

What's Hot Today:

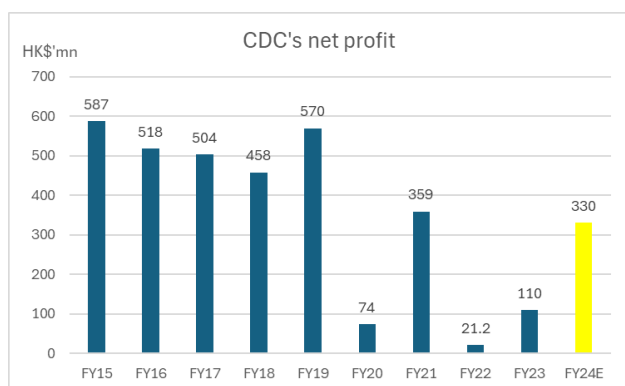
► Café de Coral (341.HK – HK\$8.96) – Expecting FY3/24 to earn HK\$330m

CDC issued a profit alert last week indicating that its FY3/24 earnings is expected to reach HK\$330mn compared to HK\$110mn in the previous fiscal year. If excluding the pandemic subsidies from the government received in the prior year, it is estimated that the profit for the period would have jumped by 4.7x YoY.

Margin improvement. The Mgt is upbeat with the performance in both the Hong Kong and mainland operations whereas notable improvement in profit margins was observed. It is noted that despite slower than expected economic recovery and tourist inflow, its Hong Kong business recorded a gain in profit margin on the back of effective cost control and higher efficiency. However, a higher property revaluation loss maybe reported for FY24.

Record high new shops opened in Mainland. CDC's mainland business also saw record high number of new shops opened during FY24.

Our view. Should the payout ratio be back to the pre-pandemic level of 80 to 90%, its full-year yield is expected to be in the range of 5.0 to 5.7% at current share price. However, if taking into account the interim profit of about HK\$200mn, the profit alert implies that its 2H profit was only around HK\$130mn. The counter is trading at 15.9x FY3/24E PE. We considered it is fairly priced considering the challenging economic environment in Hong Kong which accounts for over 80% of the company's revenue.



China & HK Indices	CLOSE	1D	YTD
HSI	18,475	0.1%	8.5%
HSCBI	6,547	0.1%	13.6%
HSCCI	3,764	0.0%	12.4%
CSI300	3,604	1.4%	6.5%
Shanghai A	3,255	0.9%	10.9%
Shanghai B	256	0.1%	10.9%
Shenzhen A	1,836	1.4%	-3.2%
Shenzhen B	1,107	0.8%	3.3%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	38,675	1.2%	2.6%
S&P 500	5,127	1.3%	7.5%
Nasdaq	16,156	2.0%	7.6%
NIKKEI Index	38,236	-0.1%	14.3%
FTSE Index	8,213	0.5%	6.2%
CAC Index	7,957	0.5%	5.5%
DA X Index	18,001	0.6%	7.5%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	2,301	-0.1%	11.9%
STEEL (US\$/oz.)	2,121	2.4%	-4.6%
SILVER (US\$/oz.)	26	-0.5%	13.1%
CRUDE OIL (US\$/bbl)	78	-13.1%	9.4%
COPPER (US\$/oz.)	9,910	0.1%	15.8%
ALUMINIUM (US\$/oz.)	2,551	-1.0%	7.0%
PLATINUM (US\$/oz)	957	0.3%	-4.0%
ZINC (US\$/oz.)	2,903	0.8%	9.2%
WHEAT (US\$/bu)	606	4.2%	-3.5%
CORN (US\$/bu)	460	0.1%	-7.6%
SUGAR (US\$/lb)	N/A	N/A	-2.2%
SOYBEAN (US\$/bu)	1,215	1.3%	-7.7%
PVC (US\$/t)	N/A	N/A	15.6%
CRB	286	0.4%	3.0%
BDI			-10.4%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.812	0.929	153.050	0.905	7.241
HKD	0.128		0.119	19.587	11.586	0.927
EUR	1.076	8.407		164.720	1.027	7.795
JPY	0.007	5.104	0.607		0.591	0.046
CHF	1.104	8.633	1.027	169.168		8.001
RMB	0.138	1.079	0.128	21.218	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	13	-10.2%

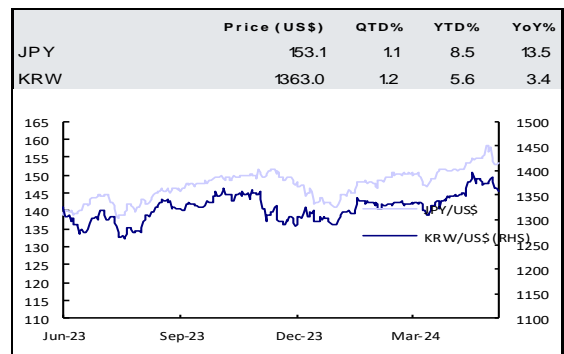
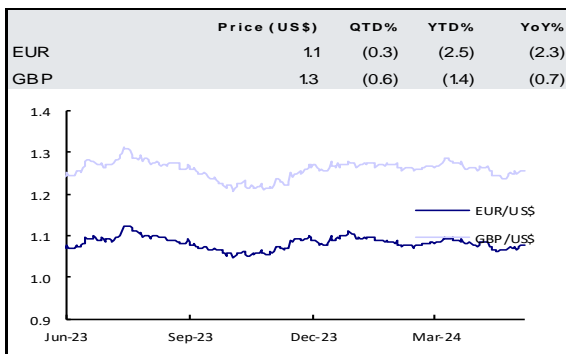
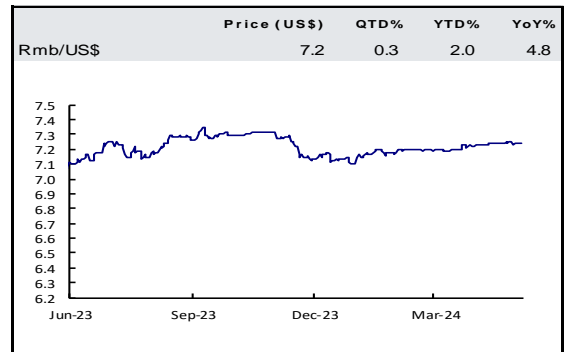
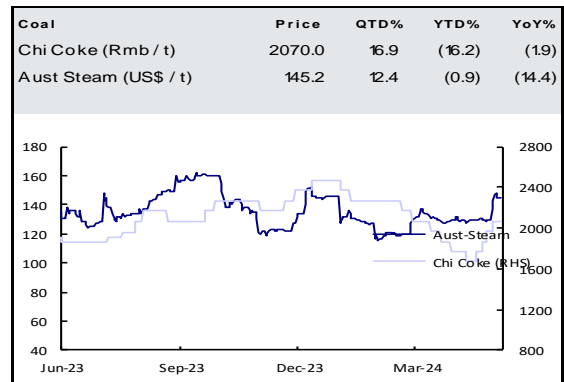
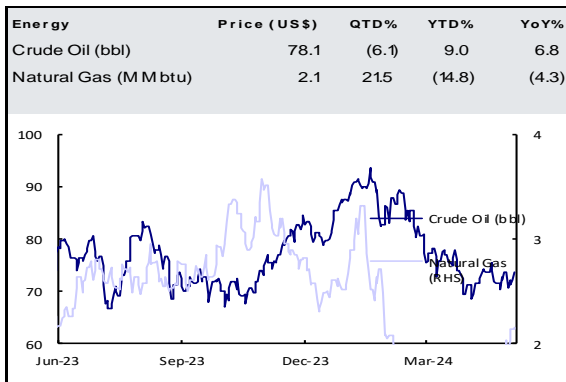
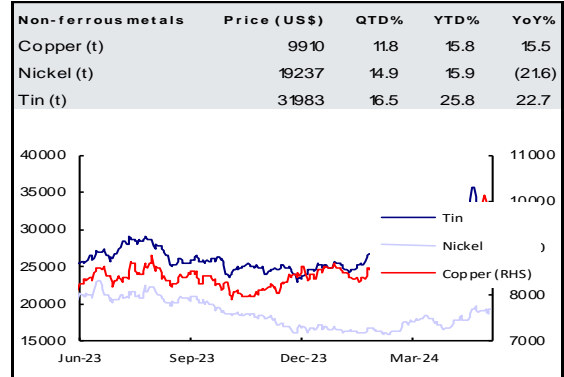
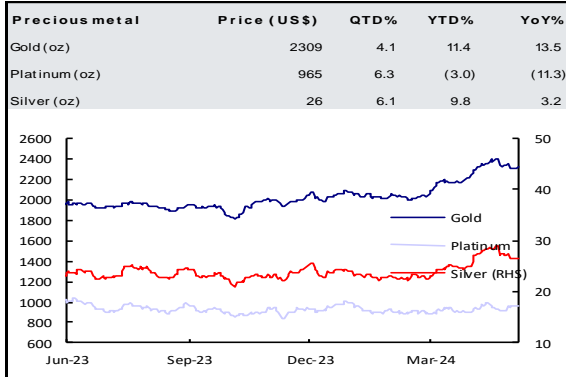
Source: Bloomberg

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		18,475.92	0.0				9.7	9.2	8.5	4.2%	4.7	10.6	14.6	
HANG SENG CHINA ENT IND	HSCEI		6,547.29	0.0				8.9	8.6	7.8	3.9%	4.5	11.8	19.7	
CSI 300 INDEX	SHSZ300		3,604.39	(0.0)				14.3	12.1	10.7	3.2%	3.8	1.6	13.6	
FUYAO GLASS	3606 HK	136,278	48.05	0.0	LONG	41.50	(13.6)	20.1	17.5	14.9	3.8%	(0.7)	15.4	26.8	1-Sep-20
BEUR	3718 HK	1,761	0.50	0.0	LONG	1.80	263.6	6.3	5.2	4.3	7.5%	1.0	1.0	(4.8)	30-Mar-21
BINJIANG SERVICES	3316 HK	4,948	17.90	0.0	LONG	23.50	31.3	9.3	7.7	6.3	9.3%	3.2	5.7	15.9	N/A
BYDE	285 HK	62,414	27.60	0.0	NEUTRAL	17.60	(36.2)	14.3	11.3	8.9	2.5%	10.6	2.6	(2.8)	N/A
CHINA LILANG	1234 HK	5,568	4.81	0.0	LONG	5.32	10.6	9.7	8.8	7.8	8.5%	(2.1)	(8.8)	14.3	N/A
CHINASOFT INTL	354 HK	13,990	4.95	0.0	LONG	12.80	158.6	17.6	13.9	10.7	2.1%	2.1	5.8	4.7	27-Oct-20
CHINA TIAN LUN GAS	1600 HK	4,752	4.84	0.0	LONG	8.70	79.8	9.1	7.8	7.0	4.3%	(0.8)	(1.2)	23.8	26-Feb-20
DUIBA GROUP	1753 HK	350	0.33	0.0	LONG	5.55	1607.7	10.4	N/A**	N/A**	N/A**	10.2	4.8	31.0	N/A
EDVANTAGE GROUP	382 HK	2,957	2.57	0.0	LONG	4.50	75.1	4.1	3.7	3.5	8.2%	4.0	4.9	12.6	3-May-22
EVERGREEN PG	1962 HK	334	0.51	0.0	LONG	1.75	243.1	6.5	N/A**	N/A**	N/A**	6.3	13.3	0.0	26-Jan-21
HUAHONG SEMI	1347 HK	34,685	16.10	0.0	NEUTRAL	26.30	63.4	10.0	24.0	12.1	0.0%	4.1	7.3	2.8	29-Jul-21
KINGDEE INTL	268 HK	32,991	9.15	0.0	NEUTRAL	17.62	92.6	N/A**	N/A**	104.7	0.0%	9.7	5.6	13.6	20-Aug-20
MEIDONG AUTO	1268 HK	3,810	2.89	0.0	LONG	19.76	583.7	25.2	9.6	6.0	5.1%	4.8	(4.4)	7.6	3-Apr-23
MINGYUAN CLOUD	909 HK	5,341	2.86	0.0	NEUTRAL	28.00	879.0	N/A**	N/A**	N/A**	1.0%	15.1	19.6	29.7	N/A
PLOVER BAY TECH	1523 HK	3,170	2.88	0.0	LONG	1.70	(41.0)	14.4	12.3	10.8	1.0%	0.7	18.5	44.9	6-Aug-20
POU SHENG INTL	3813 HK	3,462	0.65	0.0	LONG	2.80	330.8	6.4	4.9	3.8	7.1%	0.0	1.6	6.6	16-Nov-20
Q TECH	1478 HK	4,252	3.59	0.0	NEUTRAL	4.97	38.4	47.8	13.5	9.2	0.6%	7.5	16.9	33.5	10-Aug-22
SUNNY OPTICAL	2382 HK	45,270	41.40	0.0	LONG	160.80	288.4	38.1	22.5	16.3	1.2%	8.4	8.4	(14.7)	17-Aug-22
TRYLY INTL	732 HK	2,813	0.88	0.0	LONG	2.80	218.2	10.7	N/A**	N/A**	N/A**	4.7	17.1	30.9	8-Apr-21
XINYI ENERGY	3868 HK	9,247	1.12	0.0	LONG	1.62	44.6	8.8	7.7	6.7	7.2%	2.8	2.8	4.7	29-Feb-24
XINYI GLASS	868 HK	38,021	8.86	0.0	LONG	18.60	109.9	7.0	6.5	6.5	7.9%	7.1	4.3	38.7	28-Feb-23
XINYI SOLAR	968 HK	51,143	5.67	0.0	LONG	7.20	27.0	12.2	9.6	7.6	6.2%	8.3	(10.6)	55.6	29-Feb-24
XTEP INTL	1368 HK	14,000	5.27	0.0	LONG	11.91	126.0	12.1	10.9	9.5	4.6%	4.7	10.4	32.2	17-Apr-23
YONGDA AUTO	3669 HK	4,260	2.19	0.0	LONG	6.73	207.3	6.9	6.0	4.6	9.2%	6.3	2.3	4.7	28-Mar-23
YUEXU PROPERTY	123 HK	20,932	5.32	0.0	LONG	13.00	144.4	5.4	5.5	5.4	7.2%	18.2	29.7	(1.0)	10-Feb-23
WEIMOB	2013 HK	4,862	1.55	0.0	LONG	14.40	829.0	N/A**	287.3	21.4	0.0%	12.9	9.7	(11.7)	25-Nov-21

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Durable Goods Orders	MoM		24-May-24
Initial Jobless Claims	WoW		9-May-24
Trade Balance	MoM		6-Jun-24
Factory Orders	MoM		4-Jun-24
Employment Report	MoM		7-Jun-24
Wholesale Inventories	MoM		8-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
New home Sales	MoM		23-May-24
Consumer Confidence	MoM		28-May-24
GDP	QoQ		30-May-24
Personal Income & Spending	MoM		31-May-24
ISM Manufacturing PMI	MoM		3-Jun-24
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
PMI Manufacturing	MoM		31-May-24
GDP	YoY		15-Jul-24

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		31-May-24
PMI	MoM		6-May-24
Foreign Currency Reserve	MoM		7-May-24
GDP	QoQ		17-May-24
Unemployment Rate	MoM		20-May-24
CPI	MoM		23-May-24
Trade Balance	MoM		27-May-24
Money Supply - M2	MoM		31-May-24
Producer Prices Index	QoQ		14-Jun-24
Industrial Production	QoQ		14-Jun-24
Composite Interest Rate	MoM		

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