

## Smartphones turning to metal casing

Rating	<b>Buy</b>	Initiation
Target Price	<b>HKD 6.40</b>	
Current price	<b>HKD 4.57</b>	Upside +40%

### ■ A fast-growing metal casing supplier for smartphones

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. Among these businesses, metal casing business is the focus of growth for BYDE. It has replaced Catcher as the key casing supplier for New HTC One, and probably taking a piece of pie in HTC and Samsung's following flagship smartphones. We believe it is attributed to the good yield rate, supported by its earlier R&D in Nano-molding technology (NMT) and the experiences in handling different kinds of materials.

### ■ Smartphones turning to metal casing

Mid and high-end phones are facing stiff competition from cheaper ones. Using metal casing is one way for smartphone vendors to differentiate their more expensive products. We expect to see markedly rising metal adoption for non-Apple smartphone brands. According to management, some of the tier one global brands and Chinese brands have shown interest in its NMT. We believe BYDE can take this opportunity to obtain new customers and outshine the strong market growth. We expect the company's revenue on metal casing will deliver 250.0% growth in FY13E.

### ■ Product mix shift positive to margins

BYDE is moving from a handset EMS/ODM to handset metal casing supplier. The GPM of metal casing segment is ~20.0%, above 8.4% of company average, supported by its core competence in NMT. Following the increase in proportion of metal casing segment from 10.0% in FY12 to 43.5% in FY15E, the overall GPM will be pulled up. BYDE is likely to see significant profit growth under operating leverage, we estimate.

### ■ We initiate coverage on BYDE with BUY

The company is trading at 0.15x FY13E PEG, which is 69.1% lower than the average 0.49x of the handset metal casing peers (excluding Foxconn Technology with no growth because of plastic casing adoption in the low-cost iPhone). We believe BYDE's valuation will at least rise to that of Casetek, which is also catching up with Hon Hai and Catcher. We initiate coverage on the stock with target price of HK\$6.40, based on 0.21x FY13E PEG (16.7x FY13E PER).

HKD million	FY11A	FY12A	FY13E	FY14E	FY15E
Revenue	15,868	14,091	17,614	20,399	22,438
Operating profit	675	433	775	1,087	1,328
Net Profit	603	379	677	947	1,152
Consensus NP			582	721	928
EPS (RMB)	0.27	0.17	0.30	0.42	0.52
P/E (x)	13.4	21.3	11.9	8.5	7.0
Dividend yield (%)	1.5	-	1.7	-	2.9

Sources: Bloomberg, CIRL estimates

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**Susanna Chui**

susanna.chui@cinda.com.hk  
(852) 2235 7131

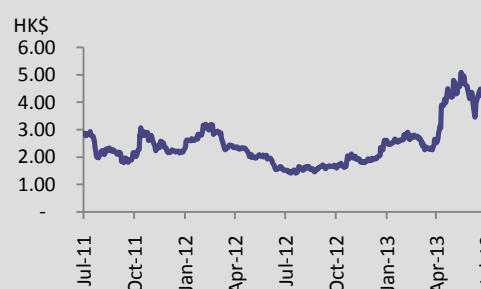
### Trading data

52-Week Range (HK\$)	1.4/5.19
3 Mth Avg Daily Vol (m)	17.70
No of Shares (m)	2,253.21
Market Cap (HK\$m)	10,297.14
Major Shareholders (%)	BYD (65%)
Auditors	Ernst & Young
Result Due	1H13: Aug

### 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 Nokia (NOK.US), Huawei, Toshiba (6502.JP), Apple (AAPL.US), Asus (2357.TT), HTC (2498.TT) and HP (HPQ.US).

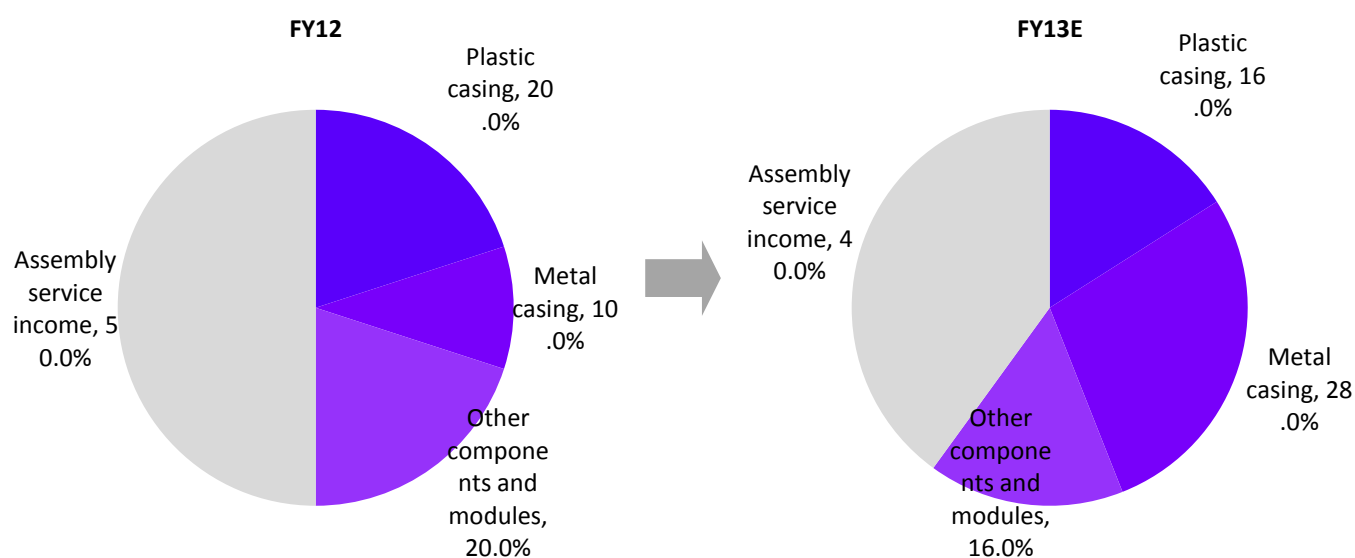
### Price chart



## A growing metal casing supplier for smartphones

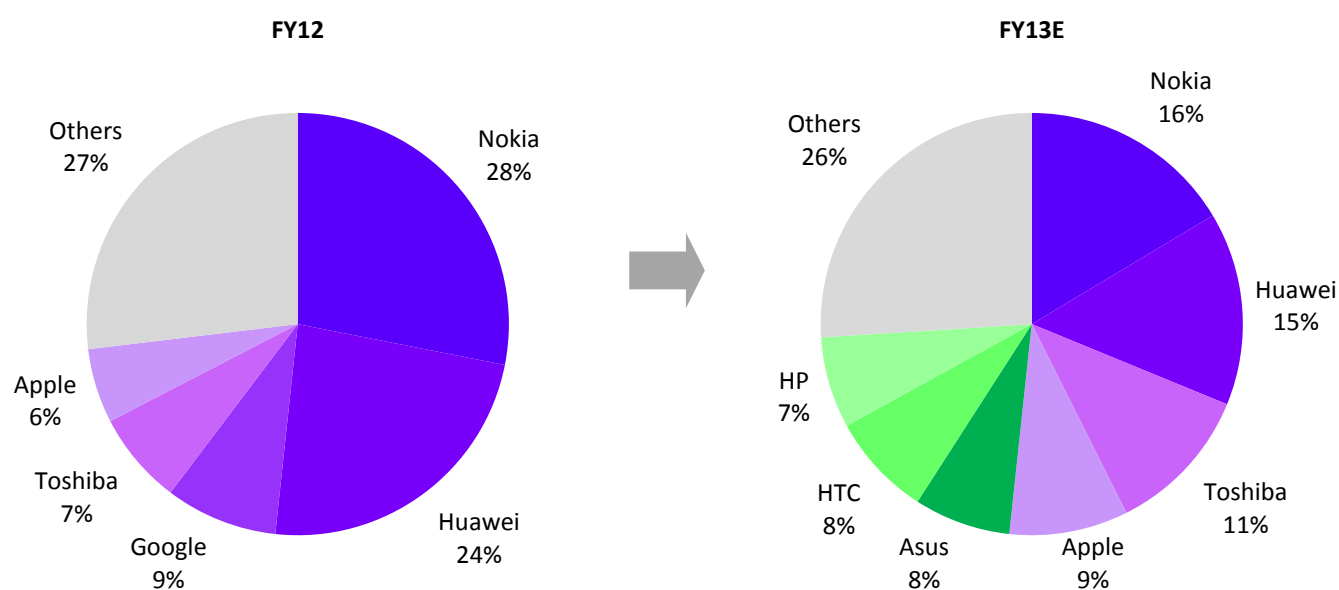
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**Exhibit 1: BYDE's product mix**



Source: Company data, CIRC

**Exhibit 2: BYDE's customer mix**



Source: Company data, CIRC







### Metal casing business growing with HTC and probably Samsung

Metal casing business is the focus of growth for BYDE. Starting with Apple, we see increasing metal adoption in the smartphones. And New HTC One is among the top smartphone models that are encased in a single slab of metal.

In the New HTC One model, BYDE has grabbed the majority allocation (over 50%) versus its competitor, Catcher (2474.TT). New HTC One is HTC's flagship smartphone, of which the order obviously represents HTC's recognition of BYDE's metal casing capabilities.

New HTC One has stood out from competitors' flagship models, especially with its superior hardware specs: the highest-density ppi screen, dual-speaker design, and aluminum unibody casing. Therefore, it is well-received with 5mn global shipment from its debut in Mar to May 2013, and believed to have a halo effect on the company's high-end smartphones. We expect HTC's flagship models to grow 103.7% yoy in 2013.

**Exhibit 3: HTC and competitors' new smartphone models**

	HTC New One	Samsung Galazy S4	Sony Xperia Z	LG Optimus G Pro	Huawei Ascend D2	ZTE Nubia Z5
						
Display	4.7" SLCD3 1920x1080, 468 ppi	5"Super AMOLED, 1920x1080, 441ppi	5" TFT 1920x1080, 441ppi	5.5" IPS LCD 1920x1080, 441ppi	5" 1920x1080 Super IPS+LCD, 441ppi	5" 1920x1080 IPS, 441ppi
Chipset	Snapdragon 600 APQ8064T, quad core, 1.7 Ghz	Exynos 5 Octa chip, 1.6GHz	Snapdragon S4 Pro APQ8064, Quad-core, 1.5GHz	Snapdragon S4 APQ8064T, quad core, 1.7 Ghz	Hi-Silicon K3V2 + Balong V7R1, Quad-core, 1.5GHz	Snapdragon S4 Pro APQ8064, Quad-core, 1.5GHz
Camera	4MP Ultrapixel/ 2MP front	13MP back camera /2MP front	13MP back camera / 2.2MP front	13MP back camera / 2.1MP front	13MP f2.2 back camera/ 1.2MP front	13MP back camera / 2MP front camera
Casing (thickness)	Al unibody (9.3mm)	Plastic (7.9mm)	Glass (7.9mm)	Plastic (9.4mm)	Hybrid Al. and plastic (9.4mm)	Plastic with metal frame (7.6mm)

Source: Company data, CIRL

**Exhibit 4: Global smartphone volumes**

mn units	2011	2012	2013E	Growth yoy
Samsung	88	204	315	54.6%
Lenovo	2	25	38	52.0%
Apple	89	135	191	40.8%
ZTE	11	28	38	38.2%
LG Electronics	19	26	35	34.6%
Huawei	16	28	35	27.3%
HTC	43	32	25	-22.8%
Flagship models	19	7	14	103.7%
Affordable models	24	26	11	-56.2%
Research In Motion	52	34	26	-22.9%
Motorola Mobility / Google	17	20	15	-23.1%
Sony Ericsson / Sony Mobile	20	24	18	-25.5%
Nokia	85	37	19	-50.4%

Source: Company data, CIRL

In our view, BYDE is not only well-positioned in HTC's strong high-end smartphone product cycle momentum, but also Samsung's potential move into metal casing. We see two potential catalysts from winning new orders,

1. Gaining a sizable order allocation of One Mini and One Max: they are regarded as the smaller and larger version of New HTC One.

**Exhibit 5: HTC's new smartphones with metal casing**

Model	Casing supplier	Allocation
New One	BYDE	70%
	Catcher	30%
One Mini	BYDE	N/A
	Catcher	N/A
One Max	BYDE	N/A
	Catcher	N/A

Source: HTC, CIRL

2. Samsung's potential move into metal casing: it is rumored to be Samsung (5930.KS) using metal for Galaxy S5 and Galaxy Note 4 and has visited HTC's supply chain such as BYDE and Catcher in the past few months, according to China Times. We expect that Galaxy S5 and Galaxy Note 4 will deliver 67mn and 8mn shipment respectively in the launch year, which is totally ~4x more than that of New HTC One.

**Exhibit 6: Samsung's flagship smartphone shipment**

mn units	2012	2013	2014
Galaxy S	7		
Galaxy S2	19	9	
Galaxy S3	44	32	11
Galaxy S4		61	39
Galaxy S5			67
Galaxy Note	13	2	
Galaxy Note 2	8	22	3
Galaxy Note 3		8	23
Galaxy Note 4			8

Source: Samsung, CIRL

**Why BYDE can move Catcher's cheese?**

BYDE has replaced Catcher as the key casing supplier for New HTC One, and probably taking a piece of pie in HTC and Samsung's following Flagship smartphones. Besides customers' need to ensure a balanced supply chain, we believe the rapid development of BYDE's metal casing business is supported by the company's strong engineering capabilities.

For a normal unibody metal casing, engineering capabilities in using CNC machines (drilling, scribing, lapping, and etching, etc to make various shapes, forms and holes on a piece of metal) are important in meeting the specifications required by the customers. According to the management, BYDE enjoy a good yield rate of ~90.0% at CNC process.

But unlike other smart devices, there will be antenna interference in metal casing adoption. To solve "antenna-gate", New HTC One has embedded the antenna into the plastic part of metal casing by Nano-molding technology (NMT). It adheres metal and plastic, by etching the metal surface in T-agent-solution to produce nano holes into which the resin flows. This T-treatment is the key point of NMT. According to the management, the yield rate of T-treatment is only 60.0%-70.0%. Due to such a low yield rate, New HTC One casing's ASP is thus ~100% higher than that of a normal unibody metal casing.

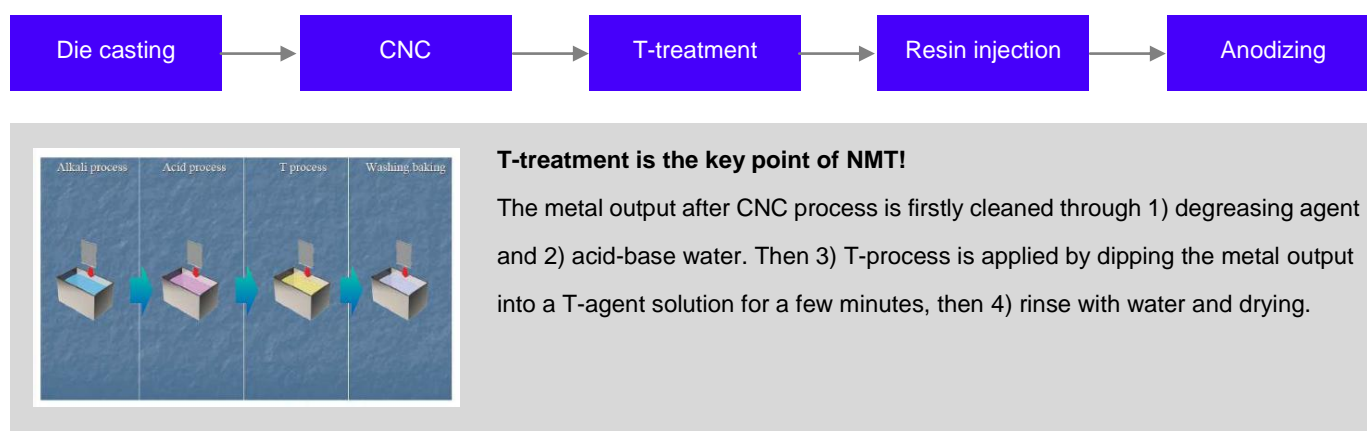
## Exhibit 7: New HTC One's casing



Source: HTC, CIRL

According to management, BYED has grabbed the majority allocation (over 50%) versus its competitor, Catcher. Besides price advantage, we believe it is attributed to the good yield rate, supported by its earlier R&D in NMT and the experiences in handling different kinds of materials.

## Exhibit 8: Manufacturing process of New HTC One casing



Source: Company data, CIRL

### Catching up with Hon Hai and Catcher

Though BYDE is far behind Hon Hai Group (Hon Hai and Foxconn Technology (2354.TT)) and Catcher in scale, but BYDE is currently putting focus on metal casing with NMT. Also, we believe that the company will be catching up, thank to HTC's strong high-end smartphone product cycle momentum and Samsung's potential move into metal casing, while Foxconn Technology and Catcher have the high exposure to Apple, which will adopt plastics in low-cost iPhones.

**Exhibit 9: Major metal casing vendors' capacity**

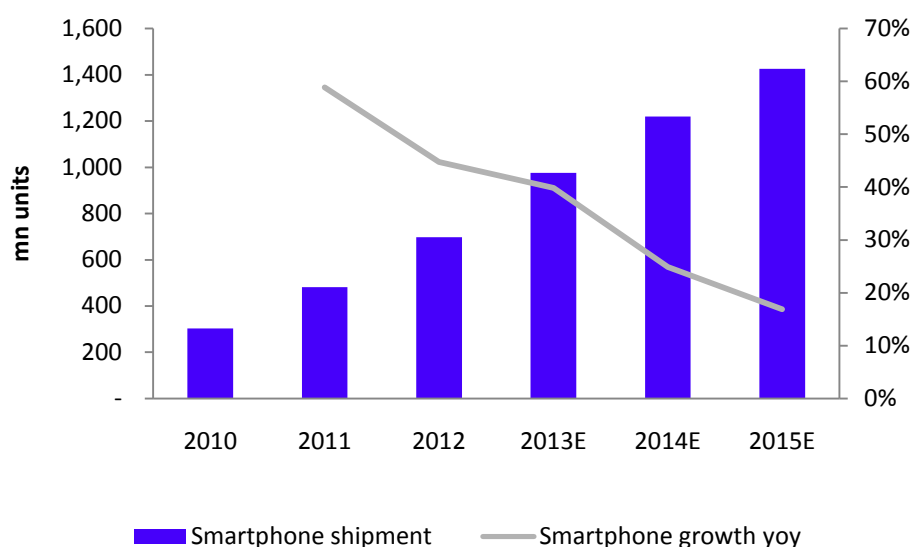
	<b>Estimated CNC capacity</b>	<b>FY 13E Major customers</b>
Hon Hai/ Foxconn Tech	20-22k	Apple ~80%
Catcher	15-16k	Apple ~40%, HTC ~20%
Pegatron/Casetek	5-6k	Apple ~80%
BYDE	5k	Nokia ~20%, Huawei ~10%, Toshiba ~10%, Apple ~10%, Asus ~10%, HTC ~10%, HP ~10%

Source: Company data, CIRL

## Smartphones turning to metal casing

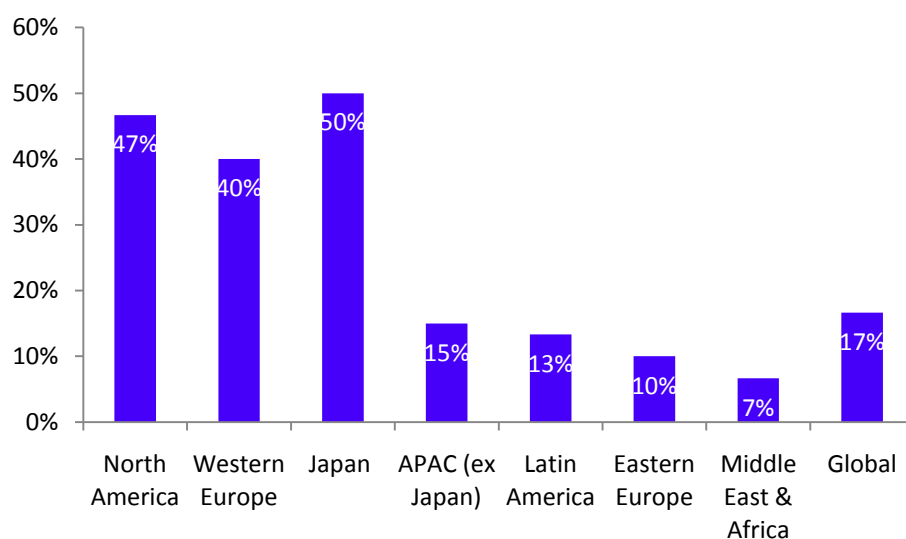
We see 2013 as another strong growth year for smartphones, with shipment growth rate of 40%, Developed markets' penetration rates are high (47% in North America and 40% in Western Europe), supporting replacement sales. On the other hand, the new adoption will be driven by the demand from emerging markets with low penetration rates of 7%-15%. Penetration moves higher, triggered by a combination of lower priced models and migration to 4G.

**Exhibit 10: Global smartphone shipment**



Source: IDC, CIRL

**Exhibit 11: 2012 smartphones penetration**



Source: IDC, CIRL



### Smartphone share shift towards the low-end

But the market is playing musical chairs. Smartphone share shift towards the low-end. The smartphone shipment at ASP of >USD400 ASP has delivered CAGR of 75.9% in 2010-2012, but will see moderate CAGR of 13.7% in 2012-2015. Smartphone volumes at ASP of USD200-USD400 will only deliver CAGR of 10.5% in 2012-2015. It is because of the continued shift towards low-end smartphones, which will deliver CAGR of 64.6% in 2012-2015.

### Metal casing thus be differentiator of mid and high-end smartphones

Mid and high-end phones are facing stiff competition from cheaper ones. Using metal casing is one way for smartphone vendors to differentiate their more expensive products. And metal casing also becomes a functional part for premium devices, as it has better strength for supporting smartphones with larger displays, versus plastic casing. We expect to see markedly rising metal adoption for non-Apple smartphone brands.

**Exhibit 12: Smartphones shift towards the low-end**

Price (USD)	2010	2011	2012	2013E	2014E	2015E	2012-2015 CAGR
<= \$100	7	5	7	21	57	146	175%
\$100 - \$200	74	82	129	221	378	460	53%
\$200 - \$300	74	112	179	213	240	256	13%
\$300 - \$400	49	84	104	122	133	126	7%
\$400 - \$500	43	71	102	138	160	187	22%
\$500+	53	119	195	259	250	249	8%
<b>Total</b>	<b>300</b>	<b>473</b>	<b>716</b>	<b>974</b>	<b>1,218</b>	<b>1,424</b>	<b>26%</b>

Source: CIRL

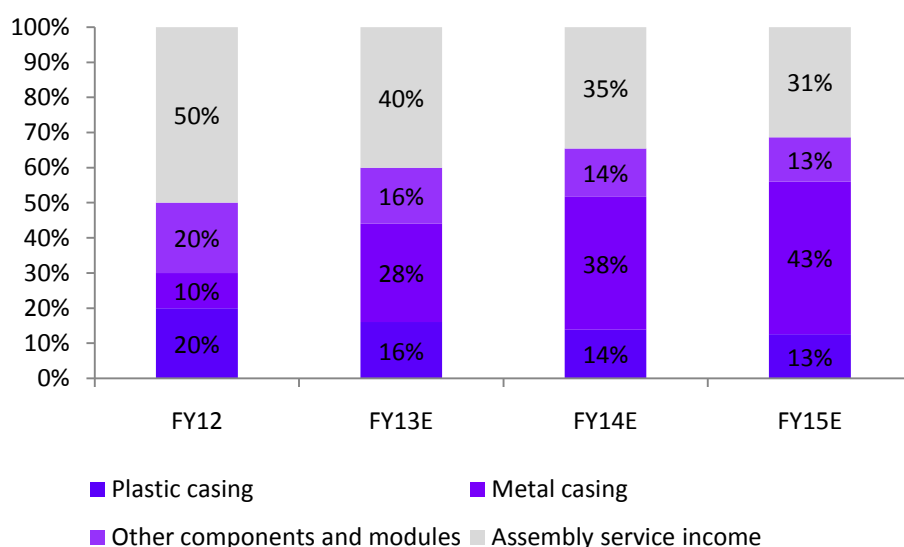
Among non-Apple smartphone brands, HTC is one of the most active one changing from plastic casing to metal casing in 2013, like New HTC One and the upcoming flagship models. The New HTC One is a gorgeous phone encased in a single slab of aluminum. Although Samsung is using plastic for the Galaxy S4, it is rumored to be using metal for Galaxy S5 and Galaxy Note 4. And even PRC smartphone brands have considered HTC-like designs in 2014.

According to the management, some of the tier one global brands and Chinese brands have shown interest in its NMT. We believe BYDE can take this opportunity to obtain new customers and outshine the strong market growth. We expect the company's revenue metal casing will deliver 250.0% growth in FY13E.

## Product mix shift positive to margins

BYDE is moving from a handset EMS/ODM to the handset metal casing supplier. Riding on the booming metal casing market and its competitive advantage, this segment will outgrow other segments. Following the increase in proportion of metal casing segment from 10.0% in FY12 to 43.5% in FY15E, the overall GPM will be pulled up. The GPM of metal casing is ~20.0%, above 8.4% of company average, supported by its core competence in NMT.

**Exhibit 13: BYDE's product mix**



Source: Company data, CIRL

**Exhibit 14: BYDE's FY12 margins**

	GPM
Plastic casing	~10%
Metal casing	~20.0%
Other components and modules	~10%
Assembly	3-5%

Source: Company data, CIRL

## Financial analysis and valuation

**We forecast revenue to grow by 25.0%/15.8%/10.0% for FY13E/FY14E/FY15E** mainly driven by the growth of metal casing segments. By FY15E, metal casings will account for 43.5% of revenue, up from 10.0% in FY12E.

**GPM keeps uptrend to ~13.0%** because the GPM of fast-growing metal casing segment is 20.0%, above 8.4% of company average in FY12, supported by its core competence in NMT.

**SG&A expense will increase to 6.7%** in FY13E-FY15E, on the back of developing new business. We expect that net profit will rise 78.6%/39.9%/21.7% to RMB676.8mn /RMB946.9mn/RMB1,152.4mn in FY13E/FY14E/FY15E.

**We initiate coverage on BYDE with BUY.** The company is trading at 0.15x FY13E PEG, which is 69.1% lower than the average 0.49x of the handset metal casing peers (excluding Foxconn Technology with no growth because of plastic casing adoption in the low-cost iPhone). We believe BYDE's valuation will at least rise to that of Casetek, which is also catching up with Hon Hai and Catcher. We initiate coverage on the stock with target price of HK\$6.40, based on 0.21x FY13E PEG (16.7x FY13E PER).

## Risk Factors

Downside risks include: 1) slower than expected growth of smartphones; 2) slower than expected growth of its clients, especially Nokia of which shipment has declined ~50% in 1Q13; 3) slower than expected metal casing adoption in mid-high end smartphones; 4) more-than-expected competition; and 5) rapidly changing technology trends.

**Exhibit 15: Key assumptions**

	<b>FY12</b>	<b>FY13E</b>	<b>FY14E</b>	<b>FY15E</b>
<b>Revenue</b>				
Plastic casing	2,818	2,818	2,818	2,818
Metal casing	1,409	4,932	7,717	9,757
Other components and modules	2,818	2,818	2,818	2,818
Assembly service income	7,045	7,045	7,045	7,045
<b>Total</b>	<b>14,091</b>	<b>17,614</b>	<b>20,399</b>	<b>22,438</b>
<b>Growth</b>				
Plastic casing		0.0%	0.0%	0.0%
Metal casing		250.0%	56.5%	26.4%
Other components and modules		0.0%	0.0%	0.0%
Assembly service income		0.0%	0.0%	0.0%
<b>Total</b>		<b>25.0%</b>	<b>15.8%</b>	<b>10.0%</b>
<b>GPM</b>				
Plastic casing	9.9%	9.5%	9.2%	8.9%
Metal casing	20.0%	20.3%	20.7%	21.0%
Other components and modules	9.9%	9.5%	9.2%	8.9%
Assembly service income	5.0%	4.6%	4.3%	4.0%
<b>Total</b>	<b>8.4%</b>	<b>10.6%</b>	<b>11.8%</b>	<b>12.6%</b>

Source: Company data, CIRC

**Exhibit 16: Financial statement**

<b>Income statement</b>						<b>Cash flow</b>					
<b>Year to Dec (RMB mn)</b>	<b>FY11A</b>	<b>FY12A</b>	<b>FY13E</b>	<b>FY14E</b>	<b>FY15E</b>	<b>Year to Dec (RMB mn)</b>	<b>FY11A</b>	<b>FY12A</b>	<b>FY13E</b>	<b>FY14E</b>	<b>FY15E</b>
<b>Revenue</b>	<b>15,868</b>	<b>14,091</b>	<b>17,614</b>	<b>20,399</b>	<b>22,438</b>	Pre-tax profit	674	430	772	1,084	1,325
Gross profit (reported)	1,730	1,190	1,866	2,416	2,830	Taxes paid	(101)	(38)	(65)	(95)	(137)
<b>EBITDA</b>	<b>1,355</b>	<b>1,124</b>	<b>1,530</b>	<b>1,904</b>	<b>2,195</b>	Depreciation	591	558	756	817	867
Depreciation	(680)	(691)	(756)	(817)	(867)	Associates	0	0	0	0	0
<b>EBIT</b>	<b>675</b>	<b>433</b>	<b>775</b>	<b>1,087</b>	<b>1,328</b>	CFO bef. WC change	1,164	950	1,463	1,806	2,054
Net interest income (exp.)	(0)	(3)	(3)	(3)	(3)	Change in working cap	1,097	(322)	(507)	(415)	(318)
Associates	0	0	0	0	0	<b>Cashflow from operation</b>	<b>2,261</b>	<b>628</b>	<b>956</b>	<b>1,391</b>	<b>1,736</b>
Exceptionals/others	0	0	0	0	0	CAPEX	(670)	(912)	(1,100)	(1,100)	(1,100)
<b>Profit before tax</b>	<b>674</b>	<b>430</b>	<b>772</b>	<b>1,084</b>	<b>1,325</b>	<b>Free cash flow</b>	<b>1,592</b>	<b>(284)</b>	<b>(144)</b>	<b>291</b>	<b>636</b>
Tax expenses	(72)	(51)	(95)	(137)	(172)	Dividends	121	0	135	0	230
Minority interest	0	0	0	0	0	Balance sheet adj.	(810)	321	0	0	0
<b>Net profit</b>	<b>603</b>	<b>379</b>	<b>677</b>	<b>947</b>	<b>1,152</b>	Share issued	(254)	(116)	0	0	0
<b>Balance sheet</b>						Others	0	0	135	(135)	230
<b>Year to Dec (RMB mn)</b>	<b>FY11A</b>	<b>FY12A</b>	<b>FY13E</b>	<b>FY14E</b>	<b>FY15E</b>	<b>Net cash flow</b>	<b>648</b>	<b>(79)</b>	<b>126</b>	<b>156</b>	<b>1,097</b>
Cash & equiv	2,207	2,128	2,254	2,410	3,507	Net cash (debt) start	1,559	2,207	2,128	2,254	2,410
Trade receivables	3,446	2,751	3,404	3,903	4,250	Net cash (debt) at year-end	2,207	2,128	2,254	2,410	3,507
Other receivables	0	0	0	0	0	<b>Ratios</b>					
Inventories	1,780	1,739	2,137	2,458	2,699	<b>Year to Dec</b>	<b>FY11A</b>	<b>FY12A</b>	<b>FY13E</b>	<b>FY14E</b>	<b>FY15E</b>
Other current assets	468	562	562	562	562	<b>Growth rate (%)</b>					
Fixed assets	3,560	3,914	4,258	4,541	4,774	Revenue	(4.68)	(11.20)	25.0	15.8	10.0
Intangible assets	9	8	8	8	8	EBITDA	(21.16)	(17.01)	36.1	24.5	15.2
Investment, associates etc	1,106	787	787	787	787	EBIT	(40.78)	(35.84)	78.9	40.3	22.2
<b>Total assets</b>	<b>12,578</b>	<b>11,889</b>	<b>13,411</b>	<b>14,669</b>	<b>16,587</b>	Net profit	(41.92)	(37.14)	78.6	39.9	21.7
Account payables	3,468	2,691	3,235	3,639	3,909	EPS	(41.30)	(37.04)	78.6	39.9	21.7
Other payables	0	0	0	0	0	<b>Margins (%)</b>					
Short-term debt	0	0	0	0	0	Gross margin (reported)	10.9	8.4	10.6	11.8	12.6
Other current liabs	1,118	944	974	1,016	1,051	EBITDA	8.5	8.0	8.7	9.3	9.8
Long-term debts	0	0	0	0	0	EBIT	4.3	3.1	4.4	5.3	5.9
Deferred tax and others	0	0	0	0	0	Net margin	3.8	2.7	3.8	4.6	5.1
Other long-term liabs	0	0	0	0	0	<b>Other ratios</b>					
<b>Total liabilities</b>	<b>4,586</b>	<b>3,634</b>	<b>4,209</b>	<b>4,655</b>	<b>4,960</b>	ROE (%)	7.5	4.6	7.4	9.5	9.9
Share capital	217	217	217	217	217	ROA (%)	4.8	3.2	5.0	6.5	6.9
Reserves	7,775	8,037	8,985	9,796	11,410	Net gearing (%)	(27.6)	(25.8)	(24.5)	(24.1)	(30.2)
<b>Shareholders' equity</b>	<b>7,992</b>	<b>8,254</b>	<b>9,202</b>	<b>10,013</b>	<b>11,627</b>	Interest coverage (x)	3167.1	171.8	266.7	340.8	392.9
Minorities	0	0	0	0	0	Receivables days	79.3	71.3	70.5	69.8	69.1
<b>Total equity</b>	<b>7,992</b>	<b>8,254</b>	<b>9,202</b>	<b>10,013</b>	<b>11,627</b>	Payables days	89.5	76.1	75.0	73.9	72.8
Net cash (debt)	2,207	2,128	2,254	2,410	3,507	Inventory days	46.0	49.2	49.5	49.9	50.2
						Effective tax rate (%)	10.6	11.9	12.3	12.6	13.0

Source: Company data, CIRL

**Exhibit 17: Peer comparison**

	<b>Ticker</b>	<b>Market cap (HKD mn)</b>	<b>PE (x)</b>			<b>PB (x)</b>			<b>Dividend yield (%)</b>			<b>EPS growth</b>	<b>PEG</b>
			<b>FY12A</b>	<b>FY13E</b>	<b>FY14E</b>	<b>FY12A</b>	<b>FY13E</b>	<b>FY14E</b>	<b>FY12A</b>	<b>FY13E</b>	<b>FY14E</b>	<b>FY13E</b>	<b>FY13E</b>
<b>Handset metal casing suppliers</b>													
Foxconn Technolo	2354 TT	24,267.80	11.0	11.1	10.4	1.5	1.3	1.1	1.3	1.3	1.5	0.2%	69.54
Catcher Tech	2474 TT	28,831.23	10.1	9.2	9.5	1.8	1.6	1.5	4.1	4.2	4.3	10.2%	0.90
Casetek Holdings	5264 TT	14,236.73	13.9	9.6	8.7	-	2.6	2.3	0.0	2.8	4.3	45.3%	0.21
Ju Teng Intl Hdg	3336 HK	4,152.08	6.8	5.8	4.8	0.8	0.7	0.6	3.3	3.4	3.9	16.2%	0.36
<b>Average</b>			<b>10.5</b>	<b>8.9</b>	<b>8.3</b>	<b>1.3</b>	<b>1.6</b>	<b>1.4</b>	<b>2.9</b>	<b>2.9</b>	<b>3.5</b>	<b>18.0%</b>	<b>17.75</b>
<b>Handset EMS/ODMs</b>													
Compal Communica	8078 TT	6,765.49	22.0	50.4	22.1	2.3	2.3	2.5	2.8	2.6	2.4	-56.3%	(0.89)
Fih Mobile Ltd	2038 HK	29,609.19	(11.8)	96.8	24.8	1.1	1.1	1.0	0.0	0.0	0.0	NA	NA
<b>Average</b>			<b>5.1</b>	<b>73.6</b>	<b>23.5</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>2.8</b>	<b>1.3</b>	<b>1.2</b>	<b>-56.3%</b>	<b>(0.89)</b>
Byd Electronic	285 HK	10,297.14	21.3	11.9	8.5	1.0	0.9	0.8	0.0	1.7	0.0	78.6%	0.15

Source: Bloomberg, CIRL

## 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%

## Analysts List

Antony Cheng	Research Director	(852) 2235 7127	antony.cheng@cinda.com.hk
Hayman Chiu	Senior Research Analyst	(852) 2235 7677	hayman.chiu@cinda.com.hk
Kenneth Li	Senior Research Analyst	(852) 2235 7619	kenneth.li@cinda.com.hk
Lewis Pang	Research Analyst	(852) 2235 7847	lewis.pang@cinda.com.hk
Susanna Chui	Research Analyst	(852) 2235 7131	susanna.chui@cinda.com.hk
Shawn Yang	Research Assistant	(852) 2235 7617	xiaoxia.yang@cinda.com.hk

## Analyst Certification

I, Susanna Chui 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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