7	16.7	4.6	10.5	27.7
Margins & Ratio					
Gross Margins (%)	13.9	12.6	11.4	10.9	11.5
Opg Profit Margin (%)	7.3	6.0	6.4	5.8	6.6
Net Profit Margin (%)	3.7	3.9	3.1	3.0	3.6
ROAE (%)	11.2	10.9	9.3	9.1	10.4
ROA (%)	3.9	3.6	3.5	3.5	4.1
ROCE (%)	2.1	3.1	2.7	2.5	3.3
Div Payout Ratio (%)	59.1	50.6	59.2	53.6	44.4
Net Interest Cover (x)	3.4	5.2	6.1	5.1	6.0

Source: Company, DBS HK

Interim Income Statement (RMB m)

FY Dec	1H2018	2H2018	1H2019	2H2019	1H2020
Revenue	49,814	56,180	67,198	68,900	83,142
Cost of Goods Sold	(42,717)	(49,935)	(59,642)	(60,940)	(74,016)
Gross Profit	7,097	6,245	7,556	7,959	9,126
Other Oper. (Exp)/Inc	(2,787)	(4,168)	(3,548)	(3,293)	(3,875)
Operating Profit	4,310	2,078	4,008	4,666	5,251
Other Non Opg (Exp)/Inc	3	(55)	(176)	(92)	(265)
Associates & JV Inc	(28)	401	11	85	89
Net Interest (Exp)/Inc	(660)	(594)	(851)	(616)	(918)
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	3,781	2,362	3,040	3,935	4,095
Tax	(712)	(735)	(800)	(1,113)	(1,004)
Minority Interest	(542)	(47)	(386)	(391)	(670)
Net Profit	2,526	1,580	1,853	2,431	2,421
Net profit bef Except.	2,526	1,580	1,853	2,431	2,421
Growth					
Revenue Gth (%)	32.8	(1.5)	34.9	22.6	23.7
Opg Profit Gth (%)	24.9	(39.5)	(7.0)	124.6	31.0
Net Profit Gth (%)	67.8	(21.1)	(26.6)	53.8	30.6
Margins					
Gross Margins (%)	14.2	11.1	11.2	11.6	11.0
Opg Profit Margins (%)	8.7	3.7	6.0	6.8	6.3
Net Profit Margins (%)	5.1	2.8	2.8	3.5	2.9

Source: Company, DBS HK

Quarterly Income Statement (RMB m)

FY Dec	2Q2019	3Q2019	4Q2019	1Q2020	2Q2020
Revenue	38,156	34,429	34,471	36,162	46,980
Cost of Goods Sold	(34,321)	(30,459)	(30,481)	(32,237)	(41,780)
Gross Profit	3,835	3,969	3,990	3,925	5,201
Other Oper. (Exp)/Inc	(1,849)	(1,837)	(1,456)	(1,900)	(1,975)
Operating Profit	1,986	2,132	2,534	2,025	3,226
Other Non Opg (Exp)/Inc	35	22	(153)	(5)	(261)
Associates & JV Inc	5	44	41	21	68
Net Interest (Exp)/Inc	(445)	(365)	(212)	(470)	(449)
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	1,609	1,822	2,113	1,810	2,285
Tax	(420)	(486)	(627)	(483)	(520)
Minority Interest	(210)	(184)	(207)	(286)	(383)
Net Profit	979	1,152	1,278	1,040	1,381
Net profit bef Except.	979	1,152	1,278	1,040	1,381
EBITDA	4,287	4,287	4,689	3,671	4,468

Growth (QoQ)

Revenue Gth (%)	31.4	(9.8)	0.1	4.9	29.9
EBITDA Gth (%)	(1.3)	55.4	9.4	(21.7)	21.7
Opg Profit Gth (%)	(1.8)	7.4	18.9	(20.1)	59.3
Net Profit Gth (%)	11.9	17.7	10.9	(18.6)	32.8

Growth (YoY)

Revenue Gth (%)	41.6	30.6	15.6	24.5	23.1
EBITDA Gth (%)	(2.5)	77.6	116.0	31.4	62.0
Opg Profit Gth (%)	6.8	83.8	176.2	0.1	62.5
Net Profit Gth (%)	(31.5)	71.7	40.6	18.9	41.0

Margins

Gross Margins (%)	10.1	11.5	11.6	10.9	11.1
Opg Profit Margins (%)	5.2	6.2	7.4	5.6	6.9
Net Profit Margins (%)	2.6	3.3	3.7	2.9	2.9

Source: Company, DBS HK

Balance Sheet (RMB m)

FY Dec	2017A	2018A	2019A	2020F	2021F
Net Fixed Assets	33,433	39,500	44,856	46,370	47,912
Invts in Associates & JVs	6,797	7,042	6,924	12,924	14,924
Other LT Assets	20,410	35,889	43,456	44,141	44,062
Cash & ST Invts	5,936	10,090	6,225	7,730	15,281
Inventory	11,090	12,670	14,887	17,284	18,401
Debtors	2,812	1,010	2,263	2,613	2,801
Other Current Assets	8,837	6,679	5,220	5,718	5,718
Total Assets	89,315	112,879	123,831	136,781	149,100
ST Debt	9,856	15,617	14,441	16,000	16,000
Creditors	4,396	4,701	4,803	5,576	5,937
Other Current Liab	14,541	16,905	14,119	14,926	15,454
LT Debt	20,378	21,797	25,793	29,293	30,793
Other LT Liabilities	2,501	6,585	7,596	7,314	6,314
Shareholder's Equity	35,000	40,455	51,186	53,382	62,740
Minority Interests	2,643	6,818	5,894	10,291	11,863
Total Cap. & Liab.	89,315	112,879	123,831	136,781	149,100
Non-Cash Wkg. Capital	3,801	(1,248)	3,448	5,112	5,529
Net Cash/(Debt)	(24,298)	(27,324)	(34,008)	(37,562)	(31,512)
Debtors Turn (avg days)	10.9	3.5	6.1	6.1	6.1
Creditors Turn (avg days)	20.8	19.5	15.3	15.2	15.2
Inventory Turn (avg days)	52.5	52.4	47.4	47.1	47.1
Asset Turnover (x)	1.1	0.9	1.1	1.1	1.1
Current Ratio (x)	1.0	0.8	0.9	0.9	1.1
Quick Ratio (x)	0.3	0.3	0.3	0.3	0.5
Net Debt/Equity (X)	0.6	0.6	0.6	0.6	0.4
Net Debt/Equity ex MI (X)	0.7	0.7	0.7	0.7	0.5
Capex to Debt (%)	16.3	19.9	29.0	13.4	14.0
Z-Score (X)	NA	NA	NA	NA	NA

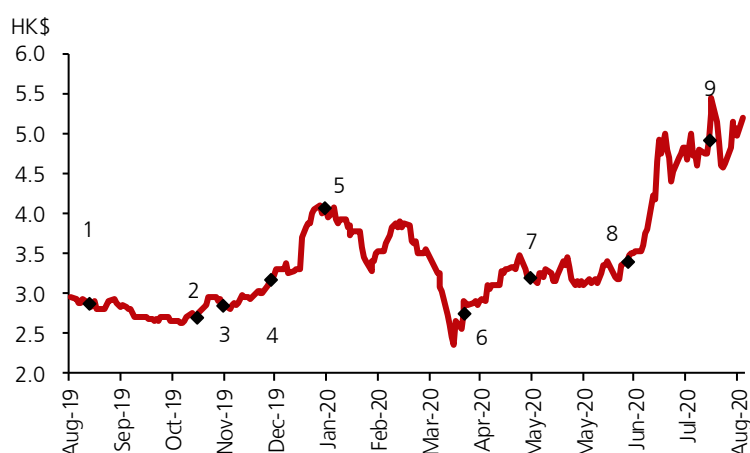
Source: Company, DBS HK

Cash Flow Statement (RMB m)

FY Dec	2017A	2018A	2019A	2020F	2021F
Pre-Tax Profit	4,568	6,130	6,974	7,706	9,838
Dep. & Amort.	4,327	4,449	5,853	6,136	6,570
Tax Paid	(1,320)	(1,448)	(1,913)	(2,114)	(2,699)
Assoc. & JV Inc/(loss)	29	(373)	(96)	(96)	(96)
(Pft)/ Loss on disposal of FAs	0	0	0	0	0
Chg in Wkg. Cap.	(7,823)	(6,190)	(780)	(1,339)	(416)
Other Operating CF	9,983	7,664	628	96	96
Net Operating CF	9,764	10,233	10,666	10,389	13,293
Capital Exp.(net)	(4,942)	(7,445)	(11,687)	(6,079)	(6,531)
Other Invts.(net)	351	145	(1,252)	(1,826)	(1,826)
Invts in Assoc. & JV	263	(7,854)	(107)	(6,000)	(2,000)
Div from Assoc & JV	0	0	0	0	0
Other Investing CF	(1,620)	1,514	(1,058)	0	300
Net Investing CF	(5,948)	(13,640)	(14,103)	(13,905)	(10,057)
Div Paid	(3,188)	(4,595)	(5,491)	(2,538)	(2,685)
Chg in Gross Debt	(5,708)	15,710	(688)	7,559	2,000
Capital Issues	0	0	0	0	6,000
Other Financing CF	6,223	(3,460)	5,853	0	(1,000)
Net Financing CF	(2,674)	7,655	(326)	5,021	4,315
Currency Adjustments	(101)	(69)	(84)	0	0
Chg in Cash	1,041	4,178	(3,847)	1,505	7,551
Opg CFPS (RMB)	0.78	0.71	0.49	0.46	0.51
Free CFPS (RMB)	0.21	0.12	(0.04)	0.17	0.25

Source: Company, DBS HK

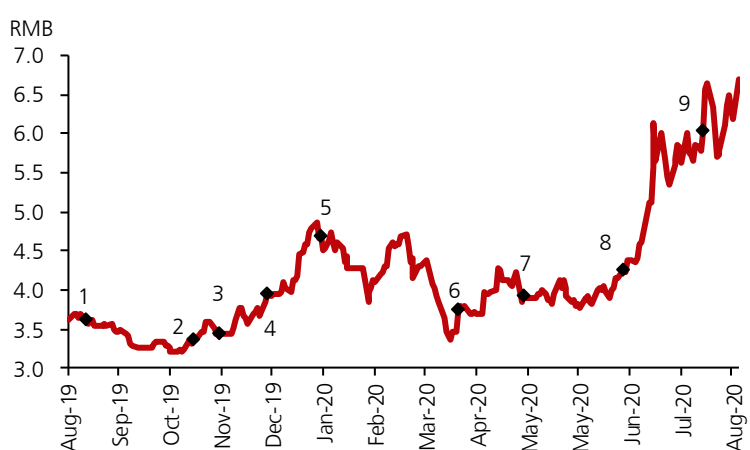
H Share - Target Price & Ratings History



Source: DBS HK

Analyst: LEE Eun Young

A Share - Target Price & Ratings History



Source: DBS HK

Analyst: LEE Eun Young

DBS HK recommendations are based on an Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

**Share price appreciation + dividends*

Completed Date: 25 Aug 2020 07:29:38 (HKT)

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Sources for all charts and tables are DBS HK unless otherwise specified.

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