Jiangsu Hengli (601100 CH)

4Q25 earnings miss on gross margin and FX loss; But structural growth outlook still intact

Hengli's net profit in 4Q25 dropped 10% YoY to RMB647mn, which is 10%/5% below our/Bloomberg consensus estimates. The major deviation came from (1) a lower-than-expected gross margin (-6.11ppts YoY to 40.6%) due to higher sales of non-excavator component products; and (2) a RMB206mn net finance expense due mainly to fx loss (appreciation of RMB). That said, we are staying positive on Hengli as we expect continuous penetration into different downstream segments, as well as the structural growth outlook of humanoid robots. We slightly revise up our 2026E/27E earnings forecasts by 1%/4%, due to higher revenue and lower expense ratio assumptions. We slightly revise up our TP to RMB109 (from RMB105), based on 42x 2026E P/E (+1SD above the historical average unchanged, to reflect the machinery upcycle and humanoid robot components growth). We see any post-results share price pullback as buying opportunities.

- **Key highlights in 2025 results:** Revenue in 2025 grew 17% YoY to RMB10.9bn (hydraulic cylinders: +10%; pump & valve: +21%; hydraulic systems: +30%; components: +30%). Blended gross margin contracted 1.2ppts YoY to 41.6%, due largely to a 2.9ppt YoY contraction of hydraulic cylinders margin. EBIT was +16% YoY due to lower SG&A and R&D expense ratio. Net profit only increased 9% YoY to RMB2.73bn due to a sharp reduction of net finance income as a result of FX loss. Operating cash inflow dropped 27% YoY to RMB1.8bn.
- **Risk factors:** (1) Slowdown of demand for hydraulic components; (2) slower-than-expected new business development.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	9,390	10,941	12,702	14,438	16,161
YoY growth (%)	4.5	16.5	16.1	13.7	11.9
Adjusted net profit (RMB mn)	2,508.7	2,734.0	3,471.5	4,036.0	4,585.0
EPS (Reported) (RMB)	1.87	2.04	2.59	3.01	3.42
YoY growth (%)	0.4	9.0	27.0	16.3	13.5
Consensus EPS (RMB)	na	na	2.55	3.02	na
P/E (x)	55.2	50.7	39.9	34.3	30.2
P/B (x)	8.8	8.0	7.1	6.3	5.5
Yield (%)	0.7	0.8	1.1	1.3	1.4
Net gearing (%)	(49.8)	(51.1)	(47.8)	(54.3)	(53.2)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	**RMB109.00**
(Previous TP	RMB105.00)
Up/Downside	**5.5%**
Current Price	**RMB103.32**

China Capital Goods

Wayne FUNG, CFA
(852) 3900 0826
waynefung@cmbi.com.hk

Stock Data

Mkt Cap (RMB mn)	138,533.5
Avg 3 mths t/o (RMB mn)	1,149.5
52w High/Low (RMB)	123.74/66.70
Total Issued Shares (mn)	1340.8

Source: FactSet

Shareholding Structure

WANG's family	64.3%

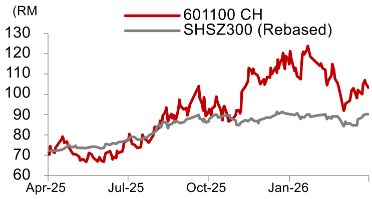
Source: SSE

Share Performance

	Absolute	Relative
1-mth	3.7%	0.1%
3-mth	-10.1%	-10.2%
6-mth	13.3%	8.7%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

Capital Goods – Strong export of earth-moving machinery in Feb – 9 Mar 2026 (link)

Capital Goods - Strong momentum of non-earth-moving machinery sales in Jan – 16 Feb 2026 (link)

Jiangsu Hengli – 3Q25 earnings growth accelerated to 31% YoY – 28 Oct 2025 (link)

Figure 1: Quarterly results highlights

(RMB mn)	1Q24	1Q25	Change YoY	2Q24	2Q25	Change YoY	3Q24	3Q25	Change YoY	4Q24	4Q25	Change YoY
Total revenue	**2,362**	**2,422**	***2.6%***	**2,471**	**2,749**	***11.2%***	**2,103**	**2,619**	***24.5%***	**2,454**	**3,151**	***28.4%***
Cost of sales	-1,415	-1,468	*3.8%*	-1,406	-1,539	*9.5%*	-1,240	-1,514	*22.1%*	-1,308	-1,871	*43.0%*
Gross profit	**947**	**954**	***0.8%***	**1,066**	**1,210**	***13.5%***	**863**	**1,104**	***28.0%***	**1,146**	**1,281**	***11.7%***
Other income	-24	-27	*13.4%*	-24	-26	*6.5%*	-21	-24	*15.1%*	-22	-33	*51.1%*
S&D expenses	-49	-58	*19.0%*	-52	-46	*-11.8%*	-43	-60	*37.7%*	-73	-91	*24.5%*
Administrative expenses	-116	-137	*18.2%*	-107	-159	*48.7%*	-156	-161	*3.2%*	-213	-193	*-9.7%*
R&D expense	-106	-149	*39.9%*	-228	-208	*-8.9%*	-201	-194	*-3.3%*	-193	-155	*-19.8%*
Asset impairment	-16	-4	*-72.6%*	-11	-19	*69.6%*	3	-4	*n/a*	-42	-112	*169.1%*
EBIT	**636**	**579**	***-8.9%***	**644**	**753**	***16.9%***	**445**	**662**	***48.8%***	**604**	**697**	***15.6%***
Net finance income/(cost)	55	199	*261.9%*	47	69	*45.9%*	64	-68	*n/a*	-35	-206	*488.5%*
Other gains/(loss)	25	-59	*n/a*	50	65	*28.8%*	58	136	*135.3%*	208	204	*-2.0%*
Profit of JV & associates	0	0	*n/a*	0	0	*n/a*	0	0	*n/a*	0	0	*n/a*
Pretax profit	**716**	**719**	***0.5%***	**741**	**886**	***19.6%***	**567**	**731**	***28.8%***	**776**	**696**	***-10.4%***
Income tax	-113	-100	*-10.9%*	-54	-73	*34.8%*	-63	-72	*13.9%*	-58	-47	*-18.9%*
After tax profit	**603**	**619**	*2.7%*	**687**	**813**	*18.4%*	**504**	**659**	*30.6%*	**718**	**648**	*-9.7%*
MI	-1	-1	*38.5%*	-1	-2	*77.2%*	-1	-1	*51.7%*	-1	-1	*32.7%*
Net profit	**602**	**618**	***2.6%***	**686**	**812**	***18.3%***	**504**	**658**	***30.6%***	**717**	**647**	***-9.8%***
Key ratios			*ppt*			*ppt*			*ppt*			*ppt*
Gross margin	*40.1%*	*39.4%*	*-0.7*	*43.1%*	*44.0%*	*0.9*	*41.0%*	*42.2%*	*1.1*	*46.7%*	*40.6%*	*-6.1*
S&D expense ratio	*2.1%*	*2.4%*	*0.3*	*2.1%*	*1.7%*	*-0.4*	*2.1%*	*2.3%*	*0.2*	*3.0%*	*2.9%*	*-0.1*
Adminstrative exp ratio	*4.9%*	*5.6%*	*0.7*	*4.3%*	*5.8%*	*1.5*	*7.4%*	*6.1%*	*-1.3*	*8.7%*	*6.1%*	*-2.6*
R&D exp ratio	*4.5%*	*6.1%*	*1.6*	*9.2%*	*7.6%*	*-1.7*	*9.5%*	*7.4%*	*-2.1*	*7.8%*	*4.9%*	*-2.9*
Effective tax rate	*15.8%*	*14.0%*	*-1.8*	*7.3%*	*8.2%*	*0.9*	*11.1%*	*9.8%*	*-1.3*	*7.5%*	*6.8%*	*-0.7*

Source: Company data, CMBIGM

Figure 2: Change in key assumptions for Hengli

	Old			New			Change		
(RMB mn)	**2026E**	**2027E**	**2028E**	**2026E**	**2027E**	**2028E**	**2026E**	**2027E**	**2028E**
Revenue									
Hydraulic cyclinder	5,734	6,361	-	5,734	6,361	6,988	*0.0%*	*0.0%*	-
Hydraulic pump and valve	5,612	6,551	-	5,404	6,300	7,192	*-3.7%*	*-3.8%*	-
Hydraulic system	336	363	-	443	492	541	*31.8%*	*35.5%*	-
Component	776	838	-	1,025	1,179	1,320	*32.2%*	*40.7%*	-
Revenue (hydraulic business)	**12,458**	**14,113**	**-**	**12,607**	**14,332**	**16,042**	***1.2%***	***1.6%***	**-**
Other business	82	91	-	95	106	119	*16.0%*	*16.0%*	-
Total revenue	**12,540**	**14,204**	**-**	**12,702**	**14,438**	**16,161**	***1.3%***	***1.6%***	**-**
Gross margin (hydraulic business)	***43.6%***	***43.7%***	**-**	***42.2%***	***42.5%***	***42.8%***	*-1.4*	*-1.2*	-
Other business	*90.0%*	*90.0%*	-	*95.0%*	*95.0%*	*95.0%*	*5.0*	*5.0*	-
Blended gross margin	***43.9%***	***44.0%***	**-**	***42.6%***	***42.9%***	***43.2%***	*-1.3*	*-1.1*	-
								Change (ppt)	
S&D expense ratio	*-2.3%*	*-2.3%*	-	*-2.3%*	*-2.3%*	*-2.3%*	0.0	0.0	-
Admin expense and R&D ratio	*-13.9%*	*-13.9%*	-	*-12.3%*	*-12.2%*	*-12.2%*	1.6	1.7	-
Net finance income/(expense) RMB mn	324	380	-	135	213	252	*-58.3%*	*-44.0%*	-
Net profit	**3,433**	**3,884**	**-**	**3,472**	**4,036**	**4,585**	***1.1%***	***3.9%***	**-**

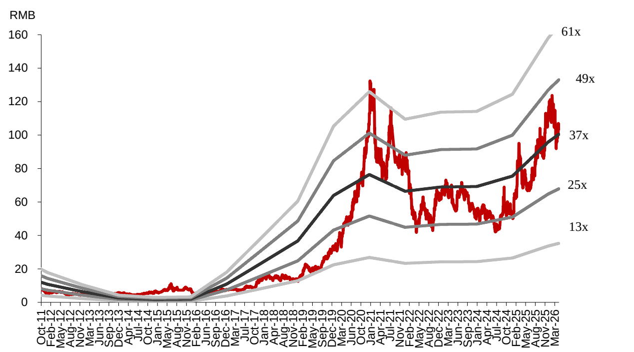
Source: Company data, CMBIGM estimates

Figure 3: Key assumptions on Hengli

(RMB mn)	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Revenue									
Hydraulic cyclinder	4,497	5,187	4,584	4,693	4,761	5,254	5,734	6,361	6,988
Hydraulic pump and valve	2,338	3,236	2,755	3,268	3,583	4,326	5,404	6,300	7,192
Hydraulic system	157	196	253	292	296	385	443	492	541
Component	845	677	574	672	684	891	1,025	1,179	1,320
Revenue (hydraulic business)	**7,838**	**9,295**	**8,167**	**8,926**	**9,325**	**10,856**	**12,607**	**14,332**	**16,042**
Other business	17	14	30	59	65	85	95	106	119
Total revenue	**7,855**	**9,309**	**8,197**	**8,985**	**9,390**	**10,941**	**12,702**	**14,438**	**16,161**
Revenue growth									
Hydraulic cyclinder	27.0%	15.3%	-11.6%	2.4%	1.4%	10.4%	9.1%	10.9%	9.9%
Hydraulic pump and valve	85.2%	38.4%	-14.9%	18.6%	9.6%	20.7%	24.9%	16.6%	14.2%
Hydraulic system	82.9%	25.1%	29.1%	15.1%	1.6%	30.0%	15.0%	11.0%	10.0%
Component	68.8%	-20.0%	-15.2%	17.1%	1.8%	30.3%	15.0%	15.0%	12.0%
Revenue (hydraulic business)	45.4%	18.6%	-12.1%	9.3%	4.5%	16.4%	16.1%	13.7%	11.9%
Other business	-23.1%	-19.6%	119.1%	96.0%	10.2%	29.9%	12.0%	12.0%	12.0%
Total revenue	45.1%	18.5%	-12.0%	9.6%	4.5%	16.5%	16.1%	13.7%	11.9%
Gross margin									
Hydraulic cyclinder	*46.8%*	*44.2%*	*40.1%*	*41.2%*	*42.6%*	*39.7%*	*41.1%*	*41.6%*	*42.1%*
Hydraulic pump and valve	*52.3%*	*52.0%*	*48.2%*	*47.6%*	*47.9%*	*48.8%*	*49.0%*	*49.0%*	*49.0%*
Hydraulic system	*45.7%*	*45.2%*	*44.9%*	*38.7%*	*38.1%*	*34.4%*	*34.5%*	*34.8%*	*35.0%*
Component	*6.2%*	*3.5%*	*2.9%*	*15.9%*	*14.5%*	*15.3%*	*15.8%*	*16.0%*	*16.5%*
Gross margin (hydraulic business)	*44.0%*	*44.0%*	*40.4%*	*41.6%*	*42.5%*	*41.1%*	*42.2%*	*42.5%*	*42.8%*
Other business	*74.3%*	*70.9%*	*92.7%*	*91.1%*	*93.9%*	*96.9%*	*95.0%*	*95.0%*	*95.0%*
Blended gross margin	*44.1%*	*44.0%*	*40.6%*	*41.9%*	*42.8%*	*41.6%*	*42.6%*	*42.9%*	*43.2%*

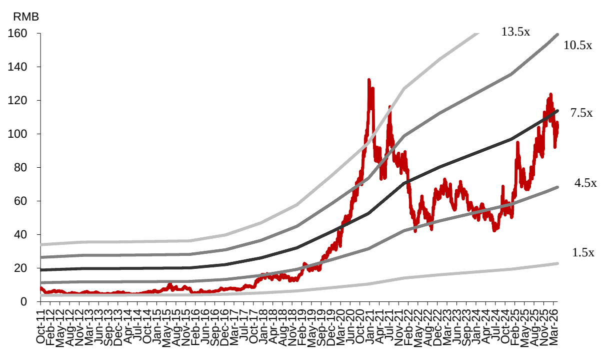
Source: Company data, CMBIGM estimates

Figure 4: Hengli's P/E band



Source: Bloomberg, company data, CMBIGM estimates

Figure 5: Hengli's P/B band



Source: Bloomberg, company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**8,985**	**9,390**	**10,941**	**12,702**	**14,438**	**16,161**
Cost of goods sold	(5,220)	(5,368)	(6,392)	(7,293)	(8,246)	(9,177)
Gross profit	**3,765**	**4,021**	**4,549**	**5,409**	**6,191**	**6,984**
Selling expense	(186)	(217)	(254)	(292)	(332)	(372)
Admin expense	(404)	(592)	(649)	(737)	(823)	(921)
R&D expense	(694)	(728)	(705)	(826)	(938)	(1,050)
Others	(150)	(156)	(248)	(184)	(200)	(215)
Operating profit	**2,330**	**2,328**	**2,692**	**3,370**	**3,898**	**4,425**
Share of (losses)/profits of associates/JV	0	0	0	0	0	0
EBITDA	**2,744**	**2,758**	**3,228**	**3,955**	**4,531**	**5,106**
Depreciation	413	430	536	585	633	681
Interest income	382	146	(2)	137	215	254
Interest expense	(13)	(14)	(4)	(2)	(2)	(2)
Net Interest income/(expense)	**369**	**131**	**(6)**	**135**	**213**	**252**
Other income/expense	131	341	346	381	433	485
Pre-tax profit	**2,830**	**2,800**	**3,032**	**3,887**	**4,544**	**5,162**
Income tax	(326)	(288)	(292)	(408)	(500)	(568)
Minority interest	(5)	(4)	(6)	(7)	(8)	(9)
Adjusted net profit	**2,499**	**2,509**	**2,734**	**3,472**	**4,036**	**4,585**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**12,994**	**13,830**	**15,224**	**16,961**	**20,042**	**22,499**
Cash & equivalents	8,124	7,883	8,871	9,405	12,069	13,343
Account receivables	2,767	2,756	3,269	4,386	4,316	5,425
Inventories	1,692	1,765	2,154	2,241	2,729	2,802
Prepayment	156	157	252	252	252	252
Other current assets	255	1,270	677	677	677	677
Non-current assets	**4,901**	**5,808**	**6,447**	**6,767**	**6,939**	**7,063**
PP&E	2,851	3,889	4,998	5,331	5,517	5,654
Deferred income tax	58	139	276	276	276	276
Investment in JVs & assos	0	0	0	0	0	0
Intangibles	467	439	451	437	424	410
Goodwill	0	0	0	0	0	0
Financial assets at FVTPL	0	0	0	0	0	0
Other non-current assets	1,526	1,342	723	723	723	723
Total assets	**17,896**	**19,639**	**21,671**	**23,729**	**26,981**	**29,562**
Current liabilities	**3,099**	**3,379**	**3,821**	**3,553**	**4,254**	**3,976**
Short-term borrowings	203	19	17	17	17	17
Account payables	1,297	1,136	1,792	1,525	2,226	1,948
Tax payable	154	160	231	231	231	231
Other current liabilities	1,445	2,064	1,780	1,780	1,780	1,780
Non-current liabilities	**353**	**431**	**512**	**512**	**512**	**512**
Long-term borrowings	0	0	20	20	20	20
Deferred income	175	212	253	253	253	253
Other non-current liabilities	179	219	239	239	239	239
Total liabilities	**3,453**	**3,810**	**4,333**	**4,065**	**4,767**	**4,489**
Total shareholders equity	**14,391**	**15,775**	**17,280**	**19,598**	**22,141**	**24,991**
Minority interest	52	54	58	65	73	82
Total equity and liabilities	**17,896**	**19,639**	**21,671**	**23,729**	**26,981**	**29,562**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**2,830**	**2,800**	**3,032**	**3,887**	**4,544**	**5,162**
Depreciation & amortization	413	430	536	585	633	681
Tax paid	(326)	(288)	(292)	(408)	(500)	(568)
Change in working capital	(225)	(195)	(1,256)	(1,472)	284	(1,460)
Others	(15)	(269)	(209)	2	2	2
Net cash from operations	**2,677**	**2,479**	**1,811**	**2,593**	**4,963**	**3,817**
Investing						
Capital expenditure	(1,309)	(1,072)	(908)	(900)	(800)	(800)
Acquisition of subsidiaries/ investments	0	0	0	0	0	0
Others	(1,742)	(2,028)	51	(5)	(5)	(5)
Net cash from investing	**(3,051)**	**(3,100)**	**(857)**	**(905)**	**(805)**	**(805)**
Financing						
Dividend paid	(831)	(939)	(939)	(1,153)	(1,493)	(1,735)
Net borrowings	(126)	(185)	43	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Others	77	336	32	(2)	(2)	(2)
Net cash from financing	**(880)**	**(788)**	**(864)**	**(1,155)**	**(1,495)**	**(1,737)**
Net change in cash						
Cash at the beginning of the year	6,886	8,124	7,883	8,871	9,405	12,069
Exchange difference	2,492	1,167	899	0	0	0
Cash at the end of the year	**8,124**	**7,883**	**8,871**	**9,405**	**12,069**	**13,343**
GROWTH	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Revenue	9.6%	4.5%	16.5%	16.1%	13.7%	11.9%
Gross profit	13.3%	6.8%	13.1%	18.9%	14.5%	12.8%
Operating profit	7.9%	(0.1%)	15.6%	25.2%	15.7%	13.5%
EBITDA	7.5%	0.5%	17.0%	22.5%	14.6%	12.7%
Adj. net profit	6.7%	0.4%	9.0%	27.0%	16.3%	13.6%
PROFITABILITY	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Gross profit margin	41.9%	42.8%	41.6%	42.6%	42.9%	43.2%
Operating margin	25.9%	24.8%	24.6%	26.5%	27.0%	27.4%
EBITDA margin	30.5%	29.4%	29.5%	31.1%	31.4%	31.6%
Adj. net profit margin	27.8%	26.7%	25.0%	27.3%	28.0%	28.4%
GEARING/LIQUIDITY/ACTIVITIES	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Net debt to equity (x)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Current ratio (x)	4.2	4.1	4.0	4.8	4.7	5.7
Receivable turnover days	116.8	107.4	100.5	110.0	110.0	110.0
Inventory turnover days	120.9	117.5	111.9	110.0	110.0	110.0
Payable turnover days	91.6	82.7	83.6	83.0	83.0	83.0
VALUATION	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
P/E	55.4	55.2	50.7	39.9	34.3	30.2
P/B	9.6	8.8	8.0	7.1	6.3	5.5
Div yield (%)	0.7	0.7	0.8	1.1	1.3	1.4

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 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.