

Auto+AI to drive earnings growth

Rating	BUY	Maintain
Target	HKD 48.84	From HK\$41.35
Current	HKD 39.85	Upside: +22.6%

■ FY24 net profit a slight miss on GM miss and higher SG&A

BYDE's FY24 result was a mixed bag, with revenue and net profit each grew 36.4%/5.5 to RMB177.3bn/RMB4,265mn respectively. Revenue arrived largely in-line with Bloomberg consensus, while net profit was ~6% below consensus due lower than expected GM, higher PPE depreciation (+75% Yoy) related to Jabil and higher costs from employee stock incentive program. GM was down 1.1 ppts Yoy to 6.9% (vs. consensus at 7.6%) due to unfavourable product mix in 2H24 (i.e. higher smartphone assembly in 4Q24). Latest IDC data showed that in 4Q24, global smartphone shipment grew ~2.4% Yoy/4.9% QoQ to 331mn units (6th consecutive quarter Yoy increase), in which US client's shipment volume grew 37% QoQ due to new flagship launch.

BYDE's assembly/components/auto segment each delivered stellar revenue growth in FY24, while IoT segment revenue slipped Yoy being dragged by energy storage business. We still expect BYDE's GM would improve sequentially thanks to continue optimization of Jabil operation, consumer electronics (assembly+ components) segment picks up driven by customers' new flagship smartphone, and continued capacity reallocation to automotive segment would help utilization rate.

■ Expect more project wins from US client; Increasing generative AI smartphone penetration supports replacement demand

BYDE's assembly service revenue grew 26% Yoy in FY24, while components revenue soared 1.6x Yoy to ~RMB35.6bn, thanks to newly acquired Jabil business (hence share gain in US client) and resilient demand for Android flagships. After having acquired Jabil Singapore (include Chengdu and Wuxi manufacturing sites), BYDE targets to engage more in US clients' flagship projects (both components and assembly), which would bring synergy and earnings to BYDE in the long run.

For Android customers, demand continue gradually picks up in premium smartphone market, share gains in Android clients (Samsung and Google), while Huawei's return would provide ample support to smartphone market recovery. Together with BYDE's increased penetration and dollar content in US client's projects, these would benefit new production sites' (Zhongshan and Vietnam) utilization rate, hence segment margin to improve, despite revenue expected to be stable Yoy mainly driven by order wins.

Generative AI smartphones would begin to lead market trends starting from 2024, as smartphone manufacturers gradually incorporate generative AI functions into their devices. which including Samsung, Xiaomi and other Chinese OEMS, while the gradual rollout of Apple Intelligence globally would also help increase users experience on Apple's upcoming new flagship smartphone. In medium term, we continue to believe increasing generative AI smartphone penetration would drive a new round of replacement cycle. IDC previous forecast that generative AI smartphones would account for ~mid-teens of total smartphone shipments (~234mn units) in 2024, and further increased to high 20s/>45% in 2025/2026, with shipment reaching 800mn units by 2027, which implies 100% CAGR in 2023-2027.

Result Takeaway

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Trading data

52-Week Range (HK\$)	61.55/23.20
3 Mth Avg Daily Vol (m)	21.3
No of Shares (m)	2,253.2
Market Cap (HK\$m)	89,790.0
Major Shareholders (%)	BYD (65.6%)
Auditors	Ernst & Young
Result Due	1Q25E: Apr 2024

Company description

Established in 2002, BYDE is a leading manufacturer of handset components and modules, such as plastic casing, metal casings, and keypads. It also provides assembly services for handsets. Its parent company, BYD (1211.HK) keeps some of handset components and modules, such as LCD displays, FPCs, and camera modules. Its customers include Samsung (005930 KS), Nokia (NOK.US), Huawei, BBK, OPPO, Toshiba (6502.JP), Asus (2357.TT), HTC (2498.TT) and HP (HPQ.US).

Price chart



Sources: Bloomberg, CIRC

■ Robust AI server and AIS outlook to offset IoT near term pressure; Robotics business next to watch

Segment revenue (new intelligent products + automotive) rose 10.9% Yoy (vs. 43.7% CAGR in FY19-FY23) and reached RMB 36bn in FY24, accounted for 20% of total revenue (vs. 18%/25%/25% in FY21/FY22/FY23). During the period, new intelligent product sales slipped 15.6% Yoy to RMB15.6bn (14% of total revenue) due to energy storage business remained under pressure.

Management shared that AI server and AI server component revenue came in at ~RMB1bn in FY24 and targets to expand to ~RMB 3-5bn in FY25E, as AI products (including AI servers, liquid cooling, power supply, AI edge computing and AIPC etc) would be another growth driver in the coming years driven by both international customers and local CSPs. BYDE will provide customized servers for China internet customers, as well as standardized products to domestic cloud service providers. BYDE have been in close relationship with NVIDIA for over 10 years and now is their strategic partner. BYDE had achieved product verification for the liquid cooling and power supply units for GB200 racks and expects shipment to pick up from 2Q25. Management also shared that BYDE is working on R&D for robotic components and expects to start AMR projects with NVDA for factory automation in 2025.

Automotive intelligent segment revenue soared 45.5% Yoy to RMB20.5bn in FY24 (11.5% of total revenue, vs. 4.3%/8.6%/10.9% in FY21-FY23), thanks to increasing penetration in electrification and intelligence system. BYDE's infotainment systems currently support all BYD models, they continue to establish in-depth collaboration with 1st tier suppliers and OEMs, which shows their ambition to develop external clients, while also expanding their product lines into ADAS, smart cabins and other electronic parts. We expect BYDE's auto business will continue to grow in tandem with BYD's rising adoption of CNOA (city navigation on autopilot) launched nationwide in China in Dec 2024, and targets >3mn vehicles to adopt high speed NOA or a more advanced system in 2025 through introducing entry level smart driving system to vehicles pricing at RMB 100k-150k. Management stated that BYDE's dollar content in BYD was ~RMB3k-4k / vehicle and expects there is still potential to increase further through share gains and additional new order wins.

Management remains confident on **product pricing and margin outlook, they still expect segment GM would still have room to expand, thanks to i) innovative product design, ii) improving product mix with higher margins (e.g. mass production and shipment of intelligent suspension system) and iii) upstream sourcing capability and production efficiency. We expect BYDE's AIS revenue to reach RMB30bn/RMB40bn mark in FY25E/26E and would account for mid-teens/low 20's of total revenue.**

We expect IoT and automotive segment revenue growth would accelerate to >30% growth rate in the coming 2-3 years, and reach ~RMB 50bn/~65bn mark in FY25E/26E (vs. 40bn/~50bn in our last update in May 24), in which automotive revenue growth would continue to outperform, thanks to strong sales from BYD (took up ~80% of BYDE's automotive revenue). We now model 29% revenue CAGR in FY22-26E on IoT and automotive segment and would contribute ~mid 20's/low 30s of BYDE's total revenue in FY25E/26E.

■ Undemanding 15.5x FY25E PE with EPS to grow ~20% CAGR in FY24-27E; Maintain BUY on diversifying business strategy well on track

We fine-tuned BYDE's FY25E-26E EPS by -0.9%/+1.6% respectively, on higher sales (include Jabil contribution), while assuming lower GM and OPM assumption, we also introduce FY27E forecasts. With sales and net profit expected to grow 11.6%/22% CAGR in FY24-27E, on the back of **i) continued ramp up/ allocation gain in assembly service, and share gain from Android clients; ii) Faster than company average growth in IoT and automotive intelligent segment would serve as BYDE's second growth engine, which would increase BYDE's sales and earnings visibility in the long run vs. peers.** BYDE continue to diversify away from smartphones related business. Despite near term volatility remains on news flow regarding smartphone demand recovery (esp. US client), AI server demand and auto segment, we view recent price correction would provide investors another good entry point to ride on BYDE's earnings growth. Our FY25E-27E net profit forecasts are 3%/10.3%/6.6% below Bloomberg consensus.

BYDE's share price have corrected ~37% from mid-Feb, the counter is trading at undemanding FY25E 15.5x PE (near 5-year average), we maintain BYDE's rating at BUY with new TP at HK\$48.84, which translates to 19.0x FY25E PE (~+1 s.d. above 5-year average) , we view the target valuation is still well deserved as BYDE's strategy on diversifying business and client mix is being well executed, which continue to bode well for BYDE's re-rating story. We view BYDE's recent dip would provide another sweet point for investors.

Exhibit 1: BYDE's 1H21-2H24 P&L summary

Income statement (RMBmn)	1H21	2H21	1H22	2H22	1H23	2H23	1H24	2H24
Revenues	44,531	44,526	43,694	63,493	56,180	73,777	78,581	98,725
Gross profit	3,061	2,968	2,328	4,022	4,409	6,025	5,379	6,922
SG&A	527	788	771	999	921	1,086	1,698	1,787
R&D	1,491	1,818	1,515	2,455	2,459	2,263	2,473	2,846
Operating profits	1,746	719	689	1,250	1,670	3,011	1,636	3,105
Interest expenses	29	14	25	34	59	130	309	212
Pre tax profit	1,746	719	689	1,250	1,670	3,011	1,636	3,105
Tax	(103)	(52)	(55)	(26)	(154)	(486)	(118)	(357)
Net profit	1,643	667	634	1,224	1,516	2,526	1,518	2,748
As % of sales								
Gross profit	6.9%	6.7%	5.3%	6.3%	7.8%	8.2%	6.8%	7.0%
SG&A	1.2%	1.8%	1.8%	1.6%	1.6%	1.5%	2.2%	1.8%
R&D	3.3%	4.1%	3.5%	3.9%	4.4%	3.1%	3.1%	2.9%
Operating profits	3.9%	1.6%	1.6%	2.0%	3.0%	4.1%	2.1%	3.1%
Net profit	3.7%	1.5%	1.5%	1.9%	2.7%	3.4%	1.9%	2.8%
Growth (Yoy)								
Revenue	41.9%	6.7%	-1.9%	42.6%	28.6%	16.2%	39.9%	33.8%
Gross profit	-25.3%	-46.3%	-23.9%	35.5%	89.4%	49.8%	22.0%	14.9%
Operating profits	-38.3%	-78.8%	-60.5%	73.8%	142.4%	141.0%	-2.0%	3.1%
Net profit	-33.6%	-77.5%	-61.4%	83.5%	139.2%	106.4%	0.1%	8.8%

Source: Company data, CIRL

Exhibit 2: We fine-tuned BYDE's FY25E-26E earnings forecasts and introduce FY27E earnings

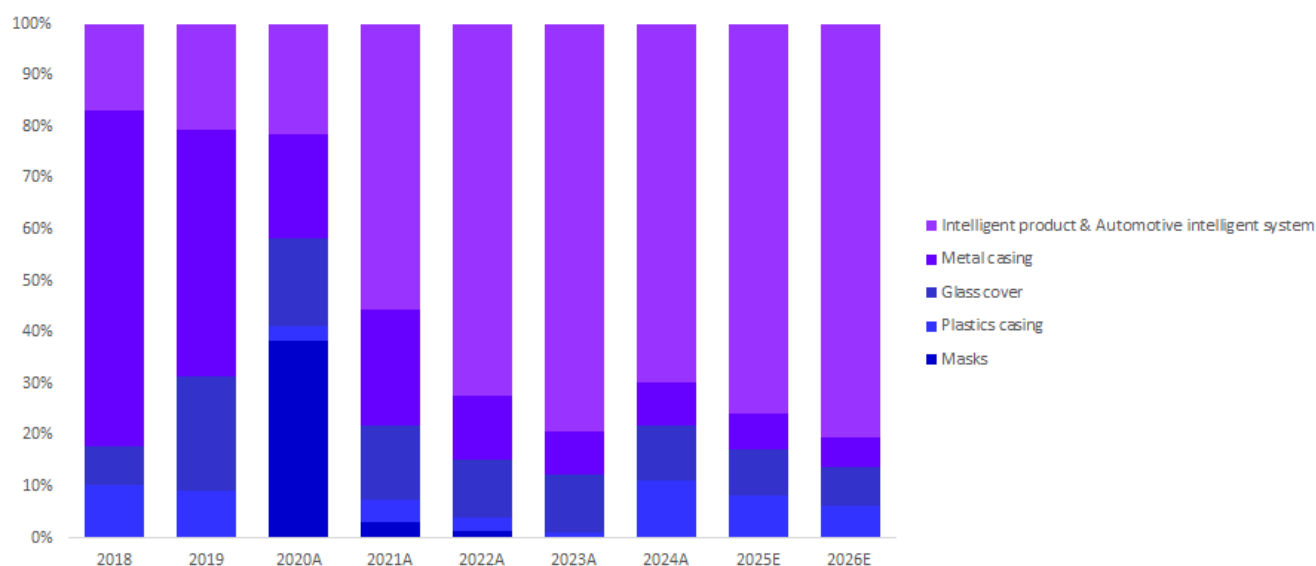
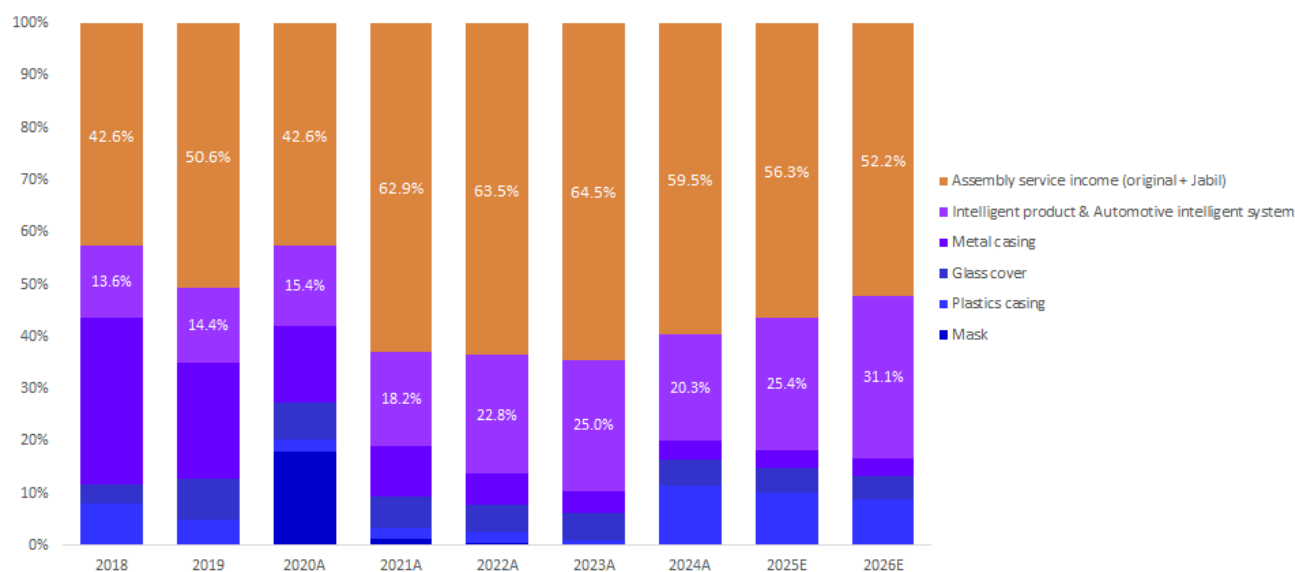
	FY25E (new)	FY25E (old)	Diff	FY26E (new)	FY26E (old)	Diff	FY27E	Yoy
Revenue	196,894	188,730	4.3%	218,931	205,599	6.5%	246,673	12.7%
Operating profit	6,498	6,606	-1.6%	7,553	7,504	0.6%	9,127	20.8%
Net Profit	5,371	5,418	-0.9%	6,358	6,260	1.6%	7,815	22.9%
EPS (RMB)	2.40	2.42	-0.9%	2.84	2.80	1.6%	3.50	22.9%

Source: CIRL estimates

Exhibit 3: BYDE's revenue assumption

Year to Dec (RMB mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Assembly service income (original + Jabil)	83,783	105,575	110,854	114,179	117,605
Components	13,637	35,658	36,104	36,693	36,973
Intelligent product	18,441	15,560	17,116	18,828	20,710
Automotive intelligent system (AIS)	14,096	20,513	32,821	49,231	71,385
Masks	0	0	0	0	0
Group	129,957	177,306	196,894	218,931	246,673
Segment Revenue Growth					
Assembly service income (original + Jabil)	23.1%	26.0%	5.0%	3.0%	3.0%
Components	-3.7%	161.5%	1.2%	1.6%	0.8%
Intelligent product	33.0%	10.9%	38.4%	36.3%	35.3%
Automotive intelligent system (AIS)	52.2%	45.5%	60.0%	50.0%	45.0%
Masks	-100.0%	-	-	-	-
Group	21.2%	36.4%	11.0%	11.2%	12.7%
Blended GM	8.0%	6.9%	7.7%	8.4%	9.0%

Source: Company data, CIRL estimates

Exhibit 4: BYDE's revenue (top) and GP mix (bottom) in FY18-FY26E


Source: Company data, CIRL estimates

Exhibit 5: Financial statement

Income statement						Cash flow						
Year to Dec (RMB mn)	FY23A	FY24A	FY25E	FY26E	FY27E	Year to Dec (RMB mn)	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	129,957	177,306	196,894	218,931	246,673	Pre-tax profit	1,939	4,681	4,740	6,104	7,225	8,880
Gross profit (reported)	10,434	12,301	14,988	18,158	21,952	Taxes paid	387	1,526	(457)	(943)	(732)	(867)
EBITDA	7,658	10,136	11,118	11,394	12,429	Depreciation	2,563	2,788	4,875	4,621	3,841	3,303
Depreciation	(2,788)	(4,875)	(4,621)	(3,841)	(3,303)	Associates	0	0	0	0	0	0
EBIT	4,870	5,261	6,498	7,553	9,127	CFO bef. WC change	4,888	8,995	9,158	9,781	10,333	11,316
Net interest income (exp.)	(189)	(521)	(394)	(328)	(247)	Change in working cap	4,302	14,538	(13,557)	3,959	(2,944)	(795)
Associates	0	0	0	0	0	Cashflow from operation	9,189	23,533	(4,398)	13,740	7,389	10,521
Exceptionals/others	0	0	0	0	0	CAPEX	(4,322)	(9,556)	(2,279)	(2,279)	(2,279)	(2,279)
Profit before tax	4,681	4,740	6,104	7,225	8,880	Free cash flow	4,867	13,977	(6,677)	11,461	5,110	8,242
Tax expenses	(640)	(475)	(732)	(867)	(1,066)	Dividends	372	1,212	1,280	1,611	1,908	2,344
Minority interest	0	0	0	0	0	Balance sheet adj.	(1,201)	(9,337)	84	0	0	0
Net profit	4,041	4,266	5,371	6,358	7,815	Share issued	0	0	0	0	0	0
Balance sheet						Others	(621)	(1,558)	(2,474)	331	296	437
Year to Dec (RMB mn)	FY23A	FY24A	FY25E	FY26E	FY27E	Net cash flow	3,416	4,294	(7,788)	13,403	7,314	11,023
Cash & equiv	10,537	7,052	20,455	27,769	38,792	Net cash (debt) start	2,827	6,244	10,537	2,750	16,153	23,467
Trade receivables	23,011	32,306	35,875	39,890	44,945	Net cash (debt) at year-end	6,244	10,537	2,750	16,153	23,467	34,489
Other receivables	0	0	0	0	0	Ratios						
Inventories	18,541	18,089	17,527	19,487	21,930	Year to Dec	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E
Other current assets	2,517	2,969	2,969	2,969	2,969	Growth rate (%)						
Fixed assets	19,709	17,113	14,772	13,210	12,187	Revenue	20.4	21.2	36.4	11.0	11.2	12.7
Intangible assets	4,633	3,706	3,706	3,706	3,706	EBITDA	(4.3)	67.9	32.4	9.7	2.5	9.1
Investment, associates etc	8,269	9,112	9,112	9,112	9,112	EBIT	(20.4)	143.8	8.0	23.5	16.2	20.8
Total assets	87,219	90,347	104,416	116,144	133,641	Net profit	(19.6)	117.6	5.5	25.9	18.4	22.9
Account payables	29,939	35,331	42,297	45,328	52,032	EPS	(19.6)	117.6	5.5	25.9	18.4	22.9
Other payables	0	0	0	0	0	Margins (%)						
Short-term debt	0	0	0	0	0	Gross margin	5.9	8.0	6.9	7.6	8.3	8.9
Other current liabs	24,811	15,492	15,282	15,416	15,615	EBITDA	4.3	5.9	5.7	5.6	5.2	5.0
Long-term debts	0	4,302	4,302	4,302	4,302	EBIT	1.9	3.7	3.0	3.3	3.4	3.7
Deferred tax and others	3,138	2,820	2,820	2,820	2,820	Net margin	1.7	3.1	2.4	2.7	2.9	3.2
Other long-term liabs	0	0	0	0	0	Other ratios						
Total liabilities	57,888	57,946	64,701	67,867	74,769	ROE (%)	7.2	13.8	13.2	13.5	13.2	13.3
Share capital	4,052	4,052	4,052	4,052	4,052	ROA (%)	3.3	4.6	4.7	5.1	5.5	5.8
Reserves	25,278	28,349	35,663	44,225	54,820	Net gearing (%)	(24.4)	(35.9)	(8.5)	(40.7)	(48.6)	(58.6)
Shareholders' equity	29,330	32,402	39,715	48,277	58,872	Interest coverage (x)	34.1	25.8	10.1	16.5	23.0	37.0
Minorities	0	0	0	0	0	Receivables days	35.7	64.6	66.5	66.5	66.5	66.5
Total equity	29,330	32,402	39,715	48,277	58,872	Payables days	79.6	91.4	78.2	84.9	82.4	84.5
Net cash (debt)	10,537	2,750	16,153	23,467	34,489	Inventory days	61.7	56.6	40.0	35.2	35.4	35.6
						Effective tax rate (%)	4.2	13.7	10.0	12.0	12.0	12.0

Source: Company data, CIRL estimates

Exhibit 6: Peer valuation comparison

	bloomberg code	Mkt Cap (HKD mn)	Price (HKD)	Share Price Movement (%)			PER (x)					P/B (x)					Yield (%)				
				1M	3M	YTD	FY23	FY24	FY25E	FY26E	FY27E	FY23	FY24	FY25E	FY26E	FY27E	FY23	FY24	FY25E	FY26E	FY27E
HK Listed Peers																					
SUNNY OPTICAL TECH	2382 HK	83,862	76.60	(11.6)	16.3	11.3	68.8	28.5	23.2	19.2	16.2	3.4	3.2	2.8	2.5	2.2	0.3%	0.8%	0.9%	1.1%	1.2%
AAC TECHNOLOGIES HOLDINGS IN	2018 HK	56,849	47.95	7.0	32.3	27.9	68.8	28.9	21.9	18.2	16.0	2.4	2.4	2.1	1.8	1.6	0.2%	0.5%	0.7%	1.1%	1.2%
COWELL E HOLDINGS INC	1415 HK	26,262	30.45	1.8	9.5	7.6	70.7	28.1	16.9	13.1	10.0	8.0	6.7	4.9	3.7	2.7	0.0%	0.0%	0.5%	0.8%	0.0%
FIT HON TENG LTD	6088 HK	18,237	2.50	(17.8)	(29.6)	(31.5)	17.5	14.8	10.1	7.6	6.1	1.0	0.9	0.8	0.8	0.7	0.0%	0.0%	0.0%	1.1%	0.0%
Q TECHNOLOGY GROUP CO LTD	1478 HK	9,326	7.84	10.0	22.7	21.0	102.8	30.7	16.4	13.5	11.9	1.7	1.7	1.6	1.4	1.3	0.0%	1.4%	0.9%	1.4%	2.4%
FIH MOBILE LTD	2038 HK	7,175	0.91	2.2	5.8	(1.1)	-7.6	-44.9	-	-	-	0.6	0.6	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
TRULY INTERNATIONAL HOLDINGS	732 HK	3,635	1.15	(2.5)	2.7	0.9	13.8	12.0	-	-	-	0.4	0.4	-	-	-	8.7%	8.7%	0.0%	0.0%	0.0%
SAS DRAGON HOLDINGS LTD	1184 HK	2,741	4.38	4.0	4.3	4.8	6.8	5.5	-	-	-	1.0	1.0	-	-	-	8.0%	9.1%	0.0%	0.0%	0.0%
TK GROUP HOLDINGS LTD	2283 HK	2,183	2.62	32.3	12.4	10.5	10.5	8.2	6.1	5.1	5.1	1.3	1.3	-	-	-	3.9%	4.9%	6.1%	7.6%	8.8%
JU TENG INTERNATIONAL HLDGS	3336 HK	2,076	1.73	5.5	92.2	92.2	-6.3	-2.8	-	-	-	0.4	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Average		21,235		3.1	16.9	14.4	45.0	19.6	15.8	12.8	10.9	2.0	2.0	2.4	2.0	1.7	4.2%	4.2%	1.8%	2.2%	3.4%
BYD ELECTRONIC INTL CO LTD	285 HK	91,818	40.75	(18.7)	1.7	(3.1)	20.6	19.5	15.5	13.1	10.7	2.9	2.6	2.1	1.7	1.4	1.5%	1.5%	1.9%	2.3%	2.8%
Casing and assembly peers																					
HON HAI PRECISION INDUSTRY	2317 TT	499,340	35.95	(11.8)	(15.9)	(16.6)	14.0	13.4	10.8	9.3	8.4	1.3	1.3	1.2	1.0	-	3.8%	7.8%	4.7%	5.5%	6.7%
LUXSHARE PRECISION INDUSTRY-A	002475 CH	308,488	42.57	(7.8)	1.4	(2.4)	25.0	-	16.7	13.7	10.8	4.9	4.2	3.4	2.8	2.5	0.8%	0.0%	1.0%	1.2%	1.6%
QUANTA COMPUTER INC	2382 TT	212,123	54.92	(6.4)	(16.3)	(18.3)	21.2	14.6	12.9	10.7	9.3	4.5	4.3	3.7	3.2	3.0	4.1%	5.8%	6.1%	7.3%	8.8%
JABIL INC	J8L US	115,891	1,061.49	(11.9)	(4.5)	(5.2)	22.0	12.0	15.2	13.3	11.5	6.2	8.9	10.5	10.3	9.2	0.2%	0.2%	0.2%	0.2%	0.2%
FLEX LTD	FLEX US	99,444	259.58	(12.0)	(13.6)	(13.1)	18.9	14.4	12.8	11.6	10.1	2.8	2.4	2.7	2.5	2.2	0.0%	0.0%	0.0%	0.0%	0.0%
CELESTICA INC	CLS US	71,239	615.17	(26.1)	(15.1)	(14.3)	38.7	21.8	16.3	13.4	11.2	5.3	4.9	4.1	3.5	2.6	0.0%	0.0%	0.0%	0.0%	0.0%
WISTRON CORP	3231 TT	68,175	23.54	(10.3)	(2.4)	(3.4)	23.0	15.9	12.2	9.9	9.7	2.5	2.3	2.1	1.8	-	2.8%	3.9%	4.9%	5.8%	6.4%
PEGATRON CORP	4938 TT	54,447	20.44	(8.1)	(2.1)	(5.0)	13.8	13.3	13.0	11.7	10.0	1.1	1.2	1.1	1.1	1.0	4.9%	10.7%	5.3%	5.5%	5.4%
LITE-ON TECHNOLOGY CORP	2301 TT	52,165	22.22	(11.3)	(5.6)	(4.6)	13.9	17.6	14.3	12.3	-	2.4	2.5	2.3	2.2	-	5.1%	9.8%	5.2%	5.9%	0.0%
WINGTECH TECHNOLOGY CO LTD-A	600745 CH	43,492	34.95	(5.8)	(12.1)	(15.8)	33.3	-	17.6	11.7	9.0	1.1	1.1	1.0	0.9	0.4	0.4%	0.0%	0.5%	0.5%	0.0%
INVENTEC CORP	2356 TT	36,042	10.05	(7.7)	(15.4)	(14.4)	23.4	20.4	15.4	13.9	14.2	2.3	2.3	2.2	2.1	2.0	3.8%	4.1%	5.4%	5.6%	6.0%
CATCHER TECHNOLOGY CO LTD	2474 TT	35,292	51.87	7.3	13.0	14.2	15.5	11.0	14.4	13.7	-	0.9	1.0	-	-	-	4.8%	3.5%	4.6%	4.6%	0.0%
COMPAL ELECTRONICS	2324 TT	33,336	7.56	(16.8)	(9.0)	(14.2)	17.1	13.5	11.7	10.7	8.9	1.1	1.1	1.0	1.0	-	4.0%	4.5%	5.8%	6.2%	8.1%
SANMINA CORP	SANM US	32,143	591.67	(7.2)	0.8	0.5	14.1	18.9	12.7	11.4	-	2.0	1.8	1.8	1.7	-	0.0%	0.0%	0.0%	0.0%	0.0%
PLEXUS CORP	PLXS US	26,809	991.46	(4.1)	(17.9)	(18.6)	25.1	31.1	18.5	16.7	14.5	2.9	2.8	2.4	2.2	1.9	0.0%	0.0%	0.0%	0.0%	0.0%
FOXCONN TECHNOLOGY CO LTD	2354 TT	21,167	14.96	(16.3)	(16.3)	(14.1)	19.8	24.3	15.4	13.4	-	0.8	0.6	0.6	0.5	-	2.5%	2.3%	2.2%	3.1%	0.0%
JU TENG INTERNATIONAL HLDGS	3336 HK	2,076	1.73	5.5	92.2	92.2	-6.3	-2.8	-	-	-	0.4	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
TONGDA GROUP HOLDINGS LTD	698 HK	769	0.08	(1.2)	0.0	(2.5)	-0.6	-0.2	-	-	-	0.1	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
COXON PRECISE INDUSTRIAL CO	3607 TT	487	4.00	(1.4)	(7.8)	(8.6)	-44.3	97.0	-	-	-	1.0	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Average		53,241		(7.9)	(1.9)	(2.7)	14.6	19.0	11.9	10.3	6.4	2.2	2.7	2.7	2.5	2.8	3.3%	5.0%	4.0%	4.5%	5.8%
BYD ELECTRONIC INTL CO LTD	285 HK	91,818	40.75	(18.7)	1.7	(3.1)	20.6	19.5	15.5	13.1	10.7	2.9	2.6	2.1	1.7	1.4	1.5%	1.5%	1.9%	2.3%	2.8%

Source: Bloomberg, CIRL (Market data are as of Apr 2 morning)

Exhibit 10: BYDE 12 month forward P/E Ratio


Source: Bloomberg, CIRL

Risk Factors

Downside risks include: 1) Slowdown in global smartphone shipment/demand; 2) increased competition; 3) Share loss in US client; 4) Slower than expected ramp up in IoT and automotive segment; 5) pricing pressure arising from overseas players and domestic peers

Rating Policy

	Rating	Definition
Stock Rating	Buy	Outperform HSI by 15%
	Neutral	Between -15% ~ 15% of the HSI
	Sell	Underperform HSI by -15%
Sector Rating	Accumulate	Outperform HSI by 10%
	Neutral	Between -10% ~ 10% of the HSI
	Reduce	Underperform HSI by -10%

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Analyst Certification

I, Hayman Chiu, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was / were, is / are or will be directly or indirectly, related to the specific recommendations or views expressed in this report / note.

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