**Investment Ideas for Hedge Fund Internship Outreach (APAC)**

**Overview**

This report identifies five APAC‑based equities that are relatively under‑the‑radar but offer quality fundamentals and diversification across technology, manufacturing, renewable power, agricultural inputs and lodging.  Each company’s business model and financial results are summarised using recent (2024–2025) data.  The report also outlines modelling techniques that could be used by hedge funds to analyse and value the stocks.  All financial figures are in the company’s reporting currency unless otherwise specified.

**1. Kakao Corp. (South Korea, 035720.KS)**

* **Business model & growth drivers** – Kakao operates an ecosystem around its messaging app KakaoTalk.  The company generates revenue through platform services (KakaoTalk advertising, commerce and mobility), content (webtoons via Kakao Piccoma and Kakao Entertainment, music streaming via Melon), gaming (Kakao Games), and fintech services (Kakao Pay and Kakao Bank).  The platform business benefits from network effects, while the content and fintech businesses offer high growth and optionality.
* **Recent financial performance** – Kakao’s consolidated income statement for Q2 2025 shows revenue of **KRW 2.028 trillion** in 2Q25 compared with **KRW 1.864 trillion** in 1Q25, and operating profit of **KRW 291.3 billion** in Q2 (up 14.6 % YoY) .  Net profit in Q2 2025 was **KRW 372 billion**, more than double the prior‑year quarter .  The balance sheet shows total assets of **KRW 26.56 trillion** and total liabilities of **KRW 11.97 trillion** .
* **Key metrics** – Despite record revenue, Kakao’s return on equity remains modest (≈6.7 %) and the stock traded at ~24× forward earnings in mid‑2025 .  Earnings growth is forecast at about **28 % p.a.** .  Insider ownership (c. 13.8 %) suggests management alignment .

**Modelling considerations**

1. **Sum‑of‑the‑parts (SOTP) valuation** – Given Kakao’s diversified segments (messaging, content, gaming, fintech), an SOTP approach can be used.  Forecast each segment’s revenue growth (e.g., high‑20 % for fintech and content, mid‑single digits for the mature messaging platform), estimate operating margins, and discount cash flows at segment‑specific WACCs.  Compare implied valuations to listed peers (Naver, Tencent Music, Kakao Bank) to cross‑check multiples.
2. **Network‑effect and platform user modelling** – Use logistic growth or ARIMA models on monthly active users to forecast adoption of KakaoTalk and the monetisation per user.  Machine‑learning models (e.g., gradient boosting) can incorporate macro variables (smartphone penetration, ad spend) to predict revenue per user.
3. **Scenario analysis for AI integration** – Kakao is investing in AI‑powered recommender engines and generative AI for its platform.  Build optimistic, base and pessimistic scenarios for incremental revenue from AI‑driven advertising and personalised content.  Stress test valuations by varying user engagement and capital expenditure assumptions.
4. **Relative valuation** – Compare Kakao’s P/E, EV/EBITDA and price‑to‑sales ratios with comparable Asian internet companies (e.g., Sea Ltd., Naver, Tencent) to benchmark investor expectations.  Adjust for differences in profitability, growth and regulatory risk.

**2. Olympic Circuit Technology Co. Ltd (China, 603920.SS)**

* **Business model & growth drivers** – Olympic Circuit produces high‑end rigid printed circuit boards (PCBs) used in data centres, automotive electronics and renewable‑energy equipment.  Demand is driven by high‑performance computing (HPC), AI servers and electric vehicles.  The company focuses on complex multi‑layer boards and has recently expanded into substrate‑like PCBs.
* **Recent financial performance** – Reuters’ annual income statement shows that Olympic Circuit’s revenue grew from **CNY 4.43 billion in 2022** to **CNY 5.02 billion in 2024** .  Gross profit increased to **CNY 1.14 billion** in 2024  and operating income reached **CNY 762 million** .  Net income after tax was **CNY 638 million** in 2024 versus **CNY 402 million** in 2022 .  Diluted EPS rose to **CNY 1.11**  and the dividend per share increased to **CNY 0.60** .
* **Key metrics** – The stock trades at roughly 35× forward earnings with a 1.4 % dividend yield .  Revenue growth averaged about **6 % p.a.** over 2022–2024 , but half‑year 2025 results (not publicly available here) show accelerating growth with net income up ~25 % YoY .  Olympic Circuit has relatively low leverage (debt‑to‑equity ≈5.6 %) .

**Modelling considerations**

1. **Capacity‑utilisation DCF model** – Build a model linking capital expenditure to PCB manufacturing capacity (square metres).  Forecast utilisation rates based on AI‑server and EV demand growth, then derive revenue via average selling price (ASP) trends.  This helps estimate free cash flow and terminal value.
2. **Commodity sensitivity analysis** – PCB margins depend on copper and laminate costs.  Use historical regression to estimate margin sensitivity to copper prices and incorporate into Monte‑Carlo simulations to assess earnings volatility.
3. **Peer multiple comparison** – Benchmark Olympic’s P/E, EV/EBITDA and P/B multiples against domestic peers like Shenzhen Kotec, Wus Printed Circuit and international PCB makers (e.g., TTM Technologies).  Adjust for growth, ROE and capital intensity.
4. **Factor‑based statistical arbitrage** – For a hedge fund, Olympic Circuit could be used in long/short strategies within Asian electronic‑hardware equities.  Construct factors such as momentum, quality (ROE), and value to identify mis‑pricing relative to peers.

**3. Concord New Energy Group Ltd (Hong Kong/China, 0182.HK)**

* **Business model & growth drivers** – Concord New Energy (CNE) develops, owns and operates wind and solar power plants in China and abroad.  It also engages in green‑power trading, energy storage and carbon‑credit sales.  Growth is driven by capacity additions, increasing utilisation hours and participation in green electricity trading markets.
* **Recent financial performance** – The company’s 2024 annual results (released Feb 2025) recorded revenue of **RMB 2.75 billion**, a **6.3 %** increase year‑on‑year .  Subsidiary‑owned power generation net profit was **RMB 798 million** and profit attributable to shareholders was **RMB 805 million** .  Financing costs fell to **3.98 %**, with new loans at 3.43 % .  In 2024 the company secured **1.4 GW** of new wind and solar projects, increasing attributable installed capacity to **4.615 GW** and power generation to **8.645 GWh** .  The board proposed a final dividend of **HK$0.035 per share** .
* **Interim 2025 results** – CNE’s interim results (Aug 2025) reported first‑half 2025 revenue of **RMB 1.4 billion** and profit attributable to equity holders of **RMB 282 million**, with a net profit margin of **20 %** .  Installed capacity reached **4,778 MW** (3,844 MW wind and 934 MW solar), and the company recorded **1,142** utilisation hours for wind and **531** hours for solar .

**Modelling considerations**

1. **Project‑level discounted cash flow (DCF)** – Model each wind/solar farm separately using assumptions for capacity factor, power tariff (benchmark price and market‑trading discount), operating costs, and asset life.  Incorporate carbon credit revenue and green certificate sales.  Sum up project cash flows to value existing assets and add growth projects based on pipeline (e.g., 1.4 GW secured projects) with appropriate probability of completion.
2. **Cost of capital and leverage** – CNE’s low financing cost (≈3.98 %) and declining leverage should lower the WACC.  Sensitivity analysis around interest rates and tariff reforms can illustrate value impact.
3. **Scenario analysis on utilisation hours** – Utilisation hours drive revenue; use historical volatility and meteorological data to run Monte‑Carlo simulations for wind speeds and solar irradiance.  Stress test valuations under low‑wind scenarios and regulatory curtailment.
4. **Comparative valuation** – Compare EV/EBITDA and price‑to‑book multiples with peers such as China Longyuan, Huaneng Renewables and regional renewable IPPs.  Consider market premiums for companies with larger trading volumes of green power and higher project pipelines.

**4. Sinofert Holdings Ltd (Hong Kong/China, 0297.HK)**

* **Business model & growth drivers** – Sinofert is China’s largest fertiliser producer and distributor, with “Basic” and “Growth” segments.  The Basic business imports and distributes nitrogen, phosphate and potash fertilisers, while the Growth business focuses on higher‑margin speciality fertilisers under its “Bio+” strategy, including biological and carbon‑one products.  Growth drivers include improved agronomic demand, product innovation and carbon‑reduction initiatives.
* **Recent financial performance** – The company’s interim results for H1 2024 show revenue of **RMB 13.68 billion**, up 4.2 % YoY .  Profit attributable to owners was **RMB 1.051 billion**, up 4.68 % YoY , giving a net margin of about 7.7 %.  Segment revenue for the Growth business reached **RMB 5.56 billion**, rising 5 % YoY, while the Basic business produced revenue of **RMB 6.878 billion** .  The report notes that the Growth segment’s profit before tax increased 27 % YoY .
* **Q1 2025 update** – A TipRanks report summarises that Sinofert’s Q1 2025 turnover was **RMB 7.167 billion** and net profit **RMB 519 million**, **4 %** higher than Q1 2024 .  Management credited its ‘Bio+’ transformation for improving sales volume and gross margins .

**Modelling considerations**

1. **Commodity‑cycle regression model** – Fertiliser demand and pricing depend on crop prices, raw‑material costs (sulphur, potash) and government subsidies.  Use multivariate regression or vector autoregression (VAR) to model the relationship between Sinofert’s revenue and commodity price indices.  This can inform revenue forecasts under different commodity‑cycle scenarios.
2. **Growth vs. basic segment analysis** – Build a two‑segment DCF model.  For the Growth segment, assume higher margin and faster revenue growth (~5–10 % pa) due to speciality and biological fertilisers.  For the Basic segment, assume modest growth and margin compression.  Include capex for product development and working‑capital requirements.
3. **Dividend discount and capital allocation** – Sinofert announced a special dividend of HK$0.0246 per share in July 2025 .  Model the sustainability of dividends by forecasting free cash flow, considering capital expenditure on “Bio+” research and carbon‑one chemicals.
4. **Relative valuation and factor investing** – Compare Sinofert’s P/E (≈8.8×) and P/B ratios with global fertiliser peers (e.g., Nutrien, Mosaic).  Use factor models (quality, value, low volatility) to determine whether the stock could be part of a long/short agriculture basket.

**5. Far East Orchard Ltd (Singapore, O10.SI)**

* **Business model & growth drivers** – Far East Orchard (FEO) is a lodging and real‑estate developer.  It operates hotels through its Far East Hospitality arm, manages purpose‑built student accommodation (PBSA) in the UK (Homes for Students, HFS), and owns investment properties.  Growth comes from lodging expansion in Asia and Europe and the development of PBSA projects.
* **Recent financial performance** – FEO’s press release for the half‑year ended 30 Jun 2025 shows revenue of **S$91.3 million**, down 6.1 % YoY .  Operating profit declined to **S$30.9 million** , and profit after tax was **S$18.0 million**, 8.3 % lower than 1H FY2024 .  However, profit attributable to equity holders rose 7.5 % to **S$19.6 million** because of a **S$9.1 million one‑off gain** from acquiring additional interest in the Woods Square project .  Without this one‑off gain, profit after tax would have been **S$8.9 million** .
* **Operational updates** – The hospitality segment suffered from refurbishment at the Rendezvous Hotel Perth Scarborough and a cyber‑security incident affecting joint ventures .  The PBSA business remained resilient, aided by the acquisition of HFS and rental growth .  FEO continues to expand its lodging portfolio, opening two hotels in Osaka in 2025 and planning new hotels in Sydney, Vienna and the UK .  Its hospitality portfolio exceeds **17,500 rooms**, with ~500 more in the pipeline .  Five‑year financial highlights show total revenue of **S$191.9 million** and profit attributable to equity holders of **S$58.97 million** in FY2024 .

**Modelling considerations**

1. **Net asset value (NAV) model** – For a property/hospitality company, NAV is critical.  Estimate fair values of investment properties and PBSA assets (using cap rates and cash flow yield) and add value of operating hotels based on EBITDA multiples.  Subtract net debt to derive NAV per share and compare to market price to gauge discount/premium.
2. **Segment DCF with scenario analysis** – Build separate cash‑flow forecasts for hospitality, PBSA and property development.  Incorporate assumptions on room occupancy, average daily rates (ADR), refurbishment capex and pipeline timing.  Scenario analysis can test the impact of slower tourism recovery or delays in PBSA developments.
3. **Event‑driven modelling** – FEO often undertakes asset acquisitions and disposals (e.g., selling hotels and reinvesting in PBSA).  Model incremental returns from new projects, including the one‑off gain from Woods Square, and consider the effect of periodic special dividends.
4. **Relative valuation** – Compare FEO’s P/E (≈9.8×) and P/B (≈0.4×) to regional lodging REITs and developers.  Consider using a blended approach of earnings multiples and dividend yield to assess relative attractiveness.

**Conclusion**

These five APAC companies offer differentiated investment exposures suitable for an internship pitch to hedge‑fund managers.  Their financials demonstrate growth (Kakao, Olympic Circuit, Concord New Energy), resilience during cyclical downturns (Sinofert) and asset diversification (Far East Orchard).  By applying a mix of discounted cash‑flow models, relative valuation techniques, factor‑based screening and scenario analysis, a hedge fund could evaluate the attractiveness of each stock, build long/short positions and manage risk.  Presenting these ideas will showcase proficiency in quantitative finance, corporate analysis and modelling.