# iQIYI (IQ US)

## Decentralization and AI as new growth engines

**BUY (Maintain)**

| | |
|---|---|
| **Target Price** | **US$1.30** |
| (Previous TP | US$1.52) |
| **Up/Downside** | **91.1%** |
| **Current Price** | **US$0.68** |

iQiyi reported 3Q26 results. Total revenue was down by 10% YoY and 4% QoQ to RMB6.01bn, slightly below Visible Alpha consensus (RMB6.12bn), mainly due to lower-than-expected content distribution revenue. Non-GAAP operating income was RMB25mn (vs. VA consensus of RMB20mn), improved from operating loss of RMB22mn in 3Q25, primarily due to stringent control in content costs and opex. Looking into 4Q26E, we forecast total revenue to decline QoQ, as membership business continues to face competitive pressure from other content formats like short dramas; and thus we trim our FY26-FY28 total revenue forecasts by 2-3%. We lower our target price to US$1.30 based on 0.32x FY27E PS (previous: US$1.52 based on 0.40x FY26E PS). The company focuses on transformation to a long-form video social media and AI-empowered content ecosystem, which should gradually drive long-term quality growth in our view. Maintain BUY.

- **Core membership and ad businesses largely inline.** In 3Q26: 1) membership services revenue was down by 6% YoY and 1% QoQ to RMB3.97bn. The company focused on growing subscriber base through channel expansion and discount programs. The number of student & teacher subscribers grew by nearly 50% YoY in this summer. 2) Online advertising revenue recovered by 3% YoY and 2% QoQ to RMB1.28bn, mainly driven by the double-digit % YoY growth of performance-based ad revenue. Revenue from SME advertisers grew by around 200% YoY in 3Q26. 3) Content distribution revenue declined by 38% YoY and 41% QoQ to RMB401mn, primarily due to the decrease in revenue from movie distribution and barter transactions. 4) Others revenue dropped by 39% YoY to RMB360mn. For 4Q26E, we expect total revenue to decline both YoY and QoQ, as membership business continues to face competitive pressure from other content formats.
- **Solid progress on two growth engines.** 1) Transformation to long-form video social media: the number of uploaded works on IQID grew by over 360% YoY in 3Q26, with an expanding spectrum of content categories; and the number of revenue-sharing titles increased by over 200% QoQ and their total revenue also grew by double-digit % QoQ. As the revenue contribution from uploaded content increases, management expects its dependence on individual key titles to decline and its content cost structure to further improve. 2) AI strategy: AIGC already accounted for nearly 90% of the content volume and 80% of total video views in the micro drama category in Sep 2026. Total user time spent on and the revenue from micro animation & AIGC-native content grew by over 50% and 70% QoQ in 3Q26.
- **Margin recovery on disciplined cost control.** iQiyi's gross margin improved by 0.3ppts YoY and 2.0ppts QoQ to 18.5% in 3Q26, mainly attributable to content strategy optimization (content costs -13% YoY). Non-GAAP operating margin also expanded by 0.7/0.9ppts YoY/QoQ to 0.4% in 3Q26. The company stepped up shareholder return, and repurchased 64.2mn ADSs for US$76.4mn in 9M26, equivalent to c.10% of current market cap.

### Earnings Summary

| (YE 31 Dec) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Revenue (RMB mn)** | 29,225 | 27,291 | 24,415 | 24,853 | 25,835 |
| **Adjusted net profit (RMB mn)** | 1,512.2 | 280.6 | (676.2) | 29.5 | 451.4 |
| **EPS (Adjusted) (RMB)** | 1.57 | 0.29 | (0.72) | 0.03 | 0.49 |
| **Consensus EPS (RMB cents)** | 157.29 | 29.11 | (43.48) | 34.02 | 79.86 |
| **P/S (x)** | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |

Source: Company data, Bloomberg, CMBIGM estimates

**China Internet**

**Saiyi HE, CFA**
(852) 3916 1739
hesaiyi@cmbi.com.hk

**Wentao LU, CFA**
luwentao@cmbi.com.hk

**Ye TAO, CFA**
(852) 3850 5226
franktao@cmbi.com.hk

**Shuyin GUO**
(852) 3916 3716
guoshuyin@cmbi.com.hk

**Stock Data**

| | |
|---|---|
| Mkt Cap (US$ mn) | 622.9 |
| Avg 3 mths t/o (US$ mn) | 2.9 |
| 52w High/Low (US$) | 2.24/0.68 |
| Total Issued Shares (mn) | 915.9 |

Source: FactSet

**Shareholding Structure**

| | |
|---|---|
| Baidu | 45.0% |
| PAG | 12.1% |

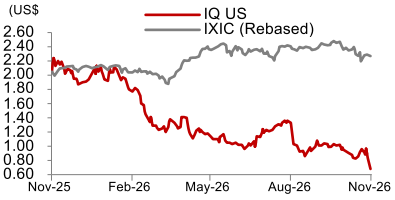
Source: Company data

**Share Performance**

| | Absolute | Relative |
|---|---|---|
| 1-mth | -28.5% | -25.6% |
| 3-mth | -48.9% | -45.8% |
| 6-mth | -41.4% | -38.8% |

Source: FactSet

**12-mth Price Performance**




Source: FactSet

**Figure 1: iQiyi: forecast revision**

| | Current | | | Previous | | | Change (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| RMBbn | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E |
| Revenue | 24.4 | 24.9 | 25.8 | 24.8 | 25.5 | 26.5 | -1.7% | -2.5% | -2.5% |
| Gross profit | 4.0 | 4.8 | 5.4 | 4.3 | 5.1 | 5.7 | -6.5% | -5.5% | -5.2% |
| Operating profit | (0.6) | 0.1 | 0.6 | (0.5) | 0.2 | 0.7 | NA | NA | -19.9% |
| Non-GAAP net profit | (0.7) | 0.0 | 0.5 | (0.8) | 0.2 | 0.6 | NA | NA | -26.5% |
| Non-GAAP EPS (RMB) | (0.8) | 0.0 | 0.5 | (0.9) | 0.2 | 0.6 | NA | NA | -22.6% |
| Gross margin | 16.5% | 19.3% | 20.9% | 17.4% | 19.9% | 21.5% | -0.8 ppt | -0.6 ppt | -0.6 ppt |
| Operating margin | -2.7% | 0.4% | 2.3% | -1.9% | 0.9% | 2.8% | -0.7 ppt | -0.5 ppt | -0.5 ppt |
| Non-GAAP net margin | -3.0% | 0.1% | 1.7% | -3.4% | 0.7% | 2.3% | 0.4 ppt | -0.6 ppt | -0.6 ppt |

Source: CMBIGM estimates

**Figure 2: iQiyi: CMBIGM estimates vs consensus**

| | CMBIGM | | | Consensus | | | Diff (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| RMBbn | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E |
| Revenue | 24.4 | 24.9 | 25.8 | 24.9 | 25.4 | 25.8 | -2.0% | -2.0% | 0.0% |
| Gross profit | 4.0 | 4.8 | 5.4 | 4.4 | 5.1 | 5.5 | -8.8% | -6.0% | -2.1% |
| Operating profit | (0.6) | 0.1 | 0.6 | (0.3) | 0.3 | 0.7 | NA | NA | -12.1% |
| Non-GAAP net profit | (0.7) | 0.0 | 0.5 | (0.4) | 0.3 | 0.8 | NA | NA | -41.4% |
| Non-GAAP EPS (RMB) | (0.8) | 0.0 | 0.5 | (0.4) | 0.3 | 0.8 | NA | NA | -38.3% |
| Gross margin | 16.5% | 19.3% | 20.9% | 20.7% | 22.3% | 23.7% | -4.2 ppt | -3.0 ppt | -2.8 ppt |
| Operating margin | -2.7% | 0.4% | 2.3% | -1.4% | 1.4% | 2.6% | -1.3 ppt | -1.0 ppt | -0.3 ppt |
| Non-GAAP net margin | -3.0% | 0.1% | 1.7% | -1.7% | 1.3% | 3.0% | -1.3 ppt | -1.2 ppt | -1.2 ppt |

Source: CMBIGM estimates, Visible Alpha

## Valuation

We value iQiyi at US$1.30 per share, which translates into 0.32x FY27E PS. Our target PS multiple is at a discount to the sector average (3.5x), due to the intense competition in China's video streaming sector.

**Figure 3: iQiyi: target valuation**

| P/S valuation | |
|---|---|
| 2027E Sales per ADS (CNY) | 27.13 |
| Target 2027E PS | 0.32 |
| Target Price (CNY) | 8.68 |
| Target Price (US$) | 1.30 |

Source: Company data, CMBIGM estimates
Note: CNY/USD = 6.7

**Figure 4: Global streaming platforms**

| Companies | Ticker | Price | PE(x) | | PS (x) | | EPS CAGR |
|---|---|---|---|---|---|---|---|
| | | (LC) | 2026E | 2027E | 2026E | 2027E | 25-27E |
| Netflix Inc | NFLX US | 62.2 | 17.5 | 16.4 | 5.0 | 4.5 | 20% |
| Disney | DIS US | 119.0 | 17.2 | 15.9 | 2.0 | 1.9 | 12% |
| Spotify | SPOT US | 612.6 | 47.1 | 36.6 | 6.0 | 5.2 | 16% |
| TME | TME US | 9.1 | 9.7 | 8.9 | 2.7 | 2.5 | 7% |
| **Average** | | | **22.9** | **19.5** | **3.9** | **3.5** | |

Note: data as of 13 Nov
Source: Bloomberg, CMBIGM

## Risks

Intensifying competitions from other content formats; stringent regulations; macro uncertainty impacts ad budget.

# Financial Summary

| INCOME STATEMENT | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec (RMB mn)** | | | | | | |
| **Revenue** | **32,018** | **29,225** | **27,291** | **24,415** | **24,853** | **25,835** |
| Cost of goods sold | (23,102) | (21,954) | (21,542) | (20,376) | (20,056) | (20,434) |
| **Gross profit** | **8,916** | **7,272** | **5,749** | **4,039** | **4,797** | **5,401** |
| **Operating expenses** | **(5,781)** | **(5,460)** | **(5,520)** | **(4,688)** | **(4,697)** | **(4,805)** |
| SG&A expense | (4,014) | (3,682) | (3,857) | (3,129) | (3,135) | (3,182) |
| R&D expense | (1,767) | (1,778) | (1,663) | (1,559) | (1,562) | (1,624) |
| **Operating profit** | **3,135** | **1,811** | **229** | **(648)** | **100** | **596** |
| Share of (losses)/profits of associates/JV | (51) | 18 | (4) | (4) | (4) | (4) |
| **EBIT** | **3,084** | **1,829** | **225** | **(653)** | **96** | **592** |
| Interest income | 257 | 272 | 334 | 301 | 301 | 301 |
| Interest expense | (1,130) | (1,062) | (910) | (793) | (764) | (764) |
| Foreign exchange gain/loss | (105) | (97) | 246 | 290 | 0 | 0 |
| Other income/expense | 73 | (90) | 45 | 0 | 0 | 0 |
| **Pre-tax profit** | **2,178** | **852** | **(60)** | **(854)** | **(367)** | **129** |
| Income tax | (80) | (61) | (145) | (229) | 55 | (19) |
| **After tax profit** | **2,098** | **791** | **(204)** | **(1,083)** | **(312)** | **109** |
| Minority interest | 27 | 27 | 2 | (45) | 0 | 0 |
| **Net profit** | **2,071** | **764** | **(206)** | **(1,038)** | **(312)** | **109** |
| **Adjusted net profit** | **2,984** | **1,512** | **281** | **(676)** | **29** | **451** |

| BALANCE SHEET | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec (RMB mn)** | | | | | | |
| **Current assets** | **12,635** | **9,527** | **10,290** | **9,967** | **10,318** | **10,985** |
| Cash & equivalents | 4,435 | 3,530 | 4,354 | 4,136 | 4,674 | 5,191 |
| Restricted cash | 6 | 0 | 23 | 23 | 23 | 23 |
| Account receivables | 2,169 | 2,191 | 2,523 | 1,774 | 1,602 | 1,594 |
| Prepayment | 2,794 | 2,193 | 2,406 | 1,953 | 1,864 | 1,938 |
| Other current assets | 3,231 | 1,613 | 984 | 2,080 | 2,155 | 2,239 |
| **Non-current assets** | **31,959** | **36,233** | **36,391** | **39,121** | **38,668** | **38,823** |
| PP&E | 864 | 878 | 903 | 1,383 | 1,392 | 1,416 |
| Right-of-use assets | 684 | 610 | 490 | 490 | 490 | 490 |
| Deferred income tax | 0 | 24 | 21 | 21 | 21 | 21 |
| Investment in JVs & assos | 2,261 | 2,108 | 1,773 | 1,773 | 1,773 | 1,773 |
| Intangibles | 310 | 290 | 217 | 1,258 | 1,374 | 1,497 |
| Goodwill | 3,821 | 3,821 | 3,821 | 3,276 | 3,276 | 3,276 |
| Other non-current assets | 24,020 | 28,503 | 29,166 | 30,921 | 30,342 | 30,350 |
| **Total assets** | **44,594** | **45,761** | **46,682** | **49,088** | **48,986** | **49,808** |
| | | | | | | |
| **Current liabilities** | **22,342** | **21,477** | **22,067** | **20,736** | **20,611** | **20,988** |
| Short-term borrowings | 3,572 | 3,787 | 2,493 | 2,493 | 2,493 | 2,493 |
| Account payables | 5,671 | 6,482 | 6,652 | 6,212 | 6,114 | 6,229 |
| Other current liabilities | 10,129 | 8,053 | 10,075 | 9,435 | 9,447 | 9,662 |
| Lease liabilities | 101 | 97 | 84 | 84 | 84 | 84 |
| Accrued expenses | 2,869 | 3,058 | 2,762 | 2,512 | 2,473 | 2,519 |
| **Non-current liabilities** | **10,068** | **10,909** | **11,306** | **11,306** | **11,306** | **11,306** |
| Long-term borrowings | 98 | 1,037 | 3,369 | 3,369 | 3,369 | 3,369 |
| Convertible bonds | 8,144 | 8,351 | 6,712 | 6,712 | 6,712 | 6,712 |
| Other non-current liabilities | 1,826 | 1,522 | 1,225 | 1,225 | 1,225 | 1,225 |
| **Total liabilities** | **32,409** | **32,387** | **33,373** | **32,042** | **31,917** | **32,293** |
| | | | | | | |
| Share capital | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital surplus | 54,971 | 55,624 | 56,026 | 60,163 | 60,499 | 60,834 |
| Retained earnings | (44,573) | (43,809) | (44,016) | (45,653) | (45,965) | (45,856) |
| Other reserves | 1,688 | 1,551 | 1,306 | 2,543 | 2,543 | 2,543 |
| **Total shareholders equity** | **12,087** | **13,365** | **13,316** | **17,053** | **17,077** | **17,522** |
| Minority interest | 98 | 8 | (8) | (8) | (8) | (8) |
| **Total equity and liabilities** | **44,594** | **45,761** | **46,682** | **49,088** | **48,986** | **49,808** |

| CASH FLOW | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec (RMB mn)** | | | | | | |
| **Operating** | | | | | | |
| **Profit before taxation** | **2,178** | **852** | **(60)** | **(854)** | **(367)** | **129** |
| Depreciation & amortization | 14,091 | 13,625 | 13,264 | 9,942 | 8,925 | 8,531 |
| Tax paid | (80) | (61) | (145) | (229) | 55 | (19) |
| Change in working capital | (13,358) | (12,359) | (13,053) | (8,825) | (8,035) | (8,069) |
| Others | 666 | 53 | 99 | 838 | 336 | 336 |
| **Net cash from operations** | **3,497** | **2,110** | **106** | **871** | **913** | **907** |
| **Investing** | | | | | | |
| Capital expenditure | (105) | (173) | (125) | (369) | (375) | (390) |
| Others | (1,635) | (2,272) | (203) | 0 | 0 | 0 |
| **Net cash from investing** | **(1,740)** | **(2,445)** | **(327)** | **(369)** | **(375)** | **(390)** |
| **Financing** | | | | | | |
| Net borrowings | 9,049 | 4,953 | 5,077 | 0 | 0 | 0 |
| Share repurchases | na | na | na | (675) | na | na |
| Others | (13,334) | (6,323) | (4,013) | (45) | 0 | 0 |
| **Net cash from financing** | **(4,285)** | **(1,370)** | **1,064** | **(720)** | **0** | **0** |
| **Net change in cash** | | | | | | |
| Cash at the beginning of the year | 7,098 | 4,435 | 3,530 | 4,354 | 4,136 | 4,674 |
| Exchange difference | 92 | 15 | (55) | 0 | 0 | 0 |
| Others | (228) | 785 | 37 | 0 | 0 | 0 |
| **Cash at the end of the year** | **4,435** | **3,530** | **4,354** | **4,136** | **4,674** | **5,191** |

| GROWTH | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| Revenue | 10.4% | (8.7%) | (6.6%) | (10.5%) | 1.8% | 4.0% |
| Gross profit | 33.5% | (18.4%) | (20.9%) | (29.7%) | 18.8% | 12.6% |
| Operating profit | 138.9% | (42.2%) | (87.3%) | na | na | 495.3% |
| EBIT | 180.6% | (40.7%) | (87.7%) | na | na | 517.9% |
| Net profit | na | (63.1%) | na | na | na | na |
| Adj. net profit | 132.4% | (49.3%) | (81.4%) | na | na | 1,430.7% |

| PROFITABILITY | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| Gross profit margin | 27.8% | 24.9% | 21.1% | 16.5% | 19.3% | 20.9% |
| Operating margin | 9.8% | 6.2% | 0.8% | (2.7%) | 0.4% | 2.3% |
| Adj. net profit margin | 9.3% | 5.2% | 1.0% | (2.8%) | 0.1% | 1.7% |
| Return on equity (ROE) | 22.6% | 6.0% | (1.5%) | (6.8%) | (1.8%) | 0.6% |

| GEARING/LIQUIDITY/ACTIVITIES | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| Net debt to equity (x) | (0.1) | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 |
| Current ratio (x) | 0.6 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 |
| Receivable turnover days | 24.7 | 27.4 | 33.7 | 26.5 | 23.5 | 22.5 |
| Payable turnover days | 89.6 | 107.8 | 112.7 | 111.3 | 111.3 | 111.3 |

| VALUATION | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| P/E | 2.1 | 5.7 | ns | ns | ns | 38.0 |
| P/E (diluted) | 2.1 | 5.8 | ns | ns | ns | 38.0 |
| P/B | 0.4 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |

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, has been prepared and distributed in Hong Kong by CMBIGM under its regulatory framework for the regulated activities licensed and regulated by the Securities and Futures Commission of Hong Kong. The report is 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, directly or indirectly, to any other person, published in whole or in part for any purpose without prior written consent of CMBIGM.
Additional information on recommended securities is available upon request. If there is any inconsistency between the Chinese and English versions of this Important Disclosure, the English version shall prevail.

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.