

What's Hot Today:

▶ CTG Duty Free (1880.HK) - 1Q24 Results in-line

CTGDF (China Tourism Group Duty Free) reported a 9% YoY decline in 1Q24 revenue at RMB18.8bn and a net profit of RMB2.3bn (flat YoY), inline with prelim results.

Hainan offline duty-free sales continued to be weak in March. Per Haikou Custom's data, sales dropped by 33% during the month to RMB3.1bn whereas the number of shoppers was down by 9% while spending per person was 26% lower. During Q1, offline duty-free sales dropped 25% to RMB12.8bn.

Our views: We believe the consumption recovery could be positive to CTGDF's sales growth in the longer term. The upcoming 5-day Labor Day holiday could be a near-term catalyst. The ticker is trading at 14.9x FY24E P/E. (Research Department)

Fig 1: CTGDF's financial performance and consensus forecast

(RMB mn)	2021	2022	2023	2024E	2025E	2026E
Revenue	67,676	54,433	67,540	79,917	92,785	98,276
Growth	29%	-20%	24%	18%	16%	6%
Gross profit	22,294	14,860	20,853	26,783	31,948	33,807
GPM	32.9%	27.3%	30.9%	33.5%	34.4%	34.4%
Net profit	9,654	5,030	6,714	8,376	10,263	10,128
Growth	57%	-48%	33%	25%	23%	-1%
EPS (RMB)	4.94	2.53	3.28	4.02	4.89	5.22
P/E (x)	12.2	23.8	18.3	14.9	12.3	11.5

Source: Company report, Bloomberg Consensus, Sunwah Kingsway Research

Fig 2: CTGDF's quarterly operation results

(RMB mn)	1Q23	2Q23	3Q23	4Q23	1Q24
Revenue	20,769	15,089	14,979	16,739	18,807
Growth	24%	39%	28%	11%	-9%
Reported operating profit	3,154	1,799	1,610	2,106	2,910
Growth	-10%	0%	17%	122%	-8%
OP Margin	15.2%	11.9%	10.7%	12.6%	15.5%
Reported net profit	2,301	1,565	1,333	1,518	2,308
Growth	-10%	14%	103%	362%	0%
NP Margin	11.1%	10.4%	8.9%	9.1%	12.3%

Source: Company report, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	16,828	1.9%	-1.3%
HSCEI	5,954	2.1%	3.2%
HSCCI	3,491	0.8%	4.2%
CSI300	3,506	-0.7%	2.2%
Shanghai A	3,168	-0.7%	4.8%
Shanghai B	242	-1.5%	4.8%
Shenzhen A	1,752	-0.2%	-8.9%
Shenzhen B	1,062	-0.4%	-1.7%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	38,503	0.7%	2.2%
S&P 500	5,070	1.2%	6.3%
Nasdaq	15,696	1.6%	4.6%
NIKKEI Index	38,266	1.9%	14.3%
FTSE Index	8,044	0.3%	4.0%
CAC Index	8,105	0.8%	7.5%
DA-X Index	18,137	1.6%	8.3%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	2,322	-0.2%	12.4%
STEEL (US\$/oz.)	2,084	-1.5%	-6.3%
SILVER (US\$/oz.)	27	0.4%	14.6%
CRUDE OIL (US\$/bbl)	83	-7.3%	16.5%
COFFER (US\$/oz.)	9,706	-1.7%	13.4%
ALUMINIUM (US\$/oz.)	2,579	-3.4%	8.2%
PLATINUM (US\$/oz)	912	-1.1%	-8.1%
ZINC (US\$/oz.)	2,792	-2.1%	5.1%
WHEAT (US\$/bu)	585	2.6%	-7.2%
CORN (US\$/bu)	452	0.6%	-8.5%
SUGAR (US\$/lb)	N/A	N/A	-3.4%
SOYBEAN (US\$/bu)	1,182	0.5%	-9.9%
PVC (US\$/t)	N/A	N/A	15.6%
CRB	297	-0.2%	3.0%
BDI		-6.0%	-13.8%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.835	0.935	154.830	0.912	7.245
HKD	0.128		0.119	19.762	11.639	0.925
EUR	1.070	8.384		165.710	1.025	7.755
JPY	0.006	5.060	0.604		0.589	0.047
CHF	1.097	8.592	1.025	169.789		7.945
RMB	0.138	1.081	0.129	21.359	0.126	

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	15	-14.7%

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 3: Hainan offline duty-free sales continued to be weak in March

Number of shoppers												
('000)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	509	521	756	716	753	568	615	224	469	604	419	561
2022	639	756	362	141	259	410	475	150	166	249	292	324
2023	783	799	654	593	499	406	466	547	504	542	434	529
2024	619	916	598									

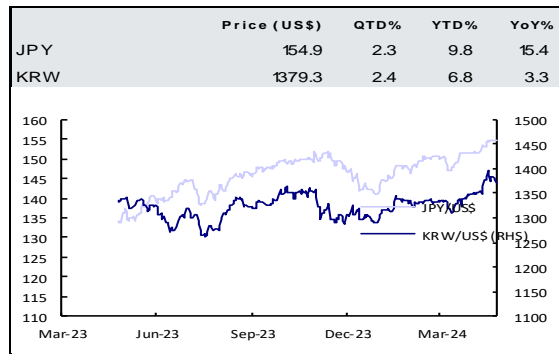
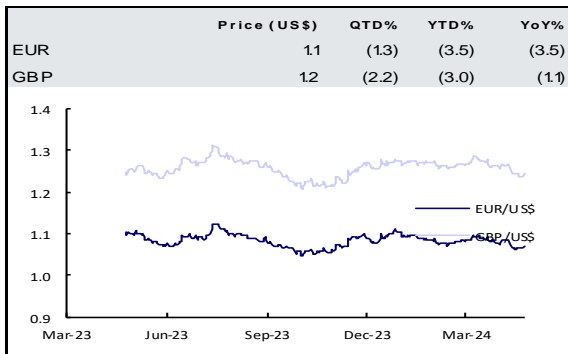
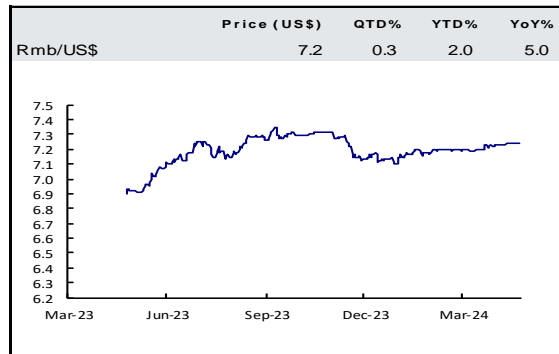
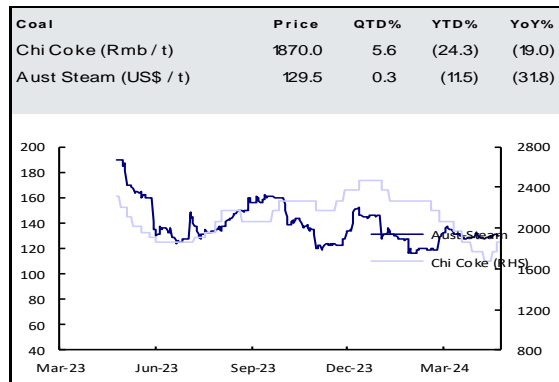
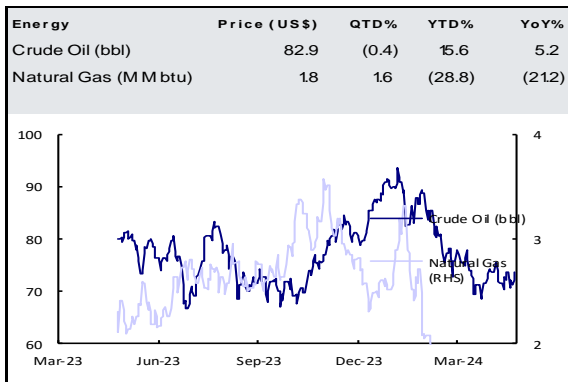
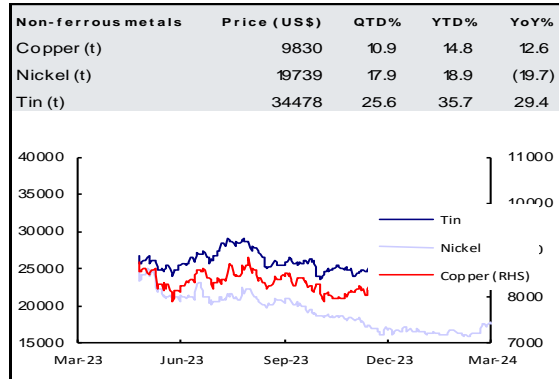
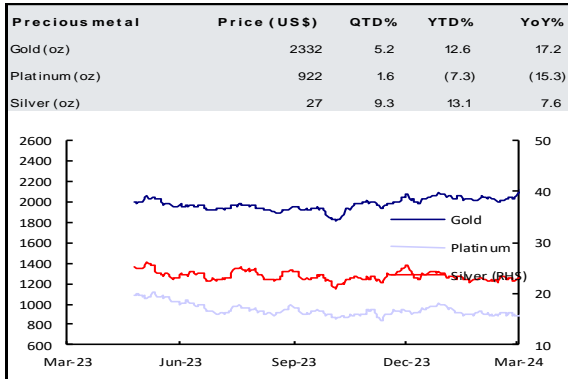
Spending per person												
(RMB)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	7,422	8,722	6,943	6,525	6,614	6,236	5,958	7,585	7,291	8,243	8,835	9,348
2022	8,141	9,079	7,302	7,514	8,618	7,686	8,375	6,412	6,373	9,257	9,521	8,193
2023	8,151	7,438	6,950	6,605	6,414	5,681	5,608	6,009	5,393	6,117	5,556	5,852
2024	5,831	6,650	5,120									

Source: Haikou Customs, 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		16,828.93	1.9				8.8	8.3	7.7	4.6%	3.6	2.0	5.8	
HANG SENG CHINA ENT IND	HSCEI		5,954.62	2.1				8.1	7.7	7.0	4.3%	3.7	3.4	11.2	
CSI 300 INDEX	SHSZ300		3,506.22	(0.7)				13.4	13.4	11.5	3.0%	(0.1)	(1.1)	7.0	
FUYAO GLASS	3606 HK	122,648	41.25	(0.5)	LONG	41.50	0.6	17.7	15.4	13.2	4.1%	(0.1)	7.6	16.5	1-Sep-20
BEUR	3718 HK	1,743	0.49	0.0	LONG	1.80	267.3	6.2	5.2	4.3	7.6%	1.0	(1.0)	(18.3)	30-Mar-21
BINJIANG SERVICES	3316 HK	4,494	16.26	(1.3)	LONG	23.50	44.5	8.4	6.8	5.5	10.2%	0.4	(2.9)	6.6	N/A
BYDE	285 HK	54,190	24.05	1.3	NEUTRAL	17.60	(26.8)	12.4	9.5	7.5	2.9%	(2.8)	(21.7)	(20.1)	N/A
CHINA LILANG	1234 HK	5,532	4.62	(2.3)	LONG	5.32	15.2	9.6	8.4	7.5	8.9%	(2.1)	(4.0)	15.2	N/A
CHINASOFT INTL	354 HK	12,764	4.47	1.4	LONG	12.80	186.4	16.0	11.7	9.2	2.1%	(0.2)	(9.9)	(12.9)	27-Oct-20
CHINA TIAN LUN GAS	1600 HK	4,821	4.91	0.4	LONG	8.70	77.2	9.2	7.9	7.1	4.3%	5.8	2.5	49.7	26-Feb-20
DUIBA GROUP	1753 HK	312	0.29	0.0	LONG	5.55	1813.8	9.3	N/A**	N/A**	N/A**	(1.7)	(3.3)	11.5	N/A
EDVANTAGE GROUP	382 HK	2,672	2.34	(1.3)	LONG	4.50	92.3	3.9	3.3	3.0	9.1%	0.4	(4.1)	(0.4)	3-May-22
EVERGREEN PG	1962 HK	308	0.47	(1.1)	LONG	1.75	272.3	6.0	N/A**	N/A**	N/A**	(1.1)	(7.8)	4.4	26-Jan-21
HUAHONG SEMI	1347 HK	31,444	14.28	(1.7)	NEUTRAL	26.30	84.2	8.8	23.1	10.9	0.0%	0.0	(9.5)	(14.8)	29-Jul-21
KINGDEE INTL	268 HK	27,133	7.55	0.9	NEUTRAL	17.62	133.4	N/A**	N/A**	86.2	0.0%	(4.4)	(19.7)	(20.2)	20-Aug-20
MEIDONG AUTO	1268 HK	3,514	2.61	2.8	LONG	19.76	657.1	23.1	7.9	5.3	8.5%	2.8	(13.9)	(24.6)	3-Apr-23
MINGYUAN CLOUD	909 HK	4,059	2.09	3.0	NEUTRAL	28.00	1239.7	N/A**	N/A**	N/A**	1.7%	(4.6)	(17.1)	(7.9)	N/A
PLOVER BAY TECH	1523 HK	2,928	2.66	2.3	LONG	1.70	(36.1)	13.3	11.3	10.0	1.1%	0.0	12.7	33.8	6-Aug-20
POU SHENG INTL	3813 HK	3,302	0.62	1.6	LONG	2.80	351.6	6.1	4.7	3.7	7.4%	1.6	(10.1)	0.0	16-Nov-20
Q TECH	1478 HK	3,708	3.13	0.3	NEUTRAL	4.97	58.8	41.6	12.5	8.5	0.7%	0.3	(3.1)	(4.3)	10-Aug-22
SUNNY OPTICAL	2382 HK	39,139	35.75	(2.5)	LONG	160.80	349.8	32.8	19.7	14.4	1.4%	(3.6)	(18.2)	(40.2)	17-Aug-22
TRYLY INTL	732 HK	2,497	0.79	0.0	LONG	2.80	254.4	9.5	N/A**	N/A**	N/A**	2.6	8.2	16.2	8-Apr-21
XINYI ENERGY	3868 HK	8,587	1.04	0.0	LONG	1.62	55.8	8.2	7.2	6.3	7.8%	0.0	(7.1)	(12.6)	29-Feb-24
XINYI GLASS	868 HK	33,289	7.88	0.3	LONG	18.60	136.0	6.1	5.9	5.9	8.6%	(1.9)	(5.9)	7.9	28-Feb-23
XINYI SOLAR	968 HK	45,975	5.16	(1.9)	LONG	7.20	39.5	11.0	8.8	6.9	6.8%	(7.9)	(18.2)	22.6	29-Feb-24
XTEP INTL	1368 HK	12,045	4.56	3.2	LONG	11.91	161.2	10.3	9.4	8.1	5.5%	4.8	(6.4)	11.5	17-Apr-23
YONGDA AUTO	3669 HK	3,701	1.92	(1.5)	LONG	6.73	250.5	6.0	4.6	3.8	11.6%	(0.5)	(22.6)	(16.9)	28-Mar-23
YUEXU PROPERTY	123 HK	15,578	3.87	(1.0)	LONG	13.00	235.9	4.0	3.9	3.6	10.7%	8.1	(13.4)	(17.7)	10-Feb-23
WEIMOB	2013 HK	3,381	1.21	7.1	LONG	14.40	1090.1	N/A**	N/A**	17.0	0.0%	(3.2)	(41.0)	(38.9)	25-Nov-21

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
New home Sales	MoM		23-Apr-24
Durable Goods Orders	MoM		24-Apr-24
Initial Jobless Claims	WoW		25-Apr-24
Wholesale Inventories	MoM		25-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
PPI	MoM		14-May-24
Business Inventories	MoM		15-May-24
Retail Sales	MoM		15-May-24
CPI	MoM		15-May-24
Housing Starts / Building Permits	MoM		16-May-24
Industrial Production	MoM		16-May-24
Existing Home Sales	MoM		22-May-24
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		30-Apr-24
Foreign Exchange Reserves	QoQ		7-May-24
Money Supply - M2	MoM		9-May-24
Trade Balance	MoM		9-May-24
PPI	MoM		11-May-24
CPI	MoM		11-May-24
Retail Sales	MoM		17-May-24
Industrial Production	MoM		17-May-24
GDP	YoY		15-Jul-24

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
Foreign Currency Reserve	MoM		7-May-24
Unemployment Rate	MoM		20-May-24
CPI	MoM		23-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