

# Meta (META US)

## Solid 4Q24 results; further stepping up AI investments in FY25

Meta announced 4Q24 results: total revenue was up by 21% YoY to US\$48.4bn, 3% ahead of Bloomberg consensus estimate, thanks to the solid ad impression and pricing growth on AI optimization. Net income was up by 49% YoY to US\$20.8bn, 18% ahead of consensus estimate, mainly reflecting c.US\$3bn favourable impact from legal accrual reductions and lower restructuring costs. FY24 total revenue/net income grew by 22%/59% YoY to US\$164.5/62.4bn. Looking ahead, management guides total revenue to increase by 8-15% YoY to US\$39.5-41.8bn in 1Q25E, and expects to step up investments to drive strong revenue growth throughout FY25E. Management anticipates total expenses/capex to grow by 20-25%/53-66% YoY to US\$114-119bn/60-65bn, mainly driven by increased investments in Gen AI and core businesses. We maintain our FY25-26E total revenue forecasts largely unchanged, but raise our TP to US\$835 on 32x FY25E PE (previous: US\$685.0 on 27x FY25E PE), as we are more upbeat on the long-term growth initiatives enabled by AI. Maintain BUY.

- Core ad business delivered solid growth.** Family of Apps ad revenue grew 21% YoY to US\$47.3bn in 4Q24, with online commercial vertical as the largest contributor to YoY growth. Ad impressions/average price per ad grew by 6/14% YoY respectively in 4Q24, as AI enhanced both user engagement and ad monetization. Key products like Reels and Threads continue to grow. Global video time spent on Instagram grew by double-digit % YoY in 4Q24, thanks to the ongoing optimizations to the ranking systems. Threads MAU surpassed 320mn in 4Q24 and has been adding 1mn sign-ups per day. The company started to test ads on Threads in 4Q24, and expects gradual introduction of ads on Threads in 2025.
- Continue to lead in the AI competition.** On the AI front: 1) Meta AI MAUs grew by c.40% QoQ to over 700mn in 4Q24. The company plans to introduce more updates that will enable Meta AI to deliver more personalized AI experience and differentiate with other general AI; 2) Meta introduced a new machine learning system called Andromeda with Nvidia in 2H24, which is enabling Meta to better personalize ad display. Andromeda has driven an 8% increase in the quality of tested ads; 3) Annual revenue run-rate of Advantage+ shopping campaigns surpassed US\$20bn in 4Q24, up 70% YoY. Over 4mn advertisers are currently using at least one of Meta's generative AI ad creative tools, up from 1mn in Sep 2024. We are upbeat on Meta's AI vision, which may generate new monetization opportunities and drive long-term revenue growth.
- Further stepping up AI investments in FY25.** Management expects FY25 total expenses to grow by 20-25% YoY to US\$114-119bn, primarily driven by higher infrastructure costs and employee compensation. This may lead to a c.3ppt YoY decline in OPM in FY25E, based on our estimate. That said, management continues to enhance infra and operating efficiency through: 1) extending the useful life of both AI and non-AI servers; 2) ramping up the adoption of its MTIA silicon in the ranking and recommendation systems.

### Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (US\$ mn)	134,901	164,500	187,685	208,935	227,928
EPS (Adjusted) (US\$)	20.64	31.20	33.81	38.26	42.78
Consensus EPS (US\$)	15.19	24.61	25.63	29.29	33.32
P/S (x)	13.2	10.8	9.5	8.5	7.8
P/E (x)	45.4	28.0	26.4	23.1	20.4

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** US\$835.00

(Previous TP US\$685.00)

**Up/Downside** 21.2%

**Current Price** US\$689.18

#### China Internet

**Saiyi HE, CFA**

(852) 3916 1739

hesaiyi@cmbi.com.hk

**Wentao LU, CFA**

luwentao@cmbi.com.hk

**Ye TAO, CFA**

franktao@cmbi.com.hk

**Joanna Ma**

(852) 3761 8838

joannama@cmbi.com.hk

#### Stock Data

Mkt Cap (US\$ mn)	1,773,949.3
Avg 3 mths t/o (US\$ mn)	8,171.4
52w High/Low (US\$)	689.18/394.78
Total Issued Shares (mn)	2574.0

Source: FactSet

#### Shareholding Structure

Mark Zuckerberg	14.0%
The Vanguard Group	6.9%

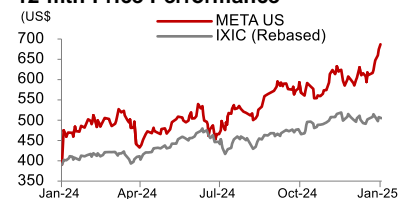
Source: Company data

#### Share Performance

	Absolute	Relative
1-mth	17.7%	15.8%
3-mth	21.4%	11.9%
6-mth	45.1%	30.1%

Source: FactSet

#### 12-mth Price Performance



Source: FactSet

## Business forecasts update and valuation

Figure 1: Meta: forecast revision

US\$ bn	Current			Previous			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	187.7	208.9	227.9	186.1	208.0	NA	0.8%	0.4%	NA
Gross profit	149.7	166.7	181.8	150.4	168.1	NA	-0.4%	-0.8%	NA
Operating profit	73.6	83.5	93.3	73.7	82.6	NA	-0.1%	1.0%	NA
Net profit	65.9	75.4	85.4	64.6	72.7	NA	2.1%	3.7%	NA
EPS (US\$)	26.1	29.8	33.8	25.5	28.8	NA	2.1%	3.7%	NA
Gross margin	79.8%	79.8%	79.8%	80.8%	80.8%	NA	-1.0 ppt	-1.0 ppt	NA
Operating margin	39.2%	40.0%	40.9%	39.6%	39.7%	NA	-0.4 ppt	0.2 ppt	NA
Net margin	35.1%	36.1%	37.5%	34.7%	35.0%	NA	0.4 ppt	1.1 ppt	NA

Source: CMBIGM estimates

Figure 2: Meta: CMBIGM estimates vs consensus

US\$ bn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	187.7	208.9	227.9	186.9	211.2	233.5	0.4%	-1.1%	-2.4%
Gross profit	149.7	166.7	181.8	150.3	169.1	187.2	-0.4%	-1.4%	-2.9%
Operating profit	73.6	83.5	93.3	77.1	87.7	98.0	-4.5%	-4.8%	-4.9%
Net profit	65.9	75.4	85.4	65.5	74.0	83.2	0.7%	1.9%	2.7%
EPS (US\$)	26.1	29.8	33.8	25.6	29.3	33.3	1.7%	1.8%	1.4%
Gross margin	79.8%	79.8%	79.8%	80.4%	80.1%	80.2%	-0.7 ppt	-0.3 ppt	-0.4 ppt
Operating margin	39.2%	40.0%	40.9%	41.2%	41.5%	42.0%	-2.0 ppt	-1.6 ppt	-1.1 ppt
Net margin	35.1%	36.1%	37.5%	35.0%	35.0%	35.6%	0.1 ppt	1.1 ppt	1.8 ppt

Source: CMBIGM estimates

## Valuation

We value Meta at US\$835.0 per share based on 32x 2025E P/E. Our target PE multiple is a premium to the sector average (24x), reflecting Meta's strong leadership in global social media space and capability to drive long-term earnings growth.

Figure 3: Meta: target valuation

P/E valuation (US\$mn)	2025E
Net income	65,947
Target 2025E P/E	32.0
Target equity valuation	2,110,319
Valuation per share (US\$)	835.0

Source: Company data, CMBIGM estimates

Figure 4: Global online ad platforms: valuation comparison

Companies	Ticker	Price (LC)	2024E	PE(x) 2025E	2026E	2024E	PS (x) 2025E	2026E	EPS CAGR 24-26E
<b>Global ads</b>									
Meta	META US	676.5	28.4	25.4	22.4	10.5	9.1	8.1	26%
Alphabet	GOOGL US	195.4	23.8	21.3	18.5	8.1	6.8	6.1	21%
Pinterest	PINS US	33.2	21.7	18.7	15.5	6.2	5.4	4.7	27%
Snap	SNAP US	11.6	44.1	30.8	19.6	3.6	3.2	2.8	98%
<b>Average</b>			<b>29.5</b>	<b>24.1</b>	<b>19.0</b>	<b>7.1</b>	<b>6.1</b>	<b>5.4</b>	
<b>Global tech</b>									
Microsoft	MSFT US	442.3	37.4	33.9	29.3	13.4	11.8	10.3	16%
Amazon.com	AMZN US	237.1	35.0	33.1	27.7	3.9	3.5	3.2	31%
Netflix	NFLX US	978.2	49.4	39.9	32.6	10.8	9.5	8.4	35%
Salesforce	CRM US	354.0	43.2	35.3	31.5	9.7	8.9	8.2	32%
ServiceNow	NOW US	1143.6	NA	NA	NA	21.4	17.8	14.8	24%
Adobe	ADBE US	441.7	24.2	21.6	19.2	9.0	8.2	7.4	13%
<b>Average</b>			<b>37.8</b>	<b>32.8</b>	<b>28.1</b>	<b>11.4</b>	<b>10.0</b>	<b>8.7</b>	

Source: Bloomberg, CMBIGM

Note: data as of 29 Jan

## Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
<b>Revenue</b>	<b>116,609</b>	<b>134,901</b>	<b>164,500</b>	<b>187,685</b>	<b>208,935</b>	<b>227,928</b>
Cost of goods sold	(25,249)	(25,958)	(30,162)	(37,958)	(42,256)	(46,097)
<b>Gross profit</b>	<b>91,360</b>	<b>108,943</b>	<b>134,338</b>	<b>149,727</b>	<b>166,680</b>	<b>181,832</b>
<b>Operating expenses</b>	<b>(62,415)</b>	<b>(62,192)</b>	<b>(64,958)</b>	<b>(76,103)</b>	<b>(83,178)</b>	<b>(88,570)</b>
Selling expense	(15,261)	(12,301)	(11,347)	(12,950)	(14,128)	(15,104)
Admin expense	(11,816)	(11,408)	(9,739)	(11,261)	(11,283)	(11,077)
R&D expense	(35,338)	(38,483)	(43,872)	(51,892)	(57,768)	(62,389)
<b>Operating profit</b>	<b>28,945</b>	<b>46,751</b>	<b>69,380</b>	<b>73,624</b>	<b>83,502</b>	<b>93,261</b>
<b>Net Interest income/(expense)</b>	<b>(126)</b>	<b>677</b>	<b>1,284</b>	<b>1,317</b>	<b>2,179</b>	<b>3,833</b>
Foreign exchange gain/loss	0	0	0	0	0	0
Other income/expense	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>28,819</b>	<b>47,428</b>	<b>70,664</b>	<b>74,940</b>	<b>85,681</b>	<b>97,094</b>
Income tax	(5,619)	(8,330)	(8,304)	(8,993)	(10,282)	(11,651)
<b>After tax profit</b>	<b>23,200</b>	<b>39,098</b>	<b>62,360</b>	<b>65,947</b>	<b>75,399</b>	<b>85,443</b>
<b>Net profit</b>	<b>23,200</b>	<b>39,098</b>	<b>62,360</b>	<b>65,947</b>	<b>75,399</b>	<b>85,443</b>
<b>Adjusted net profit</b>	<b>35,192</b>	<b>53,125</b>	<b>79,050</b>	<b>85,501</b>	<b>96,770</b>	<b>108,199</b>

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
<b>Current assets</b>	<b>59,549</b>	<b>85,365</b>	<b>100,045</b>	<b>144,699</b>	<b>226,064</b>	<b>349,870</b>
Cash & equivalents	14,681	41,862	43,889	80,708	157,718	277,439
Account receivables	13,466	16,169	16,994	19,001	20,730	22,162
Financial assets at FVTPL	26,057	23,541	33,926	39,015	40,966	43,014
Other current assets	5,345	3,793	5,236	5,974	6,650	7,255
<b>Non-current assets</b>	<b>126,178</b>	<b>144,258</b>	<b>176,009</b>	<b>212,982</b>	<b>220,680</b>	<b>208,015</b>
PP&E	92,191	109,881	121,346	155,738	160,971	145,981
Investment in JVs & assos	6,201	6,141	6,070	6,070	6,070	6,070
Intangibles	897	788	14,922	15,668	16,452	17,274
Goodwill	20,306	20,654	20,654	20,654	20,654	20,654
Other non-current assets	6,583	6,794	13,017	14,852	16,533	18,036
<b>Total assets</b>	<b>185,727</b>	<b>229,623</b>	<b>276,054</b>	<b>357,681</b>	<b>446,743</b>	<b>557,885</b>
<b>Current liabilities</b>	<b>27,026</b>	<b>31,960</b>	<b>33,596</b>	<b>40,981</b>	<b>44,532</b>	<b>47,474</b>
Account payables	4,990	4,849	7,687	9,480	10,343	11,057
Other current liabilities	1,117	863	0	0	0	0
Lease liabilities	1,367	1,623	1,942	1,942	1,942	1,942
Accrued expenses	19,552	24,625	23,967	29,558	32,247	34,475
<b>Non-current liabilities</b>	<b>32,988</b>	<b>44,495</b>	<b>59,821</b>	<b>59,821</b>	<b>59,821</b>	<b>59,821</b>
Obligations under finance leases	15,301	17,226	18,292	18,292	18,292	18,292
Other non-current liabilities	17,687	27,269	41,529	41,529	41,529	41,529
<b>Total liabilities</b>	<b>60,014</b>	<b>76,455</b>	<b>93,417</b>	<b>100,802</b>	<b>104,353</b>	<b>107,295</b>
Capital surplus	64,444	73,253	83,228	91,523	101,635	124,392
Retained earnings	64,799	82,070	102,506	168,453	243,853	329,295
Other reserves	(3,530)	(2,155)	(3,097)	(3,097)	(3,097)	(3,097)
<b>Total shareholders equity</b>	<b>125,713</b>	<b>153,168</b>	<b>182,637</b>	<b>256,879</b>	<b>342,391</b>	<b>450,590</b>
<b>Total equity and liabilities</b>	<b>185,727</b>	<b>229,623</b>	<b>276,054</b>	<b>357,681</b>	<b>446,743</b>	<b>557,885</b>

<b>CASH FLOW</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec (US\$ mn)</b>						
<b>Operating</b>						
<b>Profit before taxation</b>	<b>28,819</b>	<b>47,428</b>	<b>70,664</b>	<b>74,940</b>	<b>85,681</b>	<b>97,094</b>
Depreciation & amortization	8,686	11,178	15,498	28,482	36,555	37,783
Tax paid	(5,619)	(8,330)	(8,304)	(8,993)	(10,282)	(11,651)
Change in working capital	5,683	6,175	1,048	4,639	1,146	906
Others	12,906	14,662	12,422	19,554	21,371	22,757
<b>Net cash from operations</b>	<b>50,475</b>	<b>71,113</b>	<b>91,328</b>	<b>118,623</b>	<b>134,471</b>	<b>146,888</b>
<b>Investing</b>						
Capital expenditure	(31,431)	(27,266)	(37,256)	(63,621)	(42,570)	(23,615)
Acquisition of subsidiaries/ investments	(1,312)	(629)	(270)	0	0	0
Others	3,773	3,400	(9,624)	(6,924)	(3,632)	(3,551)
<b>Net cash from investing</b>	<b>(28,970)</b>	<b>(24,495)</b>	<b>(47,150)</b>	<b>(70,544)</b>	<b>(46,203)</b>	<b>(27,167)</b>
<b>Financing</b>						
Net borrowings	9,071	7,397	8,463	0	0	0
Share repurchases	(31,551)	(19,774)	(48,967)	(11,259)	(11,259)	0
Others	344	(7,123)	(277)	0	0	0
<b>Net cash from financing</b>	<b>(22,136)</b>	<b>(19,500)</b>	<b>(40,781)</b>	<b>(11,259)</b>	<b>(11,259)</b>	<b>0</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	16,601	14,681	41,862	43,889	80,708	157,718
Exchange difference	(1,289)	113	(786)	0	0	0
<b>Cash at the end of the year</b>	<b>14,681</b>	<b>41,912</b>	<b>44,473</b>	<b>80,708</b>	<b>157,718</b>	<b>277,439</b>
<b>GROWTH</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Revenue	(1.1%)	15.7%	21.9%	14.1%	11.3%	9.1%
Gross profit	(4.1%)	19.2%	23.3%	11.5%	11.3%	9.1%
Operating profit	(38.1%)	61.5%	48.4%	6.1%	13.4%	11.7%
Net profit	(41.1%)	68.5%	59.5%	5.8%	14.3%	13.3%
Adj. net profit	(27.5%)	51.0%	48.8%	8.2%	13.2%	11.8%
<b>PROFITABILITY</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Gross profit margin	78.3%	80.8%	81.7%	79.8%	79.8%	79.8%
Operating margin	24.8%	34.7%	42.2%	39.2%	40.0%	40.9%
Adj. net profit margin	30.2%	39.4%	48.1%	45.6%	46.3%	47.5%
Return on equity (ROE)	18.5%	28.0%	37.1%	30.0%	25.2%	21.5%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Current ratio (x)	2.2	2.7	3.0	3.5	5.1	7.4
Receivable turnover days	42.2	43.7	37.7	37.0	36.2	35.5
<b>VALUATION</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
P/E	79.8	45.4	28.0	26.4	23.1	20.4
P/E (diluted)	80.3	46.3	28.9	27.2	23.8	21.0
P/B	14.7	11.6	9.6	6.8	5.1	3.9

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 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.