ASYMCHEM

FIN2010 Financial Management

Group Project

GROUP 37

Abstract

We issue a BUY recommendation on Asymchem Laboratories (Tianjin) Co., Ltd. (6821.HK) with a 12-month target price of $140.28, representing an upside of 34.8% from its 04/20/2022 $104.10 closing price. Our recommendation is based on a Free Cash Flow to the Firm (FCFF) Discounted Cash Flow (DCF) model.

Introduction

(a) Business description briefly present the business scope and service features of the company.
(b) In the industry overview, our team analyse the development of CDMO in China, and its growth conditions and opportunities, especially after COVID-19.
(c) Competitive positioning presents the company's competitive advantages in pattern, resources, technology, research team policy, etc.
(d) In valuation and financial analysis, we calculate and interpret the financial ratios, sales growth and cash flow, deliver the evidence of the company's solid and steady revenue growth and development in the future.
(e) In corporate governance part, we analyse the company's shareholder structure and staff management to demonstrate the conformance and compliance in its internal control.
(f) Investment risk analysis focuses on the possibility and impact of market risk, operating risk and financial risk.

Business Description

Asymchem Laboratories (Tianjin) Co., Ltd. (Stock code :002821.SZ/6821.HK) is a global leading CDMO company. Founded in 1998 and listed in 2016, Asymchem Laboratories (Tianjin) provides high-quality one-stop services for the development and production of new drugs worldwide.

Part1. The Definition of CDMO

Contract Development and Manufacturing Organization (CDMO) integrates R&D and production to provide pharmaceutical customers with the research and development of innovative drug production process optimization, formulation development and pilot production services, and on the basis of the above research and development, development and other services to further provide customized production services from kg to tonnage.

Part2. Business Scope

Asymchem is a technology-driven one-stop medical outsourcing service provider. By providing domestic and foreign pharmaceutical companies and biotechnology companies with one-stop CMC services for the whole life cycle of drugs, efficient and high-quality R&D and production services, to accelerate the clinical research and commercial application of innovative drugs.

(1) Main:

Development, production and sales of high-tech pharmaceutical raw materials and intermediates and biotechnology products, preparation research and development, import and export of related equipment and accessories, wholesale and retail business (no stores), as well as the above related technical consulting services and technology transfer.

(2) Composition

As shown below:

2022-12-31	Main business composition	Sales revenue (Yuan)	Income ratio	Operating cost (yuan)	Cost ratio	Operating profit (Yuan)	Profit ratio	Gross profit margin (%)
Classification byindustry	medical industry	10.25 billion	99.94%	5.391 billion	99.89%	4.858 billion	100.00%	47.40%
	others	6.273 million	0.06%	6.194 million	0.11%	78.88 thousand	0.00%	1.26%
classification by product	Commercialized phase CDMO solution	7.587 billion	73.98%	3.753 billion	69.52%	3.834 billion	78.93%	50.54%
	Clinical phase CDMO solution	1.666 billion	16.25%	0.9784 billion	18.13%	0.6879 billion	14.16%	41.28%
	Emerging service	0.9959 billion	9.71%	0.6605 billion	12.24%	0.3354 billion	6.91%	33.68%
	others	6.273 million	0.06%	6.194 million	0.11%	78.88 thousand	0.00%	1.26%
classification by region	Overseas (including North America, Europe, Asia except Mainland China)	8.691 billion	84.75%	4.298 billion	79.63%	4.393 billion	90.44%	50.55%
	Within China (mainland China)	1.564 billion	15.25%	1.100 billion	20.37%	0.4643 billion	9.56%	29.69%

Part3. Service Feature

- State-of-the-art technology

Asymchem have been deeply engaged in the field of CDMO for more than 20 years, and continue to promote technological innovation. It is in a leading position in the field of continuous chemistry and biocatalysis, becoming a long-term partner of the world's leading pharmaceutical companies.

- Perfect quality system

Perfect quality management system, with a pass rate of 100%, many times successfully through the United States FDA, China NMPA, Australia TGA, South Korea MFDS and other official institutions and customers audit.

- Adequate production capacity

At present, it has a total reaction volume of more than 4080.4m^3 and GMP system more than 2,998.7m3. The size of the reactor varies from 1L to 20,000L, which can meet the different requirements of customers from gram to ton, realizing the fast start and timely delivery of the project.

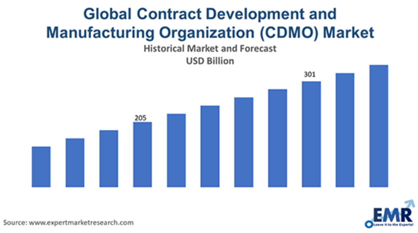
- Thorough IP protection

Focusing on CDMO services, Asymchem promises not to develop its own new drug products. Meanwhile, Asymchem has established a perfect customer information confidentiality system to ensure that customers' information is properly protected.

Industry Overview

During the 2020-2022 covid-19 pandemic period throughout the world, the demand for relevant medicine globally increased. As a new kind of booming stream of the medicine-producing industry, the CDMO industry got the chance to develop rapidly as well. The CDMO industry, which is completely called *Contract Development and Manufacturing Organization,* mainly concentrates on the development and manufacture of medicine, offering professional technique development, improvement, components development, and pilot production services. Meanwhile, CDMO companies also offer customized production of medicines for different customers based on the fundamental services above.

The Development of CDMO Industry



Source: EMR Website

CDMO Orientation and CDMO Got into China

During the decade between 1997-2007, new chemical small molecule drugs were frequently created; many clinical CRO (Contract Research Organization) companies got successful and started to keep in touch with some large biopharmaceutical companies; small and medium-sized R&D companies didn't have enough productivity as the mainstream of discovering new compounds or creating new drugs; a large number of drug patents applied during the 1970s-1980s expired. All of these conditions promoted the CDMO companies' rapid development. After the global financial crisis in 2008, most survived high-quality CDMO companies continuously reformed the production and service model, extremely increasing productivity. With the recovery of the economy, rapid-rising human resources costs in developed countries made those domestic enterprises mainly based in Western Europe and North America start to expand the Chinese and Indian markets, which had much lower costs in human recruitment and resources. Since that time, the Chinese CDMO industry started to boom rapidly with many foreign mature CDMO companies getting into the Chinese market, and meanwhile, many new local Chinese CDMO enterprises were born in 1990-2008, including Wuxi Biologics(2000), Asymchem(1998), Porton(2005), continuously expanding the scale. All of the above constitute the competitive pattern in China's CDMO industry.

Growth Conditions and Opportunities of the CDMO Industry in China

- Public policies support the CDMO development

Since November 2015, China started to carry out the MAH(Marketing Authorization Holder) system. This system allows marketing authorization holders separately to authorize different producers to produce products. Under the system, creative drug development doesn't have to set up an extra production line and huge factories, saving companies' costs. Besides, drug authorization from drug companies also offers more business opportunities to those CDMO companies. Similarly, in 2018, the nation focused on cracking down on generic drugs in the market, letting the ordinary development substation trend rise and the status of CDMO companies in the supply chain enhanced obviously.

- China's huge population basement gives CDMO a booming chance

China has a large population basement. Especially with the rapid development in the economy, the tendency of population aging becomes more and more obvious. This situation can directly boom the market demand for medicine, also the CDMO industry. From 2018-2021, the Chinese medical market size has expanded from 1.5334 trillion yuan to 1.7292 trillion yuan, and the compound annual rate is 4.1%. In addition, the domestic labor force market in China offers huge Engineer Bonus constantly which gives CDMO companies a comparative competitive advantage. Top CDMO companies in China such as Wuxi Biologics, Asymchem, and Porton, have over 40% of staff responsible for researching and developing. Besides, due to the high-technological property of the industry, the staff who has a degree higher than a master's takes up a big part of the staff structure.

- Comparative low human resources costs

Since China's reform and opening-up policy, lots of high-tech talents have entered the industry, thus there are enough working engineers in the biology, chemistry, and medicine fields. Meanwhile, compared with other main labor force markets of the CDMO industry, the human resources costs in China are much lower than them. Taking Asymchem as an example, its average human resources costs are only about 24 thousand dollars per staff, nearly one-fifth that of Lonza, the top CDMO company in the global market.

- Increasing R&D expenses pushes technologies to improve

From 2016-2021, China's R&D expenses are constantly increasing. All industries' financial investment in R&D increased from 1.5677 trillion yuan to 2.7864 trillion yuan. Its compound annual growth rate is nearly 12.2%. Additionally, the R&D expenses take up a bigger and bigger part of the annual GDP, increasing from 2.1% to 2.44%. Nowadays, China has already become the country that has the highest R&D investment.

Potential Growth Possibility

Due to the reasons above, the Chinese CDMO market size has expanded rapidly since 2015. From 2018-2021, the market size increased from 16.5 billion yuan to 57.5 billion yuan, the compound annual growth rate is nearly 51.5%. And from 2021-2026, China's CDMO market size is forecast to keep increasing at a 20.4% compound annual growth rate.

- Micromolecular chemical drugs

From 2018-2021, China's CDMO chemical drugs market size increased from 11 billion yuan to 39.9 billion yuan, and the compound annual growth rate is nearly 53.6%. Until 2026, the CDMO chemical drugs market size is forecast to reach 86.6 million yuan.

- Macromolecular biological drugs

From 2018-2021, China's CDMO biological drugs market size increased from 5.5 billion yuan to 39.9 billion yuan, and the compound annual growth rate is nearly 47.4%. Until 2026, the CDMO biological drugs market size is forecast to reach 58.8 million yuan. The biological drugs market is rapidly booming under the growing demand for monoclonal drugs and vaccination and with more technologies in this field getting investment, biological drugs will obtain a new growth engine.

- CGT (cell and gene therapy) drugs

CGT drugs can be used to treat every kind of disease caused by protein abnormality. In reality, CGT drugs demand higher productivity, more initial capital investment, and personnel qualification. Therefore, many medicine producers highly depend on CDMO companies that are more in line with the production process and capacity requirements. Taking 2021 as the first year of CGT drugs getting commercial use in China, China's CGT drugs market is forecast to achieve 10.7 billion yuan in 2025, and the compound annual growth rate will be 51.5%.

Challenges and Risks

The medicine industry is very demanding on production quality, producing process cleanliness, and stability. This demand determines the upstream firms

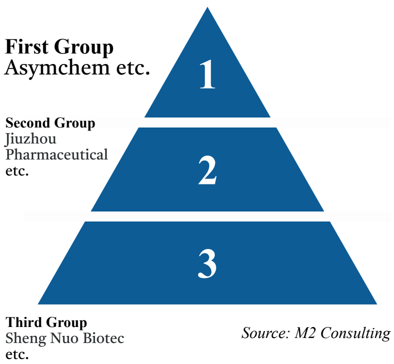
need a long time to substitute the relevant equipment. For a long time, domestic equipment in China still has a huge gap compared with imported equipment. Because of the low-price sensitivity of medicine producers, although domestic equipment has an obvious price comparative advantage compared with imported equipment, the firms are still willing to use imported equipment rather than domestic ones even if this would generate more costs.
Additionally, because of the covid-19 pandemic throughout the world, shipping cost is continuously rising. In the meantime, with overseas covid-19 vaccinations enhancing productivity, domestic CDMO firms are facing problems like supply cycle substantial extension or even out-of-stock. Similarly, the import and export system is also facing more limits, making the supply chain ineffective and factors immobile.

Competitive Poisoning

Part1. competition pattern

The competitive pattern of small molecule CDMO market in China is relatively stable. In terms of echelons, China's small molecule CDMO market can be divided into three echelons. In the field of small molecule CDMO, relevant companies are actively building an integrated service platform from front-end research and development to back-end commercial production, which is expected to continue to promote the growth of small molecule CDMO business.

Hierarchical ranking of CDMO companies in 2021



Source: M2 Consulting

Part2. Competitive edge

a) Technological research and development advantage

As a state-recognized enterprise technology center, the company has taken technology leadership as its development strategy since its inception, and directly entered into the field of global innovative drug process research and development and preparation, committed to seizing the commanding heights of international pharmaceutical technology, to ensure that the company can seize the market opportunities in the wave of development and transfer of pharmaceutical outsourcing industry. In recent years, through the research and development of new technologies with independent intellectual property rights, the company has realized the green business model of low energy consumption, low emission, high efficiency and sustainable and healthy development.

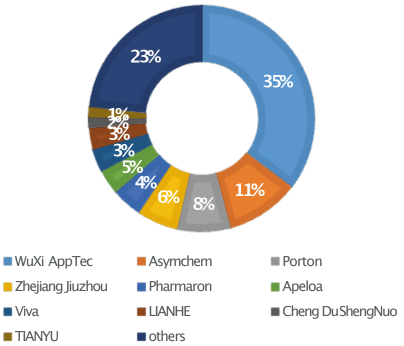
b) Customer resources and project reserve advantages

Through technology marketing, the company has established a marketing network covering the global mainstream pharmaceutical enterprises, and is capable of accepting many blockbusters drug orders at the same time. During the reporting period, the company served 12 out of the world's top 15 multinational pharmaceutical companies. The company was a long-term strategic partner of 2 of them and a preferred supplier of another 5.

c) Elite team advantage

The company has been recognized as a post-doctoral research workstation by the Ministry of Personnel of the People's Republic of China. It has successfully built an elite R&D team and cultivated a large number of outstanding local talents who have the courage to pursue innovation and seek the perfect

Market share of CDMO in China in 2021



Source: Mypath Consulting

combination of scientific research and practice. As of June 30, 2016, the company has 653 R&D and QA personnel, accounting for 37.94% of the total number of employees. Among them, there are 18 authoritative experts and management talents with more than 10 years' working experience in multinational pharmaceutical enterprises, which provide talent guarantee for the company's technical marketing strategy and lay the technical foundation for the company's long-term development.

d) The strategic cooperation framework Agreement was signed with Fosun Pharmaceutical Industry

Announced on November 15, 2018, the Company and Shanghai Fosun Pharmaceutical Industry Development Co., LTD. (a wholly-owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., LTD., as follows Based on the principle of equality, mutual benefit and win-win, the two parties intend to establish a long-term and strategic cooperative relationship, and the two parties signed a strategic cooperation framework agreement on November 15, 2018. The company said that the company and Fosun Pharmaceutical Industry signed a strategic framework cooperation agreement, marking that both sides will begin to use their respective advantages, explore through a variety of ways of cooperation, committed to carry out long-term in-depth strategic cooperation, in the development and optimization of innovative drug process/ prescription, We received full cooperation and support from the other side in bioequivalence research, registration and application, consistency evaluation of generic drug quality and efficacy, and consultation on drug policies and regulations. At the same time, both parties will carry out exploratory cooperation on API, pharmaceutical and clinical modules in advance. The company will make full use of its technical personnel and equipment resources to carry out API, pharmaceutical, clinical and other modules related businesses for Fosun pharmaceutical industry, and Fosun pharmaceutical industry will deal with AP I, pharmaceutical and clinical business needs preferentially choose the company to provide corresponding services, the company can take advantage of this cooperation opportunity, get the other party's priority to recommend partners, is conducive to expand the company's potential customer resources channels, promote the company's continuous growth of performance.

e) The holding subsidiary is certified by FDA

September 11, 2018 announcement, the company's holding subsidiary Asymchem Life Sciences recently received the United States FDA issued a field inspection report, the inspection report confirmed that Asymchem Life Sciences with zero defects successfully passed the United States FDA field quality inspection. According to the inspection report, Asymchem Life Sciences meets the United States cGMP quality standards for pharmaceutical products and has been certified by the United States FDA.

f) The company passed the FDA certification

On March 20, 2019, it was announced that the Company recently received a field inspection report issued by the United States FDA, which confirmed that the Company's HPAPI production facility successfully passed the field quality inspection of the United States FDA with zero defects. According to the inspection report, the company meets the United States cGMP quality standards for drugs and has passed the United States FDA certification.

g) Strategic partnership with Covance

In June 2018, the company signed a strategic cooperation framework agreement with Covance Inc. Both parties agree to jointly provide one-stop service for new drug research and development for both parties under the premise of protecting IP security of customers as agreed in the subsequent master Agreement. The two sides will carry out long-term in-depth cooperation on drug discovery, preclinical research, clinical trials, drug registration, scale production and other aspects. Both parties agree to explore various ways of cooperation starting from customer sharing. In business cooperation, both parties undertake to give priority to the other party's business opportunities under the same conditions; In the face of customers to develop business, can be the two sides of the service package quotation.

Valuation & Financial Analysis

Valuation

1. WACC

The assumptions used to arrive at our 4.77% WACC are provided in the accompanying figure. Data is shown below:

Breakdown	Rate	Methodology
risk-free rate	2.90%	China Yield 10- Year Government Bonds
equity risk premium	7.16%	Excess return of the Rm in China above the risk-free rate
beta	0.26	5Y monthly
cost of euqity	4.76%	CAPM
pre-tax cost of debt	7.61%	interest expense and
tax-rate	25%	incremental statutory tax rate
after-tax cost of debt	5.71%	N/A
wacc	4.77%	calculated using a D/E ratio of 0.88x based on historical data

2. Terminal Growth Rate

We expect the terminal growth rate to stabilize at 2.5% after 2023 based on
(1) projected real GDP growth in mainland China,
(2) a trend that CDMOs are becoming emerging technology leaders.
Taking into account the forecasted surge in the healthcare industry's dominance in the upcoming decades (especially after the pandemic) and Asymchem's promising growth rate, we foresee a notable potential for an upward movement in the terminal growth rate. This could result in a significant appreciation of the stock price, far surpassing our targeted price and possibly reaching unprecedented heights in value.

Financial Analysis

Solid and Steady Revenue Growth

We use DuPont analysis to calculate the return on equity:

*Return on Equity = Net Profit Margin * Asset turnover * Equity Multiplier*

Estimation

Margin

Lonza is a more mature biochemical firm and has a similar structure to Asymchem. We combine the data of Lonza in recent years with the actual situation of Asymchem and make a forecast of the relevant data of Asymchem for the next two years. However, Asymchem is a fast-growing company. With its rapid expansion of CDMO and other related industrial chains, along with the recovery of industries in the post-pandemic era, Asymchem has a strong growing potential. We adjusted Lonza's average growing speed of margin to estimate the margin of Asymchem.

Burden

According to our analysis, the interest and taxes paid by Asymchem were gradually increasing. For example, compared with 2020, the tax paid in 2021 was 14879 yuan more, which increased by 35%, and revenue was 1395397 yuan more, which also increased by 47.7%. In generally ,we believe the burden will decrease at a relatively slow speed in the near future.

Asset turnover

Since different company has different amount of assets, it is unpractical to estimate this number using other company's data. Hence, we use average rate of change, which is 0.08. According to the recent trend of change, we believe the Asset turnover will rise in the near future. Which is consistent with our calculation.

Return on Assets

We use the same method as we used to estimate Asset turnover. The average rate of change for this item is 0.28

Equity multiplier

Since we noticed that the Equity multiplier has been decreasing for last 5 years at an average rate of 0.0202, we assume this multiplier will continue to decrease at this rate.

Return on Equity

Calculate by the DuPont analysis formula.

Ratios	2018	2019	2020	2021	2022	2023	2024
DuPont Analysis							
Gross Margin (%)	45.9	45	46.3	44.3	47.2	49.3	51.5
Operating Margin (%)	25.2	25.4	20.6	21.1	32.9	34.3	35.9
Interest Burden (%)	---	---	85.8	87.3	87.2	87.1	87
Tax Burden (%)	88.2	88.8	88.7	89.6	88.4	87.2	86.1
Net Profit Margin (%)	22.3	22.6	22.9	23.1	32.2	33.6	35.1
Asset turnover (x)	0.5718	0.6456	0.4367	0.3056	0.5608	0.6057	0.6542
Return on Assets (%)	12.7	14.6	10	7	18	23	29.3
Equity multiplier (x)	1.27	1.26	1.21	1.2	1.17	1.14	1.12
Return on Equity (%)	16.2	18.4	12.1	8.5	21.1	23.2	25.7

Source: company data, team Analysis

Discussion

Operating Margin and Gross Margin

Although the Operating Margin and Gross Margin of Asymchem are not in a strong growth trend during the last 5 years, the volatility of these number is small and these number remain at a relative high level comparing to peer companies. (Operating Margin Average 0.18, Gross Margin Average 0.39). This shows that Asymchem has strong profitability comparing to other similar company. Also, the current pharmaceutical industry is in recession, but Asymchem managed to stabilize the company's operation and obtained relative high income. In 2022, the Gross margin increased by 2.9 and Operating margin increased by 11.8. It shows that the profitability of the firm has greatly improved.

Asset turnover

Asymchem's average Asset turnover is significantly higher than the average, which is 0.32. It shows that Asymchem operates more efficiently than the industry. We believe it is because of the high productivity and good cost control.

Return on Asset

Asymchem's average Return on Asset is higher than the average, which is 8.2%. It shows that the asset efficiency is high comparing to the market, which can benefit the long term. Also, since Asymchem has a lot of debt, this high ROA can reduce the risk and enhance the ability to make profit in the future.

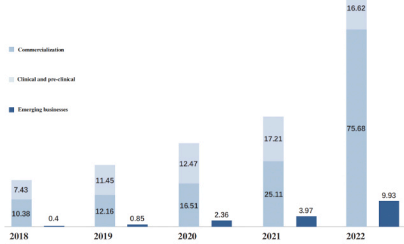
Return on Equity

Asymchem's average Return on Equity is higher than the average, which is 15%. It shows that Asymchem makes higher profit comparing to other similar firms for each dollar from shareholder's equity.

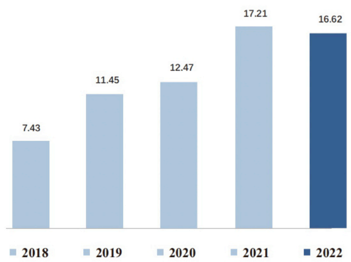
Conclusion

We believe that these relatively optimistic figures and data are largely due to the solid growth of micromolecule business of the firm in 2022. The revenue of small molecule business was RMB 9.25 billion, up 118.3% year on year. The revenue of small molecule clinical CDMO was RMB 1.67 billion, up 19% year on year.

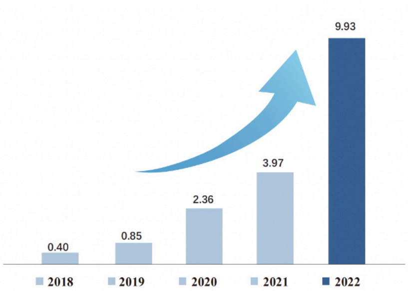
Asymchem is a leading CDMO company in China.Its production capacity and efficiency are still improving, while its business undertaking ability is also increasing dramatically. So we believe the performance of Asymchem still has a large space for improvement.



Revenue of small molecule CDMO business and emerging business segment from 2018 to 2022 (Unit: RMB '00 million)



Change in sales revenue growth of clinical and pre-clinical projects from 2018 to 2022 (Unit: RMB '00 million)



Sales revenue growth of "emerging businesses" from 2018 to 2022 (Unit: RMB '00 million)

Corporate Governance

As the leader of the Chinese CDMO industry, Asymchem sticks to operating the company in a scientifically valid and effective company management system. Following the relevant laws and regulations in mainland China, Hong Kong SAR, and international company operating laws, Asymchem constantly completes the governance structure and methods.

Shareholder Structure

Asymchem issues 370 million shares in total, 27553300 H-shares, 342000000 non-H-shares, and no preference shares. For the shareholders, traditional investment managers take up 24.28% of its shares, personally owned 4.25%, VC/PE-owned 1.08%, hedge funds owned 0.37%, and the banks or investment banks owned 0.13%, and other companies owned 33.37% respectively. For the personal shareholder, the CEO of the company, Hao Hong, is the biggest personal shareholder and owns 3.91% of the entire issued shares.

Staff Management

Asymchem purchases insurance for every company employee and also holds many different kinds of team-building activities to enhance team cohesiveness. Besides, Asymchem also carries out an incentive plan. The plan is divided into two parts: a short period and a long period. For a short period, Asymchem evaluates the employees monthly or quarterly combining the team's business achievement with personal performance. For a long period, Asymchem carries out the incentive plan facing middle and senior management classes, and core professional talents in the specific key field in order to build employees' responsibility to firms and give them chances to share the companies' future development achievements of enterprises. Asymchem has a powerful and complete staff training and management plan. The plan is used to determine and train the leader of the next generation. Once the concrete members are determined, those staff would enter the hands-on role, adjusting the companies' development strategy.

Investment Risk

Market Risks

MR1: Changeable Demand of Medicine

The demand of Medicine is decided by many factors, including spread of dominant virus, climate, public heath policy, etc. During COVID-19 pandemic, the demand of variable medicine suffers for great volatility. The demand will remain unpredictable in the future.

Impact: Medium-High, Probability: Medium

MR2: The market seized by pharmaceutical giants

Some pharmaceutical giants are considering investing in CDMO field. The mature products braught by these giants may seize the market and affect the sale of other companies.

Impact: Medium-High, Probability: Medium

Operating Risks

OR1: Sunk costs in drug development

Development of drugs requires both high creativity and precision. The new drug may not meet expected efficacy and demand, not meet safety standards, or fail to satisfy customers. The cost of developing a failed frug may become sunk cost.

Impact: High, Probability: Medium

OR2: Raw material loss during drug production

High accuracy and stability of composition and proportion of ingredients are required to produce drugs. Machine malfunctions or human errors during the production process may lead to raw material loss. Test procedure also consume raw material.

Impact: Small, Probability: Medium

Financial Risks

FR1: Taxation Risk - Increasing Tax cost increase

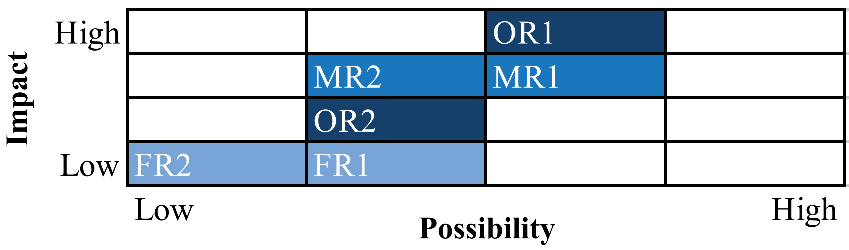
The tax burden of the company remains at a high value. According to our analysis, the tax burden of the company will decrease at a constant rate. However, the tax expense is increasing heavily, which may lead to an increase in production costs. But in stark contrast, the revenue is increasing rapidly, which may reduce the effect of tax.

Impact: Small, Probability: Medium

FR2: Interest Risk - Increasing Interest expense

The interest expense increased heavily. According to the company data, interest expense in 2021 was 365358 RMB, 37 times more than in 2020. We believe this is due to the need of business recovery after pandemic. However, according to our analysis, we believe this situation won't last for a long time. *But there is still a risk of rapidly growing interest expense.*

Impact: Small, Probability: Small



Appendix

Related Free Cash Flow to the Firm（FCFF）（2019-2022）

Year	2019	2020	2021	2022
EBIT	624360	816859	1200278	3735474
Capital Expenditures	510752	1014960	1659738	2150640
FCFF	90116	-445668	-1546588	1136270

Income Statement（2020-2022）

INCOME STATEMENT			
Year	**2020**	**2021**	**2022**
Revenue	3136724	4632121	10230186
Cost of sales	-1683500	-2582396	-5397598
Gross profit	1453224	2049725	4832588
Othe income and gains	119773	173817	653942
Selling and distribution expenses	-84253	-99559	-150190
Administrative expenses	-320599	-494775	-837687
R&D expenses	-258934	-387478	-708891
Impairment losses on financial and contract assets, net	-25751	-22380	-25789
Other expenses	-70583	-15232	-61551
Finance costs	-3728	-7328	-10529
Share of profits/(losses) of associates	2084	-3840	33052
Earnings before tax	811233	1192950	3724945
Income tax expense	-91530	-123694	-430314
Unlevered profit	719703	1069256	3294631
Other Comprehensive Income	0	0	0
Exchange Differences On Translation Of Foreign Operations	-11685	-5132	25690
Other Comprehensive Income Or Loss For The Year, Net Of Tax	-11685	-5132	25690
Total Comprehensive Income For The Year	708018	1064124	3320321

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