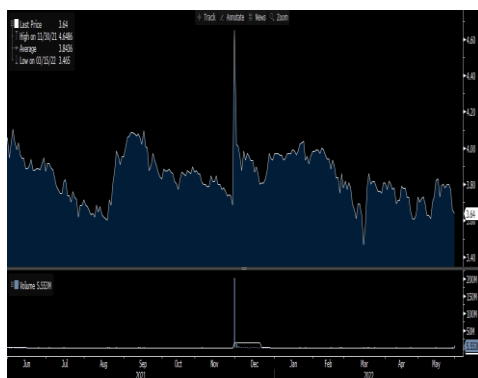


# Sun Hung Kai & Co Ltd (86\_HK)

Financials: Diversified

|                  |           |
|------------------|-----------|
| Target Price     | HK\$ 7.94 |
| Current Price    | HK\$ 3.64 |
| Upside Potential | 118%      |
| Rating           | BUY       |

|                       |                              |
|-----------------------|------------------------------|
| Market Cap.           | HK\$ 7,180 mn<br>US\$ 933 mn |
| Shares Outstanding    | 1,973.3 mn                   |
| Free Float (FF %)     | 36.72%                       |
| 52 Week Range (HK\$)  | 5.04 / 3.59                  |
| Avg. Daily Value      | HK\$ 6.45 mn<br>US\$ 0.84 mn |
| HANG SENG Index Level | 21,415                       |
| Insider Holding %     | 63.27%                       |


**Risk: Above Average**

### Forecasting and Valuations

| (HK\$ mn except ratio) | FY2021A | FY2022E |
|------------------------|---------|---------|
| Revenue                | 4133    | 4522    |
| Net Income             | 2814    | 3369    |
| EPS                    | 1.42    | 1.71    |
| EPS Growth             | 11%     | 20%     |
| PE                     | 2.5     | 2.1     |
| P/B                    | 0.33    | 0.29    |
| Div Yield              | 8.2%    | 8.2%    |

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### Business Update

#### **Fundamentals Remain Robust Amidst Global Uncertainty**

SHK & Co. recently announced that the consolidated loss for the four months ended 30<sup>th</sup> April 2022 is approximately HK\$200 million, as compared to the corresponding period in 2021 which was approximately a profit of HK\$1.1 billion. The primary reason for the loss for the four months ended 30 April 2022 is mark-to-market losses on financial instruments in the company's Investment Management business, which is in line with recent global markets volatility. The financial performance of the Financing business continues to be resilient and is on track to witness further recovery in 2022.

The financing business continues to provide stability in terms of revenue and consistent cashflows to the overall business of the company. United Asia Finance is the prominent leader in the unsecured lending market in Hong Kong. The credit losses during the first four months of 2022 period are expected to remain flat compared to that of last year, which reflects smart underwriting and resilience of the loan book. The mortgage business and private credit business also demonstrated strong resilience continuing to see recovery from the pandemic. The greater focus, which is the Investment management business and the funds management business continues to provide higher growth prospects to the overall business of the company. The company remains confident about the future performance of their portfolios as the underlying investments have strong and resilient businesses and the fund managers selected have proven track records. The Funds Management initiative is a catalyst for SHK & Co's growth adding additional revenue streams and diversifying SHK & Co's products and strategies.

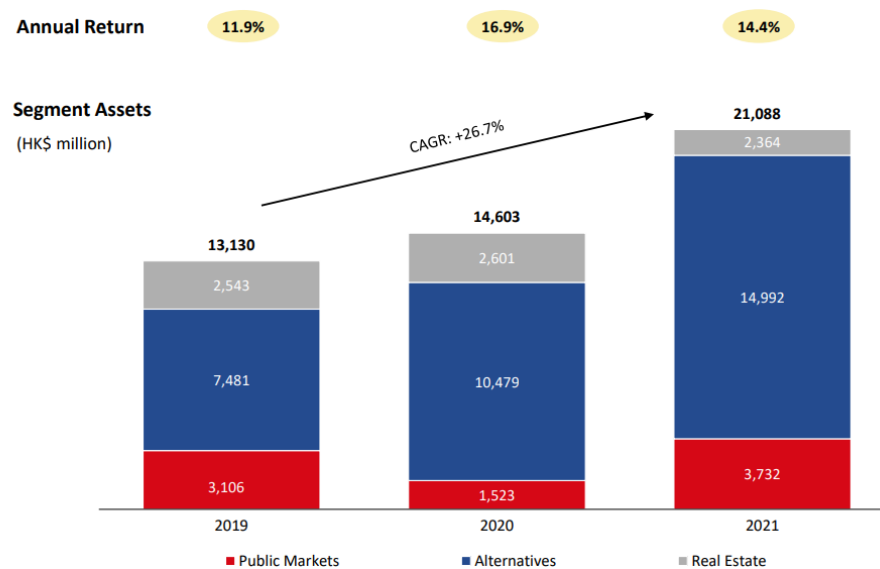
#### **Investment Management Segment Performance Impacted Due to Global Uncertainty**

The performance of the Investment Management segment of the company's business was impacted by the mark-to-market losses mainly in its public book due to global uncertainty. On a conservative basis, even if we assume a contribution of HK\$220 million in net profit from the Consumer Finance business of the company, the overall loss to the tune of HK\$200 million suggests that the Investment Management segment has reported HK\$420 million in mark to market losses on a fund value of HK\$21 billion at the end of December 2021. This indicates that the fund has declined only by approximately 2% during the first four months of 2022 as compared to the drastic decline in the benchmark indices. Also, if globally the markets recover then the mark-to-market losses may

decline and give a positive surprise when the company reports their results in the month of August 2022.

The main impact was on the investments in the Healthcare and Technology sectors. This impact due to global uncertainty was mainly attributable to the Russia Ukraine War coupled with US-China tensions with clamping down on US listed Chinese ADRs especially in the technology space. The other domains such as private equity and real estate continue to deliver on the expected lines for SHK, thereby providing stability to the overall Investment Management segment of the business. In our opinion, given severe bear market declines globally, it comes as absolutely no surprise that financial-market linked organizations experience some temporary mark-to-market declines. SHK's diversified portfolio, including real estate, fixed income, PE, and hedge funds, has helped to cushion such declines.

## Investment Management's Performance Track Record



### Valuation Highlights

- Target Price HK\$7.94 = 118% Upside
- Stock at 0.29x tangible P/B and at 2.1x P/E on our FY2022 earnings estimate
- Stock at 0.33x tangible P/B on FY2021 actual numbers
- Dividend Yield: 8.24%

### **HK\$7.94 PT = 118% Upside**

The stock is currently trading at just 0.29x tangible P/B and at 2.1x P/E on our FY2022 earnings estimate. We use a sum of the parts [SOTP] methodology to value SHK. We value the UAF [United Asia Finance] business at a conservative 0.72x tangible loan book value taking into account the high net interest margin resulting in higher ROE and strong future growth

prospects of the business. This provides us with a value of HK\$5.44 bn for SHK's 63% stake in the business.

We value the non-UAF business including Investment Management and Mortgage Loans at a conservative 0.72x book value. Plus, the company also has a strong balance sheet with substantial amount of net cash and cash equivalents. Together, the value of cash and the non-UAF business comes to about HK\$10.24 bn. As a result, we arrive at a value of HK\$15.68 bn for SHK which equals HK\$7.94 per share, an upside of about 118% over the current stock price of HK\$3.64. Based on FY2021 reported numbers, our price target implies a Price to Tangible Book of 0.72x and P/E of 4.64x on our FY2022 earnings estimate of HK171 cents. We maintain our FY2022E estimates to HK171 cents considering the recovery momentum of its financing business and the diversification of the investment management portfolio.

### **0.29x P/B; 2.1x P/E**

SHK is currently trading at only 0.29x tangible P/B on our FY2022 estimates. Similarly, the stock is cheap even on P/E basis. The company's current P/E multiple on FY2021 actual reported EPS is 2.5x vs. its 5-year historical average ratio of 5.60x. Based on our FY2022 EPS forecast of HK171 cents, the P/E comes to 2.1x on the current stock price. In our view, the lower valuation is mainly a result of the difficulties faced by the company over the last couple of years, especially in its Mainland China consumer lending business. However, management after undertaking various strategic initiatives such as launching new secured loan products, working with various third party platforms, reducing small business exposure in China, cost rationalization by closing down underperforming branches, scaling up its investment management business and launching the funds management initiative have revived the company's growth in FY2021. These initiatives are beginning to deliver healthy and sustainable revenue and EPS growth, along with revival in global business conditions, is all resulting in increasing investor confidence in the stock. This could likely result in a re-rating of the stock to its historical average multiples. On a conservative basis, even if we assume a 4.64x multiple to our FY2022 EPS estimate of HK171 cents gives a stock price of HK\$7.94, which is about 118% higher than the current stock price. The book value per share at the end of FY2021 has already increased +11.4% to HK\$12.80, resulting in the stock trading at an extremely discounted "deep value" 0.33x price/book multiple.

### **Funds Management Platform – Expect Further Launches in 2022**

The performance of the Funds Management business continues to be on the expected lines for the company and the performance has been better than the benchmark returns for the funds in the first few months of 2022. The company is gearing up to launch a few more funds in the remaining of 2022 with an already announced fund in the month of May 2022.

On 5 May 2022, SHKSC (an indirect wholly owned subsidiary of SHK and an indirect non-wholly owned subsidiary of AGL), SHKCP (an indirect wholly owned subsidiary of SHK and an indirect non-wholly owned subsidiary of AGL), Mr. Leung, Mr. Jackson, the Manager and the Fund entered into an agreement in relation to (i) the establishment and management of the Fund, the Master Fund and the future Investment Vehicles; and (ii) the conditional subscription of the Fund by SHKSC in the total subscription amount of US\$100 million (equivalent

to approximately HK\$783.0 million) by way of transfer of existing credit portfolio and cash upon the launch of the Fund and the Master Fund.

The establishment and subscription of the Fund by way of transfer of the existing credit portfolio is consistent with SHK Group's strategy to establish a fund management platform and develop an independent third-party asset management business.

Investment policy of the Fund: The Master Fund will adopt a macro event-driven credit strategy. The Manager will identify and formulate new investment themes from time to time through analysis of macro, geo-political and/or industry trends and developments.

## 5 Year Price Chart



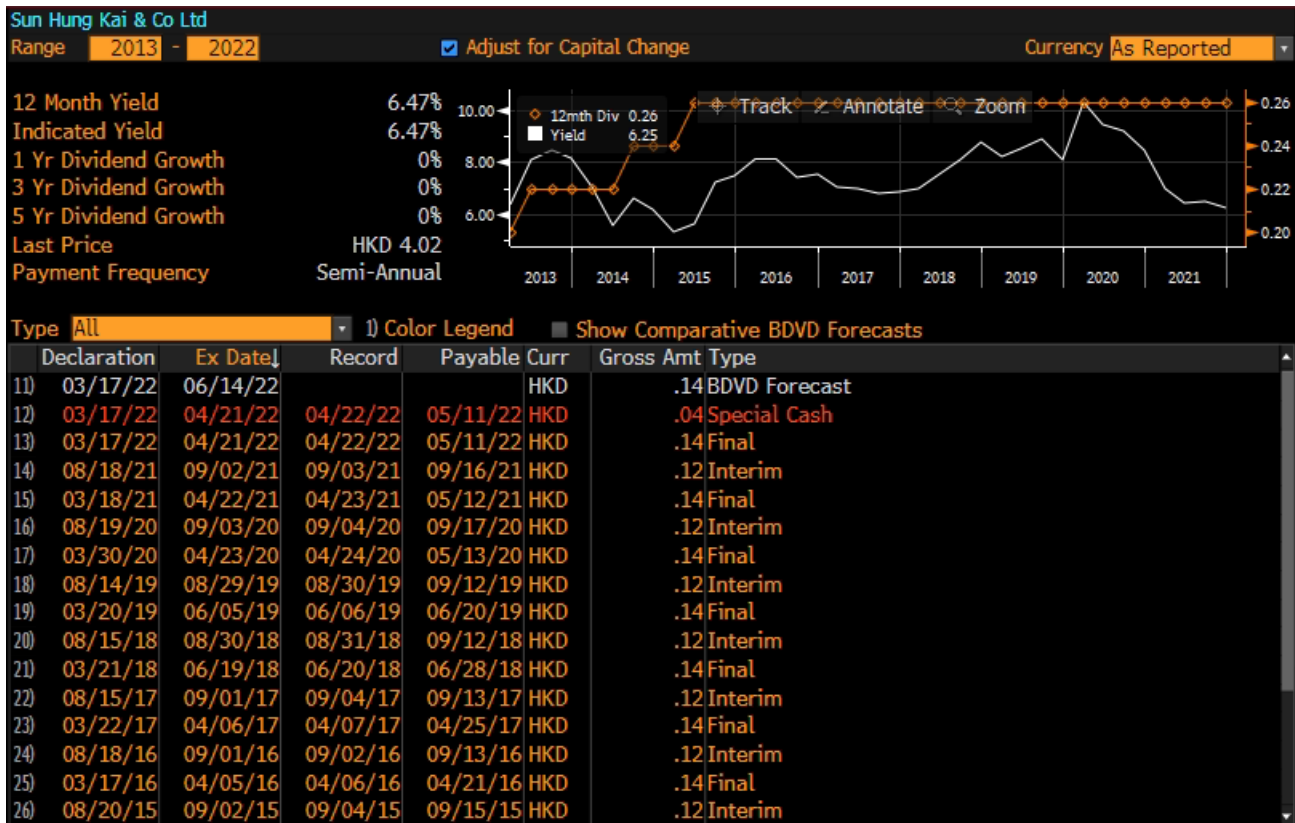
Source: Bloomberg

## Key Ratios

| 86 HK Equity 90 Actions 97 Export 98 Settings   |            |            |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 39 ADJ Sun Hung Kai & Co Ltd IFRS 16 2 Acct Mixed Periods 10 Annuals Cur FRC (HKD)  |            |            |            |            |            |            |            |            |            |            |
| 11 Key Stats 12 I/S 13 B/S 14 C/F 15 Ratios 16 Segments 17 Addl 18 ESG 19 Custom  |            |            |            |            |            |            |            |            |            |            |
| 10 BBG Adj Highlights 11 BBG GAAP Highlights 12 Earnings 13 Enterprise Value 14 EV Ex Operating Leases 15 Multiples 16 Per Share 17 Stock Value |            |            |            |            |            |            |            |            |            |            |
| In Millions of HKD except Per Share   | 2015 Y     | 2016 Y     | 2017 Y     | 2018 Y     | 2019 Y~    | 2020 Y     | 2021 Y     | Current    | 2022 Y Est | 2023 Y Est |
| 12 Months Ending  | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 | 05/31/2022 | 12/31/2022 | 12/31/2023 |
| P/E   | 17.114     | 9.543      | 5.940      | 6.584      | 3.554      | 2.549      | 2.915      | 2.557      | 2.129      | 1.886      |
| Average   | 14.244     | 15.565     | 10.106     | 5.361      | 6.471      | 3.071      | 3.058      |            |            |            |
| High  | 19.289     | 17.047     | 11.650     | 6.584      | 7.473      | 3.573      | 3.796      |            |            |            |
| Low   | 10.332     | 9.543      | 5.940      | 4.202      | 3.554      | 2.385      | 2.479      |            |            |            |
| P/Book  | 0.631      | 0.582      | 0.553      | 0.390      | 0.364      | 0.287      | 0.327      | 0.286      | 0.258      | 0.231      |
| Average   | 0.937      | 0.575      | 0.617      | 0.498      | 0.384      | 0.315      | 0.344      |            |            |            |
| High  | 1.271      | 0.629      | 0.711      | 0.584      | 0.443      | 0.366      | 0.427      |            |            |            |
| Low   | 0.631      | 0.520      | 0.553      | 0.390      | 0.336      | 0.244      | 0.279      |            |            |            |
| P/Tangible Book   | 0.771      | 0.711      | 0.665      | 0.471      | 0.434      | 0.335      | 0.377      | 0.330      |            |            |
| Average   | 1.209      | 0.703      | 0.754      | 0.599      | 0.464      | 0.375      | 0.402      |            |            |            |
| High  | 1.641      | 0.768      | 0.868      | 0.702      | 0.535      | 0.436      | 0.499      |            |            |            |
| Low   | 0.771      | 0.635      | 0.665      | 0.470      | 0.406      | 0.291      | 0.326      |            |            |            |
| P/Sales   | 2.179      | 2.382      | 2.106      | 1.614      | 1.210      | 0.964      | 1.174      | 1.028      | 1.588      | 1.503      |
| Average   | 3.066      | 1.987      | 2.525      | 1.897      | 1.587      | 1.047      | 1.157      |            |            |            |
| High  | 4.249      | 2.396      | 2.927      | 2.262      | 1.845      | 1.227      | 1.486      |            |            |            |
| Low   | 2.167      | 1.786      | 2.089      | 1.490      | 1.204      | 0.799      | 0.935      |            |            |            |
| P/Free Cash Flow  | 6.916      | 11.666     | 4.075      | 1.659      | 3.033      | 2.924      | 30.863     |            |            |            |
| Average   | 8.825      | 6.322      | 12.341     | 3.666      | 1.639      | 2.625      | 3.620      |            |            |            |
| High  | 11.971     | 11.666     | 14.242     | 4.304      | 3.033      | 3.049      | 30.863     |            |            |            |
| Low   | 6.412      | 5.695      | 4.075      | 1.659      | 1.430      | 2.036      | 2.844      |            |            |            |

Source: Bloomberg

## Dividend History



Source: Bloomberg

| Income Statement (HK\$ million)  | CY 2016        | CY 2017        | CY 2018        | CY 2019        | CY 2020        | CY 2021        | CY 2022E       | CY 2023E       | CY 2024E       | CY 2025E       | CY 2026E       | CAGR (2021-26) |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Revenue</b>   | 3,511.3        | 3,795.6        | 4,070.0        | 4,125.1        | 3,963.0        | 4,133.4        | 4,522.0        | 4,778.2        | 5,078.3        | 5,390.6        | 5,716.4        | 6.70%          |
| y/y  | -15.9%         | 8.1%           | 7.2%           | 1.4%           | -3.9%          | 4.3%           | 9.4%           | 5.7%           | 6.3%           | 6.1%           | 6.0%           |                |
| Direct costs and brokerage costs                                       | -88.0          | -108.2         | -140.0         | -148.1         | -155.1         | -243.9         | -113.1         | -119.5         | -127.0         | -134.8         | -142.9         |                |
| Bad and doubtful debts/ Net impairment losses on financial instruments | -895.7         | -386.7         | -901.7         | -1024.4        | -1052.6        | -714.6         | -711.9         | -751.1         | -798.5         | -848.9         | -902.6         |                |
| as a % of sales  | -25.5%         | -10.2%         | -22.2%         | -24.8%         | -26.6%         | -17.3%         | -15.7%         | -15.7%         | -15.7%         | -15.7%         | -15.8%         |                |
| Other gains  | 178.9          | 142.5          | 315.5          | 106.2          | 169.8          | 302.4          | 314.5          | 314.5          | 314.5          | 314.5          | 314.5          |                |
| as a % of sales  | 5.1%           | 3.8%           | 7.8%           | 2.6%           | 4.3%           | 7.3%           | 7.0%           | 6.6%           | 6.2%           | 5.8%           | 5.5%           |                |
| Selling, General & Admin Expense                                       | -1,278.6       | -1,353.7       | -1,326.4       | -1,299.4       | -1,394.2       | -1,451.5       | -1,556.2       | -1,463.5       | -1,524.3       | -1,585.7       | -1,647.9       |                |
| as a % of sales  | 36.4%          | 35.7%          | 32.6%          | 31.5%          | 35.2%          | 35.1%          | 34.4%          | 30.6%          | 30.0%          | 29.4%          | 28.8%          |                |
| Other Operating expenses   | -142.8         | -177.7         | -1.6           | -179.0         | -166.6         | -24.9          | -19.9          | -19.9          | -19.9          | -19.9          | -19.9          |                |
| as a % of sales  | 4.1%           | 4.7%           | 0.0%           | 4.34%          | 4.2%           | 0.6%           | 0.4%           | 0.4%           | 0.4%           | 0.4%           | 0.3%           |                |
| <b>Operating Income</b>  | <b>1,285.1</b> | <b>1,911.8</b> | <b>2,015.8</b> | <b>1,580.4</b> | <b>1,364.3</b> | <b>2,000.9</b> | <b>2,435.5</b> | <b>2,738.7</b> | <b>2,923.1</b> | <b>3,115.8</b> | <b>3,317.5</b> | 11%            |
| y/y  | 222.8%         | 48.8%          | 5.4%           | -21.6%         | -13.7%         | 46.7%          | 21.7%          | 12.5%          | 6.7%           | 6.6%           | 6.5%           |                |
| Operating margin (%)   | 36.6%          | 50.4%          | 49.5%          | 38.3%          | 34.4%          | 48.4%          | 53.9%          | 57.3%          | 57.6%          | 57.8%          | 58.0%          |                |
| Interest Expense   | -488.3         | -544.3         | -666.8         | -777.7         | -807.3         | -716.2         | -742.0         | -763.8         | -786.7         | -810.8         | -836.1         |                |
| Interest income  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |                |
| Equity in (losses)/income of affiliates                                | -54.8          | 30.9           | 34.6           | 50.5           | 42.2           | -61.5          | 42.3           | 72.6           | 76.3           | 80.1           | 84.1           |                |
| Other recurring (expenses)/income                                      | 759.6          | 1,102.5        | 248.6          | 1,890.2        | 2,601.4        | 2,550.0        | 2,550.0        | 2,754.0        | 2,974.3        | 3,212.3        | 3,469.2        |                |
| Amortization of intangibles  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |                |
| Goodwill impairment  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |                |
| Other non recurring (expenses) income                                  | 0.0            | 107.6          | 199.1          | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |                |
| <b>Pretax Income (reported)</b>  | <b>1,501.6</b> | <b>2,608.5</b> | <b>1,831.3</b> | <b>2,743.4</b> | <b>3,200.6</b> | <b>3,773.2</b> | <b>4,285.8</b> | <b>4,801.6</b> | <b>5,187.0</b> | <b>5,597.4</b> | <b>6,034.8</b> | 10%            |
| y/y  | 54.3%          | 73.7%          | -29.8%         | 49.8%          | 16.7%          | 17.9%          | 13.6%          | 12.0%          | 8.0%           | 7.9%           | 7.8%           |                |
| <b>Pretax Income (adjusted)</b>  | <b>1501.6</b>  | <b>2500.9</b>  | <b>1632.2</b>  | <b>2743.4</b>  | <b>3200.6</b>  | <b>3773.2</b>  | <b>4285.8</b>  | <b>4801.6</b>  | <b>5187.0</b>  | <b>5597.4</b>  | <b>6034.8</b>  | 10%            |
| y/y  | 54.3%          | 66.5%          | -34.7%         | 68.1%          | 16.7%          | 17.9%          | 13.6%          | 12.0%          | 8.0%           | 7.9%           | 7.8%           |                |
| - Income Tax Expense   | -131.9         | -294.6         | -220.7         | -228.8         | -271.7         | -474.1         | -535.7         | -600.2         | -648.4         | -699.7         | -754.4         |                |
| effective tax rate (%)   | 8.8%           | 11.3%          | 12.1%          | 8.3%           | 8.5%           | 12.6%          | 12.5%          | 12.5%          | 12.5%          | 12.5%          | 12.5%          |                |
| - Minority Interests   | -260.1         | -489.6         | -426.8         | -429.4         | -381.2         | -485.4         | -381.2         | -381.2         | -380.2         | -379.2         | -378.2         |                |
| <b>Income Before XO Items</b>  | <b>1109.6</b>  | <b>1824.3</b>  | <b>1183.8</b>  | <b>2085.2</b>  | <b>2547.7</b>  | <b>2813.7</b>  | <b>3368.9</b>  | <b>3820.2</b>  | <b>4158.4</b>  | <b>4518.5</b>  | <b>4902.3</b>  | 12%            |
| y/y  | 66.2%          | 64.4%          | -35.1%         | 76.1%          | 22.2%          | 10.4%          | 19.7%          | 13.4%          | 8.9%           | 8.7%           | 8.5%           |                |
| - Extraordinary Loss Net of Tax  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |                |
| <b>Net Income (reported)</b>   | <b>1109.6</b>  | <b>1824.3</b>  | <b>1183.8</b>  | <b>2085.2</b>  | <b>2547.7</b>  | <b>2813.7</b>  | <b>3368.9</b>  | <b>3820.2</b>  | <b>4158.4</b>  | <b>4518.5</b>  | <b>4902.3</b>  | 12%            |
| y/y  | -71.5%         | 64.4%          | -35.1%         | 76.1%          | 22.2%          | 10.4%          | 19.7%          | 13.4%          | 8.9%           | 8.7%           | 8.5%           |                |
| Exceptional (L)G   | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |                |
| <b>Net Income (adjusted)</b>   | <b>1,109.6</b> | <b>1,716.7</b> | <b>984.7</b>   | <b>2,085.2</b> | <b>2,547.7</b> | <b>2,813.7</b> | <b>3,368.9</b> | <b>3,820.2</b> | <b>4,158.4</b> | <b>4,518.5</b> | <b>4,902.3</b> | 12%            |
| y/y  | 66.2%          | 54.7%          | -42.6%         | 111.8%         | 22.2%          | 10.4%          | 19.7%          | 13.4%          | 8.9%           | 8.7%           | 8.5%           |                |
| Basic EPS (reported)   | 0.50           | 0.84           | 0.56           | 1.04           | 1.28           | 1.43           | 1.71           | 1.94           | 2.11           | 2.29           | 2.49           |                |
| Basic EPS (adjusted)   | 0.50           | 0.79           | 0.47           | 1.04           | 1.28           | 1.43           | 1.71           | 1.94           | 2.11           | 2.29           | 2.49           |                |
| Basic Weighted Avg Shares  | 2,207.8        | 2,172.5        | 2,109.8        | 1,997.2        | 1,985.3        | 1,971.2        | 1,971.2        | 1,971.2        | 1,971.2        | 1,971.2        | 1,971.2        |                |
| <b>Diluted EPS (reported)</b>  | <b>0.50</b>    | <b>0.84</b>    | <b>0.56</b>    | <b>1.04</b>    | <b>1.28</b>    | <b>1.42</b>    | <b>1.71</b>    | <b>1.93</b>    | <b>2.11</b>    | <b>2.29</b>    | <b>2.48</b>    | 12%            |
| y/y  | -71.1%         | 67.0%          | -33.2%         | 85.8%          | 22.8%          | 11.3%          | 19.7%          | 13.4%          | 8.9%           | 8.7%           | 8.5%           |                |
| <b>Diluted EPS (adjusted)</b>  | <b>0.50</b>    | <b>0.79</b>    | <b>0.47</b>    | <b>1.04</b>    | <b>1.28</b>    | <b>1.42</b>    | <b>1.71</b>    | <b>1.93</b>    | <b>2.11</b>    | <b>2.29</b>    | <b>2.48</b>    | 12%            |
| y/y  | 68.7%          | 57.2%          | -40.9%         | 123.3%         | 22.8%          | 11.3%          | 19.7%          | 13.4%          | 8.9%           | 8.7%           | 8.5%           |                |
| Diluted Weighted Avg Shares  | 2,207.8        | 2,173.5        | 2,109.8        | 2,000.4        | 1,989.8        | 1,974.6        | 1,974.6        | 1,974.6        | 1,974.6        | 1,974.6        | 1,974.6        |                |



| Reference Items                               | CY 2016         | CY 2017         | CY 2018         | CY 2019         | CY 2020         | CY 2021         | CY 2022E        | CY 2023E        | CY 2024E        | CY 2025E        | CY 2026E        |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| EBITDA  | 1346.7          | 1968.9          | 2071.4          | 1712.7          | 1514.3          | 2174.4          | 2637.0          | 2960.6          | 3166.6          | 3382.2          | 3608.3          |
| Dividends per Share                           | 0.26            | 0.26            | 0.26            | 0.26            | 0.26            | 0.30            | 0.30            | 0.30            | 0.30            | 0.30            | 0.30            |
| Dividend payout ratio                         | 51.7%           | 32.9%           | 55.7%           | 24.9%           | 20.3%           | 21.1%           | 17.6%           | 15.5%           | 14.2%           | 13.1%           | 12.1%           |
| Dep & Amor.                                   | 61.6            | 57.1            | 55.6            | 132.3           | 150.0           | 173.5           | 201.5           | 221.9           | 243.5           | 266.4           | 290.8           |
| as a % of sales                               | 1.8%            | 1.5%            | 1.4%            | 3.2%            | 3.8%            | 4.2%            | 4.5%            | 4.6%            | 4.8%            | 4.9%            | 5.1%            |
| as a % of gross fixed assets                  | 9.1%            | 8.0%            | 7.3%            | 16.1%           | 16.3%           | 17.0%           | 17.0%           | 17.0%           | 17.0%           | 17.0%           | 17.0%           |
| Balance Sheet (HK\$ million)                  | CY 2016         | CY 2017         | CY 2018         | CY 2019         | CY 2020         | CY 2021         | CY 2022E        | CY 2023E        | CY 2024E        | CY 2025E        | CY 2026E        |
| <b>Assets</b>                                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| + Cash & Near Cash Items                      | 6,452.2         | 2,911.4         | 4,995.9         | 5,726.2         | 7,257.9         | 6,000.7         | 6,719.2         | 8,588.7         | 10,834.9        | 13,484.7        | 16,916.4        |
| + Short-Term Investments                      | 2,979.1         | 6,188.4         | 4,378.6         | 4,285.6         | 4,461.5         | 6,676.4         | 7,344.0         | 7,931.6         | 8,439.2         | 8,871.3         | 8,871.3         |
| + Accounts & Notes Receivable                 | 3,679.8         | 3,549.3         | 3,323.9         | 2,775.1         | 1,890.8         | 1,453.7         | 1,829.5         | 1,933.1         | 2,054.5         | 2,180.9         | 2,312.7         |
| + Loans and advances                          | 5,752.2         | 7,718.1         | 9,048.2         | 9,999.2         | 9,295.6         | 9,541.4         | 11,771.3        | 12,545.4        | 13,349.3        | 14,184.8        | 0.3             |
| + Other Current Assets                        | 66.4            | 149.0           | 102.1           | 72.3            | 15.4            | 174.5           | 178.0           | 181.5           | 185.2           | 188.9           | 192.7           |
| <b>Total Current Assets</b>                   | <b>18,929.7</b> | <b>20,516.2</b> | <b>21,848.7</b> | <b>22,858.4</b> | <b>22,921.2</b> | <b>23,846.7</b> | <b>27,842.0</b> | <b>31,180.3</b> | <b>34,863.1</b> | <b>38,910.5</b> | <b>28,293.3</b> |
| + Long-Term Investments                       | 6,359.3         | 8,457.5         | 9,783.5         | 11,032.1        | 11,479.6        | 14,163.2        | 14,729.7        | 15,318.9        | 15,931.7        | 16,568.9        | 17,231.7        |
| + Gross Fixed Assets                          | 669.7           | 761.1           | 772.6           | 870.0           | 967.4           | 1,070.7         | 1,183.8         | 1,303.2         | 1,430.2         | 1,565.0         | 1,707.9         |
| - Accumulated Depreciation                    | -247.8          | -304.9          | -360.5          | -492.8          | -642.8          | -816.3          | -1,017.8        | -1,239.7        | -1,483.2        | -1,749.7        | -2,040.4        |
| + Net Fixed Assets                            | 421.9           | 456.2           | 412.1           | 377.2           | 436.5           | 492.8           | 165.9           | 63.5            | -53.0           | -184.7          | -332.6          |
| L-T accounts receivable                       | 359.9           | 505.8           | 56.0            | 70.0            | 571.8           | 89.7            | 94.2            | 98.9            | 103.8           | 109.0           | 114.5           |
| + Other Long-Term Assets                      | 701.5           | 654.0           | 733.9           | 905.5           | 1,103.9         | 931.3           | 968.6           | 1,007.3         | 1,047.6         | 1,089.5         | 1,133.1         |
| + Goodwill & other Intangible Assets          | 3,267.4         | 3,266.6         | 3,274.2         | 3,277.2         | 3,288.4         | 3,296.8         | 3,296.8         | 3,296.8         | 3,296.8         | 3,296.8         | 3,296.8         |
| Loans and advances                            | 2,521.2         | 3,565.9         | 4,575.7         | 4,041.2         | 4,281.8         | 5,969.6         | 5,044.9         | 5,376.6         | 5,721.1         | 6,079.2         | 21,505.6        |
| <b>Total Long-Term Assets</b>                 | <b>13,631.2</b> | <b>16,906.0</b> | <b>18,835.4</b> | <b>19,703.2</b> | <b>21,162.0</b> | <b>24,943.4</b> | <b>24,300.1</b> | <b>25,162.0</b> | <b>26,048.0</b> | <b>26,958.8</b> | <b>42,949.1</b> |
| <b>Total Assets</b>                           | <b>32,560.9</b> | <b>37,422.2</b> | <b>40,684.1</b> | <b>42,561.6</b> | <b>44,083.2</b> | <b>48,790.1</b> | <b>52,142.1</b> | <b>56,342.3</b> | <b>60,911.0</b> | <b>65,869.3</b> | <b>71,242.3</b> |
| <b>Liabilities &amp; Shareholders' Equity</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| + Accounts Payable                            | 239.1           | 329.1           | 236.9           | 338.4           | 494.1           | 811.1           | 302.5           | 319.6           | 339.7           | 360.6           | 382.4           |
| + Short-Term Borrowings                       | 4,357.1         | 4,346.9         | 7,190.5         | 6,615.6         | 8,096.6         | 10,648.2        | 11,180.6        | 11,739.6        | 12,326.6        | 12,943.0        | 13,590.1        |
| + Other Short-Term Liabilities                | 348.2           | 513.8           | 1,225.4         | 1,333.5         | 656.8           | 740.5           | 755.3           | 770.4           | 785.8           | 801.5           | 817.6           |
| <b>Total Current Liabilities</b>              | <b>4,944.4</b>  | <b>5,189.8</b>  | <b>8,652.8</b>  | <b>8,287.5</b>  | <b>9,247.5</b>  | <b>12,199.8</b> | <b>12,238.4</b> | <b>12,829.7</b> | <b>13,452.1</b> | <b>14,105.1</b> | <b>14,790.1</b> |
| + Long-Term Borrowings                        | 5,765.1         | 8,652.2         | 9,009.1         | 10,526.4        | 8,517.5         | 7,634.8         | 7,634.8         | 7,634.8         | 7,634.8         | 7,634.8         | 7,634.8         |
| + Other Long-Term Liabilities                 | 195.6           | 181.7           | 177.1           | 171.1           | 365.9           | 416.3           | 416.3           | 416.3           | 416.3           | 416.3           | 416.3           |
| <b>Total Liabilities</b>                      | <b>10,905.1</b> | <b>14,023.7</b> | <b>17,839.0</b> | <b>18,985.0</b> | <b>18,130.9</b> | <b>20,250.9</b> | <b>20,289.5</b> | <b>20,880.8</b> | <b>21,503.2</b> | <b>22,156.2</b> | <b>22,841.2</b> |
| + Total Preferred Equity                      | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| + Share Capital & APIC                        | 8,752.3         | 8,752.3         | 8,752.3         | 8,752.3         | 8,752.3         | 8,752.3         | 8,752.3         | 8,752.3         | 8,752.3         | 8,752.3         | 8,752.3         |
| + Retained Earnings & Other Equity            | 9,324.7         | 10,674.4        | 10,286.9        | 11,629.4        | 13,872.9        | 16,322.9        | 19,099.4        | 22,327.2        | 25,893.2        | 29,819.3        | 34,129.2        |
| <b>Total Shareholders' Equity</b>             | <b>18,077.0</b> | <b>19,426.7</b> | <b>19,039.2</b> | <b>20,381.7</b> | <b>22,625.2</b> | <b>25,075.2</b> | <b>27,851.7</b> | <b>31,079.5</b> | <b>34,645.5</b> | <b>38,571.6</b> | <b>42,881.5</b> |
| + Minority Interest                           | 3,578.8         | 3,971.8         | 3,805.9         | 3,194.9         | 3,327.1         | 3,464.0         | 4,000.9         | 4,382.1         | 4,762.3         | 5,141.5         | 5,519.7         |
| <b>Total Liabilities &amp; Equity</b>         | <b>32,560.9</b> | <b>37,422.2</b> | <b>40,684.1</b> | <b>42,561.6</b> | <b>44,083.2</b> | <b>48,790.1</b> | <b>52,142.1</b> | <b>56,342.3</b> | <b>60,911.0</b> | <b>65,869.3</b> | <b>71,242.3</b> |

| Cash Flow (HK\$ million)               | CY 2016       | CY 2017         | CY 2018        | CY 2019         | CY 2020        | CY 2021         | CY 2022E        | CY 2023E        | CY 2024E        | CY 2025E        | CY 2026E       |
|--|---------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| + Net Income                           | 1,369.7       | 1,824.3         | 1,183.8        | 2,085.2         | 2,547.7        | 2,813.7         | 3,368.9         | 3,820.2         | 4,158.4         | 4,518.5         | 4,902.3        |
| + Depreciation & Amortization          | 61.6          | 57.1            | 55.6           | 132.3           | 150.0          | 173.5           | 201.5           | 221.9           | 243.5           | 266.4           | 290.8          |
| + Other Non-Cash Adjustments           | 577.2         | 489.6           | -537.6         | -833.6          | 381.2          | 485.4           | 381.2           | 381.2           | 380.2           | 379.2           | 378.2          |
| + Changes in Working Capital           | -1,385.2      | -2,853.0        | -998.4         | 357.7           | 381.4          | -772.8          | -2,182.8        | -1,185.4        | -1,242.9        | -1,292.2        | -1,345.1       |
| <b>Cash From Operating Activities</b>  | <b>623.3</b>  | <b>-482.0</b>   | <b>-296.6</b>  | <b>1,741.6</b>  | <b>3,460.3</b> | <b>2,699.8</b>  | <b>1,768.9</b>  | <b>3,237.8</b>  | <b>3,539.2</b>  | <b>3,871.9</b>  | <b>4,226.1</b> |
| + Disposal of Fixed Assets             | 0.2           | 0.0             | 0.0            | 0.0             | 0.0            | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            |
| + Capital Expenditures                 | -28.8         | -91.4           | -11.5          | -97.4           | -97.4          | -103.3          | -113.1          | -119.5          | -127.0          | -134.8          | -142.9         |
| + Increase in Investments              | -253.3        | -5,260.0        | 403.9          | -1,327.2        | -821.8         | -4,725.9        | -1,271.4        | -1,215.5        | -1,160.7        | -1,111.3        | -706.3         |
| + Decrease in Investments              | 90.2          | 0.0             | 0.0            | 0.0             | 0.0            | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            |
| + Other Investing Activities           | -139.1        | 193.1           | -7.6           | -3.0            | -11.2          | -8.4            | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            |
| <b>Cash From Investing Activities</b>  | <b>-330.8</b> | <b>-5,158.3</b> | <b>384.8</b>   | <b>-1,427.6</b> | <b>-930.4</b>  | <b>-4,837.6</b> | <b>-1,384.5</b> | <b>-1,334.9</b> | <b>-1,287.6</b> | <b>-1,246.0</b> | <b>-849.2</b>  |
| + Dividends Paid                       | -642.0        | -567.3          | -548.5         | -520.1          | -517.3         | -592.4          | -592.4          | -592.4          | -592.4          | -592.4          | -592.4         |
| + Change in Short-Term Borrowings      | -2,486.0      | -10.2           | 2,843.6        | -574.9          | 1,481.0        | 2,551.6         | 532.4           | 559.0           | 587.0           | 616.3           | 647.1          |
| + Increase in Long-Term Borrowing      | 2,826.7       | 2,887.1         | 356.9          | 1,517.3         | -2,008.9       | -882.7          | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            |
| + Decrease in Long-term Borrowing      | -135.1        | 0.0             | 0.0            | 0.0             | 0.0            | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            |
| + Increase in Capital Stocks           | 0.0           | 0.0             | 0.0            | 0.0             | 0.0            | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            |
| + Decrease in Capital Stocks           | -169.9        | -196.2          | -651.1         | 0.0             | 0.0            | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            |
| + Other Financing Activities           | 0.0           | -13.9           | -4.6           | -6.0            | 194.8          | 50.4            | 0.0             | 0.0             | 0.0             | 0.0             | 0.0            |
| <b>Cash from Financing Activities</b>  | <b>-606.3</b> | <b>2,099.5</b>  | <b>1,996.3</b> | <b>416.3</b>    | <b>-850.4</b>  | <b>1,126.9</b>  | <b>-60.0</b>    | <b>-33.3</b>    | <b>-5.4</b>     | <b>24.0</b>     | <b>54.8</b>    |
| <b>Effect of Exchange Rate Changes</b> | <b>-139.3</b> | <b>0.0</b>      | <b>0.0</b>     | <b>0.0</b>      | <b>0.0</b>     | <b>0.0</b>      | <b>0.0</b>      | <b>0.0</b>      | <b>0.0</b>      | <b>0.0</b>      | <b>0.0</b>     |
| <b>Net Changes in Cash</b>             | <b>-453.1</b> | <b>-3,540.8</b> | <b>2,084.5</b> | <b>730.3</b>    | <b>1,679.5</b> | <b>-1,010.9</b> | <b>324.4</b>    | <b>1,869.6</b>  | <b>2,246.2</b>  | <b>2,649.8</b>  | <b>3,431.6</b> |
| Opening cash                           |               | 6,452.2         | 2,911.4        | 4,995.9         | 5,726.2        | 7,405.7         | 6,394.7         | 6,719.2         | 8,588.7         | 10,834.9        | 13,484.7       |
| Closing cash                           |               | 2,911.4         | 4,995.9        | 5,726.2         | 7,405.7        | 6,394.7         | 6,719.2         | 8,588.7         | 10,834.9        | 13,484.7        | 16,916.4       |

| Ratio Analysis  | CY 2016        | CY 2017        | CY 2018        | CY 2019        | CY 2020        | CY 2021        | CY 2022E        | CY 2023E       | CY 2024E       | CY 2025E       | CY 2026E        |
|---|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|
| <b>Growth Ratios %</b>                                |                |                |                |                |                |                |                 |                |                |                |                 |
| Revenue   | -15.9%         | 8.1%           | 7.2%           | 1.4%           | -3.9%          | 4.3%           | 9.4%            | 5.7%           | 6.3%           | 6.1%           | 6.0%            |
| EBITDA  | 178.2%         | 46.2%          | 5.2%           | -17.3%         | -11.6%         | 43.6%          | 21.3%           | 12.3%          | 7.0%           | 6.8%           | 6.7%            |
| Operating Income                                      | 222.8%         | 48.8%          | 5.4%           | -21.6%         | -13.7%         | 46.7%          | 21.7%           | 12.5%          | 6.7%           | 6.6%           | 6.5%            |
| Net income reported                                   | -71.5%         | 64.4%          | -35.1%         | 76.1%          | 22.2%          | 10.4%          | 19.7%           | 13.4%          | 8.9%           | 8.7%           | 8.5%            |
| Net income adjusted                                   | 66.2%          | 54.7%          | -42.6%         | 111.8%         | 22.2%          | 10.4%          | 19.7%           | 13.4%          | 8.9%           | 8.7%           | 8.5%            |
| Diluted EPS reported                                  | -71.1%         | 67.0%          | -33.2%         | 85.8%          | 22.8%          | 11.3%          | 19.7%           | 13.4%          | 8.9%           | 8.7%           | 8.5%            |
| Diluted EPS adjusted                                  | 69%            | 57%            | -41%           | 123%           | 23%            | 11%            | 20%             | 13%            | 9%             | 9%             | 8%              |
| Dividend per share                                    | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 15.38%         | 0.00%           | 0.00%          | 0.00%          | 0.00%          | 0.00%           |
| <b>Per Share Data (HK\$)</b>                          |                |                |                |                |                |                |                 |                |                |                |                 |
| Basic EPS (adjusted)                                  | 0.50           | 0.79           | 0.47           | 1.04           | 1.28           | 1.43           | 1.71            | 1.94           | 2.11           | 2.29           | 2.49            |
| Diluted EPS (adjusted)                                | 0.50           | 0.79           | 0.47           | 1.04           | 1.28           | 1.42           | 1.71            | 1.93           | 2.11           | 2.29           | 2.48            |
| Dividend per share (DPS)                              | 0.26           | 0.26           | 0.26           | 0.26           | 0.26           | 0.30           | 0.30            | 0.30           | 0.30           | 0.30           | 0.30            |
| Book Value per share (BVPS)                           | 8.19           | 8.94           | 9.02           | 10.19          | 11.37          | 12.70          | 14.10           | 15.74          | 17.55          | 19.53          | 21.72           |
| <b>Margins (%)</b>                                    |                |                |                |                |                |                |                 |                |                |                |                 |
| Operating Margin                                      | 36.6%          | 50.4%          | 49.5%          | 38.3%          | 34.4%          | 48.4%          | 53.9%           | 57.3%          | 57.6%          | 57.8%          | 58.0%           |
| EBITDA Margin   | 38.4%          | 51.9%          | 50.9%          | 41.5%          | 38.2%          | 52.6%          | 58.3%           | 62.0%          | 62.4%          | 62.7%          | 63.1%           |
| Pre-Tax Margin (adjusted)                             | 42.8%          | 65.9%          | 40.1%          | 66.5%          | 80.8%          | 91.3%          | 94.8%           | 100.5%         | 102.1%         | 103.8%         | 105.6%          |
| Net Income Margin (adjusted)                          | 31.6%          | 45.2%          | 24.2%          | 50.5%          | 64.3%          | 68.1%          | 74.5%           | 79.9%          | 81.9%          | 83.8%          | 85.8%           |
| <b>Return Ratios</b>                                  |                |                |                |                |                |                |                 |                |                |                |                 |
| <b>Dupont ROE (%)</b>                                 | <b>6.1%</b>    | <b>8.8%</b>    | <b>5.2%</b>    | <b>10.2%</b>   | <b>11.3%</b>   | <b>11.2%</b>   | <b>12.1%</b>    | <b>12.3%</b>   | <b>12.0%</b>   | <b>11.7%</b>   | <b>11.4%</b>    |
| Margin (%)  | 31.6%          | 45.2%          | 24.2%          | 50.5%          | 64.3%          | 68.1%          | 74.5%           | 79.9%          | 81.9%          | 83.8%          | 85.8%           |
| Turnover (x)  | 0.1            | 0.1            | 0.1            | 0.1            | 0.1            | 0.1            | 0.1             | 0.1            | 0.1            | 0.1            | 0.1             |
| Leverage (x)  | 1.8            | 1.9            | 2.1            | 2.1            | 1.9            | 1.9            | 1.9             | 1.8            | 1.8            | 1.7            | 1.7             |
| Return on Assets                                      | 3.4%           | 4.6%           | 2.4%           | 4.9%           | 5.8%           | 5.8%           | 6.5%            | 6.8%           | 6.8%           | 6.9%           | 6.9%            |
| Return on Capital Employed                            | 4.7%           | 5.9%           | 6.3%           | 4.6%           | 3.9%           | 5.5%           | 6.1%            | 6.3%           | 6.2%           | 6.0%           | 5.9%            |
| Return on Invested Capital                            | 3.9%           | 5.3%           | 2.8%           | 5.6%           | 6.5%           | 6.5%           | 7.2%            | 7.6%           | 7.6%           | 7.6%           | 7.6%            |
| <b>Net Cash calculation (mn HK\$)</b>                 |                |                |                |                |                |                |                 |                |                |                |                 |
| Cash + short term investments + long term investments | 18,999.9       | 15,747.5       | 19,065.0       | 21,219.8       | 25,413.9       | 27,507.9       | 29,380.5        | 23,907.6       | 26,766.6       | 30,053.7       | 34,148.1        |
| Less: long term debt + ST debt                        | -10,122.2      | -12,999.1      | -16,199.6      | -17,142.0      | -16,614.1      | -18,283.0      | -18,815.4       | -19,374.4      | -19,961.4      | -20,577.8      | -21,224.9       |
| <b>Net Cash</b>                                       | <b>8,877.7</b> | <b>2,748.4</b> | <b>2,865.4</b> | <b>4,077.8</b> | <b>8,799.8</b> | <b>9,224.9</b> | <b>10,565.0</b> | <b>4,533.2</b> | <b>6,805.1</b> | <b>9,475.9</b> | <b>12,923.1</b> |
| Net cash per share                                    | 4.0            | 1.3            | 1.4            | 2.0            | 4.4            | 4.7            | 5.4             | 2.3            | 3.4            | 4.8            | 6.5             |

| Valuation ratio's  | CY 2016 | CY 2017 | CY 2018 | CY 2019 | CY 2020 | CY 2021 | CY 2022E | CY 2023E | CY 2024E | CY 2025E | CY 2026E |
|--------------------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|
| P/B                | 0.54    | 0.49    | 0.49    | 0.43    | 0.37    | 0.33    | 0.29     | 0.26     | 0.23     | 0.20     | 0.18     |
| P/E                | 7.24    | 4.61    | 7.80    | 3.49    | 2.84    | 2.55    | 2.13     | 1.88     | 1.73     | 1.59     | 1.47     |
| P/S                | 2.05    | 1.89    | 1.77    | 1.74    | 1.81    | 1.74    | 1.59     | 1.50     | 1.42     | 1.33     | 1.26     |
| EV/sales           | 5.08    | 4.70    | 4.38    | 4.33    | 4.50    | 4.32    | 3.95     | 3.73     | 3.51     | 3.31     | 3.12     |
| EV/EBITDA          | 13.25   | 9.06    | 8.62    | 10.42   | 11.79   | 8.21    | 6.77     | 6.03     | 5.64     | 5.28     | 4.95     |
| EV/EBIT            | 13.89   | 9.33    | 8.85    | 11.29   | 13.08   | 8.92    | 7.33     | 6.52     | 6.11     | 5.73     | 5.38     |
| Dividend Yield (%) | 7.14%   | 7.14%   | 7.14%   | 7.14%   | 7.14%   | 8.24%   | 8.24%    | 8.24%    | 8.24%    | 8.24%    | 8.24%    |

| Leverage Ratios           | CY 2016 | CY 2017 | CY 2018 | CY 2019 | CY 2020 | CY 2021 | CY 2022E | CY 2023E | CY 2024E | CY 2025E | CY 2026E |
|---------------------------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|
| Debt / equity             | 56%     | 67%     | 85%     | 84%     | 73%     | 73%     | 68%      | 62%      | 58%      | 53%      | 49%      |
| Net cash (debt) / equity  | 49%     | 14%     | 15%     | 20%     | 39%     | 37%     | 38%      | 15%      | 20%      | 25%      | 30%      |
| Net cash (debt) / mkt cap | 124%    | 38%     | 40%     | 57%     | 122%    | 128%    | 147%     | 63%      | 95%      | 132%     | 180%     |
| Net cash (debt) / capital | 31%     | 8%      | 8%      | 11%     | 22%     | 21%     | 23%      | 9%       | 12%      | 16%      | 20%      |
| Interest coverage [EBIT]  | 2.6     | 3.5     | 3.0     | 2.0     | 1.7     | 2.8     | 3.3      | 3.6      | 3.7      | 3.8      | 4.0      |

#### Earnings Quality Ratios

|                                 |        |        |        |        |        |        |        |        |        |        |        |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Net operating assets/liab [NOA] | 22,347 | 27,298 | 29,670 | 30,707 | 30,847 | 34,145 | 36,605 | 38,316 | 40,095 | 41,935 | 43,838 |
| Average NOA                     | 22,219 | 24,822 | 28,484 | 30,189 | 30,777 | 32,496 | 35,375 | 37,460 | 39,205 | 41,015 | 42,887 |
| B/S accrual ratio               | 0.01   | 0.20   | 0.08   | 0.03   | 0.00   | 0.10   | 0.07   | 0.05   | 0.05   | 0.04   | 0.04   |
| CF accrual ratio                | 0.04   | 0.30   | 0.03   | 0.06   | 0.00   | 0.15   | 0.08   | 0.05   | 0.05   | 0.05   | 0.04   |

| Enterprise Value Calculation | Current       |
|------------------------------|---------------|
| Market Cap.                  | 7,188         |
| + Minority Interest          | 3,464         |
| +Total Debt (ST & LT Debt)   | 18,283        |
| - Cash & Equivalents         | 6,001         |
| <b>Enterprise Value</b>      | <b>22,934</b> |

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