

# Mindray (300760 CH)

## 1H26 in line; overseas momentum and domestic recovery intact

Mindray reported 1H26 revenue of RMB17.75bn (+6.0% YoY) with 2Q26 growth accelerating to 10.5% YoY, broadly in line with our expectations. Attributable net profit decreased 3.6% YoY to RMB5.05bn, mainly due to FX losses. Excluding FX impact, net profit grew 8.7% YoY in 1H26. We leave our 2026E-28E revenue forecasts largely unchanged, which continue to assume a recovery in the domestic business and sustained solid growth overseas. We lower our 2026E earnings forecast to reflect near-term FX headwinds, while keeping our 2027E-28E earnings estimates broadly unchanged.

- Overseas businesses remained strong led by Europe and emerging markets.** Overseas revenue reached RMB9.5bn (+13.7% YoY; +18.4% in USD terms), accounting for 53% of the total in 1H26. Europe remained the standout, with revenue up nearly 25% YoY. Key markets including the UK, France and Italy each delivered growth of over 30% YoY. Latin America grew nearly 20% YoY, while APAC rose 17% YoY in 1H26, supported by strong performance in India, Mexico and Brazil. Notably, growth was broad-based across product lines. Overseas IVD revenue increased 21% YoY, with immunoassay up 30% YoY. Overseas PMLS grew over 10% YoY, and overseas ultrasound delivered high-single-digit growth. We expect Europe, Latin America and APAC to drive continued double-digit overseas growth in 2026E.
- Domestic recovery appears to be underway.** Domestic revenue was RMB8.3bn (-1.6% YoY), but we estimate 2Q26 already returned to positive growth (+~8.8% YoY). Emerging businesses and IVD are increasingly the main growth engines domestically. In 1H26, domestic emerging businesses rose 21% YoY and accounted for 24% of domestic revenue; together with IVD, they represent 74% of total domestic revenue. Mindray continued to gain market share in core IVD categories (CLIA, chemistry, coagulation), with share rising from 10% in 1H25 to 14% in 1H26. Its TLA installed base also expanded rapidly. In 1H26, Mindray secured over 260 new TLA orders and completed nearly 200 installations, driving an upward revision to its full-year TLA order intake target. Therefore, we continue to expect domestic revenue to resume single-digit growth in 2026E, supported by IVD share gains, continued growth in emerging businesses, and an easier comparison base.
- Maintain BUY.** We maintain our FY26E-28E revenue forecasts largely unchanged and derive our target price of RMB204.94 based on a 9-year DCF model (WACC: 9.1%, terminal growth: 3.0%; both unchanged). **Risks:** centralized procurement-driven price cuts; domestic procurement demand weakness; overseas expansion underperformance.

### Earnings Summary

| (YE 31 Dec)                      | FY24A  | FY25A  | FY26E  | FY27E  | FY28E  |
|----------------------------------|--------|--------|--------|--------|--------|
| Revenue (RMB mn)                 | 36,726 | 33,282 | 35,909 | 39,460 | 43,524 |
| YoY growth (%)                   | 5.1    | (9.4)  | 7.9    | 9.9    | 10.3   |
| Attributable net profit (RMB mn) | 11,668 | 8,136  | 7,871  | 9,381  | 10,497 |
| YoY growth (%)                   | 0.7    | (30.3) | (3.3)  | 19.2   | 11.9   |
| EPS (Reported) (RMB)             | 9.64   | 6.71   | 6.49   | 7.74   | 8.66   |
| P/E (x)                          | 17.1   | 24.5   | 25.3   | 21.2   | 19.0   |
| Net gearing (%)                  | (46.4) | (46.4) | (49.2) | (52.6) | (56.0) |

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

|               |            |
|---------------|------------|
| Target Price  | RMB204.94  |
| (Previous TP) | RMB204.54) |
| Up/Downside   | 24.7%      |
| Current Price | RMB164.30  |

### China Healthcare

**Jill WU, CFA**  
 (852) 3900 0842  
 jillwu@cmbi.com.hk

**Cathy WANG**  
 (852) 3916 1729  
 cathywang@cmbi.com.hk

### Stock Data

|                          |               |
|--------------------------|---------------|
| Mkt Cap (RMB mn)         | 199,204.1     |
| Avg 3 mths t/o (RMB mn)  | 1,520.0       |
| 52w High/Low (RMB)       | 248.24/133.98 |
| Total Issued Shares (mn) | 1212.4        |

Source: FactSet

### Shareholding Structure

|                             |       |
|-----------------------------|-------|
| Smartco Development Limited | 27.0% |
| Magnifice (HK) Limited      | 24.5% |

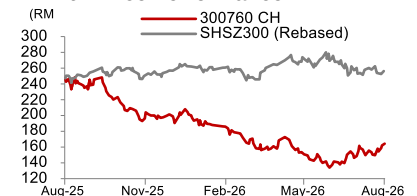
Source: SZSE

### Share Performance

|       | Absolute | Relative |
|-------|----------|----------|
| 1-mth | 9.1%     | 8.2%     |
| 3-mth | 9.0%     | 16.2%    |
| 6-mth | -11.6%   | -9.7%    |

Source: FactSet

### 12-mth Price Performance



Source: FactSet

Figure 1: Earnings revision

| RMB mn           | New    |        |        | Old    |        |        | Diff (%) |          |          |
|------------------|--------|--------|--------|--------|--------|--------|----------|----------|----------|
|                  | FY26E  | FY27E  | FY28E  | FY26E  | FY27E  | FY28E  | FY26E    | FY27E    | FY28E    |
| Revenue          | 35,909 | 39,460 | 43,524 | 35,708 | 39,351 | 43,477 | 0.56%    | 0.28%    | 0.11%    |
| Gross profit     | 21,300 | 23,343 | 25,721 | 21,087 | 23,197 | 25,622 | 1.01%    | 0.63%    | 0.39%    |
| Operating profit | 10,445 | 12,052 | 13,471 | 10,627 | 11,948 | 13,393 | -1.72%   | 0.87%    | 0.58%    |
| Net profit       | 7,871  | 9,381  | 10,497 | 8,026  | 9,299  | 10,435 | -1.93%   | 0.88%    | 0.59%    |
| EPS (RMB)        | 6.49   | 7.74   | 8.66   | 6.62   | 7.67   | 8.61   | -1.93%   | 0.88%    | 0.59%    |
| Gross margin     | 59.32% | 59.16% | 59.10% | 59.05% | 58.95% | 58.93% | +0.26ppt | +0.21ppt | +0.16ppt |
| Operating margin | 29.09% | 30.54% | 30.95% | 29.76% | 30.36% | 30.80% | -0.67ppt | +0.18ppt | +0.15ppt |
| Net margin       | 21.92% | 23.77% | 24.12% | 22.48% | 23.63% | 24.00% | -0.56ppt | +0.14ppt | +0.12ppt |

Source: CMBIGM estimates

Figure 2: Risk-adjusted DCF valuation

| DCF Valuation (in RMB mn)   | 2026E  | 2027E  | 2028E  | 2029E  | 2030E  | 2031E  | 2032E  | 2033E  | 2034E   |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| EBIT                        | 10,426 | 11,281 | 12,590 | 13,972 | 15,646 | 17,576 | 19,773 | 22,317 | 25,267  |
| Tax rate                    | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00%  |
| EBIT*(1-tax rate)           | 8,862  | 9,589  | 10,702 | 11,877 | 13,299 | 14,939 | 16,807 | 18,969 | 21,477  |
| + D&A                       | 1,817  | 1,851  | 1,838  | 1,838  | 1,831  | 1,814  | 1,794  | 1,768  | 1,736   |
| - Change in working capital | -232   | -283   | -302   | -297   | -305   | -625   | -695   | -792   | -903    |
| - Capex                     | -2,462 | -2,362 | -2,262 | -2,162 | -2,062 | -1,962 | -1,862 | -1,762 | -1,662  |
| FCFF                        | 7,985  | 8,795  | 9,976  | 11,256 | 12,764 | 14,167 | 16,044 | 18,184 | 20,648  |
| Terminal value              |        |        |        |        |        |        |        |        | 349,046 |

|                              |       |
|------------------------------|-------|
| Terminal growth rate         | 3.0%  |
| WACC                         | 9.1%  |
| Cost of Equity               | 12.3% |
| Cost of Debt                 | 3.8%  |
| Equity Beta                  | 0.90  |
| Risk Free Rate               | 2.8%  |
| Market Risk Premium          | 10.5% |
| Target Debt to Asset ratio   | 35.0% |
| Effective Corporate Tax Rate | 15.0% |

|                        |         |
|------------------------|---------|
| Terminal value         | 159,482 |
| Total PV               | 233,709 |
| Net debt               | -20,593 |
| Minority interest      | 5,823   |
| Equity value           | 248,479 |
| # of shares (mn)       | 1,212   |
| DCF per share (in RMB) | 204.94  |

Source: CMBIGM estimates

Figure 3: Sensitivity analysis (RMB)

|                      |      | WACC   |        |        |        |        |
|----------------------|------|--------|--------|--------|--------|--------|
|                      |      | 8.1%   | 8.6%   | 9.1%   | 9.6%   | 10.1%  |
| Terminal growth rate | 4.0% | 291.23 | 258.52 | 232.30 | 210.82 | 192.92 |
|                      | 3.5% | 266.93 | 239.70 | 217.40 | 198.81 | 183.10 |
|                      | 3.0% | 247.40 | 224.24 | 204.94 | 188.63 | 174.66 |
|                      | 2.5% | 231.36 | 211.32 | 194.38 | 179.88 | 167.33 |
|                      | 2.0% | 217.95 | 200.36 | 185.30 | 172.28 | 160.91 |

Source: CMBIGM estimates

Figure 4: CMBIGM estimates vs consensus

| RMB mn           | CMBIGM |        |        | Consensus |        |        | Diff (%) |          |          |
|------------------|--------|--------|--------|-----------|--------|--------|----------|----------|----------|
|                  | FY26E  | FY27E  | FY28E  | FY26E     | FY27E  | FY28E  | FY26E    | FY27E    | FY28E    |
| Revenue          | 35,909 | 39,460 | 43,524 | 35,625    | 39,309 | 43,569 | 0.80%    | 0.38%    | -0.10%   |
| Gross profit     | 21,300 | 23,343 | 25,721 | 21,169    | 23,379 | 26,034 | 0.62%    | -0.15%   | -1.20%   |
| Operating profit | 10,445 | 12,052 | 13,471 | 10,103    | 11,371 | 12,750 | 3.39%    | 5.99%    | 5.66%    |
| Net profit       | 7,871  | 9,381  | 10,497 | 8,323     | 9,520  | 10,724 | -5.43%   | -1.46%   | -2.12%   |
| EPS (RMB)        | 6.49   | 7.74   | 8.66   | 6.94      | 7.99   | 8.86   | -6.39%   | -3.16%   | -2.31%   |
| Gross margin     | 59.32% | 59.16% | 59.10% | 59.42%    | 59.47% | 59.75% | -0.11ppt | -0.32ppt | -0.66ppt |
| Operating margin | 29.09% | 30.54% | 30.95% | 28.36%    | 28.93% | 29.26% | +0.73ppt | +1.62ppt | +1.69ppt |
| Net margin       | 21.92% | 23.77% | 24.12% | 23.36%    | 24.22% | 24.61% | -1.44ppt | -0.45ppt | -0.5ppt  |

Source: Company data, Bloomberg, CMBIGM estimates

## Financial Summary

| INCOME STATEMENT                       | 2023A    | 2024A    | 2025A    | 2026E    | 2027E    | 2028E    |
|----------------------------------------|----------|----------|----------|----------|----------|----------|
| YE 31 Dec (RMB mn)                     |          |          |          |          |          |          |
| Revenue                                | 34,932   | 36,726   | 33,282   | 35,909   | 39,460   | 43,524   |
| Cost of goods sold                     | (12,513) | (13,548) | (13,208) | (14,609) | (16,117) | (17,803) |
| Gross profit                           | 22,419   | 23,178   | 20,074   | 21,300   | 23,343   | 25,721   |
| Operating expenses                     | (9,478)  | (10,549) | (10,401) | (11,258) | (11,413) | (12,371) |
| Selling expense                        | (5,010)  | (5,283)  | (5,145)  | (5,386)  | (5,840)  | (6,398)  |
| Admin expense                          | (1,524)  | (1,600)  | (1,551)  | (1,652)  | (1,776)  | (1,915)  |
| R&D expense                            | (3,433)  | (3,666)  | (3,579)  | (3,699)  | (3,985)  | (4,309)  |
| Others                                 | 489      | (1)      | (127)    | (522)    | 189      | 251      |
| Gain/loss on financial assets at FVTPL | 79       | 126      | 0        | 0        | 0        | 0        |
| Investment gain/loss                   | (10)     | 69       | 115      | 115      | 115      | 115      |
| Other gains/(losses)                   | 60       | 287      | 6        | 288      | 6        | 6        |
| Operating profit                       | 13,070   | 13,112   | 9,795    | 10,445   | 12,052   | 13,471   |
| Others                                 | (59)     | (92)     | (121)    | (121)    | (121)    | (121)    |
| Pre-tax profit                         | 13,011   | 13,020   | 9,674    | 10,324   | 11,931   | 13,350   |
| Income tax                             | (1,433)  | (1,280)  | (1,222)  | (1,549)  | (1,790)  | (2,003)  |
| Minority interest                      | 4        | (71)     | (316)    | (905)    | (761)    | (851)    |
| Net profit                             | 11,582   | 11,668   | 8,136    | 7,871    | 9,381    | 10,497   |
| Adjusted net profit                    | 11,434   | 11,442   | 8,069    | 7,858    | 9,368    | 10,484   |

| BALANCE SHEET                 | 2023A  | 2024A  | 2025A  | 2026E  | 2027E  | 2028E  |
|-------------------------------|--------|--------|--------|--------|--------|--------|
| YE 31 Dec (RMB mn)            |        |        |        |        |        |        |
| Current assets                | 26,875 | 25,647 | 27,410 | 30,645 | 34,928 | 39,820 |
| Cash & equivalents            | 18,787 | 16,644 | 17,690 | 20,597 | 24,253 | 28,458 |
| Account receivables           | 3,297  | 3,226  | 3,410  | 3,383  | 3,501  | 3,623  |
| Inventories                   | 3,979  | 4,757  | 5,004  | 5,358  | 5,867  | 6,432  |
| Prepayment                    | 268    | 297    | 273    | 273    | 273    | 273    |
| Other current assets          | 545    | 722    | 1,033  | 1,033  | 1,033  | 1,033  |
| Non-current assets            | 21,065 | 30,997 | 31,857 | 33,377 | 34,482 | 35,500 |
| PP&E                          | 5,490  | 7,086  | 7,670  | 8,199  | 8,333  | 8,378  |
| Deferred income tax           | 1,313  | 1,697  | 1,567  | 1,567  | 1,567  | 1,567  |
| Intangibles                   | 2,225  | 6,723  | 6,390  | 5,739  | 5,078  | 4,406  |
| Goodwill                      | 5,062  | 11,093 | 11,404 | 11,404 | 11,404 | 11,404 |
| Other non-current assets      | 6,976  | 4,397  | 4,825  | 6,468  | 8,101  | 9,745  |
| Total assets                  | 47,940 | 56,644 | 59,267 | 64,021 | 69,410 | 75,320 |
| Current liabilities           | 10,103 | 10,427 | 11,600 | 11,695 | 12,039 | 12,424 |
| Short-term borrowings         | 8      | 5      | 0      | 0      | 0      | 0      |
| Account payables              | 2,690  | 2,793  | 3,242  | 3,337  | 3,682  | 4,067  |
| Tax payable                   | 653    | 428    | 385    | 385    | 385    | 385    |
| Other current liabilities     | 6,751  | 7,202  | 7,972  | 7,972  | 7,972  | 7,972  |
| Non-current liabilities       | 4,491  | 5,458  | 4,656  | 4,656  | 4,656  | 4,656  |
| Long-term borrowings          | 1      | 0      | 4      | 4      | 4      | 4      |
| Deferred income               | 109    | 127    | 182    | 182    | 182    | 182    |
| Other non-current liabilities | 4,381  | 5,331  | 4,470  | 4,470  | 4,470  | 4,470  |
| Total liabilities             | 14,594 | 15,885 | 16,255 | 16,351 | 16,695 | 17,080 |
| Share capital                 | 1,212  | 1,212  | 1,212  | 1,212  | 1,212  | 1,212  |
| Capital surplus               | 608    | 608    | 608    | 608    | 608    | 608    |
| Others                        | 31,265 | 34,036 | 36,273 | 40,028 | 44,311 | 48,985 |
| Total shareholders equity     | 33,085 | 35,856 | 38,093 | 41,848 | 46,131 | 50,805 |
| Minority interest             | 261    | 4,902  | 4,918  | 5,823  | 6,583  | 7,434  |
| Total equity and liabilities  | 47,940 | 56,644 | 59,267 | 64,021 | 69,410 | 75,320 |

| CASH FLOW                                | 2023A           | 2024A          | 2025A          | 2026E          | 2027E          | 2028E          |
|------------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| <b>YE 31 Dec (RMB mn)</b>                |                 |                |                |                |                |                |
| <b>Operating</b>                         |                 |                |                |                |                |                |
| Profit before taxation                   | 11,578          | 11,740         | 8,451          | 8,776          | 10,142         | 11,348         |
| Depreciation & amortization              | 1,039           | 1,503          | 1,747          | 1,817          | 1,851          | 1,838          |
| Tax paid                                 | (1,433)         | (1,280)        | (1,222)        | (1,549)        | (1,790)        | (2,003)        |
| Change in working capital                | (1,652)         | (727)          | (439)          | (232)          | (283)          | (302)          |
| Others                                   | 1,528           | 1,196          | 1,608          | 1,774          | 1,545          | 1,648          |
| <b>Net cash from operations</b>          | <b>11,062</b>   | <b>12,432</b>  | <b>10,145</b>  | <b>10,586</b>  | <b>11,465</b>  | <b>12,529</b>  |
| <b>Investing</b>                         |                 |                |                |                |                |                |
| Capital expenditure                      | (2,689)         | (1,959)        | (2,038)        | (2,000)        | (1,900)        | (1,800)        |
| Acquisition of subsidiaries/ investments | (871)           | (5,773)        | 0              | 0              | 0              | 0              |
| Others                                   | 2,867           | 350            | 1,528          | (462)          | (462)          | (462)          |
| <b>Net cash from investing</b>           | <b>(693)</b>    | <b>(7,383)</b> | <b>(509)</b>   | <b>(2,462)</b> | <b>(2,362)</b> | <b>(2,262)</b> |
| <b>Financing</b>                         |                 |                |                |                |                |                |
| Dividend paid                            | (10,670)        | (8,843)        | (5,743)        | (5,217)        | (5,447)        | (6,063)        |
| Net borrowings                           | (19)            | (3)            | (3)            | 0              | 0              | 0              |
| Proceeds from share issues               | 79              | 79             | 36             | 0              | 0              | 0              |
| Others                                   | (166)           | (114)          | (1,014)        | 0              | 0              | 0              |
| <b>Net cash from financing</b>           | <b>(10,776)</b> | <b>(8,882)</b> | <b>(6,724)</b> | <b>(5,217)</b> | <b>(5,447)</b> | <b>(6,063)</b> |
| <b>Net change in cash</b>                |                 |                |                |                |                |                |
| Cash at the beginning of the year        | 18,974          | 18,668         | 14,908         | 17,690         | 20,597         | 24,253         |
| Exchange difference                      | 101             | 72             | (195)          | 0              | 0              | 0              |
| <b>Cash at the end of the year</b>       | <b>18,668</b>   | <b>14,908</b>  | <b>17,625</b>  | <b>20,597</b>  | <b>24,253</b>  | <b>28,458</b>  |
| GROWTH                                   | 2023A           | 2024A          | 2025A          | 2026E          | 2027E          | 2028E          |
| <b>YE 31 Dec</b>                         |                 |                |                |                |                |                |
| Revenue                                  | 15.0%           | 5.1%           | (9.4%)         | 7.9%           | 9.9%           | 10.3%          |
| Gross profit                             | 15.1%           | 3.4%           | (13.4%)        | 6.1%           | 9.6%           | 10.2%          |
| Operating profit                         | 18.9%           | 0.3%           | (25.3%)        | 6.6%           | 15.4%          | 11.8%          |
| Net profit                               | 20.6%           | 0.7%           | (30.3%)        | (3.3%)         | 19.2%          | 11.9%          |
| Adj. net profit                          | 20.0%           | 0.1%           | (29.5%)        | (2.6%)         | 19.2%          | 11.9%          |
| PROFITABILITY                            | 2023A           | 2024A          | 2025A          | 2026E          | 2027E          | 2028E          |
| <b>YE 31 Dec</b>                         |                 |                |                |                |                |                |
| Gross profit margin                      | 64.2%           | 63.1%          | 60.3%          | 59.3%          | 59.2%          | 59.1%          |
| Operating margin                         | 37.4%           | 35.7%          | 29.4%          | 29.1%          | 30.5%          | 31.0%          |
| Adj. net profit margin                   | 32.7%           | 31.2%          | 24.2%          | 21.9%          | 23.7%          | 24.1%          |
| Return on equity (ROE)                   | 35.6%           | 33.9%          | 22.0%          | 19.7%          | 21.3%          | 21.7%          |
| GEARING/LIQUIDITY/ACTIVITIES             | 2023A           | 2024A          | 2025A          | 2026E          | 2027E          | 2028E          |
| <b>YE 31 Dec</b>                         |                 |                |                |                |                |                |
| Net debt to equity (x)                   | (0.6)           | (0.5)          | (0.5)          | (0.5)          | (0.5)          | (0.6)          |
| Current ratio (x)                        | 2.7             | 2.5            | 2.4            | 2.6            | 2.9            | 3.2            |
| Receivable turnover days                 | 31.1            | 32.4           | 36.4           | 34.4           | 32.4           | 30.4           |
| Inventory turnover days                  | 116.7           | 117.7          | 134.9          | 133.9          | 132.9          | 131.9          |
| Payable turnover days                    | 72.6            | 73.9           | 83.4           | 83.4           | 83.4           | 83.4           |
| VALUATION                                | 2023A           | 2024A          | 2025A          | 2026E          | 2027E          | 2028E          |
| <b>YE 31 Dec</b>                         |                 |                |                |                |                |                |
| P/E                                      | 17.2            | 17.1           | 24.5           | 25.3           | 21.2           | 19.0           |
| P/E (diluted)                            | 17.2            | 17.1           | 24.5           | 25.3           | 21.2           | 19.0           |
| P/B                                      | 18.6            | 18.0           | 16.3           | 16.2           | 15.8           | 15.3           |
| Div yield (%)                            | 3.5             | 3.8            | 2.7            | 2.6            | 3.1            | 3.4            |

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

|                  |                                                                   |
|------------------|-------------------------------------------------------------------|
| <b>BUY</b>       | : Stock with potential return of over 15% over next 12 months     |
| <b>HOLD</b>      | : Stock with potential return of +15% to -10% over next 12 months |
| <b>SELL</b>      | : Stock with potential loss of over 10% over next 12 months       |
| <b>NOT RATED</b> | : Stock is not rated by CMBIGM                                    |

|                       |                                                                                                     |
|-----------------------|-----------------------------------------------------------------------------------------------------|
| <b>OUTPERFORM</b>     | : Industry expected to outperform the relevant broad market benchmark over next 12 months           |
| <b>MARKET-PERFORM</b> | : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months |
| <b>UNDERPERFORM</b>   | : 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.