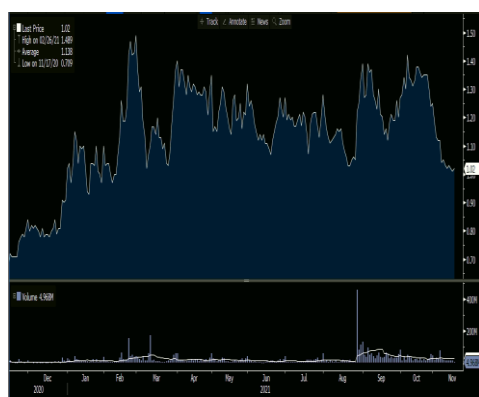


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Target Price	HK\$ 2.00
Current Price	HK\$ 1.09
Upside Potential	84%
Rating	BUY

Market Cap.	HK\$13.87 bn US\$1.80 bn
Shares Outstanding	12,609.9 mn
Free Float (FF)	2,816 mn
52 Week Range (HK\$)	2.00 / 0.76
Avg. Daily Value	HK\$31 mn US\$4 mn
HANG SENG Index Level	24,636
Public Holding %	22.35%



Risk: Above Average

Forecasting and Valuations

(US\$ mn except ratio)	FY2021E	FY2022E
Revenue	696	1184
Net Income	167	297
EPS (US cents)	1.25	2.23
EPS Growth	430%	78%
PE	11.0	6.2
P/S	2.52	1.48
P/B	1.74	1.36

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Jinchuan Group International Resources Co Ltd. (2362_HK)
3Q2021 Operational Update Report

Industry : Metals and Mining

Robust Production for the Nine Months Ended September 2021

During the nine months ended September 2021, the company's mining operations produced 45,244 tons of copper content included in copper cathode and copper concentrate (nine months ended 30 September 2020: 55,872 tons) and 2,407 tons of cobalt content included in cobalt hydroxide (nine months ended 30 September 2020: 3,422 tons).

The company sold 47,376 tons of copper (nine months ended 30 September 2020: 52,731 tons), representing a decrease of 10% year-on-year compared to the corresponding period in 2020, and 1,660 tons of cobalt (nine months ended 30 September 2020: 4,593 tons), representing a decrease of 64% year-on-year compared to the corresponding period in 2020. Out of the sales of copper and cobalt, the company's mining operations generated revenue of US\$430.8 million and US\$70.2 million in the period, respectively (nine months ended 30 September 2020: US\$272.6 million and US\$86.8 million, respectively), representing a 58% year-on-year increase and 19% year-on-year decrease respectively compared to the corresponding period in 2020.

The revenue generated from trading of externally sourced mineral and metal products amounted to US\$95.5 million in the period, representing a decrease of 39% as compared to US\$155.7 million for the nine months ended 30 September 2020.

	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
Mining operations		
Production:		
Copper (tonne)	45,244	55,872
Cobalt (tonne)	2,407	3,422
Product sold:		
Copper (tonne)	47,376	52,731
Cobalt (tonne)	1,660	4,593
Revenue (including provisional pricing adjustment) – approximate figures:		
Copper (US\$'000)	430,790	272,605
Cobalt (US\$'000)	70,189	86,804
Mining operations revenue (US\$'000)	500,979	359,409
Trading of mineral and metal products		
Revenue – trading of externally sourced mineral and metal products – approximate figures (US\$'000)	95,548	155,713
Total revenue (US\$'000)	596,527	515,122

Reduction in Volume; Uptick in Revenue

Copper and cobalt production volume in the nine months ended September 2021 decreased by 19% and 30% respectively as compared to the corresponding period in 2020 as the company has processed ores with lower copper and cobalt grade from their Ruashi and Kinsenda mines. The decrease was also due to the finance lease of Chibuluma which became effective during the period. Mining assets at Chibuluma are leased out to an independent third party under a finance lease arrangement. The lessee produced and sold 1,993 tons of copper in the period and Jinchuan has recorded a royalty income of approximately US\$1.6 million under the finance lease arrangement. In the corresponding period in 2020, Chibuluma produced 8,023 tons of copper content.

Despite the decrease in volume of copper and cobalt sold during the nine months ended September 2021, the total revenue generated from the mining operations has increased significantly. The average benchmark London Metal Exchange (LME) copper and Metal Bulletin (MB) cobalt prices in the period were US\$9,187 per ton and US\$22.1 per pound respectively, representing a 57% and 43% increase as compared to the average benchmark copper and cobalt price for the corresponding period in 2020 of US\$5,834 per ton and US\$15.4 per pound respectively. LME copper price has increased by approximately 17% from the end of 2020 and reached US\$9,041 per ton by the end of September 2021. This has led to the increase in the company's mining operation's revenue and profit.

The trading of mineral and metal products segment recorded a significant decrease in revenue on trading of externally sourced commodities of 39% from US\$155.7 million in the corresponding period in 2020 to US\$95.5 million in the nine months ended September 2021. The decrease was due to the voluntary liquidation of Shanghai Jinchuan Junhe Economic Development Co., Ltd. one of the principal trading arms of the company.

Stock at a Multiyear Inflection Point. Strong Revenue and EPS Growth Expected

Based on our model estimates, revenues should increase from US\$665 mn in FY2020 to US\$1184 mn in FY2022 at a CAGR of 33% while earnings should increase from a profit of US\$31.5 mn in FY2020 to a profit of US\$297 mn in FY2022 at a CAGR of 207%. Similarly, the EPS is expected to increase at a CAGR of 205% from US0.24 cents in FY2020 to US2.23 cents in FY2022. We have a 12-month price target of HK\$2.00 on the stock, suggesting an upside of 84% from the current levels. Once the revenue growth picks up, we will revise the target on the higher side.

11.0x/6.2x FY2021/FY2022 P/E; 1.74x/1.36x FY2021/FY2022 P/B; 2.52x/1.48x FY2021/FY2022 P/S

We believe that the stock is currently at a multiyear inflection point and expect earnings to increase significantly in FY2021 and beyond, supported by continuously rising copper and cobalt prices. Based on our model forecasts, the stock is trading at a P/E of just 11.0x and 6.2x on FY2021 and FY2022 earnings. Similarly, on FY2020 numbers, P/B basis, the stock is trading at 2.0x and the current book value of the company is low due to large levels of impairments taken in the earlier years. We believe that with record high levels

of copper and cobalt prices and strong sales results in 2021 and beyond, there will be substantial impairment reversal in the coming year, suggesting an even lower P/B multiple. Given that the stock is trading at attractive valuations with multiple catalysts in place, we believe that the stock offers compelling growth potential for investors.

Perennial Demand and Varied Applications for Copper and Cobalt: Prices expected to remain firm in the Long-term

Copper, as the most used conductible material, is used frequently in areas including solar, wind, power storage, new energy and distribution with the enhance of carbon neutral era, and the demand for copper will increase further. According to market research, electric vehicle (EV) industry worldwide will need 250% more copper in 2030 for charging stations compared to 2019, and as each EV consumes quadruple copper as compared to a conventional internal combustion engine-powered vehicle, copper will benefit from the modest growth of the electric vehicle industry in the long term. In the case of cobalt, since retreating by more than 70% from an all-time high of US\$43.7 per pound recorded in April 2018 to US\$12.1 per pound by the end of July 2019, cobalt price has stayed relatively stable in 2020 and 2021 with a steady rise. Cobalt price has traded within the range of US\$13.75 per pound to US\$17.0 per pound in 2020. Cobalt price rose above US\$20.0 per pound in February 2021 and traded within the range of US\$19.8 per pound to US\$29.4 per pound since then.

On supply side of cobalt, one of the largest cobalt mine in the DRC has suspended operations since August 2019, and the mine has announced that they will be restarting operation from 2022, providing extra supply in cobalt market. Meanwhile, Gécamines SA has established a new subsidiary to purchase, process and sell cobalt produced by artisanal miners and small-scale miners in the DRC as part of DRC Government's measures to implement stricter control to regulate artisanal and illegal cobalt mining in the DRC. In terms of overall supply, research institute CRU does not foresee any major changes for the rest of 2021.

On the demand side, the two main uses of cobalt are for the manufacturing of alloy and industrial chemical and for manufacturing of batteries. According to recent cobalt research, in 2020, around 53% of cobalt usage was for manufacturing of batteries, in which approximately 73% of the battery demand is for non-EV purpose, including telecommunication equipment, computer and laptop, while the remaining approximately 26% is for manufacturing of EV batteries.

Analysts predict that the increase in EV battery demand is estimated to be at a 24.3% CAGR from 2020 to 2025. The long-term demand for cobalt will grow from 143,000 tons in 2020, of which the EV battery sector accounts for 14.6%, to 230,000 tons in 2025, of which the EV battery sector will account for 27%.

Industry Dynamics

Global mining industry underwent severe challenges in the past eighteen months which were caused mainly by the disruption of COVID-19. With the disruption caused by COVID-19 to the commodity industry, LME copper price reached a bottom of as low as US\$4,617.5 per ton in March 2020 and has since rebounded to a historical high of US\$10,720 per ton in May 2021. LME copper price closed 1H2021 at US\$9,385 per ton by the end of June 2021, representing a gain of 21% compared to 31 December 2020 and a gain of 103.2% compared to the lowest point in 2020.

With COVID-19 still causing disruption in copper producing countries in South America including the two largest copper producing countries Peru and Chile, and the interruption of Australia's supply of copper concentrate to the PRC since the final quarter of 2020, where copper smelters in the PRC are struggling to secure enough concentrates from the world and LME inventories have fallen to the lowest level since 2008. Copper market is forecasted to remain tight in the short-term future. While the precise timing of COVID-19 to be contained is still unknown, copper fundamental factors are still strong and copper price is expected to stay strong even after COVID-19 is contained. With the availability of COVID-19 vaccine, copper, as a critical commodity used in construction and infrastructure, will benefit from the economic recovery. Global commodities trader Trafigura sees a significant deficit in the region of ten million tons of copper by 2030 and will require building eight projects the size of Escondida, the world's largest copper mine, to close the gap.

5-year Price Chart



Income Statement (US\$ million)	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021E	CY 2022E	CY 2023E	CY 2024E	CY 2025E	CAGR(2020-25)
Revenue	470.7	364.8	549.2	1,400.0	1,246.9	664.6	696.1	1,184.3	2,183.9	2,411.9	2,664.6	32.0%
<i>y/y</i>		-22.5%	50.5%	154.9%	-10.9%	-46.7%	4.7%	70.1%	84.4%	10.4%	10.5%	
Cost of Sales	-462.6	-362.5	-433.0	-1,201.1	-1,157.8	-577.3	-452.5	-769.8	-1,419.5	-1,567.7	-1,732.0	24.6%
<i>as a % of sales</i>	98.3%	99.4%	78.8%	85.8%	92.9%	86.9%	65.0%	65.0%	65.0%	65.0%	65.0%	
Gross Profit	8.1	2.4	116.2	198.8	89.1	87.3	243.6	414.5	764.4	844.2	932.6	
<i>Gross Profit Margin</i>	1.71%	0.65%	21.15%	14.20%	7.14%	13.14%	35.00%	35.00%	35.00%	35.00%	35.00%	
EBITDA	6.28	13.58	102.24	214.20	116.2	140.4	313.2	532.9	982.8	1,085.4	1,199.1	
<i>EBITDA Margin</i>	1.3%	3.7%	18.6%	15.3%	9.3%	21.1%	45.0%	45.0%	45.0%	45.0%	45.0%	
Administrative selling and distribution costs	-55.4	-44.4	-51.8	-79.8	-73.1	-31.2	-34.8	-59.2	-131.0	-144.7	-159.9	
<i>as a % of sales</i>	11.8%	12.2%	9.4%	5.7%	5.9%	4.7%	5.0%	5.0%	6.0%	6.0%	6.0%	
Operating Income	-47.3	-42.0	64.3	119.1	16.0	56.1	208.8	355.3	633.3	699.5	772.7	
<i>y/y</i>		-11.2%	-253.1%	85.1%	-86.6%	251.5%	272.3%	70.1%	78.3%	10.4%	10.5%	
<i>Operating margin (%)</i>	-10.0%	-11.5%	11.7%	8.5%	1.3%	8.4%	30.0%	30.0%	29.0%	29.0%	29.0%	
Finance Costs	-6.6	-6.8	-8.7	-24.1	-20.7	-14.1	-13.6	-14.7	-15.7	-16.8	-16.8	
Finance Income	0.4	0.7	1.0	2.0	1.8	1.3	1.1	8.8	14.3	23.3	34.8	
<i>interest rate</i>		1%	1%	3%	2%	1%	1%	2%	2%	2%	2%	
Equity in (losses)/income of affiliates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other recurring (expenses)/income	-3.9	-2.3	-12.5	-1.1	-0.2	-5.2	0.0	0.0	0.0	0.0	0.0	
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	
Impairment Loss(-)/Reversal (+)	-312.3	53.7	17.1	53.5	9.7	27.0	0.0	0.0	0.0	0.0	0.0	
Other non recurring (expenses) income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Pretax Income (reported)	-369.6	3.3	61.2	149.4	6.4	64.2	196.3	349.4	631.9	706.0	790.8	65.2%
<i>y/y</i>		-100.9%	1735.5%	144.2%	-95.7%	896.4%	205.5%	78.0%	80.9%	11.7%	12.0%	
Pretax Income (adjusted)	-57.4	-50.4	44.1	95.9	-3.2	38.2	196.3	349.4	631.9	706.0	790.8	83.4%
<i>y/y</i>		-12.1%	-187.5%	117.5%	-103.3%	-1299.2%	414.4%	78.0%	80.9%	11.7%	12.0%	
- Income Tax Expense	13.8	3.0	-7.8	-54.8	6.7	-22.4	-29.4	-52.4	-94.8	-105.9	-118.6	
<i>effective tax rate (%)</i>	3.7%	-89.8%	12.7%	36.7%	-103.9%	34.8%	15.0%	15.0%	15.0%	15.0%	15.0%	
- Minority Interests	64.049	-2.033	11.811	27.2	4.4	12.6	0.0	0.0	0.0	0.0	0.0	
Income Before XO Items	-291.8	8.4	41.6	94.6	13.1	41.9	166.8	297.0	537.1	600.1	672.2	
<i>y/y</i>		-102.9%	398.0%	127.3%	-86.1%	218.7%	298.2%	78.0%	80.9%	11.7%	12.0%	
- Extraordinary Loss Net of Tax	0.0	0.3	0.0	-1.3	-0.5	2.8	0.0	0.0	0.0	0.0	0.0	
Net Income (reported)	-291.7	8.6	41.6	66.2	8.2	31.5	166.8	297.0	537.1	600.1	672.2	84.5%
<i>y/y</i>		-103.0%	382.4%	59.0%	-87.5%	282.0%	429.8%	78.0%	80.9%	11.7%	12.0%	
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	
Net Income (adjusted)	20.5	-93.8	46.7	14.0	7.9	28.4	166.8	297.0	537.1	600.1	672.2	88.4%
<i>y/y</i>		-557.5%	-149.8%	-70.1%	-43.4%	259.3%	488.3%	78.0%	80.9%	11.7%	12.0%	
Basic EPS (reported)	-0.0671	0.0020	0.0089	0.0071	0.0007	0.0025	0.0132	0.0236	0.0426	0.0476	0.0533	84.5%
Basic EPS (adjusted)	0.0047	-0.0216	0.0100	0.0015	0.0006	0.0022	0.0132	0.0236	0.0426	0.0476	0.0533	88.4%
Basic Weighted Avg Shares	4,350.75	4,350.75	4,682.90	9,286.38	12,609.87	12,609.87	12,609.87	12,609.87	12,609.87	12,609.87	12,609.87	
Diluted EPS (reported)	-0.0671	0.0007	0.0032	0.0050	0.0006	0.0024	0.0125	0.0223	0.0404	0.0451	0.0505	84.5%
<i>y/y</i>		-101.0%	370.2%	57.2%	-87.5%	282.0%	429.8%	78.0%	80.9%	11.7%	12.0%	
Diluted EPS (adjusted)	0.0047	-0.0073	0.0036	0.0010	0.0006	0.0021	0.0125	0.0223	0.0404	0.0451	0.0505	88.4%
<i>y/y</i>		-255.3%	-148.6%	-70.5%	-43.4%	259.3%	488.3%	78.0%	80.9%	11.7%	12.0%	
Diluted Weighted Avg Shares	4,350.75	12,816.87	13,149.02	13,299.87	13,299.87	13,299.87	13,299.87	13,299.87	13,299.87	13,299.87	13,299.87	

Balance Sheet (US\$ million)	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021E	CY 2022E	CY 2023E	CY 2024E	CY 2025E
Assets											
+ Cash & Near Cash Items	52.7	96.6	75.2	78.9	45.2	108.3	437.9	713.6	1,164.9	1,742.2	2,395.9
+ Short-Term Investments	0.0	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Accounts & Notes Receivable	118.8	104.4	146.8	212.1	156.5	128.1	95.4	146.0	257.3	284.1	313.9
+ Inventories	103.0	109.1	172.1	186.1	202.0	191.4	85.8	129.8	227.4	251.1	277.4
+ Other Current Assets	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Total Current Assets	274.4	313.8	394.1	477.1	403.9	427.8	619.1	989.4	1,649.5	2,277.5	2,987.3
+ Mineral Rights	421.2	478.0	488.1	478.1	489.4	501.1	501.1	501.1	501.1	501.1	501.1
+ Gross Fixed Assets	1,086.3	1,131.4	1,157.828	1,262.3	1,296.7	1,351.5	1,379.3	1,414.8	1,458.5	1,506.8	1,546.7
- Accumulated Depreciation	-396.4	-443.3	-486.8	-519.5	-607.8	-697.5	-746.2	-805.4	-860.0	-914.3	-967.6
+ Net Fixed Assets	689.9	688.1	671.1	742.8	688.9	705.3	633.1	609.4	598.5	592.5	579.1
+Exploration and Evaluation Assets	172.7	181.6	212.3	141.0	146.2	119.7	119.7	119.7	119.7	119.7	119.7
+ Other Long-Term Assets	22.2	18.6	16.6	14.2	16.1	14.4	14.4	14.4	14.4	14.4	14.4
+ Goodwill & other Intangible Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Long-Term Assets	1,306.0	1,366.3	1,388.1	1,376.1	1,340.5	1,340.5	1,268.3	1,244.6	1,233.7	1,227.7	1,214.4
Total Assets	1,580.4	1,680.1	1,782.1	1,853.2	1,744.4	1,768.3	1,887.4	2,234.0	2,883.2	3,505.2	4,201.6
Liabilities & Shareholders' Equity											
+ Accounts Payable	92.9	71.8	87.8	74.0	70.6	95.4	47.7	97.3	209.4	231.3	255.5
+ Short-Term Borrowings	16.4	83.3	133.9	165.5	28.4	30.7	30.7	30.7	30.7	30.7	30.7
+ Other Short-Term Liabilities	13.6	10.8	138.6	178.9	143.3	152.6	152.6	152.6	152.6	152.6	152.6
Total Current Liabilities	122.9	165.9	360.3	418.4	242.3	278.8	231.0	280.6	392.7	414.6	438.8
+ Long-Term Borrowings	257.0	311.2	231.4	123.8	209.0	179.0	179.0	179.0	179.0	179.0	179.0
+Long Term Provisions	26.2	27.3	28.8	32.1	33.1	30.2	30.2	30.2	30.2	30.2	30.2
+Amount Due to fellow subsidiary & intermediate holding company	120.0	120.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Long-Term Liabilities	293.3	288.1	291.2	300.2	270.2	263.4	263.4	263.4	263.4	263.4	263.4
Total Liabilities	819.4	912.6	911.6	874.4	754.5	751.4	703.6	753.3	865.4	887.2	911.5
+ Perpetual subordinated convertible securities	1,089.1	1,089.1	1,089.1	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5
+ Share Capital & APIC	5.6	5.6	6.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
+ Retained Earnings & Other Equity	-402.7	-394.1	-303.6	753.2	760.0	789.8	956.6	1,253.6	1,790.7	2,390.8	3,063.0
Total Shareholders' Equity	692.0	700.6	791.7	857.8	864.6	894.5	1,061.3	1,358.2	1,895.4	2,495.4	3,167.7
+ Minority Interest	69.0	67.0	78.8	121.0	125.2	122.5	122.5	122.5	122.5	122.5	122.5
Total Liabilities & Equity	1,580.4	1,680.1	1,782.1	1,853.2	1,744.4	1,768.3	1,887.4	2,234.0	2,883.2	3,505.2	4,201.6

Cash Flow (US\$ million)	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021E	CY 2022E	CY 2023E	CY 2024E	CY 2025E
+ Profit before tax-Cash Tax Paid	-376.7	-0.5	58.6	139.0	-56.2	44.6	166.8	297.0	537.1	600.1	672.2
+ Depreciation & Amortization	57.5	57.9	50.5	96.2	100.4	89.7	48.7	59.2	54.6	54.3	53.3
+ Other Non-Cash Adjustments	324.7	-43.4	-6.4	-7.3	10.8	-8.3	0.0	0.0	0.0	0.0	0.0
+ Changes in Working Capital	17.1	-14.3	-80.9	-115.1	32.9	47.2	176.3	-45.0	-96.8	-28.7	-31.9
Cash From Operating Activities	22.6	-0.3	21.7	112.8	87.9	173.2	391.9	311.2	494.9	625.6	693.6
+ Disposal of Fixed Assets	0.022	0.365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Capital Expenditures	-111.7	-55.5	-43.6	-33.1	-39.5	-54.8	-27.8	-35.5	-43.7	-48.2	-40.0
+ Increase in Investments	0	0	0.0	0.0	0.0	-34.5	0.0	0.0	0.0	0.0	0.0
+ Decrease in Investments	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Investing Activities	4.354	1.47	1.4	3.8	-9.6	1.3	0.0	0.0	0.0	0.0	0.0
Cash From Investing Activities	-107.3	-53.6	-42.2	-29.3	-49.1	-88.0	-27.8	-35.5	-43.7	-48.2	-40.0
+ Dividends Paid	0.0	0.0	0.0	0.0	-1.6	-1.6	0.0	0.0	0.0	0.0	0.0
+ Change in Short-Term Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Increase in Long-Term Borrowing	134.4	207.8	3.7	51.5	114.4	37.3	50.0	0.0	0.0	0.0	0.0
+ Decrease in Long-term Borrowing	-47.9	-82.8	-77.5	-115.8	-129.4	-64.9	-50.0	0.0	0.0	0.0	0.0
+ Increase in Capital Stocks	0.0	0.0	49.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Decrease 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
+ Other Financing Activities	-14.5	-22.0	23.6	-15.1	-56.4	-28.6	0.0	0.0	0.0	0.0	0.0
Cash from Financing Activities	72.0	102.9	-0.7	-79.4	-73.1	-57.9	0.0	0.0	0.0	0.0	0.0
Effect of Exchange Rate Changes	0.0	0.0	0.0	-0.3	-0.4	2.3	0.0	0.0	0.0	0.0	0.0
Net Changes in Cash	-12.7	49.0	-21.2	3.8	-34.6	29.6	364.1	275.7	451.3	577.4	653.7
Opening cash	60.1	47.4	96.4	75.2	78.9	44.3	73.8	437.9	713.6	1,164.9	1,742.2
Closing cash	47.4	96.4	75.2	78.9	44.3	73.8	437.9	713.6	1,164.9	1,742.2	2,395.9

Ratio Analysis	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021E	CY 2022E	CY 2023E	CY 2024E	CY 2025E
Growth Ratios %											
Revenue		-22.5%	50.5%	154.9%	-10.9%	-46.7%	4.7%	70.1%	84.4%	10.4%	10.5%
EBITDA		116.2%	652.9%	109.5%	-45.8%	20.9%	123.1%	70.1%	84.4%	10.4%	10.5%
Operating Income		-11.2%	-253.1%	85.1%	-86.6%	251.5%	272.3%	70.1%	78.3%	10.4%	10.5%
Net income reported		-103.0%	382.4%	59.0%	-87.5%	282.0%	429.8%	78.0%	80.9%	11.7%	12.0%
Net income adjusted		-557.5%	-149.8%	-70.1%	-43.4%	259.3%	488.3%	78.0%	80.9%	11.7%	12.0%
Diluted EPS reported		-101.0%	370.2%	57.2%	-87.5%	282.0%	429.8%	78.0%	80.9%	11.7%	12.0%
Diluted EPS adjusted		-255%	-149%	-70%	-43%	259%	488%	78%	81%	12%	12%
Dividend per share		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Accounts Receivables		-12.1%	40.6%	44.5%	-26.2%	-18.2%	-25.5%	53.1%	76.2%	10.4%	10.5%
Inventory		5.9%	57.8%	8.1%	8.5%	-5.2%	-55.2%	51.2%	75.2%	10.4%	10.5%
Fixed Assets		-0.3%	-2.5%	10.7%	-7.3%	2.4%	-10.2%	-3.7%	-1.8%	-1.0%	-2.2%
Total Assets		6.3%	6.1%	4.0%	-5.9%	1.4%	6.7%	18.4%	29.1%	21.6%	19.9%
Working Capital		13.5%	-29.3%	57.1%	-0.4%	-50.6%	-126.7%	-236.0%	373.5%	23.4%	21.0%
Accounts Payable		-22.8%	22.3%	-15.8%	-4.5%	35.1%	-50.0%	104.2%	115.1%	10.4%	10.5%
Short Term Debt		407.0%	60.7%	23.6%	-82.9%	8.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Long Term Debt		21.1%	-25.6%	-46.5%	68.9%	-14.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Equity		1.2%	13.0%	8.4%	0.8%	3.5%	18.6%	28.0%	39.5%	31.7%	26.9%
Cash From Operations		-101.4%	-6818.9%	419.6%	-22.0%	97.0%	126.3%	-20.6%	59.0%	26.4%	10.9%
Capital Expenditure		-50.3%	-21.3%	-24.1%	19.4%	38.5%	-49.2%	27.6%	22.9%	10.4%	-17.1%
Free Cash Flow		-37.4%	-60.7%	-462.9%	-39.2%	144.7%	207.5%	-24.3%	63.7%	28.0%	13.2%
Per Share Data (US\$)	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021E	CY 2022E	CY 2023E	CY 2024E	CY 2025E
Basic EPS (adjusted)	0.0047	-0.0216	0.0100	0.0015	0.0006	0.0022	0.0132	0.0236	0.0426	0.0476	0.0533
Diluted EPS (adjusted)	0.0047	-0.0073	0.0036	0.0010	0.0006	0.0021	0.0125	0.0223	0.0404	0.0451	0.0505
Dividend per share (DPS)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Book Value per share (BVPS)	0.1590	0.0547	0.0602	0.0645	0.0650	0.0673	0.0798	0.1021	0.1425	0.1876	0.2382
Margins (%)											
Operating Margin	-10.0%	-11.5%	11.7%	8.5%	1.3%	8.4%	30.0%	30.0%	29.0%	29.0%	29.0%
EBITDA Margin	1.3%	3.7%	18.6%	15.3%	9.3%	21.1%	45.0%	45.0%	45.0%	45.0%	45.0%
Pre-Tax Margin (adjusted)	-12.2%	-13.8%	8.0%	6.9%	-0.3%	5.7%	28.2%	29.5%	28.9%	29.3%	29.7%
Net Income Margin (adjusted)	4.4%	-25.7%	8.5%	1.0%	0.6%	4.3%	24.0%	25.1%	24.6%	24.9%	25.2%
Return Ratios											
Dupont ROE (%)	3.0%	-13.4%	5.9%	1.6%	0.9%	3.2%	15.7%	21.9%	28.3%	24.0%	21.2%
Margin (%)	4.4%	-25.7%	8.5%	1.0%	0.6%	4.3%	24.0%	25.1%	24.6%	24.9%	25.2%
Turnover (x)	0.3	0.2	0.3	0.8	0.7	0.4	0.4	0.5	0.8	0.7	0.6
Leverage (x)	2.3	2.4	2.3	2.2	2.0	2.0	1.8	1.6	1.5	1.4	1.3
Return on Assets	1.3%	-5.6%	2.6%	0.8%	0.5%	1.6%	8.8%	13.3%	18.6%	17.1%	16.0%
Return on Capital Employed	-3.2%	-2.8%	4.5%	8.3%	1.1%	3.8%	12.6%	18.2%	25.4%	22.6%	20.5%
Return on Invested Capital	2.1%	-8.6%	4.0%	1.2%	0.7%	2.6%	13.1%	18.9%	25.5%	22.2%	19.9%
FCF Calculation											
Op. cash (US\$)	22.6	-0.3	21.7	112.8	87.9	173.2	391.9	311.2	494.9	625.6	693.6
capex	-111.7	-55.5	-43.6	-33.1	-39.5	-54.8	-27.8	-35.5	-43.7	-48.2	-40.0
FCF (US\$ million)	-89.1	-55.8	-21.9	79.6	48.4	118.4	364.1	275.7	451.3	577.4	653.7
FCF margin (%)	-18.9%	-15.3%	-4.0%	5.7%	3.9%	17.8%	52.3%	23.3%	20.7%	23.9%	24.5%
FCF per share	-0.0205	-0.0044	-0.0017	0.0060	0.0036	0.0089	0.0274	0.0207	0.0339	0.0434	0.0491
Price/FCF per share	-6.78	-31.89	-83.23	23.20	38.17	15.60	5.07	6.70	4.09	3.20	2.83
FCF Yield	-14.7%	-3.1%	-1.2%	4.3%	2.6%	6.4%	19.7%	14.9%	24.4%	31.3%	35.4%
Net Cash calculation											
Cash + short term investments	52.7	100.3	75.2	78.9	45.2	108.3	437.9	713.6	1,164.9	1,742.2	2,395.9
Less: long term debt + ST debt	-273.4	-394.6	-365.3	-289.3	-237.4	-209.7	-209.7	-209.7	-209.7	-209.7	-209.7
Net Cash	-220.8	-294.2	-290.1	-210.4	-192.2	-101.4	228.2	503.9	955.1	1,532.5	2,186.2
Net cash per share	-0.0507	-0.0230	-0.0221	-0.0158	-0.0144	-0.0076	0.0172	0.0379	0.0718	0.1152	0.1644

Valuation ratio's	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021E	CY 2022E	CY 2023E	CY 2024E	CY 2025E
P/B	0.97	1.75	1.31	2.15	2.14	2.06	1.74	1.36	0.97	0.74	0.58
P/E	32.86	-13.05	22.14	132.37	234.02	65.13	11.07	6.22	3.44	3.08	2.75
P/S	1.43	1.14	0.67	1.25	1.40	2.63	2.52	1.48	0.80	0.73	0.66
EV/sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/EBITDA	0.00	51.92	7.14	8.38	11.53	9.35	6.30	3.71	2.01	1.82	1.65
EV/EBIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/FCF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Div payout on FCF	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Working Capital Ratios											
Receivable days (DSO)		112	83	47	54	78	50	45	43	43	43
Inventory days (DIO)		106	93	47	57	108	45	40	38	38	38
Payables days (DPO)		82	53	21	21	46	25	30	35	35	35
Current ratio	2.2	1.9	1.1	1.1	1.7	1.5	2.7	3.5	4.2	5.5	6.8
Quick ratio	1.4	1.2	0.6	0.7	0.8	0.8	2.3	3.1	3.6	4.9	6.2
Working capital	115	131	93	145	145	71	-19	26	123	151	183
Cash conversion cycle		135	124	72	90	141	70	55	46	46	46
Leverage Ratios											
Debt / equity	40%	56%	46%	34%	27%	23%	20%	15%	11%	8%	7%
Net cash (debt) / equity	-32%	-42%	-37%	-25%	-22%	-11%	21%	37%	50%	61%	69%
Net cash (debt) / mkt cap	-33%	-71%	-79%	-15%	-19%	-10%	13%	29%	55%	88%	125%
Net cash (debt) / capital	-23%	-27%	-25%	-18%	-17%	-9%	18%	32%	45%	57%	65%
Coverage Ratios											
Interest coverage [EBIT]	-7.7	-6.8	8.4	5.4	0.8	4.4	16.6	60.0	434.3	-107.3	-42.8
Interest coverage [Opt. CF]	3.7	-0.1	2.8	5.1	4.6	13.6	31.2	52.5	339.4	-96.0	-38.4
Earnings Quality Ratios											
Net operating assets/liab [NOA]	982	1062	1161	1189	1182	1118	956	977	1063	1085	1104
Average NOA		1022	1111	1175	1186	1150	1037	966	1020	1074	1095
B/S accrual ratio		0.08	0.09	0.02	-0.01	-0.06	-0.16	0.02	0.08	0.02	0.02
CF accrual ratio		-0.06	0.07	-0.01	-0.04	-0.10	-0.17	0.04	0.08	-0.02	-0.02
Enterprise Value Calculation											
Market Cap.		415	368	1,426	1,009	996	1,751				
+ Minority Interest		69	67	79	121	125	122				
+Total Debt (ST & LT Debt)		273	395	365	289	237	210				
- Cash & Equivalents		53	100	75	79	45	108				
Enterprise Value		705	730	1,794	1,340	1,313	1,975				

DCF model	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
(in US\$ million)																
EBIT	-47	-42	64	119	16	56	209	355	633	699	773	854	930	980	1,022	1,057
% growth	0%	-11%	-253%	85%	-87%	252%	272%	70%	78%	10%	10%	11%	9%	5%	4%	3%
Taxes @	3.7%	-89.8%	12.7%	36.7%	-103.9%	34.8%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
EBIAT	-46	-80	56	75	33	37	178	302	538	595	657	726	790	833	868	898
% growth	0%	75%	-170%	34%	-57%	12%	385%	70%	78%	10%	10%	11%	9%	5%	4%	3%
+ D&A	57	58	50	96	100	90	49	59	55	54	53	57	59	61	62	64
- Capital expenditures	-112	-55	-44	-33	-40	-55	-28	-36	-44	-48	-40	-22	-22	-22	-22	-22
- Change in net WC	17	-14	-81	-115	33	47	176	-45	-97	-29	-32	-15	-13	-11	-10	-8
Free Cash Flow to Firm	-83	-92	-18	23	126	119	375	281	452	572	638	746	814	860	898	932
FCY yly growth		11%	-80%	-230%	441%	-6%	216%	-25%	61%	26%	12%	17%	9%	6%	4%	4%

Value per Share

Terminal Growth	Cost of capital				
	6.6%	7.6%	8.6%	9.6%	10.6%
2.5%	10.29	8.08	6.61	5.55	4.76
2.8%	10.92	8.45	6.84	5.71	4.88
3.0%	11.40	8.72	7.01	5.82	4.96
3.3%	12.23	9.18	7.29	6.01	5.08
3.5%	12.87	9.52	7.50	6.14	5.17

WACC 8.6%

PV of Free Cash Flow	3,964
PV of Terminal Value	7,534
Add: Net Cash	-101
Less: Non-Controlling Interest	-121
Total Equity Value	11,276
Shares outstanding	12,609.87
DCF value	7.01

USD to HKD 7.84

All Values are in mn US\$ except stock price which is in HK\$

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