

CB3410

Financial Management

Group Project

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PART 1

Note - Images for Part 1 have been attached in the appendix at the end

Semiconductor industry

Return on assets:

The TSMC ROA index showed positive dynamics for five years. It increased by 7.53% from 2018, reaching 23.39% (the highest on record) in 2022. On the other hand, AMD ROA recorded higher values in 2020 (33.22%) and 2021 (29.58%). It later fell to 3.30%, the five-year average. TSMC continues to outperform AMD and shows a stable and upward trend. This ensures sustainable profitability and more efficient use of assets. ROA shows higher volatility and lower values in the presence of AMD.

Return on Equity:

TSMC's Return on Equity (ROE) is constantly growing during the five year period. As we see, it was 21.95% in the beginning and sharply increased in two years to 29.84%, and two years later rose to 39.76%. Meanwhile, AMD's ROE is extremely volatile. It fluctuated between 57.48% and 4.24%. We could say that AMD has higher return on equity, but it is more risky.

Gross profit margin ratio:

TSMC GPM ratio values range from 46.05% to 59.56%. IT shows that it can continue to generate profits through sales revenue, and this ratio can be considered healthy. In addition, AMD's GPM ratio is at a low level, gradually increasing from 37.79% in 2018 to 48.25% in 2021. In the following year, it decreased by 3.32%. Overall, TSMC's GPM ratio is higher, reflecting effective cost management and strong pricing position. Therefore, most sales remain as gross margin (a good opportunity to profit from sales).

EBITDA margin ratio:

The results showed that TSMC had higher EBITDA margin ratios than AMD during the period under review. Overall, the index shows an upward trend and peaks in 2022 (68.84%). The same trend is seen in AMD. The values range from 9.59% to 25.11%. This significant difference shows that TSMC was better off generating profits from its business before taking into account depreciation, taxes, interest and amortization expenses. However, both reports are considered healthy.

Net profit margin ratio:

TSMC's NIM ratio has fluctuated between 32.28% and 38.67% over four years, reaching a peak of 44.90% in 2022. AMD's NIM ratio increased significantly to 25.50% in 2020, but fell back almost to its original value (5.59%) in 2022. TSMC has consistently shown improved net profit margins, a sign of profitability and effective cost management.

Dividend Payout Ratio:

TSMC redistributes a significant portion of its net income in the form of dividends to attract investors. The dividend payout ratio was high for four years as it was mostly near 50% and reached a maximum 71.35%, but in the end it fell to 28%. In comparison, AMD gives zero dividends, which indicates that the company is fully focusing on sustainable growth. .

Sustainable Growth Rate:

Sustainable Growth Rate (SGR) is connected positively with ROE and negatively with dividend payout. For this reason, TSMC's SGR shows a positive trend over a five-year period from less than 10% up to around 30%, while AMD has a volatile trend from 36.2% to 57.48% and then falling to 4.24%. However, mainly AMD has much higher rates than TSMC, except last year when AMD's return became really low. Overall, AMD concentrates all its return to growth, but TSMC has a potential if it continues to focus on SGR.

Degree of leverage:

TSMC's Total Debt / Total Assets (TD/TA) and Long-term Debt / Total Assets (LD/TA) are increasing within the period, from 8.64% and 2.72% to 17.94% and 17.50%, respectively. Moreover, its EBIT/Cash Interest Paid ratio was high, mostly higher than 100, except last year when it was 91.77. On the other hand, AMD's TD/TA and LD/TA are declining over the period. They started at maximum points 27.44% and 24.45%, and sharply decreased until the end of period to 4.37% and 4.24%, respectively. Meanwhile, its EBIT / Cash Interest Paid ratio is jumping from 5.71 to 145.92, but plummeted 14.87 in the last year of the period. Overall, in the semiconductor sector TSMC has a good degree of leverage now than AMD, as it is gaining more loans and paying them easily. Both of the companies are showing creditworthiness.

Property Sector

Return on assets:

Accounting for 2.585 in 2018, the index of CGH's ROA gradually decreased for the next five years, and reached its minimum at -0.33% in 2022, indicating a negative profitability situation. As for SHKP, the ROA value also demonstrated a downward trend. In 2018, it was 7.40% and decreased by 4.21% at the end of the period. Over the period of five years, SHKP showed a comparatively stable and positive ROA, whereas CGH had a falling trend that suggested possible issues with asset efficiency and profitability. These results imply that SHKP might be more profitable than CGH and that it might use its assets more effectively.

Return on Equity:

The ROE of Country Garden Holdings Co Ltd is declining over time. In the first year, it was at its highest point 32.2% and dramatically decreased each year until bottomed out in the end at -3.01% . Sun Hung Kai Properties Ltd is also experiencing a little fall from 9.63% to around 4% and remained at this level for the last few years.

Gross Profit Margin ratio:

The highest GPM ratio value (27.03%) for CGH was recorded in 2018. In subsequent years, it only decreased and the final index was equal to 7.64%. SHKP's GPM ratio values ranged between 48.91% and 52.57%. Effective cost management and pricing strategies can be observed from this stability. On the other hand, analysis suggests possible challenges in controlling costs and marinating profitability for CGH. Hence, we can see that only SHKP's ratio is healthy.

EBITDA Margin ratio:

The CGH's EBITDA margin ratio values showed a downward trend throughout the whole period. Amounting to 20.59%, it sharply declined to 2.02% in 2022. In contrast, SHKP's performance was relatively stable, ranging from 42.85% to 62.21%, however, the indicator also went down. This suggests

that SHKP had greater control over its operating costs and was able to generate higher earnings before accounting for interest, taxes, depreciation, and amortization expenses. SHKP's EBITDA margin ratio can be considered healthy, where CGH's one is low.

Net Income Margin ratio:

Having the highest record in 2018 (9.13%), the CGH's NIM ratio value experienced an ongoing decline until 2022 (-1.41%: loss-making situation). Meanwhile, a downward trend was also observed for SHKP, but, overall, indicators were higher. The range was between 28.66% and 58.32%, indicating consistent profitability.

Dividend payout ratio:

Both of the companies are generous with dividends. Country Garden Holdings Co Ltd's dividend payout ratio is around 25-30%, except the last year, when it's absent since they have negative return. Meanwhile Sun Hung Kai Properties Ltd is multiplying its payout ratio for 2 times from 25-30% to nearly 55-60%. That growth could be explained by attracting investors as ROE and ROA are decreasing.

Sustainable growth rate:

Sustainable growth rate is declining in property sector companies. Although Sun Hung Kai Properties Ltd has really low SGR in comparison with Country Garden Holdings Co Ltd. The first company's growth rate is around 1-2% for the last few years, while the second's growth rate is slightly lowering from 22% to 10.5% during the five-year period.

Degree of leverage:

Total Debt / Total Assets (TD/TA) of SHKP is increasing steadily from 12.78% to 15.89%, and its component Long-term Debt / Total Assets (LD/TA) is also increasing gradually from 11.01% to 14.79%. In contrast, CGH's TD/TA and LD/TA are decreasing from 20.16% and 12.42% to 15.58% and 10.20%, respectively. Both of the companies are experiencing a downfall in EBIT / Cash Interest Paid ratio, where SHKP' dropped from 21.97 to 5.97 and CGH declined from 4.26 to 0.38. This indicates that they are experiencing difficulties to pay interest payments since there is a crisis in the property sector.

(iii)

Other factors affecting buy and Sell Decision

Semiconductor industry for and against factors:

Table for TSMC

For	Against
<p>Demand for Semiconductor chips has been rising and a lot of giant companies such as Apple, Nvidia, AMD, and Intel directly depend on TSMC services. This can contribute to an increase in exports and an increase in earnings.</p> <p>There is infinite support from the Taiwan</p>	<p>The supply chain for semiconductors might be affected due to the rising geopolitical tensions between the U.S and China. Any new policies affecting the supply chain which is highly interdependent on a number of different countries, could have a potential effect on TSMC's stock price.</p>

government to TSMC. As Taiwan has become globally competitive only in this field, all industrial policies and regulations are tilted towards TSMC to provide further progress, contributing to overall economic output, employment.	
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Table for AMD

For	Against
<p>Trend of AI growth led to an increase in the production of chips, where AMD has a crucial role. According to New Street Research, the semiconductor company controls a major share of the chips used in A.I. today (June 2023). With new A.I technologies coming up, the demand is on the upward.</p> <p>AMD also has a lot of potential in the gaming and cloud computing markets. Amazon is testing its chips for AWS, while Sony and Microsoft are using chips for video-game consoles. In addition the U.S policies in the Chips and Science Act provide additional subsidies to American semiconductor companies. AMD shall benefit significantly from its, leading to greater profits.</p>	<p>New US policies restrict companies to sell components related to production of chips to China and its neighbors, which may decrease revenue for AMD in the near future. China is one of the biggest consumers of semiconductors and any change in policy which limits exports to China shall have a negative effect on the revenues.</p> <p>While considering investing we also take into account the competitors, and AMD faces a tough competitor as NVIDIA. NVIDIA has been one of the clear winners of the A.I. revolution and presently edges out AMD.</p>

Property Sector for and against factors:

Table for Country Garden Holdings

For	Against
<p>China has put in place many policies to prevent the real estate developers, and if the policies work, we can make huge profits in the future, if stock rises to its previous value.</p> <p>China has huge foreign reserves in addition to its well supervised and regulated central banking system, which allows for adequate implementation of policies, and thus the chances if a turnaround in the stock prices is good.</p> <p>The real estate sector is a huge part of China</p>	<p>Profitability and Return ratios have negative outlook, and real estate in general has negative outlook and many foreign investors have withdrawn their investments, many of whom include large institutions.</p> <p>Because of the defaults, the sentiment surrounding real estate companies shall be negative for a while, which shall act as an additional barrier for the possibility of a stock price rise again.</p>

GDP and alot of other sectors are dependent on it, thus the Chinese government shall try every trick in its armor to save the system.

Table for Sun Hang Kui Properties

For	Against
<p>Historically, Hong Kong has been seen as a strong real estate sector, with property prices going up over the years because of limited supply, and high demand.</p> <p>In addition the overall economy in Hong Kong has traditionally been strong, thus even though more recently the market has not been performing well, there are good historic reasons to believe that a turnaround shall happen.</p>	<p>SHK is listed in Hong Kong, and Hong Kong stock and as well a IPO market has not been performing well for a while now, inducing a negative sentiment for the market overall. This negative sentiment has an effect on major listed companies including SHK.</p> <p>The defaults by Chinese real estate developers could have its chain effects on Hong Kong real estate developers as well, leading to loss of investments from both mainland and foreign investors, bringing down the stock price.</p>

PART 2

Semiconductors are the building blocks of the digital age. They have revolutionized the way people look at different aspects of living and they serve as the vital infrastructure connecting people, devices and data. Countries especially major economic players, have been quick to realize its importance and have invested heavily in semiconductor technology, firstly for their national security initiatives. With major geopolitical tensions across the world in the past few decades, the military expenditure by countries has been on the rise and these chips play a massive role in the technological modernization for the military. They are vital in the development of weapon systems and guidance technologies including missile and radar systems; as well as portable and highly functional military equipment including surveillance systems and drones. In addition, these chips play a pivotal role in powering systems that ensure security and encryption for military operations, which is paramount.

The market size of semiconductors in the military space is on the rise and is expected to continue growing over the next few years. The rise of artificial intelligence adds on to the importance of semiconductors. The semiconductor chips are essential to creation as well as application of artificial intelligence systems. Artificial Intelligence has huge potential to be used both in daily life as well as the military, bringing in growing demand for these chips.

For developed as well as developing countries, sectors including computing, energy, automobile and automation among others provide major growth opportunities, and the technology used in all these different sectors is backed by the power of semiconductor chips. Computational resources are heavily used in different sectors, and these semiconductor chips back the microprocessor as well as memory technologies. Automotive and healthcare technologies are also backed by these chips. In addition, the global shift towards renewable forms of energy has also contributed to the reliance on chips, as solar cells and various kinds of power management systems utilize semiconductor technology.

These diverse range of applications across multiple sectors make semiconductors a backbone for a country's economic growth and progress. Thus, the demand for these chips has been steadily rising due to their indispensable role in powering critical technologies and driving innovation.

As the demand for semiconductors has grown, companies manufacturing semiconductors have synonymously grown in value, which compete in producing cheaper and faster chips for essential technology. One prominent player in the industry is the American multinational, NVIDIA Corp.. The company specializes in building Graphic Processing unit (GPU) chips that go on to power data centers and AI systems. By market capitalization it is by far the largest semiconductor company and has emerged as the major beneficiary of the A.I.

revolution. Its success can be attributed to early recognition of the importance of Artificial Intelligence and tailoring its chips to suit A.I. technology. In recent times the stock price of NVIDIA Corp. has skyrocketed, experiencing an increase of over three times in 2023 alone.

Taiwan, on the other hand also plays a crucial role in the semiconductor space and one of its companies, Taiwan Semiconductor Manufacturing Company (TSMC) is the second largest Semiconductor Manufacturer by market capitalization. It specializes in building semiconductor chips for clients across the globe and many companies outsource its semiconductor production to TSMC. The company has established itself as one of the most successful companies in the industry and earns a significant portion of its revenue from its partnership with Apple.

The demand for semiconductor technology has also brought in a number of different players apart from TSMC and NVIDIA, many of whom have turned out to be extremely successful including Micron Technology and Intel Corp..

While the demand for semiconductors has been on the upside, its production is a cause of worry because of the complex global process it is. Several key countries and regions are involved in the trade including eastern Asian countries like Taiwan, South Korea and major economic players like the US and China. The semiconductor supply chain involves several steps including research, design, manufacturing and finally application in assembly lines. The supply chain is geographically concentrated and all the different steps are performed in different key locations which make the supply chain highly interdependent. The supply of raw material and equipment comes mostly from the US, Europe and Japan, while Taiwan and South Korea are responsible for production of most of the Semiconductors. China plays a key role in the process once the manufacturing is over, the country integrates the chips into final appliances, which are then shipped to the rest of the world.

Because of high interdependency within the supply chain, it is highly vulnerable and recent geopolitical challenges especially between China and USA have potential to pose challenges to it. Chips are at the center of the tech rivalry between US and China and the supply chain was also affected during the Covid crises which led to a global shortage in Semiconductor supply.

Due to the vulnerability of the supply chain, the recent shortage as well as potential geopolitical problems, countries like China and USA are preparing in advance to become self-reliant and counter any major shortage posed by potential geopolitical challenges. The US has put forward several policies through the CHIPS and Science Act in 2022. The United States has taken harsh steps and also restricted high end semiconductor chip imports to China from the USA and its allies. The US government in order to become self-sufficient has set up subsidies to encourage companies to expand production of chips on US soil. In addition, the Act also seeks to boost public investment in the semiconductor space, to help the US to emerge as a leading power in this arena. The Chinese government, on the other hand, is also investing heavily in the domestic semiconductor industry, and aims to be self-sufficient by 2025, with its "Made in China 2025" plan. The country similar to the US has also put in place various export controls to prevent competitors getting access to key technologies. In addition, companies in

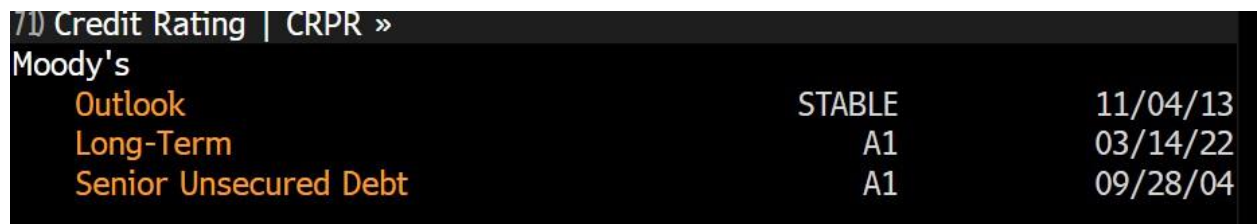
China are trying to acquire foreign technology through mergers/acquisitions/partnerships. Semiconductors are crucial for China's economy and military and the government is placing high importance on them. Even though the US had put in place tough policies to prevent China from getting access to key technologies, the recent Chip breakthrough by Huawei with the launch of its new 5G smartphone is a major feat for the Chinese side.

Semiconductors are the oil of today's time, powering everything digital. While countries like China and the US have already put in place policies recognising the importance of availability and a secure supply chain, it is high time for other economies to take similar action, and to prevent themselves from potential drawbacks arising from supply chain or geopolitical challenges.

Part 3:

The issue date of the bond is 21 January 2020, and the bond ratings for the bond is A1 by Moody's

A screenshot of bond ratings has been attached below:



Moody's		
Outlook	STABLE	11/04/13
Long-Term	A1	03/14/22
Senior Unsecured Debt	A1	09/28/04

No for this bond there shall be no gradual repayment of the principal, rather all the payment shall be repaid together at maturity.

Yes the bond is selling below par for now, because yield to maturity of the bond is higher than the coupon rate. The yield to maturity is 5.64% whereas coupon rate is 2.875%, thus the bond prices fall. In addition other factors might have contributed to the fall in price, which includes rate hikes by the Federal Reserve in the U.S., which has caused lenders to ask for higher interest rates.

In addition, the real estate market has faced a lot of challenges in China wherein many developers have defaulted on their payments. This has brought down their credit ratings and since the Hong Kong market is interdependent on China, the investors sentiment seems to

change in Hong Kong as well leading to higher rates on bonds, and thereby lead to falling bond prices.

For Country Gardens, Moody's had downgraded its rating to Ca from Caa1 in October 2023. Country gardens is having liquidity crises and its debt rating was downgraded as the rating agency estimated that the company doesn't have enough cash resources for its upcoming offshore bond maturity. In October it was reported that Country Gardens had already defaulted on its bond payments, thus bringing in the negative sentiment from investors and a bad debt rating. In comparison, Sun Hung Kai Properties Ltd. has a much better debt rating and thus shall be trusted more by investors because of its A1 rating.

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Appendix:

	A	C	D	E	F	G
1						
2	Taiwan Semiconductor Manufacturing Co Ltd (2330 TT) - Profitability					
3						
4	In Millions of USD except Per Share	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
5	12 Months Ending	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
6	Returns					
7	Return on Common Equity	21.95	20.94	29.84	29.69	39.76
8	Return on Assets	17.20	15.86	20.61	18.39	23.39
9	Return on Capital	19.69	18.96	25.77	23.39	30.31
10	Return on Invested Capital	18.62	17.82	24.62	22.56	29.13
11						
12	Margins					
13	Gross Margin	48.27	46.05	53.10	51.63	59.56
14	EBITDA Margin	65.55	61.64	67.09	67.55	68.84
15	Operating Margin	37.19	34.83	42.32	40.94	49.53
16	Incremental Operating Margin	—	—	72.06	33.48	69.69
17	Pretax Margin	38.54	36.43	43.66	41.77	50.54
18	Income before XO Margin	34.05	32.28	38.69	37.61	44.92
19	Net Income Margin	34.04	32.27	38.67	37.58	44.90
20	Net Income to Common Margin	34.04	32.27	38.67	37.58	44.90
21						
22	Additional					
23	Effective Tax Rate	11.65	11.42	11.39	9.96	11.12
24	Dvd Payout Ratio	59.08	71.35	50.07	47.81	28.06
25	Sustainable Growth Rate	8.98	6.00	14.90	15.50	28.60
26	Source: Bloomberg					
27						



	A	C	D	E	F	G
1						
2	Taiwan Semiconductor Manufacturing Co Ltd (2330 TT) - Credit					
3	-					
4	In Millions of USD except Per Share	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
5	12 Months Ending	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
6	IFRS 16/ASC 842 Adoption	No	Yes	Yes	Yes	Yes
7						
8	Total Debt	5,898.9	6,443.8	13,156.6	27,311.1	28,987.2
9	Short-Term Debt	4,039.9	5,101.7	3,309.9	4,396.3	713.2
10	Long Term Debt	1,859.0	1,342.0	9,846.7	22,914.8	28,274.0
11						
12	Total Debt/T12M EBITDA	0.27	0.29	0.41	0.70	0.57
13	Net Debt/EBITDA	-0.76	-0.59	-0.47	-0.40	-0.43
14						
15	Total Debt/EBIT	0.47	0.52	0.65	1.16	0.79
16	Net Debt/EBIT	-1.34	-1.05	-0.74	-0.67	-0.60
17						
18	EBITDA to Interest Expense	221.61	202.90	431.66	198.04	132.64
19	EBITDA-CapEx/Interest Expense	118.18	61.27	185.71	42.82	33.01
20	EBIT to Interest Expense	125.73	114.65	272.28	120.02	95.43
21						
22	EBITDA/Cash Interest Paid	209.12	183.36	504.45	279.69	127.55
23	EBITDA-CapEx/Cash Interest Paid	111.52	55.37	217.02	60.47	38.94
24	EBIT/Cash Interest Paid	118.65	103.61	318.20	169.51	91.77
25						
26	Cash Interest Paid	107.3	116.4	60.5	137.3	410.1
27	Interest Expense	101.3	105.2	70.7	193.8	394.4
28						
29	Common Equity/Total Assets	80.23	71.59	67.00	58.20	59.33
30	Long-Term Debt/Equity	3.39	2.47	14.95	29.21	29.35
31	Long-Term Debt/Capital	3.06	2.21	12.46	21.67	22.56
32	Long-Term Debt/Total Assets	2.72	1.77	10.02	17.02	17.50
33						
34	Total Debt/Equity	10.76	11.88	19.97	34.82	30.09
35	Total Debt/Capital	9.72	10.62	16.65	25.83	23.13
36	Total Debt/Total Assets	8.64	8.51	13.39	20.29	17.94
37						
38	Net Debt/Equity	-30.67	-24.07	-22.67	-19.92	-22.62
39	Net Debt/Capital	-44.24	-31.71	-29.32	-24.88	-29.23
40						
41	EBITDA	22,441.8	21,350.4	30,516.2	38,389.4	52,310.8
42	EBITDA-CapEx	11,967.8	6,446.8	13,128.7	8,300.4	15,971.6
43	EBIT	12,732.3	12,064.1	19,249.3	23,266.2	37,634.7
44	Source: Bloomberg					
45						

	A	C	D	E	F	G
1						
2	Advanced Micro Devices Inc (AMD US) - Profitability					
3						
4	In Millions of USD except Per Share	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
5	12 Months Ending	12/29/2018	12/28/2019	12/26/2020	12/25/2021	12/31/2022
6	Returns					
7	Return on Common Equity	36.20	16.66	57.48	47.43	4.24
8	Return on Assets	8.31	6.44	33.22	29.58	3.30
9	Return on Capital	19.20	14.07	50.73	43.60	4.21
10	Return on Invested Capital	19.96	19.10	58.82	50.36	4.14
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12	Margins					
13	Gross Margin	37.79	42.61	44.53	48.25	44.93
14	EBITDA Margin	9.59	13.50	17.82	25.11	23.54
15	Operating Margin	6.97	9.37	14.02	22.20	5.36
16	Incremental Operating Margin	26.51	70.31	24.34	34.16	—
17	Pretax Margin	5.10	5.53	13.06	22.33	5.02
18	Income before XO Margin	5.20	5.07	25.50	19.24	5.59
19	Net Income Margin	5.20	5.07	25.50	19.24	5.59
20	Net Income to Common Margin	5.20	5.07	25.50	19.24	5.59
21						
22	Additional					
23	Effective Tax Rate	—	8.33	—	13.98	—
24	Dvd Payout Ratio	0.00	0.00	0.00	0.00	0.00
25	Sustainable Growth Rate	36.20	16.66	57.48	47.43	4.24
26	Source: Bloomberg					
27						



	A	C	D	E	F	G
1						
2	Advanced Micro Devices Inc (AMD US) - Credit					
3						
4	In Millions of USD except Per Share	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
5	12 Months Ending	12/29/2018	12/28/2019	12/26/2020	12/25/2021	12/31/2022
6	IFRS 16/ASC 842 Adoption	No	Yes	Yes	Yes	Yes
7						
8	Total Debt	1,250.0	728.0	572.0	732.0	2,956.0
9	Short-Term Debt	136.0	43.0	41.0	383.0	93.0
10	Long Term Debt	1,114.0	685.0	531.0	349.0	2,863.0
11						
12	Total Debt/T12M EBITDA	2.01	0.80	0.33	0.18	0.53
13	Net Debt/EBITDA	0.06	-0.92	-1.02	-0.71	-0.54
14						
15	Total Debt/EBIT	2.77	1.12	0.41	0.20	2.28
16	Net Debt/EBIT	0.08	-1.28	-1.29	-0.80	-2.30
17						
18	EBITDA to Interest Expense	5.13	9.67	37.02	121.35	63.14
19	EBITDA-CapEx/Interest Expense	3.79	7.36	30.77	112.50	58.02
20	EBIT to Interest Expense	3.73	6.71	29.13	107.29	14.36
21						
22	EBITDA/Cash Interest Paid	7.86	13.57	56.13	165.04	65.36
23	EBITDA-CapEx/Cash Interest Paid	5.80	10.33	46.65	153.00	60.07
24	EBIT/Cash Interest Paid	5.71	9.42	44.16	145.92	14.87
25						
26	Cash Interest Paid	79.0	67.0	31.0	25.0	85.0
27	Interest Expense	121.0	94.0	47.0	34.0	88.0
28						
29	Common Equity/Total Assets	27.79	46.90	65.13	60.37	81.02
30	Long-Term Debt/Equity	87.99	24.23	9.10	4.66	5.23
31	Long-Term Debt/Capital	44.28	19.27	8.29	4.24	4.96
32	Long-Term Debt/Total Assets	24.45	11.36	5.93	2.81	4.24
33						
34	Total Debt/Equity	98.74	25.75	9.80	9.76	5.40
35	Total Debt/Capital	49.68	20.48	8.92	8.90	5.12
36	Total Debt/Total Assets	27.44	12.08	6.38	5.89	4.37
37						
38	Net Debt/Equity	2.84	-29.47	-30.51	-39.28	-5.45
39	Net Debt/Capital	2.77	-41.78	-43.91	-64.70	-5.76
40						
41	EBITDA	621.0	909.0	1,740.0	4,126.0	5,556.0
42	EBITDA-CapEx	458.0	692.0	1,446.0	3,825.0	5,106.0
43	EBIT	451.0	631.0	1,369.0	3,648.0	1,264.0
44	Source: Bloomberg					
45						

A32							
	A	C	D	E	F	G	H
1							
2	Sun Hung Kai Properties Ltd (16 HK) - Profitability						
3							
4	In Millions of HKD except Per Share	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 202
5	12 Months Ending	06/30/2018	06/30/2019	06/30/2020	06/30/2021	06/30/2022	06/30/202
6	Returns						
7	Return on Common Equity	9.63	8.13	4.13	4.58	4.28	3.9
8	Return on Assets	7.40	6.15	3.06	3.36	3.19	2.9
9	Return on Capital	8.67	7.33	3.83	4.12	3.83	3.7
10	Return on Invested Capital	6.87	6.15	3.40	3.54	3.28	3.0
11							
12	Margins						
13	Gross Margin	48.91	52.57	50.98	52.51	51.24	48.4
14	EBITDA Margin	61.86	62.21	42.85	47.68	45.68	45.1
15	Operating Margin	59.51	58.80	37.30	41.60	39.25	38.4
16	Incremental Operating Margin	105.67	-238.30	-729.45	177.88	-65.96	-48.1
17	Pretax Margin	69.31	63.87	36.91	43.02	40.88	40.0
18	Income before XO Margin	59.50	53.94	29.42	32.19	33.61	34.5
19	Net Income Margin	58.53	52.85	28.66	31.38	32.88	33.5
20	Net Income to Common Margin	58.32	52.65	28.46	31.30	32.88	33.5
21							
22	Additional						
23	Effective Tax Rate	14.16	15.55	20.31	25.17	17.79	13.8
24	Dvd Payout Ratio	26.97	31.94	60.98	53.75	56.12	60.0
25	Sustainable Growth Rate	7.03	5.53	1.61	2.12	1.88	1.5
26	Source: Bloomberg						
27							



	A	C	D	E	F	G	H
1							
2	Sun Hung Kai Properties Ltd (16 HK) - Credit						
3							
4	In Millions of HKD except Per Share	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
5	12 Months Ending	06/30/2018	06/30/2019	06/30/2020	06/30/2021	06/30/2022	06/30/2023
6	IFRS 16/ASC 842 Adoption	No	Yes	Yes	Yes	Yes	Yes
7							
8	Total Debt	91,434.0	95,006.0	114,247.0	118,608.0	126,772.0	128,054.0
9	Short-Term Debt	12,646.0	9,168.0	27,231.0	21,711.0	16,672.0	8,886.0
10	Long Term Debt	78,788.0	85,838.0	87,016.0	96,897.0	110,100.0	119,168.0
11							
12	Total Debt/T12M EBITDA	1.73	1.79	3.23	2.92	3.57	3.99
13	Net Debt/EBITDA	1.22	1.35	2.31	2.35	2.98	3.49
14							
15	Total Debt/EBIT	1.79	1.89	3.71	3.34	4.15	4.68
16	Net Debt/EBIT	1.27	1.43	2.65	2.69	3.47	4.10
17							
18	EBITDA to Interest Expense	27.00	21.85	14.08	16.55	17.26	10.77
19	EBITDA-CapEx/Interest Expense	12.50	13.58	-4.08	9.64	7.85	3.61
20	EBIT to Interest Expense	25.98	20.65	12.25	14.44	14.83	9.17
21							
22	EBITDA/Cash Interest Paid	22.83	17.58	10.74	13.51	11.47	7.01
23	EBITDA-CapEx/Cash Interest Paid	12.84	13.42	-4.20	10.11	7.40	3.60
24	EBIT/Cash Interest Paid	21.97	16.62	9.35	11.79	9.86	5.97
25							
26	Cash Interest Paid	2,320.0	3,018.0	3,298.0	3,009.0	3,095.0	4,586.0
27	Interest Expense	1,962.0	2,429.0	2,516.0	2,456.0	2,058.0	2,983.0
28							
29	Common Equity/Total Assets	75.35	75.40	71.67	74.56	74.54	74.70
30	Long-Term Debt/Equity	14.37	14.91	14.74	16.16	18.15	19.64
31	Long-Term Debt/Capital	12.31	12.80	12.35	13.49	15.01	16.22
32	Long-Term Debt/Total Assets	11.01	11.43	10.91	12.17	13.63	14.79
33							
34	Total Debt/Equity	16.67	16.50	19.35	19.78	20.89	21.10
35	Total Debt/Capital	14.29	14.16	16.21	16.51	17.28	17.43
36	Total Debt/Total Assets	12.78	12.65	14.32	14.89	15.70	15.89
37							
38	Net Debt/Equity	11.76	12.48	13.84	15.92	17.43	18.48
39	Net Debt/Capital	10.52	11.10	12.16	13.73	14.84	15.60
40							
41	EBITDA	52,977.0	53,067.0	35,413.0	40,656.0	35,513.0	32,128.0
42	EBITDA-CapEx	29,790.0	40,507.0	-13,851.0	30,430.0	22,894.0	16,494.0
43	EBIT	50,970.0	50,155.0	30,832.0	35,473.0	30,516.0	27,363.0
44	Source: Bloomberg						
45							

	A	C	D	E	F	G
1						
2	Country Garden Holdings Co Ltd (2007 HK) - Profitability					
3						
4	In Millions of HKD except Per Share	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
5	12 Months Ending	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
6	Returns					
7	Return on Common Equity	32.20	28.95	21.42	14.34	-3.01
8	Return on Assets	2.58	2.24	1.79	1.35	-0.33
9	Return on Capital	11.65	11.22	9.23	6.81	-0.49
10	Return on Invested Capital	9.69	9.00	6.72	5.26	-0.53
11						
12	Margins					
13	Gross Margin	27.03	26.06	21.80	17.74	7.64
14	EBITDA Margin	20.59	19.39	15.99	12.00	2.02
15	Operating Margin	20.32	19.07	15.55	11.55	1.50
16	Incremental Operating Margin	21.96	14.64	-89.78	—	-58.21
17	Pretax Margin	20.99	20.36	18.48	13.18	1.25
18	Income before XO Margin	12.81	12.60	11.69	7.84	-0.69
19	Net Income Margin	9.13	8.14	7.57	5.12	-1.41
20	Net Income to Common Margin	9.13	8.14	7.57	5.12	-1.41
21						
22	Additional					
23	Effective Tax Rate	38.99	38.14	36.73	40.56	155.25
24	Dvd Payout Ratio	30.56	31.45	28.64	26.34	—
25	Sustainable Growth Rate	22.36	19.84	15.28	10.56	—
26	Source: Bloomberg					
27						



	A	C	D	E	F	G
1						
2	Country Garden Holdings Co Ltd (2007 HK) - Credit					
3						
4	In Millions of HKD except Per Share	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
5	12 Months Ending	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
6	IFRS 16/ASC 842 Adoption	No	Yes	Yes	Yes	Yes
7						
8	Total Debt	374,017.9	414,451.6	388,611.6	390,867.5	307,288.8
9	Short-Term Debt	143,580.3	130,349.5	114,572.3	97,165.4	106,077.2
10	Long Term Debt	230,437.6	284,102.1	274,039.2	293,702.0	201,211.6
11						
12	Total Debt/T12M EBITDA	4.21	3.93	4.42	5.07	31.20
13	Net Debt/EBITDA	1.13	1.21	2.07	2.51	15.16
14						
15	Total Debt/EBIT	4.26	4.00	4.55	5.28	42.18
16	Net Debt/EBIT	1.14	1.23	2.13	2.61	20.49
17						
18	EBITDA to Interest Expense	—	—	—	—	—
19	EBITDA-CapEx/Interest Expense	3.90	3.67	3.01	3.28	0.41
20	EBIT to Interest Expense	—	—	—	—	—
21						
22	EBITDA/Cash Interest Paid	4.32	4.04	3.32	3.55	0.51
23	EBITDA-CapEx/Cash Interest Paid	4.13	3.85	3.14	3.36	0.41
24	EBIT/Cash Interest Paid	4.26	3.97	3.23	3.42	0.38
25						
26	Cash Interest Paid	21,424.5	26,465.8	25,088.8	21,305.2	19,868.8
27	Interest Expense	0.0	0.0	0.0	0.0	0.0
28						
29	Common Equity/Total Assets	7.45	7.97	8.69	10.20	11.67
30	Long-Term Debt/Equity	116.71	116.18	89.76	79.64	57.47
31	Long-Term Debt/Capital	40.32	43.11	39.49	38.66	30.61
32	Long-Term Debt/Total Assets	12.42	13.32	11.44	12.29	10.20
33						
34	Total Debt/Equity	189.42	169.49	127.29	105.98	87.77
35	Total Debt/Capital	65.45	62.89	56.00	51.45	46.74
36	Total Debt/Total Assets	20.16	19.43	16.23	16.35	15.58
37						
38	Net Debt/Equity	50.81	51.96	59.68	52.37	42.65
39	Net Debt/Capital	33.69	34.19	37.38	34.37	29.90
40						
41	EBITDA	92,563.7	106,875.1	83,305.4	75,673.0	10,139.9
42	EBITDA-CapEx	88,568.8	101,987.9	78,867.4	71,536.5	8,222.1
43	EBIT	91,325.7	105,119.0	80,979.5	72,796.0	7,501.3
44	Source: Bloomberg					
45						