

Yancoal Australia (3668 HK)

Weak earnings but largely anticipated; Expect an improvement trend of coal price

Yancoal's (YAL) net profit came in at A\$163mn in 1H25 (-61% YoY) which is slightly below our expectation due to higher-than-expected effective tax rate. YAL proposes interim dividend of A\$0.062/shr, implying ~50% payout ratio which is consistent with YAL's dividend policy. Meanwhile, YAL maintains the full-year guidance on sales volume, unit cost and capex. We maintain our full-year estimate as we expect (1) the coal price to rebound from the low base in 2Q25, driven by China's "anti-involution" campaign; (2) an improvement of sales to production ratio starting from 3Q25E (following the logistical issue in 2Q). Sitting on A\$1.7bn net cash (~20% of the current market cap) together with a clear dividend policy, we see buying interest in case of any potential pullback of share price. Our NPV-based TP of HK\$34 is unchanged. Maintain **BUY**.

- **Key highlights on 1H25 results.** Revenue dropped 16% YoY to A\$2.6bn, due to a 2% YoY coal sales volume decline (to 16.6mt) as well as a 15% YoY decline in blended coal ASP (to A\$149/t). EBIT declined 56% YoY to A\$259mn as a result of operating de-leveraging. Net profit dropped 61% YoY to A\$163mn, due to a 5.4ppt YoY increase of effective tax rate (to 32%). Operating cash inflow dropped 44% YoY to A\$473mn. As at end-Jun 2025, YAL had net cash of A\$1.7bn.
- **Continuous unit cost reduction.** The unit cash operating cost (based on saleable production, excluding royalties) in 1H25 was A\$93/t, -8% YoY. We expect YAL to achieve similar cost reduction in 2H25E, driven by high utilisation rate.
- **2025 full-year guidance unchanged:** (1) attributable saleable production: 35-39mn tonnes (-5% to +6% YoY); (2) operating cash cost (excluding royalties): A\$89-97/t (-4% to +4% YoY); (3) capex: A\$750-900mn (up 6%-28% YoY).
- **Key risks:** (1) further decline in coal price; (2) rebound of unit cost; (3) extreme weather that affects production and delivery.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (AUD mn)	7,778	6,860	6,258	6,316	6,513
YoY growth (%)	(26.3)	(11.8)	(8.8)	0.9	3.1
Net profit (AUD mn)	1,818.7	1,215.9	796.3	891.7	965.4
EPS (Reported) (AUD)	1.38	0.92	0.60	0.68	0.73
YoY growth (%)	(49.3)	(33.1)	(34.5)	12.0	8.3
Consensus EPS (AUD)	na	na	0.68	0.71	0.86
P/E (x)	4.5	6.7	10.3	9.2	8.5
P/B (x)	1.0	0.9	0.9	0.8	0.8
Yield (%)	11.2	8.4	4.9	5.5	5.9
ROE (%)	22.1	13.7	8.5	9.4	9.7
Net gearing (%)	(14.8)	(25.2)	(23.1)	(25.9)	(30.7)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$34.00**
 Up/Downside **8.3%**
 Current Price **HK\$31.40**

China Energy

Wayne FUNG, CFA

(852) 3900 0826

waynefung@cmbi.com.hk

Stock Data

Mkt Cap (HK\$ mn)	41,461.8
Avg 3 mths t/o (HK\$ mn)	31.6
52w High/Low (HK\$)	34.35/21.85
Total Issued Shares (mn)	1320.4

Source: FactSet

Shareholding Structure

Yankuang Energy	62.3%
China Cinda AM	7.7%

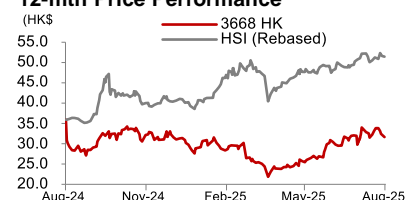
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	5.2%	3.9%
3-mth	23.4%	14.6%
6-mth	12.5%	2.8%

Source: FactSet

12-mth Price Performance



Source: FactSet

Auditor: ShineWing Australia

Related Reports

1. Yancoal Australia - Strong production volume growth in 2Q25 but sales affected by logistical issue - 18 Jul 2025 ([link](#))
2. Yancoal Australia - Dividend resumed with 56% pay-out ratio - 21 Feb 2025 ([link](#))
3. Yancoal Australia - Potential dividend resumption a catalyst - 21 Jan 2025 ([link](#))

Figure 1: YAL's 1H25 results

YE Dec 31(A\$ mn)	1H24	1H25	Change (YoY)
Revenue			
Sales of coal	3,030	2,558	-15.6%
Sea freight	44	39	-11.4%
Fair value of losses recycled from hedge reserve	0	0	n/a
Sub-total	3,074	2,597	-15.5%
Other revenue			
Interest income	39	52	33.3%
Mining services fees	0	0	n/a
Royalty revenue & others	25	26	4.0%
Total (other revenue)	64	78	21.9%
Total revenue	3,138	2,675	-14.8%
Other income/(loss)	53	31	-41.5%
Change in inventories of finished goods & work in progress	-10	128	n/a
Raw materials and consumables used	-585	-604	3.2%
Employee benefits	-401	-409	2.0%
Transportation	-412	-402	-2.4%
Contractual services and plant hire	-295	-292	-1.0%
Government royalties	-261	-262	0.4%
Coal purchase	-102	-63	-38.2%
Other operating expenses	-138	-160	15.9%
Depreciation and amortisation	-400	-383	-4.3%
EBIT	587	259	-55.9%
Finance expenses	-20	-21	5.0%
Share of profit of JV and associates	4	1	-75.0%
Pretax profit	571	239	-58.1%
Income tax	-151	-76	-49.7%
After tax profit	420	163	-61.2%
MI	0	0	n/a
Net profit	420	163	-61.2%
D&A	400	383	-4.3%
EBITDA	987	642	-35.0%

Source: Company data, CMBIGM

Figure 2: YAL's quarterly statistics

	1Q24	1Q25	Chg (YoY)	2Q24	2Q25	Chg (YoY)	3Q23	3Q24	Chg (YoY)	4Q23	4Q24	Chg (YoY)
Marketable coal production (mn tonnes)												
(100 % equity basis)												
Mines												
HVO	2.8	3.5	25%	2.0	3.1	55%	3.0	3.2	7%	3.3	3.7	12%
Mount Thorley Warkworth (MTW)	2.2	2.8	27%	2.5	2.7	8%	3.3	3.3	0%	3.4	3.2	-6%
Moolarben	5.0	4.8	-4%	4.5	5.0	11%	4.5	5.3	18%	4.8	4.2	-13%
Stratford Duralie	0.1	0.0	n/a	0.0	0.0	n/a	0.2	0.0	-100%	0.2	0.0	-100%
Yarrabee	0.4	0.6	50%	0.4	0.7	75%	0.5	0.7	40%	0.5	0.7	40%
Middlemount	0.5	0.7	40%	0.6	0.7	17%	0.6	0.5	-17%	0.6	0.7	17%
Ashton	0.3	0.2	-33%	0.3	0.2	-33%	0.0	0.2	n/a	0.1	0.5	400%
Total	11.3	12.6	12%	10.3	12.4	20%	12.1	13.2	9%	12.9	13.0	1%
Marketable coal production (mn tonnes)												
(Attributable basis)												
Total	8.8	9.5	8%	8.2	9.4	15%	9.3	10.2	10%	9.7	9.7	0%
Attributable sales volume (mn tonnes)												
Thermal	7.3	7.0	-4%	7.5	6.8	-9%	7.7	9.0	17%	8.7	8.6	-1%
Metallurgical	1.0	1.4	40%	1.0	1.3	30%	0.9	1.4	56%	1.4	1.8	29%
Total	8.3	8.4	1%	8.6	8.1	-6%	8.6	10.4	21%	10.1	10.4	3%
ASP (A\$/tonne)												
Thermal	159	145	-9%	163	130	-20%	178	157	-12%	180	163	-9%
Metallurgical	334	218	-35%	318	197	-38%	360	259	-28%	292	242	-17%
Blended	180	157	-13%	181	142	-22%	197	170	-14%	196	176	-10%
Revenue (A\$ mn)												
Thermal	1,161	1,015	-13%	1,223	884	-28%	1,371	1,413	3%	1,566	1,402	-10%
Metallurgical	334	305	-9%	318	256	-19%	324	363	12%	409	436	7%
Total ex-mine coal revenue	1,495	1,320	-12%	1,541	1,140	-26%	1,695	1,776	5%	1,975	1,837	-7%

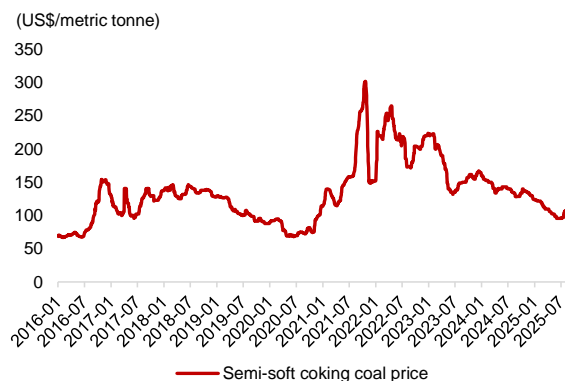
Source: Company data, CMBIGM

Figure 3: Change in key operating assumptions

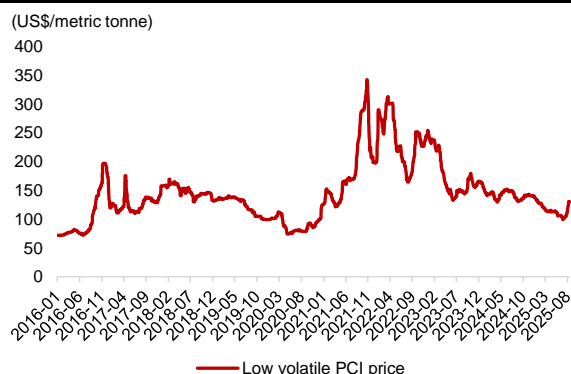
	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Marketable coal production (mn tonnes)									
(100 % equity basis)									
Mines									
HVO	13.7	12.0	10.6	9.6	10.5	11.7	13.1	13.5	14.0
Mount Thorley Warkworth (MTW)	12.1	11.9	11.2	8.1	11.3	11.2	11.8	12.8	13.5
Moolarben	17.8	19.7	18.4	14.9	16.7	19.0	19.5	19.5	20.0
Stratford Duralie	0.8	0.5	0.8	0.7	0.6	0.1	0.0	0.0	0.0
Yarrabee	2.8	3.0	2.6	2.1	1.9	2.2	2.7	2.0	2.0
Middlemount	2.7	2.9	3.7	2.6	2.2	2.3	2.6	3.0	3.0
Ashton	2.2	1.8	1.2	0.9	0.4	1.3	1.3	1.3	1.3
Total	52.1	51.8	48.5	38.9	43.6	47.8	51.0	52.1	53.8
Attributable sales volume (mn tonnes)									
Thermal	30.1	33.2	31.7	24.6	28.4	32.5	33.5	33.4	34.5
Metallurgical	5.5	4.2	5.8	4.7	4.7	5.2	5.5	5.9	6.1
Total	35.6	37.4	37.5	29.3	33.1	37.7	39.0	39.3	40.6
Change (YoY)									
Thermal	6.0%	10.3%	-4.5%	-22.4%	15.4%	14.4%	3.2%	-0.3%	3.3%
Metallurgical	7.8%	-23.6%	38.1%	-19.0%	0.0%	10.6%	5.0%	8.1%	3.3%
Average	6.3%	5.1%	0.3%	-21.9%	13.0%	13.9%	3.4%	0.9%	3.3%
ASP (A\$/tonne)									
Thermal	100	76	134	372	211	160	150	150	150
Metallurgical	167	123	180	405	356	276	200	200	200
Blended	110	82	141	377	232	176	157	158	158
ASP change (YoY)									
Thermal	-18.3%	-23.8%	75.4%	177.4%	-43.3%	-23.9%	-6.5%	0.0%	0.0%
Metallurgical	-8.8%	-26.3%	46.5%	125.0%	-12.1%	-22.6%	-27.4%	0.0%	0.0%
Blended	-16.2%	-26.1%	72.9%	167.3%	-38.5%	-23.9%	-11.0%	0.3%	0.0%
Cash operating cost breakdown (A\$/tonne)									
Unit cash operating cost	-73	-67	-77	-131	-121	-112	-107	-106	-105
Change (YoY)	-0.9%	-8.2%	16.2%	69.6%	-8.0%	-7.5%	-3.8%	-1.7%	-0.3%
Unit cash operating cost (excluding government royalties)	-64	-60	-66	-98	-100	-95	-93	-91	-90
Change (YoY)	1.6%	-5.4%	9.5%	48.5%	1.9%	-5.3%	-2.3%	-2.0%	-0.4%

Source: Company data, CMBIGM estimates

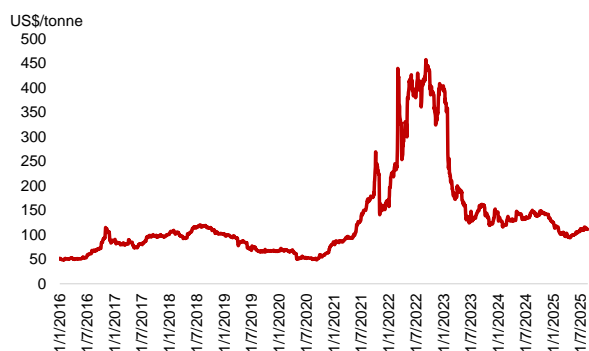
Note: Our unit cost figures are slightly different from the company's due to the difference in transportation cost calculation.

Figure 4: Seaborne semi-soft coking coal (SSCC) price

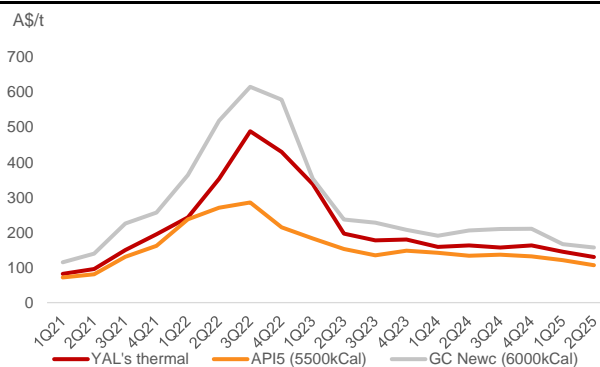
Source: Wind, CMBIGM

Figure 5: Seaborne pulverised coal injection (PCI) price

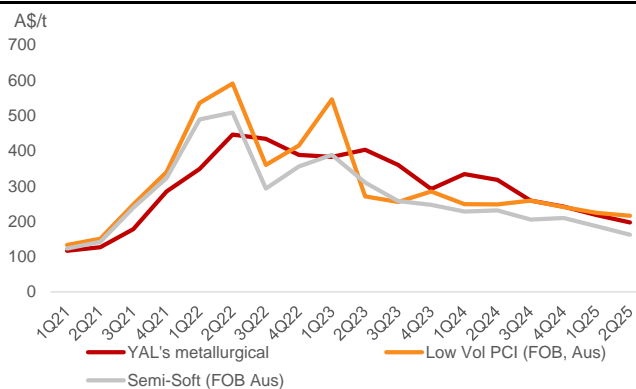
Source: Wind, CMBIGM

Figure 6: GC Newc (6000/kCal) pricing

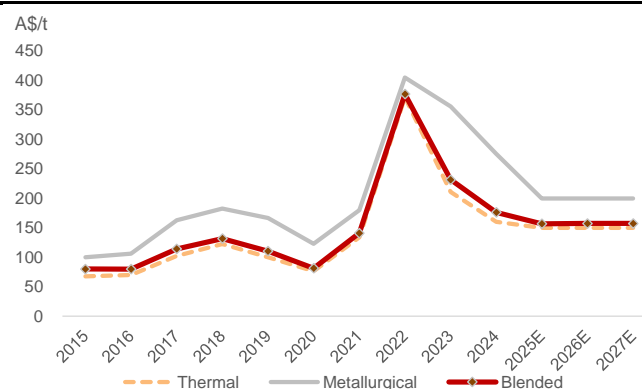
Source: Company data, Argus/McCloskey, GlobalCOAL, CMBIGM

Figure 7: YAL's thermal ASP vs benchmarks

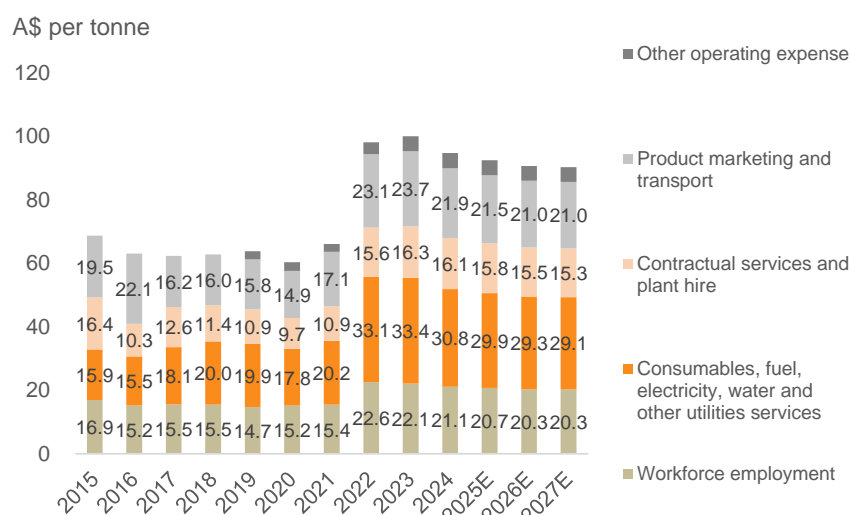
Source: Company data, Argus/McCloskey, GlobalCOAL, CMBIGM

Figure 8: YAL's metallurgical ASP vs benchmarks

Source: Company data, Argus/McCloskey, GlobalCOAL, CMBIGM

Figure 9: Assumptions on YAL's ASP

Source: Company data, CMBIGM estimates

Figure 10: YAL's unit cash cost breakdown

Source: Company data, CMBIGM estimates

Note: Excluding government royalties

Valuation

Maintain BUY with TP of HK\$34. We value YAL by net present value (NPV), calculated by the future cash flow of all the reserves based on their effective mine life.

Our key assumptions include:

- Long-term thermal and metallurgical coal price (starting 2028E) of A\$130/t and A\$200/t respectively;
- Long-term unit cash cost inflation of 1% p.a.;
- WACC of 6.7%, based on risk-free rate of 4% (10-year Australian government bond yield), risk premium of 6%, 0.5x beta, and 10% debt/capital ratio;
- AUD/HKD rate of HK\$5.

Figure 11: TP sensitivity to coal price

WACC	LT coal thermal coal price (A\$/t)				
	90	110	130	150	170
4.7%	14	26	38	51	63
5.7%	14	25	36	47	58
6.7%	14	24	34	43	53
7.7%	15	23	32	40	49
8.7%	15	22	30	38	46

Note: Assuming LT thermal coal price = A\$130/t

WACC	LT metallurgical coal price (A\$/t)				
	160	180	200	220	240
4.7%	34	36	38	41	43
5.7%	32	34	36	38	40
6.7%	30	32	34	35	37
7.7%	29	30	32	33	35
8.7%	27	29	30	32	33

Note: Assuming LT metallurgical coal price = A\$200/t

Source: Company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (AUD mn)						
Revenue	10,548	7,778	6,860	6,258	6,316	6,513
Royalties and other related payments	(967)	(685)	(639)	(583)	(588)	(607)
Staff costs	(662)	(730)	(796)	(807)	(797)	(824)
Others	(2,548)	(2,901)	(3,135)	(3,012)	(2,981)	(3,067)
Other income	(132)	26	159	31	32	33
EBITDA	6,239	3,488	2,449	1,888	1,981	2,048
Depreciation	(834)	(881)	(750)	(798)	(750)	(715)
EBIT	5,405	2,607	1,699	1,089	1,231	1,333
Interest expense	(459)	(53)	(39)	(6)	(6)	(6)
Others	146	29	29	23	14	14
Pre-tax profit	5,092	2,583	1,689	1,106	1,239	1,341
Income tax	(1,505)	(764)	(473)	(310)	(347)	(376)
After tax profit	3,587	1,819	1,216	796	892	965
Minority interest	0	0	0	0	0	0
Net profit	3,587	1,819	1,216	796	892	965

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (AUD mn)						
Current assets	3,810	2,533	3,540	3,263	3,776	4,198
Cash & equivalents	2,699	1,397	2,461	2,271	2,631	3,254
Account receivables	736	662	600	566	645	532
Inventories	330	416	419	369	440	347
Other current assets	45	58	60	56	60	65
Non-current assets	8,991	8,721	8,816	8,849	8,906	8,898
PP&E	3,486	3,582	3,909	4,225	4,514	4,698
Right-of-use assets	4,642	4,278	4,023	3,732	3,496	3,300
Deferred income tax	0	0	0	0	0	0
Investment in JVs & assos	413	431	447	458	465	472
Intangibles	133	131	134	131	128	125
Other non-current assets	317	299	303	303	303	303
Total assets	12,801	11,254	12,356	12,112	12,683	13,096
Current liabilities	2,532	1,048	1,234	963	1,158	1,069
Short-term borrowings	48	44	37	37	37	37
Account payables	863	734	975	704	899	810
Other current liabilities	1,621	270	222	222	222	222
Non-current liabilities	2,239	1,764	1,805	1,805	1,805	1,805
Long-term borrowings	625	102	75	75	75	75
Other non-current liabilities	1,614	1,662	1,730	1,730	1,730	1,730
Total liabilities	4,771	2,812	3,039	2,768	2,963	2,874
Total shareholders equity	8,028	8,440	9,315	9,342	9,717	10,220
Minority interest	2	2	2	2	2	2
Total equity and liabilities	12,801	11,254	12,356	12,112	12,683	13,096

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (AUD mn)						
Operating						
Profit before taxation	5,092	2,583	1,689	1,106	1,239	1,341
Depreciation & amortization	834	881	754	798	750	715
Tax paid	0	(2,123)	(660)	(310)	(347)	(376)
Change in working capital	80	(129)	315	(184)	41	113
Others	759	(10)	(47)	(114)	(93)	(87)
Net cash from operations	6,765	1,202	2,051	1,297	1,590	1,706
Investing						
Capital expenditure	(544)	(611)	(698)	(820)	(800)	(700)
Acquisition of subsidiaries/ investments	0	0	0	0	0	0
Others	287	97	100	109	92	86
Net cash from investing	(257)	(514)	(598)	(711)	(708)	(614)
Financing						
Dividend paid	(1,626)	(1,413)	(429)	(769)	(517)	(462)
Net borrowings	(1,320)	(496)	(34)	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Others	(2,465)	(95)	(42)	(6)	(6)	(6)
Net cash from financing	(5,411)	(2,004)	(505)	(775)	(523)	(468)
Net change in cash						
Cash at the beginning of the year	1,495	2,699	1,397	2,461	2,271	2,631
Exchange difference	107	14	116	0	0	0
Cash at the end of the year	2,699	1,397	2,461	2,271	2,631	3,254
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	95.2%	(26.3%)	(11.8%)	(8.8%)	0.9%	3.1%
EBITDA	192.1%	(44.1%)	(29.8%)	(22.9%)	4.9%	3.4%
EBIT	314.3%	(51.8%)	(34.8%)	(35.9%)	13.0%	8.3%
Net profit	353.7%	(49.3%)	(33.1%)	(34.5%)	12.0%	8.3%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
EBITDA margin	59.1%	44.8%	35.7%	30.2%	31.4%	31.4%
Return on equity (ROE)	50.6%	22.1%	13.7%	8.5%	9.4%	9.7%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	(0.3)	(0.1)	(0.3)	(0.2)	(0.3)	(0.3)
Current ratio (x)	1.5	2.4	2.9	3.4	3.3	3.9
Receivable turnover days	25.0	32.8	33.6	34.0	35.0	33.0
Inventory turnover days	47.4	52.2	54.6	53.0	55.0	52.0
Payable turnover days	99.4	87.3	87.0	87.0	84.0	87.0
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	2.3	4.5	6.7	10.3	9.2	8.5
P/B	1.0	1.0	0.9	0.9	0.8	0.8
Div yield (%)	19.8	11.2	8.4	4.9	5.5	5.9

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

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report. Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report. CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

CMBIGM Ratings

BUY	: Stock with potential return of over 15% over next 12 months
HOLD	: Stock with potential return of +15% to -10% over next 12 months
SELL	: Stock with potential loss of over 10% over next 12 months
NOT RATED	: Stock is not rated by CMBIGM
OUTPERFORM	: Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM	: Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM	: Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.