

# FriendTimes (6820 HK)

## Looking to FY24E rebound with rising *ToF2*

FriendTimes launched *ToF2* on 2 Jan 2024, followed by an overseas version on 10 Jan. By 10 Jan, *ToF2* ranked top 53 in terms of iOS grossing. We estimate *ToF2*'s grossing for the first month could exceed that of *ToF1*, and anticipate an upward trend over the next 4-5 months. We see high visibility for *ToF2* to contribute annual grossing of RMB1.2bn and profit of RMB200mn in FY24E, supported by 1) a larger user base from channel diversification across iOS, Android and proprietary channels, 2) differentiated marketing campaigns, and 3) the release of monthly expansion packs. We suggest investors keep an eye on the company's FY24E momentum, given its 1) rising *ToF2*, 2) further upside from new launches and overseas expansion and 3) decent shareholder return. We maintain our estimates unchanged and TP at HK\$2.0 (implying 15x FY24 P/E).

- **A solid start for *ToF2*; eyes on upcoming ramp-up with enriched marketing and version updates.** After the launch on 2 Jan 2024, *Twist of the Fate (ToF2, 浮生忆玲珑)* ranked top 53 in terms of iOS grossing by 10 Jan. The overseas version was released on 10 Jan. We estimate *ToF2*'s grossing for the first month to slightly surpass that of *ToF1*, and anticipate an upward trend over the next 4-5 months. Leo Luo (罗云熙) has been invited to serve as the ambassador for NPC engagement and offline activities. Additionally, a series of promotion initiatives have been planned for *ToF2*: 1) the theme song (performed by Sara Liu (刘惜君)) to be released in late Jan; 2) offline activities (e.g. Suzhou-style afternoon tea) during CNY; and 3) collaboration with a highly anticipated show.
- **More titles to come, with overseas expansion.** *Code: WX* (a martial arts game with license approval) may be launched in 2H24E after two rounds of paying tests. *Reign of Destiny* (European royalty type) is expected to undergo two rounds of tests in the overseas market in 1H24E and be released in 2H24E/FY25E. Moreover, FT plans to convert multiple key titles to mini-games, unlocking grossing potential.
- **Decent shareholder return.** Since Aug 2023, FT mgmt. has continued to repurchase shares, which have exceeded 2.5% of total share capital. Based on our calculation, FT has repurchased approximately 0.204% of total shares at an average cost of HK\$1.22 since 27 Nov 2023. In addition, mgmt. proposed decent dividends each year, implying 6% 12-month yield on average.
- **Maintain BUY.** We suggest looking beyond the soft FY23E with a net loss position. Our FY23-25E estimates remain unchanged, with TP at HK\$2.0.

### Earnings Summary

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	1,616	1,524	1,080	2,032	2,295
YoY growth (%)	(25.9)	(5.7)	(29.1)	88.0	13.0
Adjusted net profit (RMB mn)	261.2	58.0	(127.2)	250.1	312.3
Diluted EPS (RMB cents)	12.63	1.15	(5.83)	11.47	14.32
YoY growth (%)	(45.3)	(90.9)	NA	NA	24.9
Consensus EPS (RMB cents)	12.76	3.00	1.00	16.00	25.00
P/S (x)	1.3	1.4	2.0	1.1	1.0
P/E (x)	12.2	83.6	NA	8.4	6.7
Yield (%)	7.8	6.2	NA	5.9	7.4
ROE (%)	17.1	1.6	(8.4)	15.0	16.0
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Source: Company data, Bloomberg, CMBIGM estimates

### BUY (Maintain)

<b>Target Price</b>	<b>HK\$2.00</b>
(Previous TP)	HK\$2.00)
<b>Up/Downside</b>	<b>88.7%</b>
<b>Current Price</b>	<b>HK\$1.07</b>

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### Stock Data

Mkt Cap (HK\$ mn)	2,310.8
Avg 3 mths t/o (HK\$ mn)	12.8
52w High/Low (HK\$)	1.62/0.75
Total Issued Shares (mn)	2180.0

Source: FactSet

### Shareholding Structure

Eternal Heart Holdings	43.0%
Warm Sunshine	8.7%

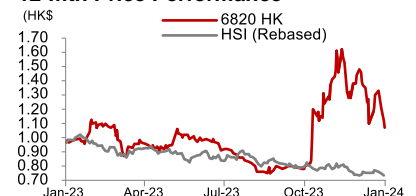
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	-26.4%	-25.3%
3-mth	32.5%	45.4%
6-mth	15.2%	32.3%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

Figure 1: ToF2's Hot Topics and Hot Search after its launch on 2 Jan 2024



Source: Weibo, company data, CMBIGM  
 Note: The interest in ToF2's launch is evident from its prominent presence in Weibo's Hot Search

Figure 2: Statistics about ToF2's Topics in Hot Search

(unit: mn)	Topics in Hot Search	Readership	Comment	Interaction
1	罗云熙代言浮生忆玲珑	520.00	1.32	5.14
2	罗云熙汴京公子	90.21	0.11	0.52
3	浮生忆玲珑公测	200.00	1.11	3.10
4	浮生忆玲珑邀你共赴玲珑局	94.69	1.03	2.61
5	罗云熙空降浮生忆玲珑	110.00	0.22	0.46
6	当冬日江南遇上罗云熙	16.60	0.02	0.14
7	浮生忆玲珑预捏脸	31.27	0.01	0.04
8	罗云熙人形立牌被抱走	17.70	0.01	0.11

Source: Weibo, company data, CMBIGM

Figure 3: ToF2's performance for the first week and game display



Source: Company data, CMBIGM  
 Note: Picture1 showcases the impressive performance of ToF2 in the first week, including 1) 0.66mn+ new registrations, 2) 700mn+ topic impressions across all platforms, 3) 0.25mn+ readership in ambassador's brand website. Picture 2 features an NPC created using Leo Luo's (罗云熙) virtual image within the game. Picture 3 portrays the thrilling detective gameplay experience in the game.

**Figure 4: 2H23E financial preview**

RMB ('000), Dec-YE	1H22	2H22	1H23	2H23E
<b>Revenue</b>	<b>826,057</b>	<b>698,334</b>	<b>620,342</b>	<b>460,132</b>
Cost of sales	(253,312)	(226,965)	(207,728)	(148,828)
<b>Gross profit</b>	<b>572,745</b>	<b>471,369</b>	<b>412,614</b>	<b>311,303</b>
Sales and marketing expenses	(469,968)	(177,300)	(276,068)	(199,340)
Research and development expenses	(169,112)	(188,384)	(160,019)	(137,111)
General and administrative expenses	(34,036)	(35,583)	(24,977)	(19,322)
Other income	17,157	30,349	34,013	(8,710)
<b>Operating (loss)/profit</b>	<b>(83,214)</b>	<b>100,451</b>	<b>(14,437)</b>	<b>(53,181)</b>
Finance costs	(26)	(13)	(156)	(21)
Share of loss of an associate	(910)	-	-	-
Changes in fair value of equity investment measured at fair value through profit or loss	10,096	(14,748)	(1,977)	2,177
<b>Profit before taxation</b>	<b>(74,054)</b>	<b>98,484</b>	<b>(16,570)</b>	<b>(51,025)</b>
Income tax expense	1,092	(411)	(1,367)	4,747
Deferred tax	-	-	(63,007)	-
<b>Profit for the year</b>	<b>(72,962)</b>	<b>98,073</b>	<b>(80,944)</b>	<b>(46,279)</b>
<b>Adj. profit for the year</b>	<b>(58,461)</b>	<b>83,572</b>	<b>(77,911)</b>	<b>(49,312)</b>
<b>Margin Analysis</b>				
Gross margin	69%	67%	67%	68%
Operating margin	-10%	14%	-2%	-12%
Adj. net margin	-7%	12%	-13%	-11%
<b>Growth Analysis</b>				
Revenue	-	-	-25%	-34%
Gross profit	-	-	-28%	-34%
Operating profit	-	-	NA	NA
Net profit	-	-	NA	NA

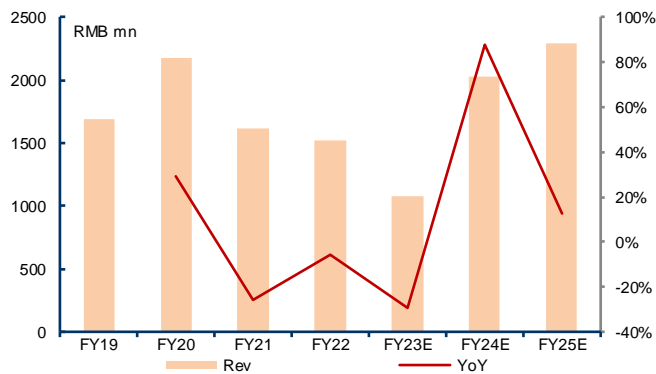
Source: Company data, CMBIGM estimates

**Figure 5: FT's financial forecasts in FY23-25E**

RMB mn, Dec-YE	FY21	FY22	FY23E	FY24E	FY25E	23-25E CAGR
<b>Revenue</b>	<b>1,616</b>	<b>1,524</b>	<b>1,080</b>	<b>2,032</b>	<b>2,295</b>	<b>46%</b>
Cost of sales	(527)	(480)	(357)	(650)	(734)	
<b>Gross profit</b>	<b>1,089</b>	<b>1,044</b>	<b>724</b>	<b>1,382</b>	<b>1,561</b>	<b>47%</b>
Sales and marketing expenses	(456)	(647)	(475)	(675)	(734)	
Research and development expenses	(365)	(357)	(297)	(406)	(448)	
General and administrative expenses	(67)	(70)	(44)	(67)	(73)	
Other income	39	48	25	29	29	
<b>Operating (loss)/profit</b>	<b>241</b>	<b>17</b>	<b>(68)</b>	<b>262</b>	<b>334</b>	
Finance costs	(0)	(0)	(0)	(0)	(0)	
Share of loss of an associate through profit or loss	(3)	(1)	(2)	(2)	(2)	
	(3)	8	3	6	4	
<b>Profit before taxation</b>	<b>234</b>	<b>24</b>	<b>(68)</b>	<b>266</b>	<b>336</b>	
Income tax expense	42	1	3	(16)	(24)	
<b>Profit for the year</b>	<b>275</b>	<b>25</b>	<b>(127)</b>	<b>250</b>	<b>312</b>	
Non-controlling interests	-	-	-	-	-	
<b>Net profit attributable to equity shareholders</b>	<b>275</b>	<b>25</b>	<b>(127)</b>	<b>250</b>	<b>312</b>	
<b>Margin Analysis</b>						
Gross margin	67%	68%	67%	68%	68%	
Operating margin	15%	1%	-6%	13%	15%	
Net margin	17%	2%	-12%	12%	14%	
<b>Growth Analysis</b>						
Revenue	-26%	-6%	-29%	88%	13%	
Gross profit	-26%	-4%	-31%	91%	13%	
Operating profit	-56%	-93%	NA	NA	27%	
Net profit	-45%	-91%	NA	NA	25%	

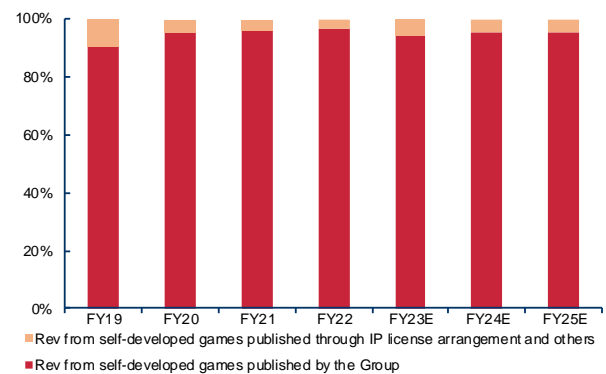
Source: Company data, CMBIGM estimates

Figure 6: FT rev estimates (2019-2025E)



Source: Company data, CMBIGM estimates

Figure 7: Revenue mix trend (2019-2025E)



Source: Company data, CMBIGM estimates

Figure 8: FriendTimes' key game pipeline in 2024

Title	Chinese title	License	Genre	Launch date (est.)	Details
Code: WX	墨劍江湖	Y	MMO	2H24 (summer)	A role-playing strategy game set in a fictional Chinese-style wuxia world, featuring the classic martial arts as its core. The game illustrates an unrestrained and pleasant world of wuxia, creating stereoscopic and realistic martial artists, and a multi-dimensional wuxia epic.
Reign of Destiny	命運王朝	(Overseas launch)	Strategy	2024	A female-oriented role-playing game set in a fictional European royal world. The game portrays the Western royal family with immersive audio-visual experiences and a multi-dimensional storytelling approach, creating a dynasty of legendary queen. Players will enter the royal world, experience the struggle for power, enjoy emotional interactions, and cast a generation of queen legends.

Source: Company data, CMBIGM

Figure 9: CMBIGM estimates vs consensus

RMB mn, Dec-YE	CMBIGM			Consensus			Diff (%)		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Revenue	1,080	2,032	2,295	1,304	2,103	2,614	-17.1%	-3.4%	-12.2%
Gross profit	724	1,382	1,561	887	1,439	1,789	-18.4%	-4.0%	-12.7%
Operating profit	(68)	262	334	11	344	472	-702.4%	-23.8%	-29.2%
Adj. net profit	(127)	250	312	(11)	335	544	NA	-25.4%	-42.6%
Adj. EPS (RMB)	(0.06)	0.11	0.14	0.01	0.16	0.25	-683.4%	-28.3%	-42.7%
Gross margin	67.0%	68.0%	68.0%	68.0%	68.4%	68.4%	-1.0ppts	-0.4ppts	-0.4ppts
Operating margin	-6.3%	12.9%	14.6%	0.9%	16.4%	18.1%	-7.1ppts	-3.4ppts	-3.5ppts
Adj. net margin	-11.8%	12.3%	13.6%	-0.8%	15.9%	20.8%	-11.0ppts	-3.6ppts	-7.2ppts

Source: CMBIGM estimates, Bloomberg

**Figure 10: DCF valuation**

DCF Valuation (RMB mn)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
EBIT	(67)	266	336	528	580	621	658	678
Tax	3	(16)	(24)	(37)	(46)	(56)	(66)	(68)
D&A	39	36	33	32	30	29	28	27
Change in working capital	(15)	24	7	8	8	8	9	9
CAPEX	(38)	(38)	(38)	(42)	(44)	(45)	(46)	(48)
<b>FCF</b>	<b>(79)</b>	<b>271</b>	<b>315</b>	<b>487</b>	<b>528</b>	<b>557</b>	<b>583</b>	<b>599</b>
FCF Growth			16%	55%	8%	5%	5%	3%
PV	(79)	236	238	321	303	278	253	2,010
<b>Terminal Value</b>								<b>4,725</b>

**Assumptions**

<b>WACC</b>	<b>14.9%</b>
Tax rate	10.0%
Risk free rate	3.53%
Cost of debt	6.0%
Beta	1.30
Market risk return	11.4%
Cost of equity	14.9%
<b>Long term growth</b>	<b>2.0%</b>

**Equity Value**

<b>PV</b>	<b>3,560</b>
minus: Net debt(RMB mn)	(321)
minus: Minority interest(RMB mn)	0
Equity Value(RMB mn)	3,882
FX	0.9
<b>Stock price (HK\$)</b>	<b>2.0</b>

Terminal growth rate	WACC					
	~	13%	14%	15%	16%	17%
0.5%	2.18	2.01	1.87	1.73	1.62	1.62
1.0%	2.23	2.05	1.90	1.76	1.65	1.65
1.5%	2.28	2.09	1.94	1.79	1.67	1.67
2.0%	2.34	2.14	1.98	1.82	1.70	1.70
2.5%	2.40	2.19	2.02	1.85	1.72	1.72
3.0%	2.47	2.24	2.06	1.89	1.75	1.75
3.5%	2.55	2.30	2.11	1.93	1.78	1.78

Source: CMBIGM estimates, Bloomberg

**Figure 11: Comps table**

Company	Ticker	Mkt cap (USD mn)	Currency	Price	CMBI Rating	CMBI TP	PE			PS			FY23-25 EPS CAGR
							FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	
<b>FriendTimes</b>	<b>6820 HK</b>	<b>296</b>	<b>HKD</b>	<b>1.1</b>	<b>BUY</b>	<b>2.0</b>	<b>NA</b>	<b>8.4</b>	<b>6.7</b>	<b>2.0</b>	<b>1.1</b>	<b>1.0</b>	<b>NA</b>
<b>Domestic Game</b>													
Tencent	700 HK	345,182	HKD	284	BUY	465	15.8	13.4	11.8	4.0	3.6	3.3	15%
NetEase	NTES US	58,117	USD	90	BUY	133	13.0	12.5	11.3	4.0	3.6	3.2	1%
XD Inc	2400 HK	557	HKD	9	NA	NA	19.7	10.5	7.3	1.0	0.8	0.7	64%
Kingsoft	3888 HK	3,819	HKD	22	NA	NA	49.2	26.5	19.0	3.2	2.7	2.3	66%
IGG	799 HK	506	HKD	3	NA	NA	NA	7.2	5.4	0.7	0.6	0.6	NA
CMGE	302 HK	423	HKD	1	BUY	3	19.3	5.4	3.8	0.8	0.6	0.5	41%
Archosaur Games	9990 HK	194	HKD	2	NA	NA	NA	36.2	4.0	1.4	1.0	0.9	NA
Perfect World	002624 CH	3,016	CNY	11	BUY	49	20.8	14.7	12.2	2.6	2.3	2.0	28%
Sanqi Interactive	002555 CH	5,667	CNY	18	BUY	30	12.4	10.5	9.2	2.3	2.0	1.8	16%
Giant Network	002558 CH	3,002	CNY	11	NA	NA	15.9	13.7	12.3	6.7	5.9	5.3	14%
G-bits	603444 CH	2,250	CNY	224	NA	NA	12.7	10.3	8.9	3.5	2.9	2.6	20%
Kingnet Network	002517 CH	3,115	CNY	10	NA	NA	14.7	11.5	9.6	4.8	3.9	3.3	23%
<b>Average</b>							<b>15.6</b>	<b>11.0</b>	<b>9.6</b>	<b>2.6</b>	<b>2.2</b>	<b>1.9</b>	<b>20%</b>
<b>International Game</b>													
Electronic Arts	EA US	36,703	USD	136	NA	NA	19.7	18.2	17.8	4.8	4.6	4.3	9%
Take-Two	TTWO US	26,963	USD	159	NA	NA	49.7	22.0	19.2	4.9	3.5	3.3	64%
ROBLOX	RBLX US	26,334	USD	42	NA	NA	NA	NA	NA	7.7	6.7	5.7	NA
Nintendo	7974 JT	67,997	JPY	7,538	NA	NA	21.7	27.2	24.7	5.9	6.1	5.6	-6%
Bandai Namco	7832 JT	13,443	JPY	2,906	NA	NA	20.0	18.2	16.6	1.9	1.7	1.7	9%
Square Enix	9684 JT	4,592	JPY	5,395	NA	NA	18.8	16.0	17.0	1.8	1.8	1.8	5%
Z Holdings	4689 JT	25,511	JPY	481	NA	NA	29.9	28.6	23.8	2.0	1.8	1.7	12%
CyberAgent	4751 JT	3,217	JPY	915	NA	NA	32.2	22.5	18.7	0.6	0.6	0.5	32%
Sony	6758 JT	116,863	JPY	13,340	NA	NA	18.8	17.0	15.7	1.4	1.3	1.3	11%
Capcom	9697 JT	9,285	JPY	5,016	NA	NA	30.8	27.4	25.1	9.2	8.1	7.6	10%
Oriental Land	4661 JT	66,968	JPY	5,302	NA	NA	83.7	70.9	62.2	15.8	13.8	12.9	16%
Nexon	3659 JT	16,639	JPY	2,795	NA	NA	19.7	18.6	16.4	5.6	5.0	4.6	10%
<b>Average</b>							<b>23.5</b>	<b>21.6</b>	<b>19.5</b>	<b>3.7</b>	<b>3.8</b>	<b>3.5</b>	<b>8%</b>
<b>Average</b>							<b>21.4</b>	<b>17.6</b>	<b>14.1</b>	<b>3.1</b>	<b>3.0</b>	<b>2.7</b>	<b>15%</b>

Source: Bloomberg, CMBIGM

## Financial Summary

INCOME STATEMENT	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Revenue	2,182	1,616	1,524	1,080	2,032	2,295
Cost of goods sold	(714)	(527)	(480)	(357)	(650)	(734)
<b>Gross profit</b>	<b>1,468</b>	<b>1,089</b>	<b>1,044</b>	<b>724</b>	<b>1,382</b>	<b>1,561</b>
<b>Operating expenses</b>	<b>(925)</b>	<b>(849)</b>	<b>(1,027)</b>	<b>(792)</b>	<b>(1,119)</b>	<b>(1,227)</b>
Selling expense	(612)	(456)	(647)	(475)	(675)	(734)
SG&A expense	(46)	(67)	(70)	(44)	(67)	(73)
R&D expense	(265)	(365)	(357)	(297)	(406)	(448)
Others	(2)	39	48	25	29	29
<b>Operating profit</b>	<b>(16)</b>	<b>(7)</b>	<b>7</b>	<b>0</b>	<b>4</b>	<b>2</b>
Other income	(0)	(0)	(0)	(0)	(0)	(0)
Gain/loss on financial assets at FVTPL	(15)	(3)	8	3	6	4
Share of (losses)/profits of associates/JV	(2)	(3)	(1)	(2)	(2)	(2)
<b>Pre-tax profit</b>	<b>527</b>	<b>234</b>	<b>24</b>	<b>(68)</b>	<b>266</b>	<b>336</b>
Income tax	(23)	42	1	3	(16)	(24)
<b>After tax profit</b>	<b>504</b>	<b>275</b>	<b>25</b>	<b>(127)</b>	<b>250</b>	<b>312</b>
<b>Net profit</b>	<b>504</b>	<b>275</b>	<b>25</b>	<b>(127)</b>	<b>250</b>	<b>312</b>
Adjusted net profit	477	261	58	(127)	250	312

BALANCE SHEET	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
<b>Current assets</b>	<b>1,404</b>	<b>1,241</b>	<b>1,057</b>	<b>841</b>	<b>1,207</b>	<b>1,550</b>
Cash & equivalents	1,093	752	404	327	600	916
Account receivables	181	183	104	97	183	207
ST bank deposits	2	2	2	2	2	2
Financial assets at FVTPL	120	297	405	405	405	405
Other current assets	0	1	137	0	0	0
Contract obtaining costs	8	7	5	9	18	20
<b>Non-current assets</b>	<b>388</b>	<b>565</b>	<b>556</b>	<b>564</b>	<b>567</b>	<b>572</b>
PP&E	264	279	266	276	279	284
Right-of-use assets	8	9	9	5	4	3
Deferred income tax	49	72	73	73	73	73
Investment in JVs & assos	10	5	0	0	0	0
Intangibles	7	13	0	0	0	0
Financial assets at FVTPL	20	45	87	87	87	87
Other non-current assets	32	143	121	123	125	125
<b>Total assets</b>	<b>1,792</b>	<b>1,807</b>	<b>1,613</b>	<b>1,405</b>	<b>1,774</b>	<b>2,121</b>
<b>Current liabilities</b>	<b>221</b>	<b>151</b>	<b>106</b>	<b>130</b>	<b>239</b>	<b>270</b>
Short-term borrowings	0	0	0	0	0	0
Account payables	143	117	80	85	154	174
Tax payable	48	0	0	0	0	0
Lease liabilities	1	1	1	1	1	1
Contract liabilities	29	33	25	44	83	94
<b>Non-current liabilities</b>	<b>5</b>	<b>9</b>	<b>10</b>	<b>14</b>	<b>26</b>	<b>28</b>
Obligations under finance leases	0	0	0	5	8	8
Other non-current liabilities	5	9	10	10	18	21
<b>Total liabilities</b>	<b>226</b>	<b>160</b>	<b>116</b>	<b>145</b>	<b>265</b>	<b>298</b>
Share capital	0	0	0	0	0	0
Capital surplus	0	0	0	0	0	0
Retained earnings	1,566	1,646	1,497	1,544	1,794	2,107
Other reserves	0	0	0	0	0	0
<b>Total shareholders equity</b>	<b>1,566</b>	<b>1,646</b>	<b>1,497</b>	<b>1,544</b>	<b>1,794</b>	<b>2,107</b>
<b>Total equity and liabilities</b>	<b>1,792</b>	<b>1,807</b>	<b>1,613</b>	<b>1,689</b>	<b>2,059</b>	<b>2,405</b>

<b>CASH FLOW</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
<b>Profit before taxation</b>	<b>527</b>	<b>234</b>	<b>24</b>	<b>(68)</b>	<b>266</b>	<b>336</b>
Depreciation & amortization	16	23	42	39	36	33
Tax paid	(21)	(26)	1	3	(16)	(24)
Change in working capital	24	(2)	106	(15)	24	7
Others	29	34	(17)	(8)	(12)	(12)
<b>Net cash from operations</b>	<b>575</b>	<b>263</b>	<b>155</b>	<b>(48)</b>	<b>297</b>	<b>341</b>
<b>Investing</b>						
Capital expenditure	(84)	(56)	(38)	(38)	(38)	(38)
Acquisition of subsidiaries/ investments	5	(20)	0	0	0	0
Net proceeds from disposal of short-term investments	(19)	(299)	(51)	0	0	0
Others	(30)	(10)	8	10	14	14
<b>Net cash from investing</b>	<b>(128)</b>	<b>(386)</b>	<b>(81)</b>	<b>(28)</b>	<b>(25)</b>	<b>(25)</b>
<b>Financing</b>						
Dividend paid	(200)	(215)	0	0	0	0
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Share repurchases	(18)	0	0	0	0	0
Others	(4)	(2)	(225)	(0)	(0)	(0)
<b>Net cash from financing</b>	<b>(222)</b>	<b>(217)</b>	<b>(225)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	893	1,093	752	404	327	600
Exchange difference	(25)	(1)	0	0	0	0
Others	0	0	0	0	0	0
<b>Cash at the end of the year</b>	<b>1,093</b>	<b>752</b>	<b>404</b>	<b>327</b>	<b>600</b>	<b>916</b>
<b>GROWTH</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec</b>						
Revenue	29.2%	(25.9%)	(5.7%)	(29.1%)	88.0%	13.0%
Gross profit	33.2%	(25.8%)	(4.2%)	(30.7%)	90.8%	13.0%
Operating profit	na	na	na	(99.7%)	15,458.7%	(49.6%)
Net profit	21.2%	(45.3%)	(90.9%)	na	na	24.9%
Adj. net profit	16.6%	(45.3%)	(77.8%)	na	na	24.9%
<b>PROFITABILITY</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec</b>						
Gross profit margin	67.3%	67.4%	68.5%	67.0%	68.0%	68.0%
Operating margin	(0.8%)	(0.4%)	0.5%	0.0%	0.2%	0.1%
Adj. net profit margin	21.9%	16.2%	3.8%	(11.8%)	12.3%	13.6%
Return on equity (ROE)	35.0%	17.1%	1.6%	(8.4%)	15.0%	16.0%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	(0.7)	(0.5)	(0.3)	(0.2)	(0.3)	(0.4)
Current ratio (x)	6.3	8.2	10.0	6.5	5.1	5.7
Receivable turnover days	33.4	41.0	34.3	34.0	25.2	31.0
Inventory turnover days	0.0	0.0	0.0	0.0	0.0	0.0
Payable turnover days	71.1	90.1	74.9	84.3	67.1	81.7
<b>VALUATION</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec</b>						
P/E	9.0	12.2	83.6	na	8.5	6.8
P/E (diluted)	9.0	12.2	83.6	na	8.5	6.8
P/B	2.9	2.0	1.4	1.4	1.2	1.0
Div yield (%)	5.8	7.8	6.2	ns	5.9	7.4

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

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