

What's Hot Today:

► Geely (0175.HK) – 2023 results beat, targeting on 1.9mn sales for 2024

-2H23 revenue +18% YoY (sales vol +21%) with improved gross margin of 15.9%

-Volume growth will be key driver for profitability improvement

Better than expected results. Geely 2023 revenue reached RMB179.2bn (+15% YoY) and a net profit of RMB5.3bn (+1% YoY), better than expected. In 2H23, its revenue stood at RMB13.1bn (+18% YoY) and a net profit of RMB3.7bn (+1% YoY). The revenue growth was mainly driven by volume increase. In 2H23, Geely sold 992k cars (+21% YoY).

Gross profit margin improved. Geely's 2H23 gross margin was 15.9% (+2.1pp YoY), thanks to 1) economies of scale, 2) cost reduction measures. However, due to rise of selling expenses (+1.2pp) and admin expense (+0.7pp), OPM of 2H23 ended at 2.5% (+0.2pp YoY).

2024 guidance: The Mgt gives a delivery guidance of 1.9mn units in 2024 (+13% YoY) and 66% growth for EVs. The growth will come from new model launches in 2024. The company plans to launch 3 models for each brand (Geely/Zeeker/LYNK). In 2M24, Geely sold 320k cars, (+55% YoY), for a strong start in 2024.

Our view: Geely has successfully went through the electrification process. In 2023, Geely sold 487k NEVs (+48% YoY, ~29% of total sales). For overseas markets, it recorded a rapid growth as it sold 274k cars in 2023 (+38% YoY, ~16% of total sales). We believe the volume increase will continue to drive company's topline. Also, we think its profitability will continue to improve backed by 1) scalability, 2) lucrative overseas markets, 3) profit contribution from Zeeker brand. The near-term catalysts will be its sales volume. The company is trading at 11.4x FY24 P/E.

Risks: 1) weaker-than-expected sales; 2) cost hikes. (Research Department)

China & HK Indices	CLOSE	1D	YTD
HSI	16,543	0.1%	-3.0%
HSCBI	5,803	0.4%	0.6%
HSCCI	3,485	-0.1%	4.0%
CSI300	3,585	0.2%	4.5%
Shanghai A	3,228	0.6%	12.0%
Shanghai B	259	-0.7%	12.0%
Shenzhen A	1,889	0.6%	-1.7%
Shenzhen B	1,085	0.2%	0.4%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	39,512	1.0%	4.8%
S&P 500	5,224	0.9%	9.5%
Nasdaq	16,369	1.3%	9.0%
NIKKEI Index	40,529	1.3%	21.1%
FTSE Index	7,737	-0.0%	0.1%
CAC Index	8,161	-0.5%	8.2%
DA-X Index	18,015	0.2%	7.5%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	2,186	1.3%	6.5%
STEEL (US\$/oz.)	2,126	2.6%	-4.4%
SILVER (US\$/oz.)	25	2.7%	7.6%
CRUDE OIL (US\$/bbl)	81	-9.6%	14.0%
COPPER (US\$/oz.)	8,928	-1.8%	4.3%
ALUMINIUM (US\$/oz.)	2,273	-0.2%	-4.7%
PLATINUM (US\$/oz.)	909	1.4%	-7.8%
ZINC (US\$/oz.)	2,508	-0.9%	-5.6%
WHEAT (US\$/bu)	545	-1.4%	-12.5%
CORN (US\$/bu)	439	-0.1%	-8.0%
SUGAR (US\$/lb)	N/A	N/A	N/A
SOYBEAN (US\$/bu)	1,209	2.0%	-6.3%
PVC (US\$/t)	N/A	N/A	11.7%
CRB	285	-0.6%	3.0%
BDI			14.2%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.823	0.916	151.260	0.887	7.198
HKD	0.128		0.117	19.336	11.336	0.920
EUR	1.092	8.544		165.210	1.032	7.856
JPY	0.007	5.172	0.605		0.586	0.048
CHF	1.128	8.821	1.032	170.565		8.116
RMB	0.139	1.087	0.127	20.952	0.123	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	13	-5.2%

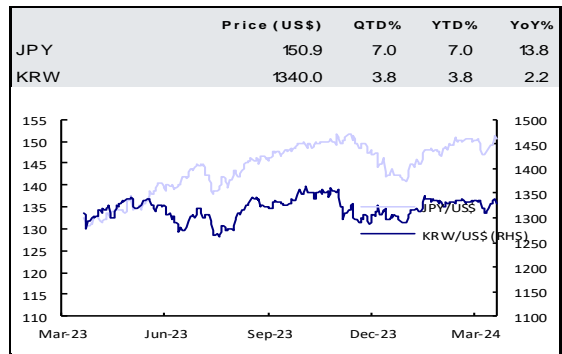
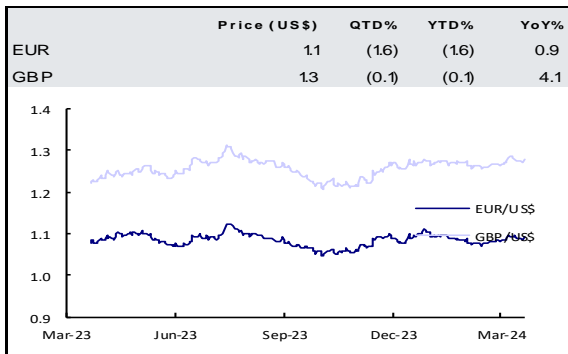
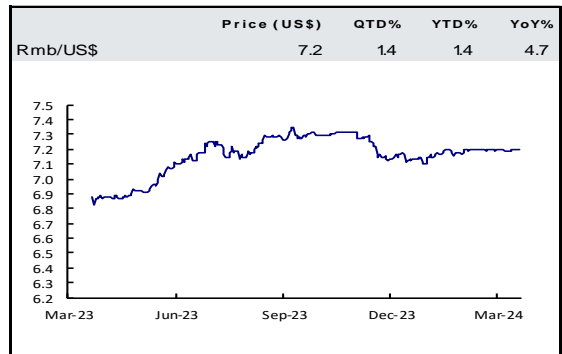
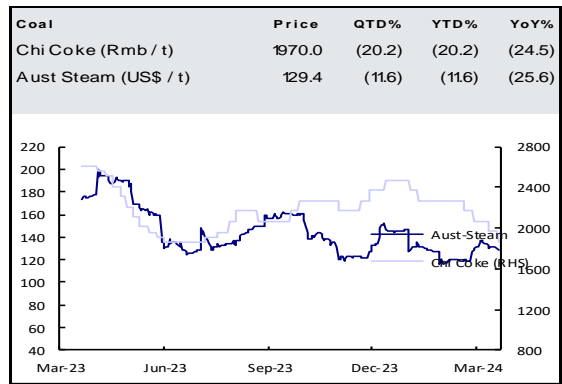
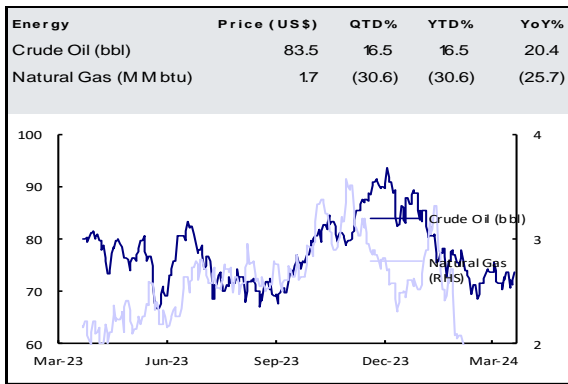
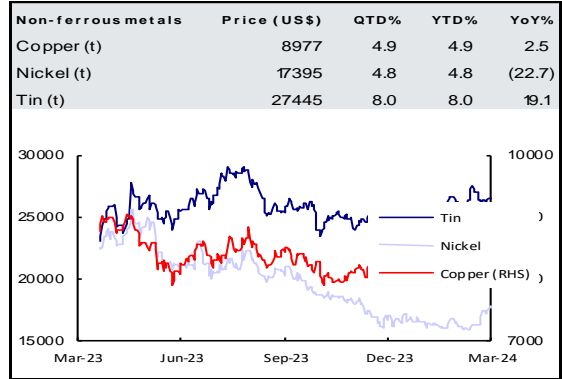
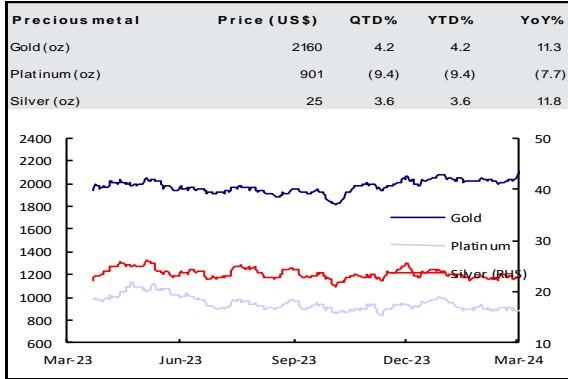
Source: Bloomberg

Latest Research Reports		
Date	Company	Analyst
29/02/2024	Xinyi Solar (968.HK)	Research Department
29/02/2024	Xinyi Energy (3868.HK)	Research Department
26/02/2024	Conant Optical (2276.HK)	Research Department
05/01/2024	Aeon Credit (900.HK)	Ensley Liu
13/10/2023	Aeon Credit (900.HK)	Howard Wong
17/04/2023	Xtep International (1368.HK)	Eason Cui
14/04/2023	Perfect Medical (1830.HK)	Research Department
03/04/2023	Meidong Auto (1268.HK)	Eason Cui
31/03/2023	Prosperous Industrial (1731.HK)	Research Department
28/03/2023	Yongda (3669.HK)	Eason Cui
17/03/2023	361 Degrees (1361.HK)	Eason Cui
13/03/2023	DONGFANG ELECTRIC (1072.HK)	Eason Cui
01/03/2023	Xinyi Energy (3868.HK)	Eason Cui
28/02/2023	Xinyi Glass (868.HK)	Ken Li
13/02/2023	Auto monthly update	Eason Cui
10/02/2023	Yuexiu Property (123.HK)	Ken Li
18/01/2023	Yongda (3669.HK)	Eason Cui
17/01/2023	Xtep (1368.HK)	Eason Cui
04/01/2023	Auto monthly update	Eason Cui
02/12/2022	Perfect Medical (1830.HK)	Research Department
01/12/2022	XPeng (9868.HK)	Eason Cui

Kingsway coverage list

Name	Ticker	Market Cap (HK\$m)	Price (HK\$)	1D (%)	Rec.	TP (HK\$)	Upside (%)	PER (X)*			Dividend FY2	Absolute performance			Latest update date
								Hist	FY1	FY2		5D%	1M%	3M%	
HANG SENG INDEX	HSI		16,543.07	0.1				8.8	8.6	7.5	4.6%	(3.2)	0.2	(0.5)	
HANG SENG CHINA ENT IND	HSCEI		5,803.99	0.4				8.1	7.8	6.7	4.2%	(2.2)	2.9	3.3	
CSI 300 INDEX	SHSZ300		3,585.38	0.2				13.3	13.2	10.0	2.9%	0.4	3.7	7.6	
FUYAO GLASS	3606 HK	116,318	38.95	1.2	LONG	41.50	6.5	16.6	14.5	12.4	4.4%	(5.5)	4.6	2.5	1-Sep-20
BEUR	3718 HK	1,761	0.50	0.0	LONG	1.80	263.6	5.7	4.7	3.7	7.5%	(2.9)	(4.8)	5.3	30-Mar-21
BINJIANG SERVICES	3316 HK	4,671	16.90	(0.4)	LONG	23.50	39.1	10.7	8.2	6.4	8.9%	(0.4)	3.8	7.4	N/A
BYDE	285 HK	66,582	29.55	0.2	NEUTRAL	17.60	(40.4)	22.4	16.0	12.0	1.2%	(6.9)	(0.8)	(11.3)	N/A
CHINA LILANG	1234 HK	5,449	4.55	2.2	LONG	5.32	16.9	9.4	8.3	7.5	9.0%	4.8	9.4	11.8	N/A
CHINASOFT INTL	354 HK	15,349	5.28	0.4	LONG	12.80	142.4	25.7	16.5	12.5	1.0%	(5.4)	7.1	(11.1)	27-Oct-20
CHINA TIAN LUN GAS	1600 HK	4,733	4.82	0.2	LONG	8.70	80.5	9.5	7.2	6.1	4.6%	2.1	13.4	36.5	26-Feb-20
DUIBA GROUP	1753 HK	339	0.32	14.5	LONG	5.55	1661.9	8.0	N/A**	N/A**	N/A**	12.5	23.5	10.5	N/A
EDVANTAGE GROUP	382 HK	3,037	2.66	2.7	LONG	4.50	69.2	4.4	3.8	3.4	8.0%	2.7	12.2	9.9	3-May-22
EVERGREEN PG	1962 HK	318	0.49	(3.0)	LONG	1.75	260.8	4.5	N/A**	N/A**	N/A**	(10.2)	(3.0)	(10.2)	26-Jan-21
HUAHONG SEMI	1347 HK	36,847	16.58	(0.8)	NEUTRAL	26.30	58.6	10.3	27.2	12.3	0.0%	(4.3)	2.7	(8.9)	29-Jul-21
KINGDEE INTL	268 HK	34,497	9.60	3.0	NEUTRAL	17.62	83.5	N/A**	N/A**	116.3	0.0%	3.0	17.1	(10.4)	20-Aug-20
MEIDONG AUTO	1268 HK	4,470	3.32	(0.3)	LONG	19.76	495.2	18.1	30.3	8.6	5.4%	8.5	6.4	(17.2)	3-Apr-23
MINGYUAN CLOUD	909 HK	5,031	2.59	14.1	NEUTRAL	28.00	981.1	N/A**	N/A**	103.6	0.3%	11.6	10.2	(6.8)	N/A
PLOVER BAY TECH	1523 HK	2,674	2.43	10.5	LONG	1.70	(30.0)	12.1	10.4	9.1	1.2%	3.4	6.8	27.3	6-Aug-20
POU SHENG INTL	3813 HK	3,728	0.70	0.0	LONG	2.80	300.0	6.8	5.3	4.4	7.3%	4.5	16.7	1.4	16-Nov-20
Q TECH	1478 HK	3,862	3.26	1.6	NEUTRAL	4.97	52.5	135.1	25.2	10.7	0.6%	(3.3)	3.5	(22.4)	10-Aug-22
SUNNY OPTICAL	2382 HK	59,171	53.95	0.2	LONG	160.80	198.1	49.3	22.5	16.7	1.0%	(1.1)	7.8	(23.2)	17-Aug-22
TRYLY INTL	732 HK	2,339	0.74	0.0	LONG	2.80	278.4	N/A**	N/A**	N/A**	N/A**	(3.9)	8.8	12.1	8-Apr-21
XINYI ENERGY	3868 HK	9,578	1.16	0.0	LONG	1.62	39.7	9.2	7.8	6.9	7.2%	0.9	5.5	(14.7)	29-Feb-24
XINYI GLASS	868 HK	36,947	8.75	0.0	LONG	18.60	112.6	6.8	6.4	6.5	7.8%	(6.5)	21.0	4.9	28-Feb-23
XINYI SOLAR	968 HK	57,250	6.43	0.5	LONG	7.20	12.0	13.7	10.9	8.6	5.4%	(3.7)	62.4	49.9	29-Feb-24
XTEP INTL	1368 HK	13,313	5.04	1.8	LONG	11.91	136.3	11.4	10.0	8.6	5.5%	8.9	19.4	12.2	17-Apr-23
YONGDA AUTO	3669 HK	4,992	2.59	2.0	LONG	6.73	159.8	4.0	5.5	4.2	8.6%	4.9	22.2	(6.8)	28-Mar-23
YUEXU PROPERTY	123 HK	18,235	4.53	0.7	LONG	13.00	187.0	3.1	3.9	3.7	9.7%	(10.8)	(17.2)	(27.5)	10-Feb-23
WEIMOB	2013 HK	6,092	2.18	2.8	LONG	14.40	560.6	N/A**	N/A**	2006.3	0.0%	(3.5)	11.2	(23.5)	25-Nov-21

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		21-Mar-24
Existing Home Sales	MoM		21-Mar-24
New home Sales	MoM		25-Mar-24
Durable Goods Orders	MoM		26-Mar-24
Consumer Confidence	MoM		26-Mar-24
GDP	QoQ		28-Mar-24
Wholesale Inventories	MoM		29-Mar-24
Personal Income & Spending	MoM		29-Mar-24
ISM Manufacturing PMI	MoM		1-Apr-24
Factory Orders	MoM		2-Apr-24
Trade Balance	MoM		4-Apr-24
Employment Report	MoM		5-Apr-24
CPI	MoM		10-Apr-24
PPI	MoM		11-Apr-24
Business Inventories	MoM		15-Apr-24
Retail Sales	MoM		15-Apr-24
Housing Starts / Building Permits	MoM		16-Apr-24
Industrial Production	MoM		16-Apr-24
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Mar-24
Foreign Exchange Reserves	QoQ		7-Apr-24
Money Supply - M2	MoM		9-Apr-24
PPI	MoM		11-Apr-24
CPI	MoM		11-Apr-24
Trade Balance	MoM		12-Apr-24
Retail Sales	MoM		16-Apr-24
Industrial Production	MoM		16-Apr-24
GDP	YoY		16-Apr-24

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
CPI	MoM		21-Mar-24
Trade Balance	MoM		26-Mar-24
Money Supply - M2	MoM		28-Mar-24
Retail Sales	MoM		3-Apr-24
PMI	MoM		5-Apr-24
Foreign Currency Reserve	MoM		9-Apr-24
Unemployment Rate	MoM		18-Apr-24
GDP	QoQ		2-May-24
Producer Prices Index	QoQ		14-Jun-24
Industrial Production	QoQ		14-Jun-24
Composite Interest Rate	MoM		

Kingsway Research Team

Analyst

Howard Wong

Eason Cui

Ensley Liu

Email

Howard.wong@sunwahkingsway.com

Eason.cui@sunwahkingsway.com

Ensley.liu@sunwahkingsway.com

Phone No.

(852) 2283 7307

(852) 2283 7306

(852) 2283 7618

Disclaimer

This document is not an offer to sell or the solicitation of an offer to buy or subscribe for any securities. The securities referred to in this document may not be eligible for sale in certain jurisdiction. Neither this document nor any portion hereof may be taken distributed or transmitted directly or indirectly into such jurisdiction nor to any residents thereof. Any failure to comply with this restriction may constitute a violation of the applicable laws and regulations and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. This document has been produced for private circulation and may not be copied, photocopied, duplicated, or redistributed without the prior written consent of Kingsway Financial Services Group Limited (“KFS”) and its affiliated companies (collectively, “Kingsway Group”).

This report is distributed in Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) by KFS which is registered as a licensed corporation under the Securities and Futures Ordinance (Cap.571 of The Laws of Hong Kong) with the Securities and Futures Commission of Hong Kong (“SFC”) and its SFC CE number is ADF346.

The information contained in this report has been taken from sources believed to be reliable but no representation or warranty expressed or implied is made as to their accuracy or correctness. This report is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. It is not to be construed as an offer, invitation or solicitation to buy or sell any securities of the company or companies covered herein. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. All opinions and estimates reflect our judgment on the date of this report and are subject to change without notice.

KFS, including its parent, subsidiaries and/or affiliates, may act as lead or co-manager in an offering of the securities of any issuer discussed herein, may from time to time perform financial services or other advisory services for, or solicit financial services or other business from, any issuer.

Within the past year, KFS, including its parent, subsidiaries and/or affiliates, may have acted as market maker or traded on a principal basis in the financial instruments of any issuer discussed herein and may act as underwriter, placement agent, advisor or lender to such issuer.

KFS, including its parent, subsidiaries, affiliates, shareholders, officers, directors, and employees may have long or short positions in, and buy or sell, the securities, commodities or derivatives (including options) or any other financial instruments thereof, of any issuers.

An employee of KFS, including its parent, subsidiaries and/or affiliates, may act as director, or be represented on the boards of directors, of any such entities or issuers.

Copyright 2024 Kingsway Group. All rights reserved.

Head Office

Hong Kong
Kingsway Financial Services Group Limited
7/F, Tower One, Lippo Centre,
89 Queensway, Hong Kong
Tel: 852-2283-7000
Fax: 852-2877-2665

Affiliated & Overseas Offices

Guangdong
廣東新華滙富商業保理有限公司
2701, Dongshan Plaza,
69 Xianlie Middle Road, Yuexiu District
Guangzhou, 510095

Vietnam
Sunwah Kingsway Vietnam Services Limited
Representative Office
Sunwah Tower, Mezzanine Floor
115 Nguyen Hue
District 1
Ho Chi Minh City
Vietnam