

What's Hot Today:

► China Tourism Group Duty Free (1880.HK)-1Q24 Prelim Results

-1Q24 sales -9% YoY, weaker than expected

-Upcoming Catalyst: Labor Day holiday sales, downtown duty-free policy

CTGDF (China Tourism Group Duty Free) released its 1Q24 preliminary results with a revenue of RMB18.8bn (-9% YoY) and a net profit of RMB2.3bn (flat YoY). We attribute the drop in sales to weak offline duty free sales, although air traffic in Hainan Airports has improved. In 1Q24, a total of 16.81mn passengers travelled through Hainan Airports (+18% YoY). In terms of profitability, CTGDF's gross margin stood at 32.7% in 1Q24 (+4pp YoY), and we think the margin expansion was a result of better product mix.

During the 3-day Ching Ming Festival, 1.53mn travelers (+52.5% vs 2019) went to Hainan province and brought in a tourism revenue of RMB1.93bn (+72.1% vs 2019). We think the potential consumption recovery will continue to benefit CTGDF's sales growth, and the upcoming 5-day Labor Day holiday could be a near term catalyst. The ticker is trading at 17.08x FY24E P/E. (Research Department)

China & HK Indices	CLOSE	1D	YTD
HSI	17,135	1.8%	0.5%
HSCEI	6,015	2.0%	4.3%
HSCCI	3,530	1.7%	5.4%
CSI300	3,518	-0.4%	2.5%
Shanghai A	3,185	-0.3%	11.4%
Shanghai B	258	-0.0%	11.4%
Shenzhen A	1,804	-1.5%	-6.1%
Shenzhen B	1,082	-0.2%	0.1%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	38,883	-0.0%	3.2%
S&P 500	5,209	0.1%	9.2%
Nasdaq	16,306	0.3%	8.6%
NIKKEI Index	39,666	-0.3%	18.5%
FTSE Index	7,934	-0.1%	2.6%
CAC Index	8,049	-0.9%	6.7%
DA.X Index	18,076	-1.3%	7.9%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	2,352	0.6%	14.0%
STEEL (US\$/oz.)	2,200	2.1%	-1.1%
SILVER (US\$/oz.)	28	1.1%	18.3%
CRUDE OIL (US\$/bbl)	85	-5.2%	19.1%
COPPER (US\$/oz.)	9,417	0.9%	10.0%
ALUMINIUM (US\$/oz.)	2,460	0.4%	3.2%
PLATINUM (US\$/oz)	980	1.4%	-1.2%
ZINC (US\$/oz.)	2,709	2.7%	1.9%
WHEAT (US\$/bu)	557	-1.4%	-11.3%
CORN (US\$/bu)	431	-1.0%	-10.6%
SUGAR (US\$/lb)	N/A	N/A	N/A
SOYBEAN (US\$/bu)	1,174	-0.6%	-9.7%
PVC (US\$/t)	N/A	N/A	14.8%
CRB	296	-0.3%	3.0%
BDI		-3.6%	-25.0%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.831	0.921	151.760	0.904	7.232
HKD	0.128		0.118	19.383	11.538	0.924
EUR	1.086	8.502		164.800	1.019	7.850
JPY	0.007	5.159	0.607		0.595	0.048
CHF	1.107	8.667	1.019	167.966		8.005
RMB	0.138	1.083	0.127	20.981	0.125	

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	14	2.5%

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

Fig 1: CTGDF's financial summary and consensus forecast

(RMB mn)	FY19A	FY20A	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue	48,612	52,597	67,676	54,433	67,540	80,221	93,134	99,021
Growth		8%	29%	-20%	24%	19%	16%	6%
Gross Profit	23,934	20,293	20,954	14,236	21,491	26,884	32,068	34,063
YoY%		-15%	3%	-32%	51%	25%	19%	6%
GPM%	49.2%	38.6%	31.0%	26.2%	31.8%	33.5%	34.4%	34.4%
Net Profit	4,632	6,140	9,654	5,030	6,714	8,435	10,337	10,275
YoY%		0%	33%	57%	33%	26%	23%	-1%
NPM%		9.5%	11.7%	14.3%	9.9%	10.5%	11.1%	10.4%
EPS (RMB)	2.372	3.145	4.944	2.528	3.245	4.050	4.925	5.289

Source: Bloomberg, Company report, Sunwah Kingsway Research

Fig 2: CTGDF's quarterly results

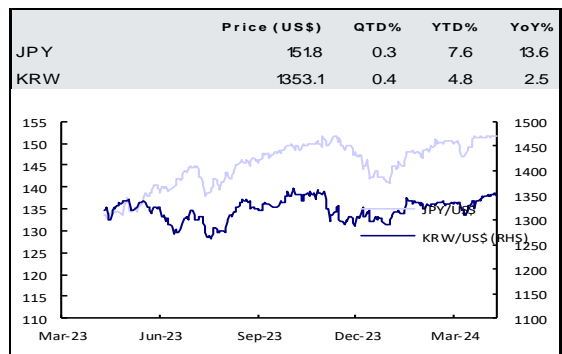
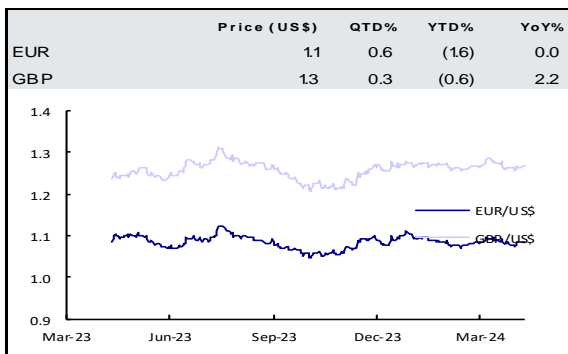
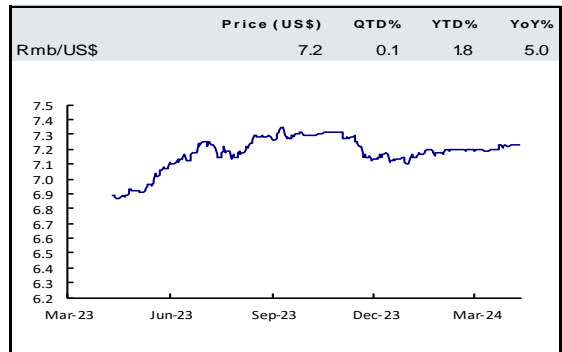
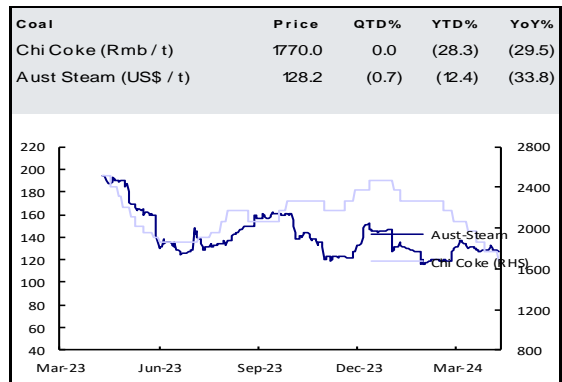
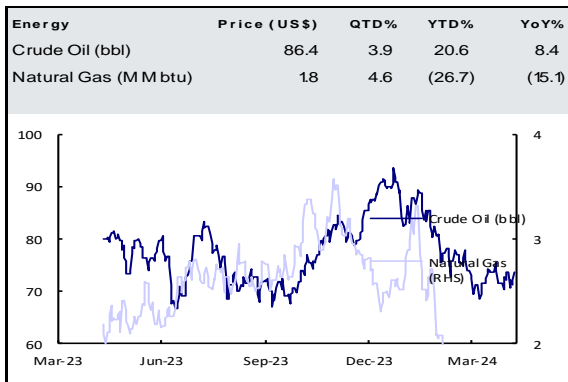
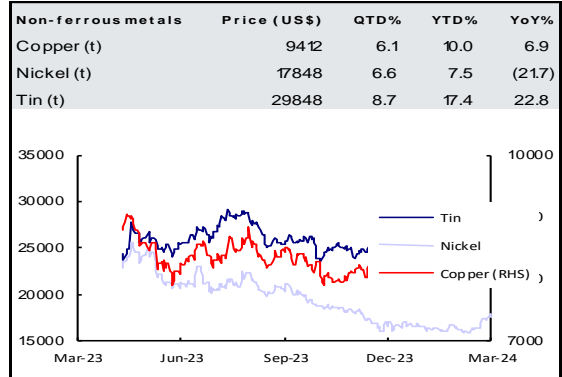
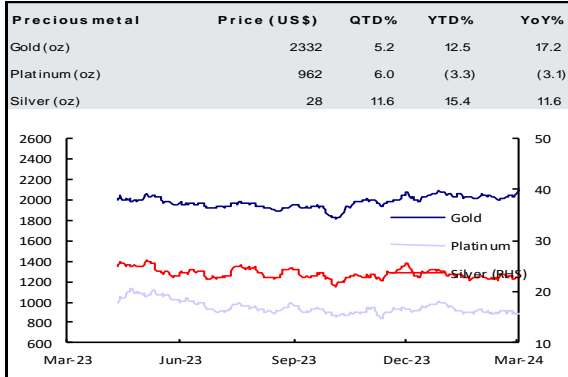
(RMB mn)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Revenue	18,134	17,392	13,973	18,177	16,782	10,868	11,714	15,068	20,769	15,089	14,979	16,739	18,807
Growth	127%	53%	-12%	4%	-7%	-38%	-16%	-17%	24%	39%	28%	11%	-9%
Reported operating prc	4,457	4,055	4,915	1,377	3,502	1,794	1,374	949	3,154	1,799	1,610	2,106	2,910
Growth		170%	62%	-75%	-21%	-56%	-72%	-31%	-10%	0%	17%	122%	-8%
OP Margin	24.6%	23.3%	35.2%	7.6%	20.9%	16.5%	11.7%	6.3%	15.2%	11.9%	10.7%	12.6%	15.5%
Reported net profit	2,849	2,510	3,132	1,163	2,563	1,374	690	402	2,301	1,565	1,333	1,518	2,308
Growth		171%	41%	-62%	-10%	-44%	-79%	-72%	-10%	14%	103%	362%	0%
NP Margin	15.7%	14.4%	22.4%	6.4%	15.3%	12.6%	5.9%	2.7%	11.1%	10.4%	8.9%	9.1%	12.3%

Source: Company report, Sunwah Kingsway Research

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		16,828.07	0.0				8.9	8.3	7.7	4.6%	1.2	4.8	6.4	
HANG SENG CHINA ENT IND	HSCEI		5,895.32	0.0				8.0	7.6	7.0	4.4%	0.9	6.3	11.0	
CSI 300 INDEX	SHSZ300		3,533.49	0.0				13.4	13.4	10.2	3.0%	(2.1)	(0.7)	7.4	
FUYAO GLASS	3606 HK	121,441	40.40	0.0	LONG	41.50	2.7	17.4	15.2	13.0	4.2%	1.5	(1.7)	3.8	1-Sep-20
BEUR	3718 HK	1,689	0.49	0.0	LONG	1.80	271.1	6.0	5.0	4.1	7.6%	(5.0)	(4.0)	(13.6)	30-Mar-21
BINJIANG SERVICES	3316 HK	4,682	17.00	0.0	LONG	23.50	38.2	8.8	7.1	5.8	11.5%	(2.1)	1.1	5.3	N/A
BYDE	285 HK	62,188	26.80	0.0	NEUTRAL	17.60	(34.3)	14.2	10.8	8.6	2.5%	(4.3)	(7.2)	(20.0)	N/A
CHINA LILANG	1234 HK	5,975	4.84	0.0	LONG	5.32	9.9	10.4	9.1	8.1	8.5%	(1.2)	17.4	18.5	N/A
CHINASOFT INTL	354 HK	14,186	4.86	0.0	LONG	12.80	163.4	17.4	12.7	10.1	1.9%	2.3	(2.0)	(3.9)	27-Oct-20
CHINA TIAN LUN GAS	1600 HK	4,782	4.84	0.0	LONG	8.70	79.8	9.1	7.8	7.0	4.3%	(2.6)	9.4	20.8	26-Feb-20
DUIBA GROUP	1753 HK	334	0.31	0.0	LONG	5.55	1690.3	9.9	N/A**	N/A**	N/A**	1.6	12.7	27.0	N/A
EDVANTAGE GROUP	382 HK	2,809	2.49	0.0	LONG	4.50	80.7	4.0	3.5	3.2	8.6%	0.8	(6.5)	2.9	3-May-22
EVERGREEN PG	1962 HK	311	0.48	0.0	LONG	1.75	268.4	6.0	N/A**	N/A**	N/A**	1.1	(12.0)	6.7	26-Jan-21
HUAHONG SEMI	1347 HK	33,798	15.72	0.0	NEUTRAL	26.30	67.3	9.7	25.6	11.6	0.0%	1.2	(8.0)	(11.5)	29-Jul-21
KINGDEE INTL	268 HK	32,056	8.83	0.0	NEUTRAL	17.62	99.5	N/A**	N/A**	107.2	0.0%	(2.2)	7.5	(11.0)	20-Aug-20
MEIDONG AUTO	1268 HK	4,146	2.90	0.0	LONG	19.76	581.4	27.3	8.7	6.0	8.0%	0.3	5.5	(34.3)	3-Apr-23
MINGYUAN CLOUD	909 HK	4,700	2.40	0.0	NEUTRAL	28.00	1066.7	N/A**	N/A**	446.9	1.1%	(2.8)	16.3	(2.8)	N/A
PLOVER BAY TECH	1523 HK	3,005	2.68	0.0	LONG	1.70	(36.6)	13.6	11.7	10.3	1.1%	14.2	10.3	38.7	6-Aug-20
POU SHENG INTL	3813 HK	3,515	0.65	0.0	LONG	2.80	330.8	6.4	5.0	4.1	7.8%	(1.5)	11.9	(4.3)	16-Nov-20
Q TECH	1478 HK	3,992	3.14	0.0	NEUTRAL	4.97	58.3	44.7	13.3	9.1	0.7%	6.0	7.7	(8.9)	10-Aug-22
SUNNY OPTICAL	2382 HK	45,132	39.40	0.0	LONG	160.80	308.1	37.7	19.9	14.9	1.3%	2.1	(17.5)	(32.5)	17-Aug-22
TRYLY INTL	732 HK	2,813	0.86	0.0	LONG	2.80	225.6	10.7	N/A**	N/A**	N/A**	11.3	23.6	25.4	8-Apr-21
XINYI ENERGY	3868 HK	9,495	1.11	0.0	LONG	1.62	45.9	9.1	7.9	6.9	7.3%	4.5	3.6	(12.9)	29-Feb-24
XINYI GLASS	868 HK	37,514	8.94	0.0	LONG	18.60	108.1	6.9	6.6	6.7	7.6%	7.5	(1.9)	14.6	28-Feb-23
XINYI SOLAR	968 HK	57,558	6.50	0.0	LONG	7.20	10.8	13.7	11.0	8.7	5.4%	2.2	9.3	57.9	29-Feb-24
XTEP INTL	1368 HK	12,679	4.63	0.0	LONG	11.91	157.2	10.9	9.6	8.3	5.7%	(2.0)	14.8	15.9	17-Apr-23
YONGDA AUTO	3669 HK	4,318	2.21	0.0	LONG	6.73	204.5	7.0	5.3	4.3	10.4%	(0.9)	(2.6)	(10.0)	28-Mar-23
YUEXU PROPERTY	123 HK	16,464	4.05	0.0	LONG	13.00	221.0	4.3	4.1	3.7	10.3%	(0.5)	(14.4)	(23.7)	10-Feb-23
WEIMOB	2013 HK	4,052	1.48	0.0	LONG	14.40	873.0	N/A**	132.9	17.7	0.0%	(9.9)	(26.8)	(39.1)	25-Nov-21

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Wholesale Inventories	MoM		10-Apr-24
CPI	MoM		10-Apr-24
Initial Jobless Claims	WoW		11-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
Existing Home Sales	MoM		18-Apr-24
New home Sales	MoM		23-Apr-24
Durable Goods Orders	MoM		24-Apr-24
GDP	QoQ		25-Apr-24
Personal Income & Spending	MoM		26-Apr-24
Consumer Confidence	MoM		30-Apr-24
ISM Manufacturing PMI	MoM		1-May-24
Trade Balance	MoM		2-May-24
Factory Orders	MoM		2-May-24
Employment Report	MoM		3-May-24
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		10-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
PMI Manufacturing	MoM		30-Apr-24
Foreign Exchange Reserves	QoQ		7-May-24

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Currency Reserve	MoM		7-May-24
Unemployment Rate	MoM		18-Apr-24
CPI	MoM		23-Apr-24
Trade Balance	MoM		25-Apr-24
Money Supply - M2	MoM		30-Apr-24
GDP	QoQ		2-May-24
Retail Sales	MoM		3-May-24
PMI	MoM		6-May-24
Producer Prices Index	QoQ		14-Jun-24
Industrial Production	QoQ		14-Jun-24
Composite Interest Rate	MoM		

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Notice of interest disclosure filed by substantial shareholders for the two previous trading days			
Name of listed corporation	Name of substantial share holder	No. of shares bought/sold/involved	Average price per share
China Jinmao Holdings Group Ltd.	QIAO Xiaojie	500,000(L)	HKD 0.5000
Asian Citrus Holdings Ltd.	liu peng	500,000(L)	HKD 3.6800
Changmao Biochemical Engineering Co. Ltd. - H Shares	Leng Yixin	60,000(L)	HKD 0.3913
Changmao Biochemical Engineering Co. Ltd. - H Shares	Rui Xincheng	60,000(L)	HKD 0.3913
China Asia Valley Group Ltd.	China Asia Group Inc.	2,334,500,000(L)	HKD 0.1000
China Asia Valley Group Ltd.	HUANG Binghuang	2,334,500,000(L)	HKD 0.1000
China Asia Valley Group Ltd.	LI Jun	951,500,000(L)	HKD 0.1000
China Asia Valley Group Ltd.	XIONG Guoqiang	247,600,000(L)	HKD 0.1000
China Asia Valley Group Ltd.	Zhongjun Holding Group Company Limited 中軍控股集團有限公司	951,500,000(L)	HKD 0.1000
China Beidahuang Industry Group Holdings Ltd.	JIANJUN	4,666,983(L)	HKD 0.0860
China Beidahuang Industry Group Holdings Ltd.	LI ZHUOXUN	4,666,983(L)	HKD 0.0860
China Beststudy Education Group	Xu Wenhui	100,000(L)	HKD 2.8300
China Jinmao Holdings Group Ltd.	QIAO Xiaojie	3,000,000(L)	HKD 0.4880
China Sanjiang Fine Chemicals Co. Ltd.	Guan Siyi	1,666,000(L)	HKD 1.7315
China Sanjiang Fine Chemicals Co. Ltd.	Han Jianhong	1,666,000(L)	HKD 1.7315
Cross-Harbour (Holdings) Ltd., The	Cheung Chung Kiu	26,000(L)	HKD 7.2000
EuroEyes International Eye Clinic Ltd.	Jørgensen Jørn Slot	40,000(L)	HKD 4.5500
EuroEyes International Eye Clinic Ltd.	Jørgensen Susanne	40,000(L)	HKD 4.5500
Homeland Interactive Technology Ltd.	SU BO	698,338(L)	HKD 0.0000
KPa-BM Holdings Ltd.	Wai Yat Kin	180,000(L)	HKD 0.3072
KPa-BM Holdings Ltd.	Yip Pak Hung	180,000(L)	HKD 0.3072
Linklogis Inc. - W	Lin Lijun	4,348,500(L)	HKD 1.5200
Linklogis Inc. - W	Shanghai Lejin Investment Partnership (上海乐进投资合伙企业 (有限	4,438,500(L)	HKD 1.5200
Linklogis Inc. - W	Shanghai Rongmian Information Technology Partnership (Limited Partner	4,348,500(L)	HKD 1.5200
Linklogis Inc. - W	Shanghai Tanying Investment Partnership (Limited Partnership) (上海檀	4,348,500(L)	HKD 1.5200
Linklogis Inc. - W	Shanghai Zhengxing Investment Management Co., Ltd. (上海正心谷投	4,348,500(L)	HKD 1.5200
Mei Ah Entertainment Group Ltd.	Li Kuo Hsing	20,000(L)	HKD 0.1630
Silver Grant International Holdings Group Ltd.	Chu Hing Tsung	62,000(L)	HKD 0.0970
Silver Grant International Holdings Group Ltd.	Liao Tengjia	62,000(L)	HKD 0.0970
Silver Grant International Holdings Group Ltd.	Rong De Investments Limited	62,000(L)	HKD 0.0970
Silver Grant International Holdings Group Ltd.	SPLENDID REACH LIMITED	62,000(L)	HKD 0.0970
Silver Grant International Holdings Group Ltd.	Zhuguang Holdings Group Company Limited	62,000(L)	HKD 0.0970
SSY Group Ltd.	China Pharmaceutical Company Limited	524,000(L)	HKD 4.8152
SSY Group Ltd.	Qu Jiguang	524,000(L)	HKD 4.8152
Want Want China Holdings Ltd.	TSAI ENG-MENG	124,000(L)	HKD 4.6419
Zhuguang Holdings Group Co. Ltd.	Chu Hing Tsung	1,734,000(L)	HKD 0.1175
Zhuguang Holdings Group Co. Ltd.	Liao Tengjia	1,734,000(L)	HKD 0.1175
Zhuguang Holdings Group Co. Ltd.	Rong De Investments Limited	1,734,000(L)	HKD 0.1175

Source: HKEx

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