

Tongda (698 HK)

Android demand and smart-tech to drive earnings recovery; maintain BUY

We spoke to Tongda mgmt. post results, and we believe FY24 earnings were mainly dragged by disposal of Apple biz and non-cash impairment provisions. Excluding Apple biz, FY24 revenue grew 17.8% YoY, backed by consumer electronics (+17.5%) and household & sports goods (+19%). For 2025, mgmt. believes growth drivers include Android demand recovery, high-margin smart-tech business, and GPM recovery to 15-16% after 2 years of restructuring. Following biz disposal, FY24 cash inflow from operating activities was HK\$4,585mn (vs HK\$7mn in 2023), and net cash reached HK\$635mn (vs net debt of HK\$1,267mn). To reflect 2024 results, business outlook and a healthier balance sheet, we adjust FY25/26E EPS by -8%/-3%, and our new TP of HK\$0.112 is based on the same 6.0x FY25E P/E. Trading at 4.4x/3.1x FY25/26E P/E with net cash of HK\$635mn, we think the stock is attractive. Maintain BUY.

■ **FY24 earnings dragged by Apple biz disposal and impairment provisions.** FY24 revenue decline of 14.3% YoY was mainly due to disposal of high-precision component business (Apple biz). Excluding Apple biz, adjusted revenue rose 17.8% YoY driven by consumer electronics (+17.5%) and household & sports goods (+19%). GPM turned negative to -5.9% (vs. 5.3% in FY23) mainly on Apple biz disposal, competition and inventory provision. Impairment provision was HK\$2,350mn which included fixed assets, investments in associates and amount due from a jointly-controlled entity, which offset the one-off net gain of HK\$146mn from disposal of Apple biz.

■ **2025 Outlook: smartphone recovery and high-margin smart-tech to drive earnings growth.** Overall, mgmt. remains positive on 2025 outlook: 1) smartphone casing: glass fiber back cover adoption in Android smartphones under AI upgrade cycle and order upside in 2H25E driven by new model launches; 2) Smart tech: 20% sales growth in FY25E driven by new projects from Ikea and Malaysia factory capacity ramp-up; 3) Networking revenue to reach HK\$500mn. Overall, mgmt. guided an earnings turnaround driven by smartphone casing, high-margin smart-tech and margin recovery.

■ **Maintain BUY on earnings recovery and healthier balance sheet.** We have slightly adjusted FY25-26E EPS to factor in FY24 results, business outlook, a healthier balance sheet and operating efficiency. Our new TP of HK\$0.112 is based on the same 6.0x FY25E PE. We believe the stock is undervalued, given its 66.2% shareholding in A-share subsidiary, Tongda Smart Tech (mkt cap: HK\$2.5bn), and Tongda's FY24 net cash of HK\$635mn.

Earnings Summary

| (YE 31 Dec) | FY23A | FY24A | FY25E | FY26E | FY27E |
|-----------------------------|-----------|-----------|-------|--------|--------|
| Revenue (HK\$ mn) | 6,522 | 5,590 | 5,893 | 6,270 | 6,818 |
| YoY growth (%) | (18.2) | (14.3) | 5.4 | 6.4 | 8.7 |
| Net profit (HK\$ mn) | (1,229.7) | (3,942.2) | 181.6 | 256.1 | 292.7 |
| YoY growth (%) | na | na | na | 41.0 | 14.3 |
| EPS (Reported) (HK\$ cents) | (12.64) | (40.49) | 1.87 | 2.63 | 3.01 |
| YoY growth (%) | na | na | na | 41.0 | 14.3 |
| Consensus EPS (HK\$ cents) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| P/E (x) | ns | ns | 4.4 | 3.1 | 2.7 |
| P/B (x) | 0.1 | 0.3 | 0.3 | 0.2 | 0.2 |
| Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| ROE (%) | (16.8) | (79.6) | 6.0 | 7.8 | 8.1 |
| Net gearing (%) | 25.5 | 4.8 | 7.1 | (54.6) | (51.0) |

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

| | |
|---------------|-----------|
| Target Price | HK\$0.11 |
| (Previous TP) | HK\$0.12) |
| Up/Downside | 36.5% |
| Current Price | HK\$0.08 |

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Stock Data

| | |
|--------------------------|-----------|
| Mkt Cap (HK\$ mn) | 797.0 |
| Avg 3 mths t/o (HK\$ mn) | 0.6 |
| 52w High/Low (HK\$) | 0.15/0.07 |
| Total Issued Shares (mn) | 9719.0 |

Source: FactSet

Shareholding Structure

| | |
|---------------------------------|-------|
| Landmark Worldwide Holdings Ltd | 24.4% |
| Wang Ya Nan | 7.8% |

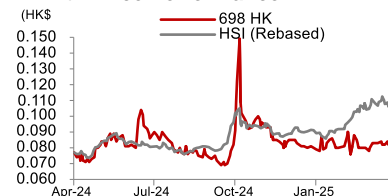
Source: HKEx

Share Performance

| | Absolute | Relative |
|-------|----------|----------|
| 1-mth | 2.5% | 1.7% |
| 3-mth | 1.2% | -12.2% |
| 6-mth | 0.0% | -8.6% |

Source: FactSet

12-mth Price Performance



Source: FactSet

2H24 Results Review

Figure 1: Results review

| HK\$ mn | 1H23 | 2H23 | 1H24 | 2H24 | YoY | CMBI | | Consensus | |
|------------------|-------|---------|-------|---------|-----------|-------|------------|-----------|------------|
| | | | | | | 2H24E | Diff (%) | 2H24E | Diff (%) |
| Revenue | 2,832 | 3,691 | 2,986 | 2,604 | -29% | 2,765 | -6% | 2,765 | 2% |
| Gross profit | 574 | (228) | 625 | (953) | 318% | 166 | na | 163 | na |
| Operating profit | 75 | (1,169) | 67 | (1,657) | 42% | (88) | na | | |
| Net profit | 19 | (1,249) | 13 | (3,955) | 217% | 16 | na | 16 | na |
| EPS (RMB) | 0.002 | (0.128) | 0.001 | (0.406) | 216% | 0.002 | na | | |
| Gross margin | 20.3% | -6.2% | 20.9% | -36.6% | -17.8 ppt | 6.0% | -42.6 ppt | 5.9% | -42.5 ppt |
| Operating margin | 2.7% | -31.7% | 2.3% | -63.7% | -36.6 ppt | -3.2% | -60.5 ppt | | |
| Net margin | 0.7% | -33.8% | 0.4% | -151.9% | -36.5 ppt | 0.6% | -152.5 ppt | 0.6% | -152.5 ppt |

Source: Company data, Bloomberg, CMBIGM estimates

Earnings Revision

Figure 2: Earnings revision

| (HK\$ mn) | New | | | Old | | | Change (%) | | |
|------------------|-------|-------|-------|-------|-------|-------|------------|---------|-------|
| | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E |
| Revenue | 5,893 | 6,270 | 6,818 | 6,212 | 6,782 | na | -5% | -8% | na |
| Gross profit | 948 | 1,092 | 1,210 | 1,059 | 1,017 | na | -10% | 7% | na |
| Operating profit | 85 | 173 | 211 | 121 | 183 | na | -30% | -5% | na |
| Net profit | 182 | 256 | 293 | 197 | 265 | na | -8% | -3% | na |
| EPS (HK\$) | 0.019 | 0.026 | 0.030 | 0.02 | 0.03 | na | -8% | -3% | na |
| Gross margin | 16.1% | 17.4% | 17.7% | 17.0% | 15.0% | na | -0.9 ppt | 2.4 ppt | na |
| Operating margin | 1.4% | 2.8% | 3.1% | 1.9% | 2.7% | na | -0.5 ppt | 0.1 ppt | na |
| Net Margin | 3.1% | 4.1% | 4.3% | 3.2% | 3.9% | na | -0.1 ppt | 0.2 ppt | na |

Source: Company data, CMBIGM estimates

Figure 3: CMBI estimates vs consensus

| (HK\$ mn) | CMBIS | | | Consensus | | | Diff (%) | | |
|------------------|-------|-------|-------|-----------|-------|-------|----------|---------|-------|
| | FY25E | FY26E | FY27E | FY24E | FY25E | FY27E | FY25E | FY26E | FY27E |
| Revenue | 5,893 | 6,270 | 6,818 | 6,212 | 6,782 | na | -5% | -8% | na |
| Gross profit | 948 | 1,092 | 1,210 | 1,056 | 1,017 | na | -10% | 7% | na |
| Operating profit | 85 | 173 | 211 | - | - | na | - | - | na |
| Net profit | 182 | 256 | 293 | 197 | 265 | na | -8% | -3% | na |
| EPS (HK\$) | 0.019 | 0.026 | 0.030 | 0.000 | 0.000 | na | - | - | na |
| Gross margin | 16.1% | 17.4% | 17.7% | 17.0% | 15.0% | na | -0.9 ppt | 2.4 ppt | na |
| Operating margin | 1.4% | 2.8% | 3.1% | - | - | na | - | - | na |
| Net Margin | 3.1% | 4.1% | 4.3% | 3.2% | 3.9% | na | -0.1 ppt | 0.2 ppt | na |

Source: Company data, Bloomberg, CMBIGM estimates

Figure 4: Revenue breakdown

| HK\$ mn | FY23 | 1H24 | 2H24 | FY24 | FY25E | FY26E | FY27E |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Consumer electronics | 5,637 | 2,479 | 2,058 | 4,536 | 4,576 | 4,650 | 4,874 |
| ... YoY | -18% | 4% | -37% | -20% | 1% | 2% | 5% |
| Handsets | 4,865 | 1,780 | 1,586 | 3,366 | 3,410 | 3,336 | 3,390 |
| ... YoY | -15% | -15% | -43% | -31% | 1% | -2% | 2% |
| Metal | 350 | 260 | 65 | 325 | 520 | 536 | 510 |
| ... YoY | -17% | 86% | -69% | -7% | 60% | 3% | -5% |
| Non-metal | 2,365 | 1,020 | 1,521 | 2,541 | 2,890 | 2,800 | 2,880 |
| ... YoY | -16% | 3% | 10% | 7% | 14% | -3% | 3% |
| Apple | 2,100 | 500 | - | 500 | - | - | - |
| ... YoY | -16% | -48% | 0% | -76% | 0% | 0% | 0% |
| Electrical appliances | - | 130 | 130 | 260 | 299 | 344 | 395 |
| ... YoY | 0% | 0% | 0% | 0% | 0% | 15% | 15% |
| Network comm. | - | 200 | 110 | 310 | 357 | 410 | 471 |
| ... YoY | - | - | - | - | 15% | 15% | 15% |
| Motors | 772 | 369 | 232 | 600 | 510 | 561 | 617 |
| ... YoY | -32% | 27% | -52% | -22% | -15% | 10% | 10% |
| Household goods | 885 | 508 | 546 | 1,054 | 1,317 | 1,620 | 1,944 |
| ... YoY | -19% | 15% | 23% | 19% | 25% | 23% | 20% |
| Total | 6,522 | 2,986 | 2,604 | 5,590 | 5,893 | 6,270 | 6,818 |
| ... YoY | -18% | 5% | -29% | -14% | 5% | 6% | 9% |

Source: Company data, CMBIGM estimates

Figure 5: P&L forecast

| HK\$ mn | FY23 | 1H24 | 2H24 | FY24 | FY25E | FY26E | FY27E |
|-------------------------|----------------|--------------|----------------|----------------|--------------|--------------|--------------|
| Revenue | 6,522 | 2,986 | 2,604 | 5,590 | 5,893 | 6,270 | 6,818 |
| ... YoY | -18.2% | 5.4% | -29.5% | -14.3% | 5.4% | 6.4% | 8.7% |
| Cost of sales | (6,176) | (2,361) | (3,557) | (5,918) | (4,944) | (5,178) | (5,608) |
| Gross profit | 346 | 625 | (953) | (328) | 948 | 1,092 | 1,210 |
| GPM (%) | 5.3% | 20.9% | -36.6% | -5.9% | 16.1% | 17.4% | 17.7% |
| ... YoY | -71.9% | 8.9% | 317.6% | -194.8% | -389.2% | 15.1% | 10.8% |
| Selling Exp | (82) | (32) | (34) | (66) | (62) | (66) | (72) |
| ... % of rev | -1.3% | -1.1% | -1.3% | -1.2% | -1.1% | -1.1% | -1.1% |
| R&D | (628) | (372) | (208) | (580) | (383) | (408) | (443) |
| ... % of rev | -9.6% | -12.5% | -8.0% | -10.4% | -6.5% | -6.5% | -6.5% |
| Operating profit | (1094) | 67 | (1657) | (3820) | 85 | 173 | 211 |
| OPM (%) | -16.8% | 2.3% | -63.7% | -68.3% | 1.4% | 2.8% | 3.1% |
| ... YoY | -462.5% | -10.7% | 41.8% | 249.2% | na | 103.9% | 21.6% |
| Net profit | (1,230) | 13 | (3,955) | (3,942) | 182 | 256 | 293 |
| NPM (%) | -18.9% | 0.4% | -151.9% | -70.5% | 3.1% | 4.1% | 4.3% |
| ... YoY | -995.7% | -33.7% | 216.6% | 220.6% | na | 41.0% | 14.3% |

Source: Company data, CMBIGM estimates

Valuation

Maintain BUY with new TP of HK\$0.112

Our new TP of HK\$0.112 is based on the same 6.0x FY25E P/E. We think the stock's current valuation of 4.4x/3.1x FY25/26E P/E is fairly attractive (well below 1SD below hist. average P/E), as we expect earnings recovery and new business ramp-up in FY25-26E.

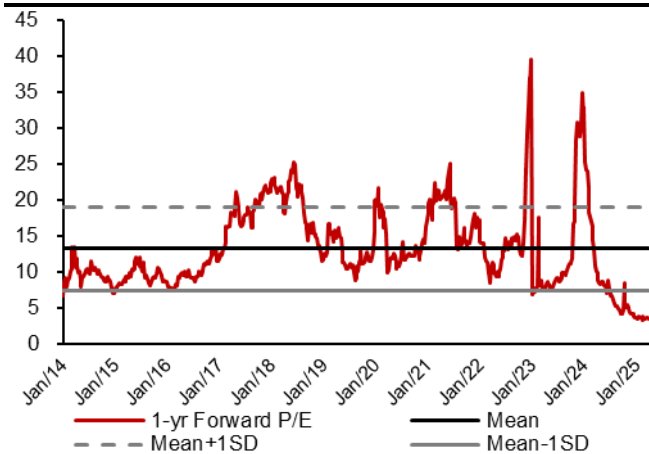
Figure 6: Peers valuation

| Company | Ticker | Rating | Market Cap (US\$ mn) | Price (LC) | TP (LC) | Up/Down -side | P/E (x) | | P/B (x) | | ROE (%) | |
|------------------------|-----------|--------|----------------------|------------|---------|---------------|-------------|-------------|------------|------------|-------------|-------------|
| | | | | | | | FY24E | FY25E | FY24E | FY25E | FY24E | FY25E |
| HK-listed | | | | | | | | | | | | |
| Tongda | 698 HK | Buy | 103 | 0.08 | 0.112 | 36% | 4.3 | 3.1 | 0.3 | 0.2 | 6.0 | 7.8 |
| BYDE | 285 HK | Buy | 11,670 | 40.30 | 47.10 | 17% | 13.7 | 11.1 | 2.2 | 2.0 | 16.3 | 17.7 |
| Ju Teng | 3336 HK | NR | 267 | 1.73 | NA | NA | - | - | - | - | - | - |
| FIH | 2038 HK | NR | 912 | 0.90 | NA | NA | - | - | - | - | - | - |
| Average | | | | | | | 8.4 | 10.0 | 1.2 | 1.9 | 10.0 | 11.3 |
| China-listed | | | | | | | | | | | | |
| Everwin | 300115 CH | NR | 4,659 | 24.94 | NA | NA | 38.7 | 27.9 | 2.2 | 1.9 | 13.0 | 15.4 |
| Janus | 300083 CH | NR | 2,083 | 9.08 | NA | NA | 30.6 | 23.1 | 2.8 | 2.6 | 9.3 | 11.7 |
| Average | | | | | | | 34.6 | 25.5 | 2.5 | 2.2 | 11.1 | 13.6 |
| Overseas-listed | | | | | | | | | | | | |
| Foxconn | 2354 TT | NR | 2,633 | 61.80 | NA | NA | 15.1 | 13.1 | 0.5 | 0.5 | 5.3 | 5.9 |
| Catcher | 2474 TT | NR | 4,294 | 209.50 | NA | NA | 13.7 | 13.2 | - | - | 6.0 | - |
| Average | | | | | | | 14.4 | 13.2 | 0.5 | 0.5 | 5.7 | 5.9 |

Source: Bloomberg, CMBIGM estimates

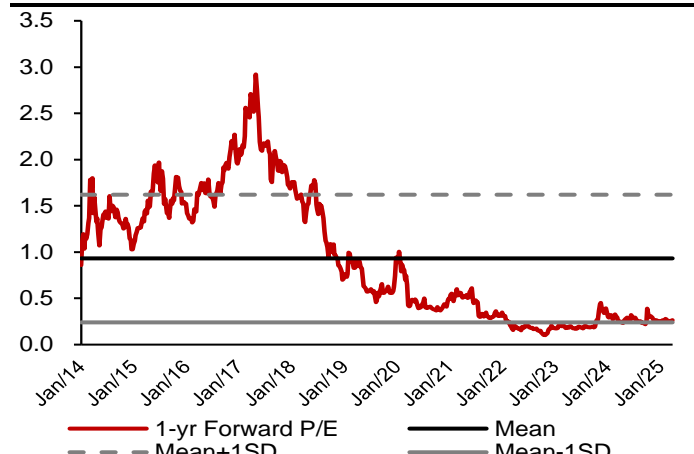
Note: Data as of 31 Mar 2025.

Figure 7: 12M forward P/E band



Source: Company data, CMBIGM estimates

Figure 8: 12M forward P/B band



Source: Company data, CMBIGM estimates

Financial Summary

| INCOME STATEMENT | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
|-------------------------|--------------|----------------|----------------|--------------|--------------|--------------|
| YE 31 Dec (HK\$ mn) | | | | | | |
| Revenue | 7,972 | 6,522 | 5,590 | 5,893 | 6,270 | 6,818 |
| Cost of goods sold | (6,742) | (6,176) | (5,918) | (4,944) | (5,178) | (5,608) |
| Gross profit | 1,230 | 346 | (328) | 948 | 1,092 | 1,210 |
| Operating expenses | (1,233) | (1,292) | (1,181) | (858) | (913) | (992) |
| Selling expense | (66) | (82) | (66) | (62) | (66) | (72) |
| Admin expense | (1,167) | (1,211) | (1,115) | (796) | (847) | (920) |
| SG&A expense | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | (97) | (147) | (361) | (6) | (6) | (7) |
| Operating profit | 302 | (1,094) | (3,820) | 85 | 173 | 211 |
| EBITDA | 1,962 | 552 | (2,620) | 1,083 | 1,191 | 1,038 |
| Other income/expense | 82 | 138 | 45 | 118 | 125 | 136 |
| Others | (165) | (197) | (97) | 40 | 40 | 40 |
| Pre-tax profit | 219 | (1,153) | (3,871) | 243 | 339 | 387 |
| Income tax | (67) | (52) | (33) | (29) | (37) | (43) |
| Minority interest | 14 | 25 | 38 | 32 | 45 | 52 |
| Net profit | 137 | (1,230) | (3,942) | 182 | 256 | 293 |
| Adjusted net profit | 137 | (1,230) | (3,942) | 182 | 256 | 293 |

| BALANCE SHEET | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
|-------------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|
| YE 31 Dec (HK\$ mn) | | | | | | |
| Current assets | 7,993 | 8,034 | 4,438 | 4,427 | 6,930 | 7,291 |
| Cash & equivalents | 1,195 | 1,160 | 841 | 830 | 3,022 | 3,189 |
| Account receivables | 2,159 | 1,907 | 2,119 | 2,125 | 2,391 | 2,519 |
| Inventories | 2,351 | 1,267 | 714 | 707 | 752 | 818 |
| Prepayment | 653 | 623 | 144 | 144 | 144 | 144 |
| Other current assets | 2,829 | 4,237 | 1,462 | 1,451 | 3,643 | 3,810 |
| Non-current assets | 6,236 | 5,269 | 2,716 | 1,918 | 1,100 | 262 |
| PP&E | 5,598 | 4,552 | 2,003 | 1,205 | 387 | (451) |
| Other non-current assets | 638 | 717 | 713 | 713 | 713 | 713 |
| Total assets | 14,229 | 13,303 | 7,154 | 6,345 | 8,030 | 7,553 |
| Current liabilities | 5,444 | 5,073 | 3,661 | 2,606 | 3,945 | 3,072 |
| Short-term borrowings | 1,928 | 1,878 | 548 | 588 | 645 | 710 |
| Account payables | 2,531 | 1,837 | 2,525 | 1,430 | 2,712 | 1,774 |
| Other current liabilities | (17,551) | (15,336) | (8,735) | (7,088) | (7,898) | (6,517) |
| Non-current liabilities | 1,154 | 1,226 | 589 | 621 | 666 | 717 |
| Long-term borrowings | 1,051 | 1,065 | 432 | 464 | 509 | 560 |
| Other non-current liabilities | 103 | 161 | 156 | 156 | 156 | 156 |
| Total liabilities | 6,598 | 6,299 | 4,249 | 3,227 | 4,610 | 3,789 |
| Share capital | 97 | 97 | 97 | 97 | 97 | 97 |
| Other reserves | 7,466 | 6,585 | 2,508 | 2,690 | 2,946 | 3,239 |
| Total shareholders equity | 7,631 | 7,003 | 2,905 | 3,118 | 3,420 | 3,764 |
| Minority interest | 68 | 321 | 299 | 331 | 377 | 428 |
| Total equity and liabilities | 14,229 | 13,303 | 7,154 | 6,345 | 8,030 | 7,553 |

| CASH FLOW | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
|------------------------------------|--------------|--------------|----------------|--------------|--------------|--------------|
| YE 31 Dec (HK\$ mn) | | | | | | |
| Operating | | | | | | |
| Profit before taxation | 219 | (1,153) | (3,871) | 243 | 339 | 387 |
| Depreciation & amortization | 1,660 | 1,645 | 1,199 | 998 | 1,018 | 1,038 |
| Change in working capital | 279 | 643 | 1,030 | (1,094) | 971 | (1,132) |
| Others | (1,415) | (1,128) | 2,227 | (40) | (48) | (82) |
| Net cash from operations | 743 | 7 | 584 | 107 | 2,280 | 211 |
| Investing | | | | | | |
| Capital expenditure | (600) | (600) | (150) | (200) | (200) | (200) |
| Others | 251 | 225 | 1,080 | 11 | 11 | 39 |
| Net cash from investing | (349) | (375) | 930 | (189) | (189) | (161) |
| Financing | | | | | | |
| Dividend paid | 0 | 0 | 0 | 0 | 0 | 0 |
| Net borrowings | (591) | (35) | (1,963) | 72 | 102 | 116 |
| Proceeds from share issues | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 277 | 710 | (107) | 0 | 0 | 0 |
| Net cash from financing | (314) | 675 | (2,070) | 72 | 102 | 116 |
| Net change in cash | | | | | | |
| Cash at the beginning of the year | 1,366 | 1,195 | 1,160 | 841 | 830 | 3,022 |
| Exchange difference | (251) | (341) | 236 | 0 | 0 | 0 |
| Cash at the end of the year | 1,195 | 1,160 | 841 | 830 | 3,022 | 3,189 |
| GROWTH | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| YE 31 Dec | | | | | | |
| Revenue | (15.5%) | (18.2%) | (14.3%) | 5.4% | 6.4% | 8.7% |
| Gross profit | (18.2%) | (71.9%) | na | na | 15.1% | 10.8% |
| Operating profit | (2.0%) | na | na | na | 103.9% | 21.6% |
| EBITDA | 423.2% | (71.9%) | na | na | 10.0% | (12.9%) |
| Net profit | (39.8%) | na | na | na | 41.0% | 14.3% |
| Adj. net profit | (39.8%) | na | na | na | 41.0% | 14.3% |
| PROFITABILITY | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| YE 31 Dec | | | | | | |
| Gross profit margin | 15.4% | 5.3% | (5.9%) | 16.1% | 17.4% | 17.7% |
| Operating margin | 3.8% | (16.8%) | (68.3%) | 1.4% | 2.8% | 3.1% |
| EBITDA margin | 24.6% | 8.5% | (46.9%) | 18.4% | 19.0% | 15.2% |
| Adj. net profit margin | 1.7% | (18.9%) | (70.5%) | 3.1% | 4.1% | 4.3% |
| Return on equity (ROE) | 1.7% | (16.8%) | (79.6%) | 6.0% | 7.8% | 8.1% |
| GEARING/LIQUIDITY/ACTIVITIES | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| YE 31 Dec | | | | | | |
| Net debt to equity (x) | 0.2 | 0.3 | 0.0 | 0.1 | (0.5) | (0.5) |
| Current ratio (x) | 1.5 | 1.6 | 1.2 | 1.7 | 1.8 | 2.4 |
| Receivable turnover days | 125.4 | 113.8 | 131.4 | 131.4 | 131.4 | 131.4 |
| Inventory turnover days | 149.6 | 106.9 | 61.1 | 52.4 | 51.4 | 51.1 |
| Payable turnover days | 170.6 | 129.1 | 134.5 | 146.0 | 146.0 | 146.0 |
| VALUATION | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| YE 31 Dec | | | | | | |
| P/E | 5.8 | ns | ns | 4.4 | 3.1 | 2.7 |
| P/B | 0.1 | 0.1 | 0.3 | 0.3 | 0.2 | 0.2 |
| Div yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report.

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CMBIGM Ratings

| | |
|------------------|---|
| BUY | : Stock with potential return of over 15% over next 12 months |
| HOLD | : Stock with potential return of +15% to -10% over next 12 months |
| SELL | : Stock with potential loss of over 10% over next 12 months |
| NOT RATED | : Stock is not rated by CMBIGM |

| | |
|-----------------------|---|
| OUTPERFORM | : Industry expected to outperform the relevant broad market benchmark over next 12 months |
| MARKET-PERFORM | : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months |
| UNDERPERFORM | : Industry expected to underperform the relevant broad market benchmark over next 12 months |

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