

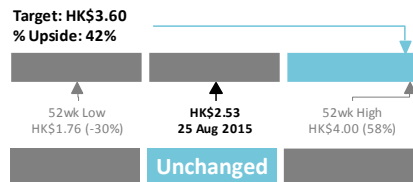
Pharmaceutical Transformation Continuing at Rapid Pace

Non Food Retail

Hong Kong

26 Aug 2015

BUY

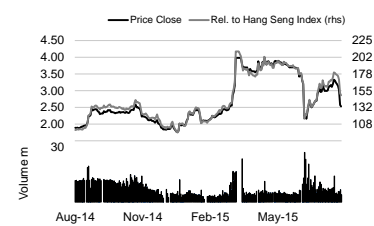


Basic Share Information

Market cap	HK\$5.50b / US\$0.71b
Daily volume (3mth)	US\$2.86m
Shares outstanding	2,175m
Free float	39%
Net debt-to-equity	-27.2%
1 yr high	HK\$4.00
1 yr low	HK\$1.76
Major shareholding	61.0%
Last HTI contact w/ Co	12 Aug 15

Note: Share price and market data as of 25 August 2015.

Price/Volume



Source: Bloomberg

	1mth	3mth	12mth
Absolute	-15.4%	-32.5%	35.1%
Absolute USD	-15.4%	-32.5%	35.1%
Relative to HSI	-0.6%	-9.0%	50.1%

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Raising Target Price on Solid Interim Results

Summary: We maintain our BUY rating on Yestar International Holding. The company's H1 FY15 results were largely in line with our expectations. With its acquisitions of a 70% stake in Shanghai Emphasis (unlisted), which was approved in June 2015 and is scheduled to be completed in August, and of a 70% interest in Jiangsu UNO (unlisted) in September 2014, we believe Yestar is moving closer to its goal of transforming from an imaging products distributor into a pharmaceutical distributor. Yestar's original core business of distributing imaging products for Fujifilm (4901 JP, ¥4,571, NR) is now likely to become a supplementary cash cow. In the near term, we expect Yestar to focus on the integration of its new acquisitions, but would not rule out the possibility of more acquisitions in its pipeline.

Target Price and Catalyst: We have raised our target price from HK\$2.85 to HK\$3.60, based on a fair PER of 25x against our FY16 forecasts (our previous target price was based on a FY15 PER of 25x). The share price has climbed consistently since mid-2014 as the company has shifted its focus from imaging products to pharmaceutical distribution. In July 2015, Yestar completed equity financing and secured bank borrowing facilities, which we believe gives it ample funds for further M&A activity. Another acquisition over the next 6–12 months would likely be a positive catalyst for the share price.

Earnings: H1 FY15 revenue jumped 44% YoY to Rmb1.0bn and NP surged 49% YoY to Rmb55.6mn, in line with our forecasts. Overall gross margin climbed to 18.0% in H1 FY15 from 15.7% in H1 FY14 thanks to a significantly increased revenue contribution from the medical-consumables business (62.9% of total sales in H1 FY15), which saw its segment gross margin improve 7.1ppts YoY to 19.3%. Net margin climbed to 5.6% in H1 FY15 from 5.4% a year earlier. We have revised our FY15 NP forecast down by 3%, but have lifted our FY16–17 NP estimates by 20–21% to factor in the contribution from new acquisitions. We project a CAGR for revenue of 31% and for NP of 44% during FY15–17 with gross margin at 18.8–21.3% and net margin at 7.2–8.8% over our forecast period.

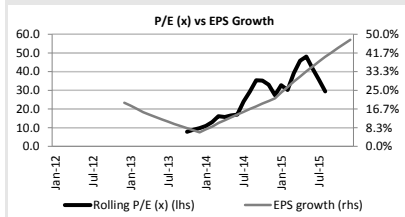
Valuation: In our view, Yestar is not inexpensive on a PER of 18.2x against our FY16 estimates, but we believe its strong earnings growth profile, high ROE and robust balance sheet justify a valuation premium over its peers. The main risks to our target price are (1) a failure on the part of the company to achieve synergies in its new business, (2) price pressure on products, and (3) unfavorable government policies in China for the pharmaceutical industry.

	Dec-13A	Dec-14A	Dec-15E	Dec-16E	Dec-17E	Trend
Total turnover (RMBm)	1,173	1,531	2,253	2,975	3,440	■■■■■
Operating profit (RMBm)	92.3	142.1	245.6	380.8	459.2	■■■■■
Pre-tax profit (RMBm)	93.7	147.0	243.3	378.5	456.9	■■■■■
Net income to ord equity (RMBm)	65.1	100.9	161.2	250.7	302.7	■■■■■
Net profit growth	15.1%	55.1%	59.7%	55.6%	20.7%	■■■■■
P/E (x)	47.04	38.74	26.25	18.16	15.04	■■■■■
Adj EV/EBITDA (x)	28.62	24.76	16.84	11.82	9.64	■■■■■
P/B (x)	13.02	14.74	13.17	9.66	7.31	■■■■■
ROE	29.5%	35.7%	52.8%	61.4%	55.4%	■■■■■
Dividend yield	0.8%	1.3%	1.8%	2.8%	3.3%	■■■■■
EPS HTI New (RMB)	0.04	0.05	0.08	0.12	0.14	■■■■■
Consensus EPS (RMB)		0.06	0.09	0.13	0.16	■■■■■
HTI EPS vs Consensus	na	(3.5%)	(11.4%)	(11.3%)	(13.0%)	■■■■■

Source: Company data, Bloomberg, HTI estimates

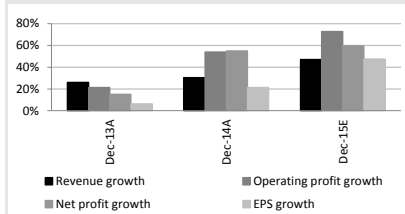
Click [here](#) to download the working model

Valuation



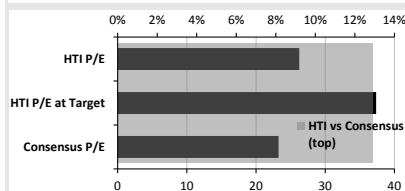
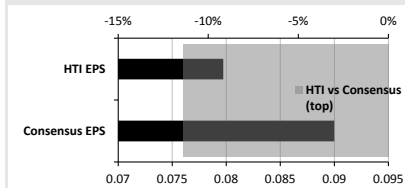
Source: Company data, Bloomberg, HTI estimates

Earnings Trends



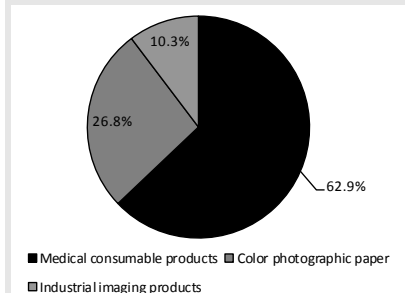
Source: Company data, Bloomberg, HTI estimates

Earnings: HTI vs Consensus



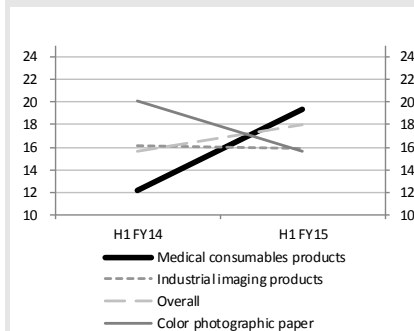
Source: Company data, Bloomberg, HTI estimates

Sales Breakdown (H1FY15)



Source: Company data

Gross Profit Margin (%) Breakdown



Source: Company data

Investment Thesis

BUY

- We believe that Yestar’s acquisitions during the past year are moving the company closer to its goal of transforming itself from an imaging products company into a pharmaceutical distributor. We expect the original core business of distributing imaging products for Fujifilm to become a supplementary cash cow.
- Continued business expansion and acquisitions should support solid earnings growth.
- Yestar’s M&A activity has targeted the medical consumables products firms, with a focus on in vitro diagnostics (IVD), demand for which should remain brisk in China.
- H1 FY15 results were solid with revenue increasing 44% YoY, NP jumping 49% YoY and gross margin climbing to 18.0% from 15.7% a year earlier.
- We project a CAGR for revenue of 31% and for NP of 44% during FY14–17 thanks to an increasing revenue contribution from the medical consumables business. We expect gross margin to be in the 18.8–21.3% range over our forecast period.
- In our view, Yestar is not inexpensive on a PER of 18.2x against our FY16 estimates, but its strong earnings growth profile, high ROE and robust balance sheet mean that it is well placed to take advantage of further M&A opportunities, which should lead to continued growth.
- Vivek Misra of Societe Generale noted in his *Asia Equity Compass* on 21 July 2015 that Hong Kong-listed Chinese shares had not rallied as much as on shore listed stocks during the past year’s run-up, and he thinks they might now outperform their mainland peers. This could help support an increase in Yestar’s share price.

Company Snapshot

Listed in Hong Kong in October 2013, Yestar International Holding is one of the leading providers of color photographic paper and imaging products in China with a strong nationwide sales platform. It processes color photographic paper, various image printing films and medical imaging films into ready-to-use forms. Yestar has been the largest authorized distributor and processor of Fujifilm’s color photographic paper and imaging products in China since June 2009.

In September 2014, Yestar acquired a 70% stake in Jiangsu UNO, a medical equipment and consumables distributor in China, for Rmb245mn. This acquisition gave Yestar the rights to distribute the products of Roche Diagnostics (unlisted) and BD Diagnostics (unlisted) in China. In mid-2015, the company also bought a 70% equity interest in Shanghai Emphasis for Rmb910mn, which provided it with the distribution rights in China for Thermo Fisher Scientific (TMO US, US\$120.05, NR) products.

Key Investment Metrics

Revenue Growth

Low Medium **High**

We expect Yestar to consolidate Jiangsu UNO (a 70% stake was acquired in September 2014) and Shanghai Emphasis (70% of this firm was purchased in mid-2015) in FY15 and FY16, respectively, which should boost revenue. We project revenue growth of 47% YoY in FY15, 32% YoY in FY16, and 16% YoY in FY17.

Profit Margins

Low **Medium** High

We project gross margin climbs from 18.8% in FY15 to 20.8% in FY16 and to 21.3% in FY17 as the sales weighting of high-margin medical consumables products increases. We see net margin growing from 7.2% in FY15 to 8.8% in FY17, with SG&A costs flat at about 8% of revenue over this period.

Shareholder Returns

Low Medium **High**

ROE should rise from 35.7% in FY14 to above 50% over the medium term as profitability improves following the company's acquisitions.

Balance Sheet Risks

High Medium Low

Yestar funded its acquisition of the 70% in Shanghai Emphasis for Rmb910mn by issuing Rmb904.4mn of new shares in July 2015. With a cash balance of Rmb133mn as of end-H1 FY15, we believe the company will likely need to turn to further equity or debt financing if it is to participate in any M&A activity of significant scale over the next few years, which we think is likely.

Barriers to Entry

Low **Medium** High

Yestar is shifting the focus of its business to the distribution of medical consumables. Pharmaceutical expertise is required for this business, but the company has not yet achieved a leading position in this market such that customers would view it as a key supplier. We therefore believe overall barriers to entry are moderate

Asia Exposure

Low Medium **High**

Yestar's business is almost exclusively in Asia.

FX Exposure

Low Medium High

Almost all of Yestar's sales are in China. It does however have some minimal exposure to the USD for certain purchases.

Corporate Governance

Low **Medium** High

Yestar strives to promote and uphold high standards of corporate governance. In its short listing history, no major issues related to corporate governance have emerged thus far. The company's business model seeks to expand through M&A, so how these transactions are conducted is subject to continued scrutiny by the market.

Our Model Assumptions

We forecast revenue growth of 47% YoY for FY15, 32% YoY for FY16, and 16% YoY for FY17 as Yestar consolidates its new businesses

We expect gross margin to remain on a stable uptrend through FY17

Operating costs should remain at about 8% of revenue over our forecast period, in line with the company's historical range

We assume an effective tax rate of about 28% for FY15-17, similar to the levels in prior years

✓ **Key P/L Takeaway**

We project NP increases 60% YoY in FY15, 56% YoY in FY17 and 21% YoY in FY17, supported by solid sales growth and improving margins

Profit & Loss (RMBm)	Dec-13A	Dec-14A	Dec-15E	Dec-16E	Dec-17E
Total turnover	1,173	1,531	2,253	2,975	3,440
Cost of sales	(964)	(1,268)	(1,828)	(2,357)	(2,707)
Gross profit	209	263	425	618	733
Total operating costs	(117)	(121)	(179)	(237)	(273)
Operating profit	92	142	246	381	459
Operating EBITDA	106	160	265	401	481
Depreciation and amortisation	(13)	(18)	(19)	(20)	(22)
Operating EBIT	92	142	246	381	459
Interest income	1	4	4	4	4
Interest expense	(6)	(6)	(13)	(13)	(13)
Other non-recurring income	6	6	6	6	6
Pre-tax profit	94	147	243	378	457
Taxation	(28)	(44)	(68)	(106)	(128)
Minority interests	(0)	(3)	(14)	(22)	(26)
Net income to ord equity	65	101	161	251	303

Source: Company, HTI estimates

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We anticipate Yestar's consolidation of Jiangsu UNO (a 70% stake was acquired in September 2014) and Shanghai Emphasis (70% of this firm was purchased in mid-2015) in FY15 and FY16, respectively, which should boost revenue. We project revenue growth of 47% YoY in FY15, 32% YoY in FY16, and 16% YoY in FY17.

We expect gross margin to climb from 18.8% in FY15 to 20.8% in FY16 and to 21.3% in FY17 as the sales weighting of high-margin medical consumables products increases. We see net margin growing from 7.2% in FY15 to 8.8% in FY17, with SG&A costs flat at about 8% of revenue over this period.

Our Model Assumptions

We expect the inventory period to decline over the medium term

We forecast the account receivables period stays low at about 45 days through FY17

We expect debt to remain stable during FY15–17 even as the company moves from a net cash to a net debt position this year

We assume the accounts payable period is 42–62 days during FY15–17

✓ **Key B/S Takeaway**
We see shareholders' equity rising 10–18% annually over our forecast period, driven by earnings growth

Balance Sheet (RMBm)	Dec-13A	Dec-14A	Dec-15E	Dec-16E	Dec-17E
Total cash and equivalents	283	195	157	181	265
Inventories	273	327	376	376	376
Accounts receivable	17	105	279	368	425
Other current assets	33	27	27	27	27
Total current assets	605	654	839	952	1,093
Tangible fixed assets	104	104	112	119	126
Intangible assets	3	337	337	337	337
Total other assets	24	23	29	34	37
Total non-current assets	131	464	478	490	500
Total assets	736	1,118	1,317	1,442	1,594
Short-term debt	117	102	193	193	193
Accounts payable	215	283	311	311	311
Other current liabilities	48	167	84	84	84
Total current liabilities	380	552	588	588	588
Total long-term debt	-	5	87	87	87
Other liabilities	13	237	237	237	237
Total non-current liabilities	13	241	324	324	324
Total liabilities	394	793	911	911	911
Common stocks	37	37	45	45	45
Other reserves	263	228	301	426	578
Shareholders' equity	300	265	346	471	622
Minority interests	9	9	9	9	9
Other equity	33	50	50	50	50
Total equity	342	325	406	531	682
Total liabilities & shareholders' equity	736	1,118	1,317	1,442	1,594

Source: Company, HTI estimates

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Yestar funded its acquisition of the 70% in Shanghai Emphasis for Rmb910mn by issuing Rmb904.4mn of new shares in July 2015. With a cash balance of Rmb133mn as of end-H1 FY15, we believe the company will likely need to turn to further equity or debt financing if it is to participate in any M&A activity of significant scale over the next few years, which we think is likely.

Our Model Assumptions

Operating cash flow should be negative in FY15 due to changes in working capital related to the consolidation of its recent acquisitions, but it should return to positive territory in FY16–17, supported by cash generated from sales expansion

We see capex remaining stable at Rmb27–28bn over our forecast period

We do not anticipate any major changes in investment cash flow through FY17

✓ **Key Cash Flow Takeaway**
We expect free cash flow to turn negative in FY15 following the acquisition of Shanghai Emphasis, but it should become positive again in FY16–17 thanks to the cash contributions of new acquisitions and from the company's organic growth

Cash Flow (RMBm)	Dec-13A	Dec-14A	Dec-15E	Dec-16E	Dec-17E
Operating profit	92.3	142.1	245.6	380.8	459.2
Depreciation and amortisation	13.4	17.8	19.2	20.4	21.6
Other operating cash flow	(161.8)	8.4	(362.2)	(219.3)	(214.0)
Operating cash flow	(56.1)	168.3	(97.4)	181.9	266.8
Cash flow from operations	(56.1)	168.3	(97.4)	181.9	266.8
Capex	(21.9)	(17.5)	(27.6)	(27.1)	(28.8)
Other investing cash flow	(2.8)	(333.3)	(6.1)	(5.4)	(2.6)
Cash flow from investing activities	(24.7)	(350.8)	(33.6)	(32.6)	(31.4)
Increase in debt	75.5	212.2	173.8	-	-
Other financing cash flow	128.0	(118.0)	(80.6)	(125.4)	(151.3)
Cash flow from financing activities	203.5	94.2	93.2	(125.4)	(151.3)
Cash at beginning of period	160.4	283.0	194.7	156.9	180.8
Total cash generated	122.6	(88.3)	(37.8)	23.9	84.1
Implied cash at end of period	283.0	194.7	156.9	180.8	264.9
Free cash flow	(78.0)	150.8	(125.0)	154.7	238.0

Source: Company, HTI estimates

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We expect Yestar to maintain a healthy cash position through FY17 with operating cash flow remaining strong and capex at a manageable level. However, we expect the company to continue actively engaging in M&A activity over the next few years as it looks to gain market share, especially in the medical consumables industry. We think, therefore, that Yestar could turn to equity and/or debt financing over the medium term. We suspect the management would have a preference for debt financing as long as it does not drive the company's net gearing significantly the company's target of 30%. If M&A transactions are managed appropriately by the company, we do not think they would have a material negative impact on its cash flow.

Our Model Assumptions

We project EPS growth of 21–48% YoY during FY15–17

We assume a dividend payout ratio of 50% through FY17, similar to the level in FY14

We have adjusted the number of shares outstanding for FY13 for the 4-for-1 share split in FY14 on per share data and the share total for FY15 reflects new shares issued this year

We expect the dividend yield to rise over our forecast period on earnings growth and a stable payout ratio

✓ Key Driver Takeaway

We see the company posting strong earnings growth over the next few years

Per share Data	Dec-13A	Dec-14A	Dec-15E	Dec-16E	Dec-17E
EPS (RMB)	0.04	0.05	0.08	0.12	0.14
FDEPS (RMB)	0.04	0.05	0.08	0.12	0.14
Revenue per share (RMB)	0.80	0.82	1.11	1.37	1.58
Operating EBITDA per share (RMB)	0.07	0.09	0.13	0.18	0.22
BVPS (RMB)	0.16	0.14	0.16	0.22	0.29
DPS (RMB)	0.02	0.03	0.04	0.06	0.07
Recurrent cash flow per share	(0.04)	0.09	(0.05)	0.08	0.12
Shares in issue (million)	1,868	1,868	2,175	2,175	2,175
Year end adjusted shares in issue (m)	1,868	1,868	2,175	2,175	2,175
Key Ratios	Dec-13A	Dec-14A	Dec-15E	Dec-16E	Dec-17E
Valuation Measures					
P/Sales (x)	2.61	2.55	1.88	1.53	1.32
P/E (x)	47.04	38.74	26.25	18.16	15.04
P/CF (x)	na	23.22	na	25.04	17.07
P/B (x)	13.02	14.74	13.17	9.66	7.31
Adj EV/EBITDA (x)	28.62	24.76	16.84	11.82	9.64
Dividend yield	0.8%	1.3%	1.8%	2.8%	3.3%
Growth					
Revenue growth	26.1%	30.5%	47.1%	32.0%	15.6%
Operating profit growth	21.4%	54.0%	72.9%	55.1%	20.6%
Net profit growth	15.1%	55.1%	59.7%	55.6%	20.7%
Margins					
Gross margin	17.8%	17.2%	18.8%	20.8%	21.3%
Operating EBITDA margin	9.0%	10.4%	11.8%	13.5%	14.0%
Operating margin	7.9%	9.3%	10.9%	12.8%	13.4%
Pretax profit margin	8.0%	9.6%	10.8%	12.7%	13.3%
Tax rate	30.2%	29.6%	28.0%	28.0%	28.0%
Net profit margin	5.5%	6.6%	7.2%	8.4%	8.8%
Key Ratios					
ROE	29.5%	35.7%	52.8%	61.4%	55.4%
ROA	9.8%	10.9%	13.2%	18.2%	19.9%
Capex/revenue	1.9%	1.1%	1.2%	0.9%	0.8%
Current ratio (x)	1.59	1.19	1.43	1.62	1.86
Creditor days	81.54	81.41	62.09	48.30	41.94
Debtor days	5.24	25.07	45.13	45.26	45.13
Inventory days	103.3	94.2	75.1	58.4	50.7
Sales/avg assets	1.77	1.65	1.85	2.16	2.27
Credit analysis					
EBITDA/interest paid (x)	18.32	27.92	20.37	30.86	36.99
OCF/interest paid (x)	(9.73)	29.40	(7.49)	13.99	20.52
Debt/EBITDA (x)	1.11	0.66	1.06	0.70	0.58
Debt/equity	34.3%	32.7%	69.0%	52.7%	41.0%
Net debt to equity	(48.5%)	(27.2%)	30.3%	18.7%	2.2%

Source: Company, HTI estimates

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We expect Yestar's financial indicators to remain strong during FY15–17, supported by earnings growth (both organic and through M&A). The switch in the company's focus from imaging products to medical consumables distribution should lead to a drop in inventory and creditor days over the medium term. In FY15, we see the company moving from a net cash to a net debt position as a result of increased bank borrowings to finance future acquisitions. However, we think debt is likely to be maintained at a manageable level.

Yestar's H1 FY15 results were largely in line with our forecasts

Yestar's medical consumables products revenue recorded 87% YoY growth in H1 FY15, boosted by an Rmb243mn contribution from Jiangsu UNO

Company Outline and Operational Review

Solid H1 FY15 results

Yestar's H1 FY15 revenue rose 44% YoY to Rmb1.0bn and NP increased 49% YoY to Rmb55.6mn, largely in line with our forecasts. Gross margin climbed to 18.0% in H1 FY15 from 15.7% a year earlier thanks to the increased revenue contribution from medical consumables (62.9% of total sales in H1 FY15), gross margin for which climbed 7.1ppts YoY to 19.3%. Net margin improved to 5.6% in H1 FY15 from 5.4% in H1 FY14.

At the top line, Yestar has benefited from the fast growth of the domestic health care industry. The medical consumables products business booked sales growth of 87% YoY in H1 FY15, representing 62.9% of revenue, up from 48.5% in H1 FY14. Segment sales were boosted by the Rmb243mn contribution from Jiangsu UNO, a distributor of products by Roche Diagnostics and BD Diagnostics. Yestar acquired a 70% equity interest Jiangsu UNO in September 2014. Excluding this acquisition, Yestar's medical consumables product business, which had hitherto mainly consisted of medical imaging products, would have posted a 14.5% YoY increase in sales.

The color photographic paper and digital imaging products segment saw modest 4.2% YoY revenue growth in H1 FY15 to Rmb268mn, while sales in the industrial imaging products segment rose just 2.9% YoY to Rmb100mn. In our view, Yestar's original core business of distributing imaging products for Fujifilm is maturing and we expect it to become a supplementary generator of cash for the firm.

In terms of gross margin, the increase to 18.0% in H1 FY15 from 15.7% in H1 FY14 was due to a greater contribution from the high-margin medical consumables product business. Gross margin in this segment increased from 12.2% in H1 FY14 to 19.3% thanks largely to the consolidation of Jiangsu UNO's IVD business, which had a gross margin of 28.2%. Meanwhile, color photographic paper gross margin dipped 4.4ppts YoY to 15.7% in H1 FY15. Industrial imaging film margins were stable of the first six months of the year at 15.9%.

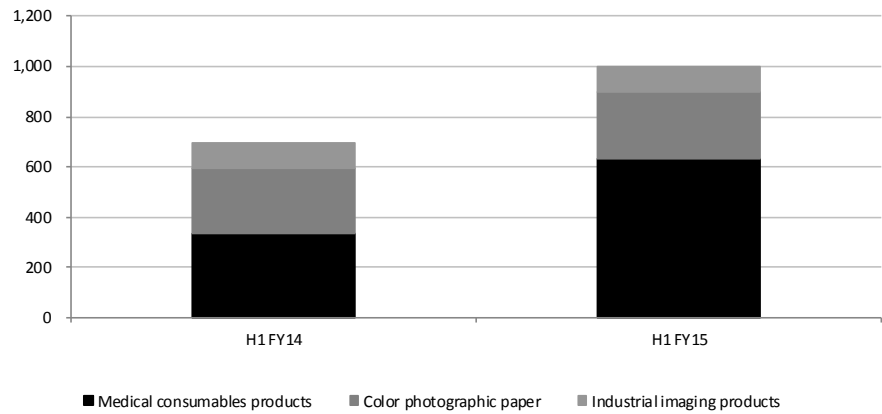
NP jumped 49% YoY in H1 FY15 to Rmb56mn and net margin edged up from 5.4% in H1 FY14 to 5.6%. Excluding non-controlling interests (Rmb11.8mn in H1 FY15, up from Rmb88,000 in H1 FY14 as a result of the consolidation of Jiangsu UNO), net margin would have been 6.7%. SG&A expenses-to-sales were stable at 7.7% in H1 FY15 compared with 7.9% a year earlier.

Yestar H1 FY15 Sales and Profits

Results review (RMB mn)	H1 FY15	H1 FY14	YoY
Sales	1,000	694	44.0%
Gross profit	180	109	64.7%
Gross margin	18.0%	15.7%	
Operating profit	103	54	90.1%
Operating margin	10.3%	7.8%	
Net profit	56	37	49.0%
Net margin	5.6%	5.4%	

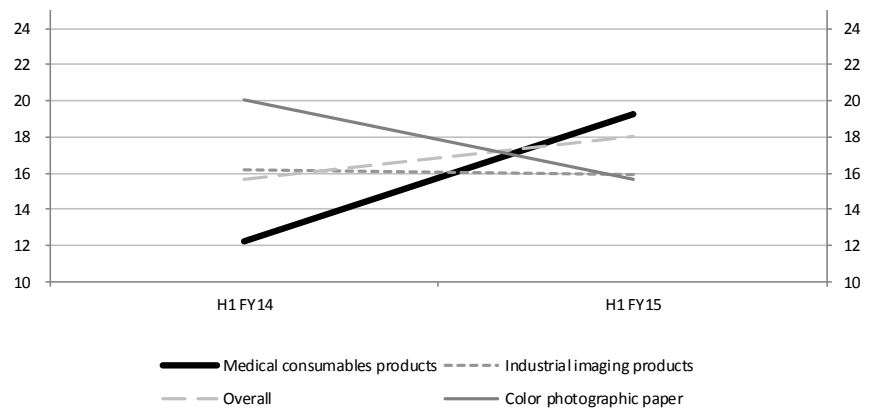
Source: Company data

Yestar Revenue by Product (Rmb mn)



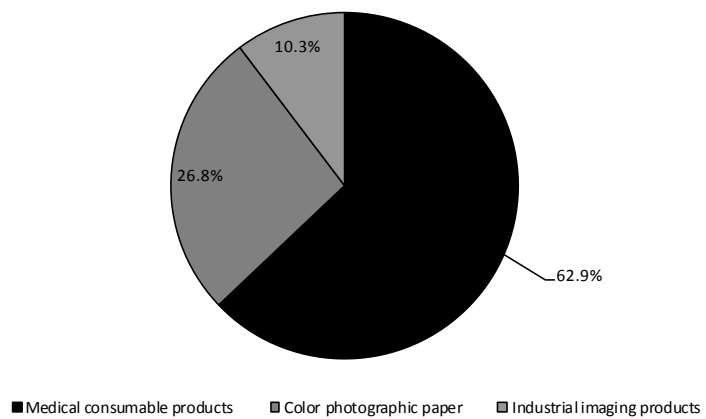
Source: Company data

Yestar Gross Margin by Product (%)



Source: Company data

Yestar H1 FY15 Revenue Breakdown

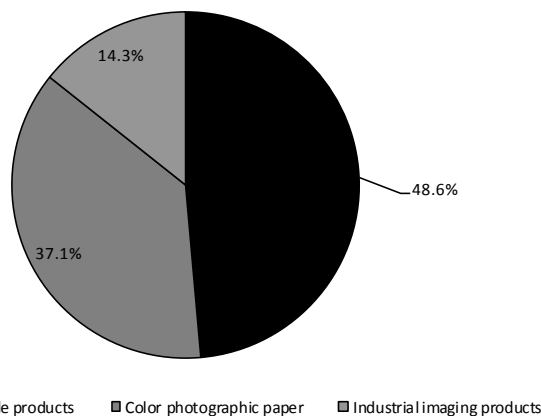


Source: Company data

We expect Yestar to post strong growth in revenue and NP over the medium term

In addition to its longstanding business with Fujifilm, Yestar now distributes medical consumable products for several global firms

Yestar H1 FY14 Revenue Breakdown



Source: Company data

Transformation into Medical Consumables Company

With its planned consolidation of Jiangsu UNO in FY15 and Shanghai Emphasis in FY16, Yestar, we expect Yestar to book strong growth in revenue and NP over the medium term as it continues to expand and improve its product mix by increasing the weighting of high margin medical consumables products.

The acquisition of a 70% stake in Shanghai Emphasis for Rmb910mn (which management expects to be completed in August 2015), Yestar gained direct sales access to 132 hospitals and clinics in Shanghai and a network of 102 secondary distributors. When added to Jiangsu UNO’s distribution network, this would make Yestar the largest distributor of IVD products in Jiangsu, Anhui and Shanghai. We think this should position the company to benefit from growing health awareness in China and as it becomes a major pharmaceutical distributor in the economically developed regions of eastern China.

We see Yestar’s color photographic paper and industrial imaging products businesses continuing to post stable growth over the medium term. In our view these segments would provide downside protection for revenue if the integration of the medical consumables products business does not proceed as smoothly as we expect.

Yestar Distribution Business Partners

Roche	<ul style="list-style-type: none"> · Largest IVD products provider in the world · 21.5% market share (No.1) in the PRC in 2013 · The company expects this to reach 27.9% by 2018
BD	<ul style="list-style-type: none"> · Leading global medical technology player · Manufactures and sells medical supplies, devices, laboratory equipment and diagnostic products
Thermo Fisher Scientific	<ul style="list-style-type: none"> · World leader in providing analytical instruments, equipment, reagents and software and services for research, manufacturing, analysis, discovery and diagnostics
FUJIFILM	<ul style="list-style-type: none"> · Pioneering global photographic paper maker · Well-known brand name · Established application network of medical devices · World-class R&D capability

Source: Company data

Overview of Yestar's Businesses

Growth Driver	Medical Consumable Products			Color Photographic Paper and Others		Industrial Imaging Products	
	In vitro diagnostic (IVD) Products	Medical film	Dental film	Professional paper	Minilab paper	NDT X-ray film	PWB film
Uses	· Performing medical examinations e.g. blood, tissue tests for medical	· Diagnostic images from X-rays and other image modalities	· Dental X-ray examinations showing pictures of teeth, bones, etc.	· Customized ready-to-use color photographic papers		· For checking structural integrity of machinery	· Photo-tooling film for production of printed circuit boards
Strategies	· High market share · Leading IVD player in Eastern China	· Stable cash flows · Long-term relationship with Fujifilm · Low financial leverage business model					
H1 FY15 revenues	Rmb629mn (62.9%)			Rmb268mn (26.8%)		Rmb103mn (10.3%)	
Brands	Roche BD ThermoFisher Scientific · Distribution	FUJIFILM Yestar · Manufacturing · Distribution	FUJIFILM Yestar · Manufacturing · Distribution	FUJIFILM Yestar · Manufacturing · Distribution	FUJIFILM Yestar · Manufacturing · Distribution	FUJIFILM Yestar · Manufacturing · Distribution	FUJIFILM Yestar · Manufacturing
Market position	· Roche has the No. 1 market share in China at 22%	· 20-22% market share (No. 2)	· n/a	· 55% share (No. 1)		· 2012: 5.4% share (No. 4)	· 2012: 37.3% share (No. 1)
Customers	· Hospitals, clinics and wholesalers	· Fujifilm Group · Hospitals, clinics and wholesalers	· Hospitals, clinics and wholesalers	· Wholesalers and end users (e.g. professional photo processing labs)	· Wholesalers and end users (e.g. image printing shops)	· Wholesalers and end users	· Fujifilm Group

Source: Company data

Yestar's Recent Acquisitions

Recent acquisitions	Shanghai Emphasis	Jiangsu UNO
Status	29 June 2015 (Approved)	November 2014 (Completed)
Acquisition details	· Acquired 70% stake for Rmb910mn · Plans to acquire the remaining 30% interest, when all profit guarantees have been achieved, for Rmb675mn	· Acquired 70% stake for Rmb245mn · Plans to acquire the remaining 30% interest, when all profit guarantees have been achieved, for Rmb250mn
Valuation	· 13.0x 2014 net profit (based on IFRS) · 8.3x 2015 net profit (based on 2015 net profit guarantee)	· 7.8x 2014 net profit (based on 2014 net profit guarantee) · 6.5x 2015 net profit (based on 2015 net profit guarantee)

Source: Company data

Forecasts Revised Up Following Solid Interim Results

We have adjusted our model assumptions following the H1 FY15 results. We have lowered our target for film and imaging sales and have factored in new contributions from the Shanghai Emphasis acquisition. As a result, we revised up our FY15–17 revenue forecasts by 3–10% and our FY16–17 NP forecasts by 20–21%. We have lowered our FY15 NP target by 3% to reflect higher minority interests related to the new acquisitions. We believe there could be upside to our forecasts if the company were to announce further acquisitions, which we think is likely.

We have revised up our FY15–17 revenue forecasts by 3–10% and our FY16–17 NP forecasts by 20–21%

Yestar's share price has climbed 37% so far in FY15

For FY15–17, we forecast a CAGR for revenue in the film and imaging business of 3% and in the medical consumables products business of 53%. Overall, we project average annual growth of 31% for revenue and of 44% for NP over the same period. We see revenue rising particularly strongly in FY15 (up 47% YoY) thanks to the full-year consolidation of Jiangsu UNO and a four-month contribution from Shanghai Emphasis, and in FY16 (up 32% YoY), boosted by the full-year consolidation from Shanghai Emphasis. For FY17, we expect the medical consumables products segment to account for 74.8% of overall revenue, up from 47.0% in FY14.

We project gross margin reaches 18.8% in FY15 and then rises to 20.8% in FY16 and to 21.3% in FY17 on the growing contributions from the medical consumables, for which we estimate gross margin of 30% over our forecast period. Net margin should rise from 7.2% in FY15 to 8.4% in FY16 and to 8.8% in FY17 as we expect SG&A expenses to be stable at about 8% of sales with an effective tax rate of around 28% (both within the company's historical range).

HTI Sales & Profits Forecast Revisions for Yestar

Earnings revisions	FY15E			FY16E			FY17E		
	New	Old	Diff	New	Old	Diff	New	Old	Diff
RMB (mn)									
Sales	2,253	2,192	2.8%	2,975	2,698	10.3%	3,440	3,265	5.4%
Gross profit	425	415	2.2%	618	515	19.8%	733	623	17.7%
Gross margin	18.8%	19.0%		20.8%	19.1%		21.3%	19.1%	
Operating profit	246	230	6.7%	381	287	32.5%	459	348	32.1%
Operating margin	10.9%	10.5%		12.8%	10.7%		13.4%	10.6%	
Net profit	161	167	-3.3%	251	208	20.6%	303	251	20.4%
Net margin	7.2%	7.6%		8.4%	7.7%		8.8%	7.7%	

Source: HTI estimates

Valuation & Risks

Yestar's stock has performed strongly, with the share price up 37% so far in FY15 as the company transforms from a distributor of imaging products into a pharmaceutical distributor.

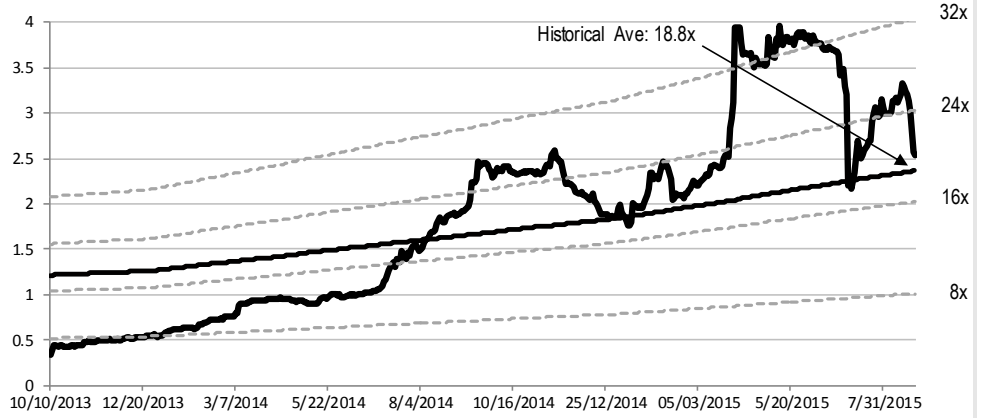
The shares trade on a PER of 18.2x against our FY16 estimates, slightly below the company's historical average forward PER of 18.8x and above the consensus-based 15.9x for its pharmaceutical peers. In our view, Yestar is not inexpensive, but we believe its strong earnings growth profile supported by firm fundamental demand for its products as the Chinese pharmaceutical industry expands justifies its premium valuation. We expect Chinese pharmaceutical sector valuations to rise as investor sentiment improves.

On 17 July 2015, Yestar raised Rmb904mn through the placement of 307.7mn new shares with 18 subscribers at HK\$3.00 per share (a 18.1% premium to the 16 July close). The subscribers included leading health care investors Vivo VII Galaxy Investment (unlisted) and OrbiMed Global Healthcare (unlisted), which we see as a positive development as it indicates that Yestar's transformation into a pharmaceutical distributor is being recognized by long-term specialist investors.

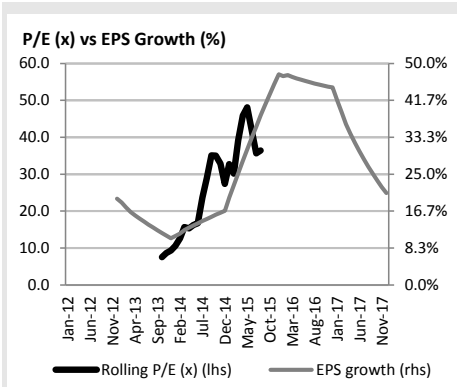
Our target price for Yestar of HK\$3.60 (previously HK\$2.85) is based on a PER of 25x our FY16 EPS estimate. We believe the company's strong earnings growth profile, high ROE, and robust balance sheet should provide it with the means to continue to pursue M&A and to increase the dividend payout (currently 50%). We maintain our BUY rating.

The main risks to the attainment of our target price are (1) a failure on the part of the company to achieve synergies in its new business, (2) price pressure on products, and (3) unfavorable government policies in China for the pharmaceutical industry.

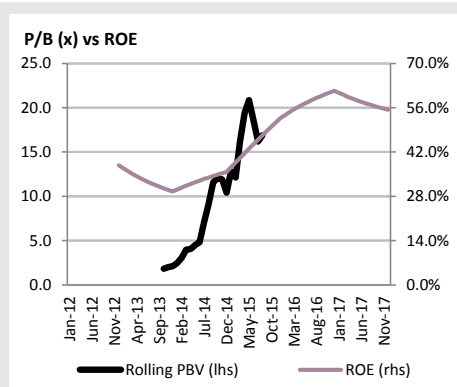
Yestar Share Price (HKD) & Forward PER



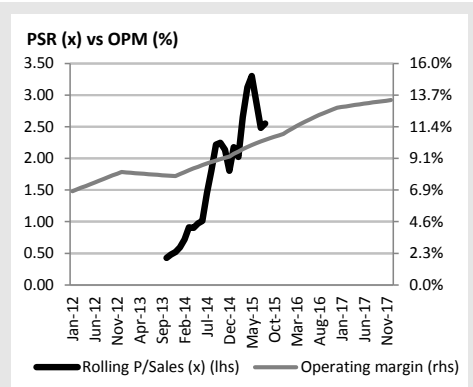
Source: Bloomberg



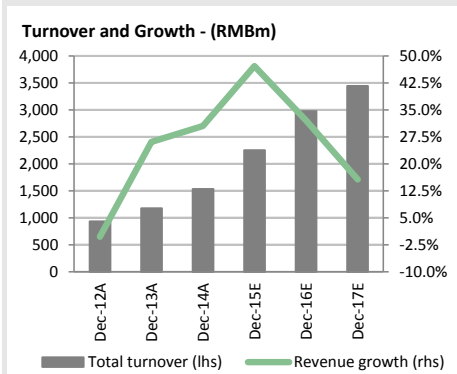
Source: Company data, Bloomberg, HTI estimates



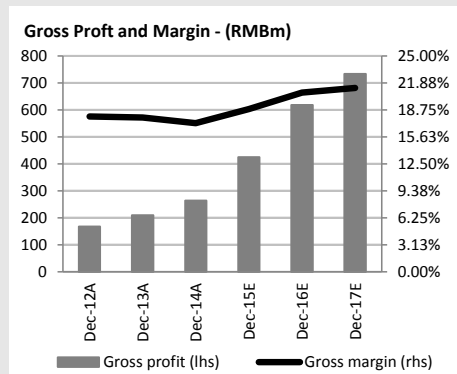
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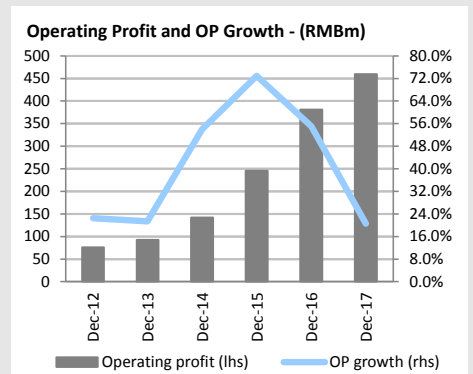
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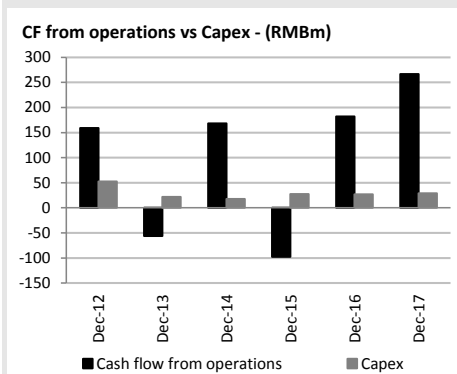
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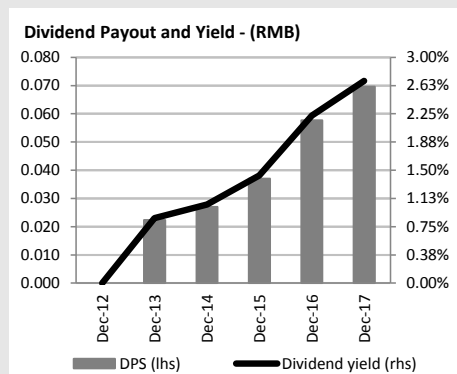
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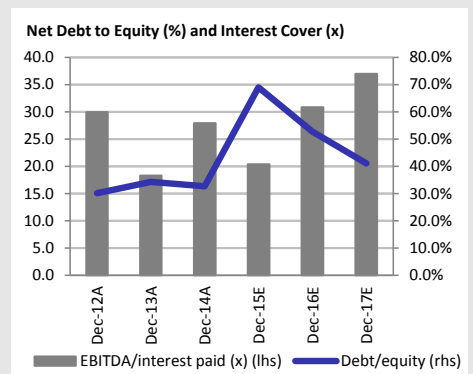
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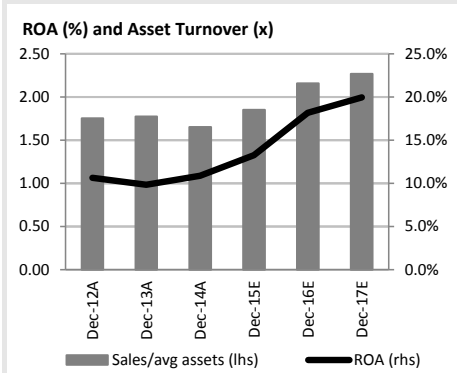
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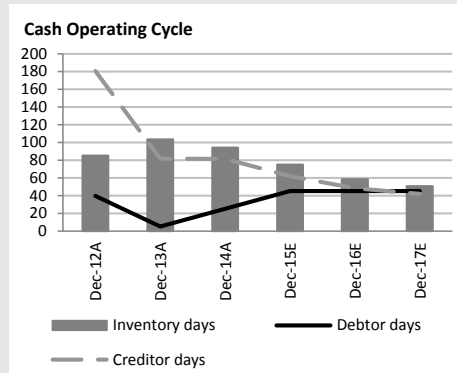
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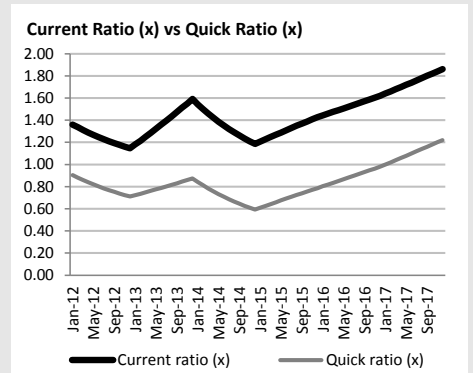
Source: Company data, Bloomberg, HTI estimates



Source: Company data, Bloomberg, HTI estimates



Source: Company data, Bloomberg, HTI estimates



Source: Company data, Bloomberg, HTI estimates

Revenue Growth

We expect the consolidation of the Jiangsu UNO and Shanghai Emphasis during FY15–16 to boost revenue growth. We forecast sales rise 47% YoY in FY15, 32% YoY in FY16, and 16% YoY in FY17.

Profit Margins

We forecast gross margin to climb from 18.8% in FY15 to 20.8% in FY16 and to 21.3% in FY17 the sales weighting of high-margin medical consumables products increases. We see net margin growing from 7.2% in FY15 to 8.8% in FY17, with SG&A costs flat at about 8% of revenue over this period.

Shareholder Returns

We expect ROE to rise from 35.7% in FY14 to above 50% over the medium term as profitability improves following the company's acquisitions.

Balance Sheet Risks

Yestar funded its acquisition of the 70% in Shanghai Emphasis for Rmb910mn by issuing Rmb904.4mn of new shares in July 2015. With a cash balance of Rmb133mn as of end-H1 FY15, we believe the company will likely need to turn to further equity or debt financing if it is to participate in any M&A activity of significant scale over the next few years, which we think is likely.

Key Takeaway

Yestar is not inexpensive on a PER of 18.2x our FY16 EPS estimate, but we believe our outlook for a CAGR for NP of 44% during FY15–17 driven by the company's business transformation justifies a valuation premium to its peers

Investment Thesis – Target Price – Share Price Catalysts

We maintain our BUY rating as we believe Yestar is moving closer to its goal of transforming itself from an imaging products distributor into a pharmaceutical distributor. We expect its original core business of distributing imaging products for Fujifilm to become a supplementary generator of cash. The company's expansion and acquisitions are likely to accelerate, supporting solid earnings growth. We project a CAGR for revenue of 31% and of for NP of 44% during FY15–17.

We have raised our target price for Yestar from HK\$2.85 to HK\$3.60 based on a PER of 25x our FY16 EPS estimate. Yestar is not inexpensive, but we believe the company's strong earnings growth profile, high ROE, and robust balance sheet should provide it with the means to continue to pursue M&A opportunities. Another acquisition over the next 6–12 months would likely be a positive catalyst for the share price.

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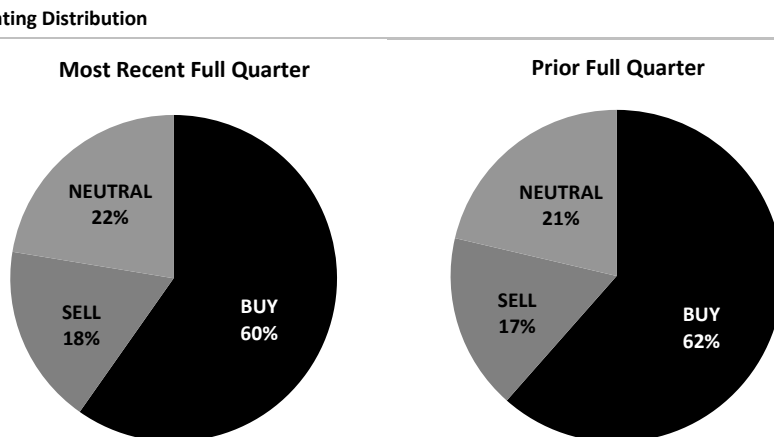
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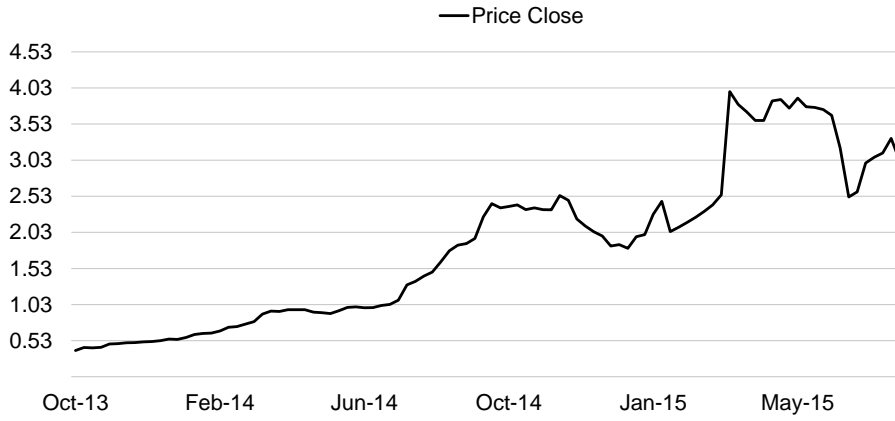
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Recommendation Chart



Date	Recommendation	Target (HKD)	Price (HKD)
2015-08-26			

Source: Company data Bloomberg, HTI estimates

Definitions for 1st page Metrics

Business Growth

This is the metric which matches the top line in our report.

Business profit

This is the metric which best represents operating profit in our report

Shareholder Returns

Return on Equity

Balance Sheet Risk

Net Debt to Equity

Haitong International Coverage as of 31 Jul 2015

Pan Asia Resources**Core Coverage Universe****Sam Hawley (Team Leader)**

Angang Steel (347 HK)
China Shenhua Energy (1088 HK)
CNOOC (883 HK)
Daido Steel (5471 JP)
Hanwa (8078 JP)
Kawasaki Kisen (9107 JP)
Kyoel Steel (5440 JP)
Maanshan Iron & Steel (323 HK)
Mitsui O.S.K. Lines (9104 JP)
Nippon Steel & Sumikin Bussan (9810 JP)
PetroChina (857 HK)
Sanyo Special Steel (5481 JP)
Tokyo Steel Mfg. (5423 JP)

Fook Tat Cho

Anton Oilfield Services (3337 HK)
China Datang (1798 HK)
China Longyuan Power (916 HK)
China Singyes (750 HK)
China Suntien (956 HK)
CIMC Enric (3899 HK)
GCL-Poly (3800 HK)
Hilong (1623 HK)
Honghua Group (196 HK)
Huadian Fuxin Energy (816 HK)
Huaneng Renewables (958 HK)
SPT Energy (1251 HK)
Xinjiang Goldwind (2208 HK)

Non-Coverage Universe

China Oil & Gas Group (603 HK)
Dowa Holdings (5714 JP)
Iino Kaiun Kaisha (9119 JP)
Maruichi Steel Tube (5463 JP)
Nippon Coke & Engineering (3315 JP)
NS United Kaiun Kaisha (9110 JP)
Osaka Steel (5449 JP)
Shandong Molong Petroleum Machinery (568 HK)
Shougang Concord International Enterprises (697 HK)
Yamato Kogyo (5444 JP)

Pan Asia Machinery & Industrial**Core Coverage Universe****Jenny Zhen (Team Leader)**

China Communications Construction (1800 HK)
China Railway Construction (1186 HK)
China Railway Group (390 HK)
CRRC (1766 HK)
Shenzhen International (152 HK)
Zhuzhou CSR Times Electric (3898 HK)

Gary Cheung

Airtac International Group (1590 TT)
First Tractor (38 HK)
Hiwin Technologies (2049 TT)
Merida (9914 TT)
Techtronic Industries (669 HK)
Teco Electric and Machinery (1504 TT)
Weichai Power (2338 HK)
Zoomlion Heavy Industry (1157 HK)

Sho Fukuhara

Daikin Industries (6367 JP)
Fujitsu General (6755 JP)
Glory (6457 JP)
Hitachi Construction Machinery (6305 JP)
IHI (7013 JP)
Kawasaki Heavy Industries (7012 JP)
Komatsu (6301 JP)
Kubota (6326 JP)
KYB (7242 JP)
Makita (6586 JP)
Mitsubishi Heavy Industries (7011 JP)
Sato Holdings (6287 JP)
SMC (6273 JP)
THK (6481 JP)

Tony Moyer

Amada (6113 JP)
Azbil (6845 JP)
Chiyoda (6366 JP)
Daifuku (6383 JP)
Fanuc (6954 JP)
JGC (1963 JP)
Nabtesco (6268 JP)
Tsugami (6101 JP)
Yaskawa Electric (6506 JP)
Yokogawa Electric (6841 JP)

Non-Coverage Universe

Avic International Holdings (232 HK)
Chun Wo Development Holdings (711 HK)
CW Group Holdings (1322 HK)
Shanghai Prime Machinery (2345 HK)
TK Group Holdings (2283 HK)
Wah Lee Industrial (3010 TT)
Kato Works (6390 JP)
Mitsui Engineering & Shipbuilding (7003 JP)
Nishio Rent All (9699 JP)
Takeuchi Mfg. (6432 JP)
Eagle Industry (6486 JP)
Komori (6349 JP)
Modex (6269 JP)
Nachi-Fujikoshi (6474 JP)
Toyo Engineering (6330 JP)

Pan Asia TMT**Core Coverage Universe****Neil Jiggins (Team Leader)**

Chunghwa Telecom (2412 TT)
Far EastTone Telecommunications (4904 TT)
KDDI (9433 JP)
Nippon Telegraph & Telephone (9432 JP)
NTT DoCoMo (9437 JP)
Softbank (9984 JP)
Taiwan Mobile (3045 TT)

Steve Myers

Canon (7751 JP)
Fujitsu (6702 JP)
Hon Hai Precision Industry (2317 TT)
Keyence (6861 JP)
Konica Minolta Holdings (4902 JP)
LG Electronics (066570 KS)
Nikon (7731 JP)
Samsung Electronics (005930 KS)
Taiwan Semiconductor Mfg. Co. (2330 TT)
Toshiba (6502 JP)

Jones Ku

AAC Technologies (2018 HK)
BYD Electronic (285 HK)
China Communications (552 HK)
Coolpad Group (2369 HK)
Sunny Optical (2382 HK)
TCL Communication (2618 HK)
Tongda Group (698 HK)
ZTE (763 HK)

Jean-Louis Lafayedney

Advanced Semiconductor Engineering (2311 TT)
ASM Pacific Technology (522 HK)

Asustek Computer (2357 TT)

AU Optronics (2409 TT)

Casestek Holdings (5264 TT)

HTC (2498 TT)

Largan Precision (3008 TT)

Lenovo (992 HK)

Nidec (6594 JP)

Siliconware Precision Industries (2325 TT)

Skyworth Digital Holdings (751 HK)

Justin Weiss

Colopl (3668 JP)
Cookpad (2193 JP)
CyberAgent (4751 JP)
DeNA (2432 JP)
F@N Communications (2461 JP)
GMO Payment Gateway (3769 JP)
Gree (3632 JP)
Gurunavi (2440 JP)
Infomart (2492 JP)
Kakaku.com (2371 JP)
Naver (035420 KS)
Nexon (3659 JP)
Rakuten (4755 JP)
Start Today (3092 JP)
Yahoo Japan (4689 JP)

Daniel Wang

Alibaba Group Holdings (BABA US)
China Fiber Optic Network System (3777 HK)
China Mobile (941 HK)
China Telecom (728 HK)
China Unicom Hong Kong (762 HK)
Ctrip.com International (CTRP US)
Kingdee International Software Group (268 HK)
Kingsoft (3888 HK)
NetEase (NTES US)
Tencent Holdings (700 HK)

Pan Asia Autos**Core Coverage Universe****Steve Usher (Team Leader)**

Fuji Heavy Industries (7270 HK)
Honda Motor (7267 JP)
Hyundai Motor (005380 KS)
Kia Motors (000270 KS)
Nissan Motor (7201 JP)
Suzuki Motor (7269 JP)
Toyota Motor (7203 JP)
Yamaha Motor (7272 JP)

Rebecca Tang

Baoxin Auto (1293 HK)
Brilliance China (1114 HK)
BYD (1211 HK)
Dongfeng Motor (489 HK)
Geely Automobile (175 HK)
Great Wall Motor (2333 HK)
Guangzhou Automobile (2238 HK)
Minth (425 HK)
Nexteer (1316 HK)

Kosuke Matsuda

Mazda (7261 JP)

Non-Coverage Universe

China All Access Holdings (6337 HK)
SIM Technology Group (2000 HK)
Ferrotec (6890 JP)
Fujimi (5384 JP)
Megachips (6875 JP)
Ryosan (8140 JP)
Shindengen Electric Mfg. (6844 JP)
Anxin-China Holdings (1149 HK)
AV Concept Holdings (595 HK)
ChipMOS Technologies (8150 TT)
FocalTech (5280 TT)
Hua Hong Semiconductor (1347 HK)
Micro-Star International (2377 TT)
TCL Multimedia Technology Holdings (1070 HK)
Truly International Holdings (732 HK)
Unity Opto Technology (2499 TT)
Varitronix International (710 HK)
Bit-Isle (3811 JP)
GMO Internet (9449 JP)
Internet Initiative Japan (3774 JP)
Piped Bits (3831 JP)
T-Gaia (3738 JP)
Alibaba Health Information Technology (241 HK)
Alibaba Pictures (1060 HK)
Boyaa Interactive International (434 HK)
Cogobuy (400 HK)
Comba Telecom Systems Holdings (2342 HK)
Digital China (861 HK)
Feiyu Technology International (1022 HK)
Forgame Holdings (484 HK)
IGG (8002 HK)
NetDragon Websoft (777 HK)

Ourgame International Holdings (6899 HK)

Tian Ge Interactive Holdings (1980 HK)

Yangtze Optical Fibre & Cable (6869 HK)

Haitong International Coverage as of 31 Jul 2015

China Real Estate**Core Coverage Universe**

Andy So (Team Leader)
 Agile Property (3383 HK)
 China Overseas Land & Investment (688 HK)
 Country Garden Holdings (2007 HK)
 Dalian Wanda Commercial Properties (3699 HK)
 Greentown China Holdings (3900 HK)
 Guangzhou R&F Properties (2777 HK)
 KWG Property Holding (1813 HK)

Non-Coverage Universe

Joy City (207 HK)
 China Merchant Prop (978 HK)
 Greenland HK (337 HK)
 Central China Real Estate (832 HK)
 Gemdale (535 HK)
 Yuzhou Properties (1628 HK)
 Emperor International Holdings (163 HK)

Japan Real Estate**Core Coverage Universe**

Mark Brown (Team Leader)
 Daito Trust Construction (1878 JP)
 Daiwa House Industry (1925 JP)
 Lixil Group (5938 JP)
 Mitsubishi Estate (8802 JP)
 Mitsui Fudosan (8801 JP)
 Noritex (5943 JP)
 Obayashi (1802 JP)
 Sekisui House (1928 JP)
 Sumitomo Realty & Development (8830 JP)
 Taisei (1801 JP)
 Tokyo Tatemono (8804 JP)

Non-Coverage Universe

Daibiru (8806 JP)
 Daikyo (8840 JP)
 Haseko (1808 JP)
 Hulic (3003 JP)
 Kenedix (4321 JP)
 Sanwa Holdings (5929 JP)
 Sumitomo Real Estate Sales (8870 JP)

China Consumer**Core Coverage Universe**

Nicolas Wang (Team Leader)
 China Medical System (867 HK)
 China Mengniu Dairy (2319 HK)
 China Resources Enterprise (291 HK)
 China Traditional Chinese Medicine (570 HK)
 CSPC Pharmaceutical Group (1093 HK)
 Hengan International (1044 HK)
 Shanghai Pharmaceuticals (2607 HK)
 Sinopharm Group (1099 HK)
 Tingyi Cayman Islands Holding (322 HK)
 Tsingtao Brewery (168 HK)
 Uni-President China (220 HK)

Non-Coverage Universe

Tenow International (1219 HK)
 Tibet 5100 Water (1115 HK)
 China Child Care (1259 HK)
 Tsui Wah (1314 HK)
 Hosa (2200 HK)
 Goodbaby (1086 HK)
 Le Saunda (738 HK)
 Future Bright (703 HK)
 C.Banner (1028 HK)
 Dorsett Hospitality (2266 HK)
 China Travel International (308 HK)
 Shanghai Jinjiang International (2006 HK)

Donald Cheng

Galaxy Entertainment (27 HK)
 Macau Legend Development (1680 HK)
 MGM China (2282 HK)
 Paradise Entertainment (1180 HK)
 Sands China (1928 HK)
 SJM Holdings (880 HK)
 Wynn Macau (1128 HK)

Japan Consumer**Core Coverage Universe**

James Moon (Team Leader)
 FamilyMart (8028 JP)
 Fast Retailing (9983 JP)
 Japan Tobacco (2914 JP)
 Seven & I Holdings (3382 JP)
 Unicharm (8113 JP)

Non-Coverage Universe

Aeon Mall (8905 JP)
 Aoyama Trading (8219 JP)
 H2O Retailing (8242 JP)
 Honeys (2792 JP)
 Parco (8251 JP)

Latest Additions to Coverage

AeroSpace Technology of Korea (067390 KS)—Justin Kim
 Nidec (6594 JP)—Jean-Louis Lafayeedney

Latest Drops from Coverage

None

Latest Transfers of Coverage

None

Asia ex Small Cap**Core Coverage Universe**

Yuan Yuan Ji (Team Leader)
 Best Pacific International (2111 HK)
 Century Sage Scientific (1450 HK)
 China Aircraft Leasing Group (1848 HK)
 CPMC Holdings (906 HK)
 Daphne International Holdings (210 HK)
 Dynagreen Environmental Protection (1330 HK)
 Pacific Textiles Holdings (1382 HK)
 Pax Global Technology (327 HK)
 Sa Sa International Holdings (178 HK)

Non-Coverage Universe

Bolina Holding (1190 HK)
 Bonjour Holdings (653 HK)
 Chigo Holding (449 HK)
 China Glass Holdings (3300 HK)
 Goldpac Group (3315 HK)
 Hisense Kelon Electrical Holdings (921 HK)
 Hua-Han Bio-Pharmaceutical Holdings (587 HK)
 Ozone Water International Holding (2014 HK)
 Sinosoft Technology Group (1297 HK)
 Texhong Textile Group (2678 HK)

Shanghai Fudan Microelectronics (1385 HK)

Wei Qiao Textile (2698 HK)

Shenzhen International Group (2313 HK)

Welling Holding (382 HK)

Sinomedia Holding (623 HK)

Yue Yuen Industrial Holdings (551 HK)

Wasion Group Holdings (3393 HK)

Cosmax (192820 KS)

Kevin Leung

APT Satellite (1045 HK)
 Boer Power (1685 HK)
 China Pioneer Pharma (1345 HK)
 Cosmo Lady China (2298 HK)
 Fu Shou Yuan International (1448 HK)
 Man Wah Holdings (1999 HK)
 PW Medtech (1358 HK)
 Universal Health International (2211 HK)
 Wisdom Holdings (1661 HK)
 Yestar International (2393 HK)

DHP Korea (131030 KS)

Easy Bio (035810 KS)

Hansol HomeDeco (025750 KS)

Hanssem (009240 KS)

Mando (204320 KS)

Medy-Tox (086900 KS)

Naturalendo Tech (168330 KS)

Sam Chun Dang Pharm (000250 KS)

Justin Kim

Aerospace Technology of Korea (067390 KS)

Jaesong Woo

Hansae (105630 KS)
 Hy-Lok (013030 KS)
 Korea Kolmar (161890 KS)
 Osstem Implant (048260 KS)
 Sung Kwang Bend (014620 KS)
 TK Corp. (023160 KS)
 Youngone (111770 KS)

Japan Small Cap**Core Coverage Universe**

Hiro Yuki Terada (Team Leader)
 Accordia Golf (2131 JP)
 Dentsu (4324 JP)
 Gulliver International (7599 JP)
 Pigeon (7956 JP)
 Pola Orbis (4927 JP)
 Recruit Holdings (6098 JP)
 Sanrio (8136 JP)
 Shiseido (4911 JP)
 Sohgo Security Services (2331 JP)
 Technopro Holdings (6028 JP)
 Yamato Holdings (9064 JP)

Non-Coverage Universe

Meitec (9744 JP)
 Fujibo Holdings (3104 JP)
 Monotaro (3064 JP)
 Nichii Gakkan (9792 JP)
 Tohokushinsha Film (2329 JP)
 Weathernews (4825 JP)

Yumeshin Holdings (2362 JP)

Yusuke Suzuki

Ain Pharmaciez (9627 JP)
 Doutor Nichires Holdings (3087 JP)
 FP (7947 JP)
 Nihon Nohyaku (4997 JP)
 Nihon Parkerizing (4095 JP)
 Sky Perfect JSAT Holdings (9412 JP)
 Sun Frontier Fudousan (8934 JP)
 Takara Leben (8897 JP)
 Tosei (8923 JP)
 Wowow (4839 JP)

Tony Tanaka

GCA Sawvian (2174 JP)