

Technology

Implications of US reciprocal tariffs on supply chain

On 3 April, the US President announced 10% tariff on all imports, and additional reciprocal tariffs will be applied on 60 countries (34% on China, 46% on Vietnam, 26% on India, and 20% on the EU). Overall, we believe the scale and pace of the new tariffs are larger and broader than market expected. Below we assess the potential impact for component/ODM&OEM/brand supply chain. For component (SP/PC/server), we expect limited direct impact for suppliers since most do not export directly to the US. For OEM/ODMs, we expect direct impact on related names as most SP/PC/IoT assembly are conducted in China/Vietnam/India and server assembly in the US/Mexico/Taiwan. For brands, we expect Apple will be impacted the most given its 40%+ US sales exposure and iPhone production in China/India, but there will be very little impact on Xiaomi given limited smartphone/auto sales exposure in the US. The broader impact is that the US consumer demand may be negatively affected by higher prices in the US. Overall, we expect tech space will react negatively in the near term, and we would look for some quality names to accumulate after price corrections. Stocks we prefer on weakness include **Xiaomi, AAC Tech, Sunny Optical, BYDE and Q-Tech**.

- **US tariffs are larger and broader than expected.** The US announced an impact tariff of 10% and additional reciprocal tariffs for 60 countries, including 34% tariff on China, 46% on Vietnam, 36% on Thailand, 32% on Taiwan, 26% on India and 20% on the EU. Canada and Mexico will see 25% tariff, although USMCA-compliant goods are exempted. We estimate 1) 70% of global PC and 90% of iPhone are made in China, 2) 60% of Samsung phones and 50% of AirPods/iPad are manufactured in Vietnam, and 3) 60%+ of servers are made in Mexico/the US/Taiwan by region.
- **Component: Limited direct impact but potential indirect impact from weaker US demand.** As most SP/PC/server component suppliers do not export directly to the US, we expect limited direct impact to related names, but indirect impacts such as pricing pressure from downstream customers and weaker US consumer demand is unavoidable. US market accounted for ~25%/10% of global PC/smartphone shipment in 2024.
- **OEM/ODM: Direct impact for production bases in China/Vietnam/India.** For servers, most products shipped to the US are assembled in the US/Mexico/Taiwan, while for PC/smartphone/IoT, most assembly remains primarily in China as well as Vietnam/India since 2019. Thus, we expect direct impact for names with sales exposure to the US, including BYDE (iPad), Luxshare (AirPods/watch) and FIT Hon Teng (AirPods/Belkin).
- **Brands: Mixed impact with Apple most exposed.** For PC, vendors have most production in China/Vietnam/Mexico and will be negatively impacted. For smartphone, we believe Apple will be impacted the most given that its US sales exposure is 30%+ and most iPhone production are in China (90%) and India (10%). Samsung's production are mostly conducted in Vietnam, which will see 46% tariff. For Xiaomi, we estimate it has limited direct revenue exposure to the US smartphone or auto market as disclosed (single-digit mix for America).

Valuation Table

Name	Ticker	Rating	Mkt Cap (US\$mn)	TP (LC)	Up/down -side	P/E (x) FY25E	P/E (x) FY26E	P/B (x) FY25E	P/B (x) FY26E	ROE (%) FY25E	ROE (%) FY26E
Xiaomi	1810 HK	BUY	152,945	59.5	30%	26.9	22.0	4.6	3.8	17.0	17.4
AAC Tech	2018 HK	BUY	6,303	58.8	42%	17.5	14.8	1.7	1.6	9.9	10.8
BYDE	285 HK	BUY	10,748	47.1	27%	12.6	10.2	2.1	1.8	16.3	17.7
FIT Hon Teng	6088 HK	BUY	2,185	3.9	66%	8.5	5.8	0.8	0.7	9.0	11.7
Sunny Optical	2382 HK	BUY	9,804	101.5	46%	20.3	16.6	2.6	2.4	12.7	14.2
Luxshare	002475 CH	BUY	35,198	55.1	56%	15.4	12.2	2.5	2.5	16.4	20.7
Q-Tech	1478 HK	BUY	1,075	9.3	32%	13.1	10.5	1.3	1.2	10.3	11.6

Source: Company data, CMBIGM estimates

OUTPERFORM
(Maintain)

China Technology Sector

Alex NG

(852) 3900 0881

alexng@cmbi.com.hk

Hanqing LI

lihanqing@cmbi.com.hk

Focus Charts

Figure 1: Sales exposure by region for A/H listed tech companies

Company	Ticker	2023 Overseas Sales Exposure	Revenue breakdown of Top 5 regions (2023)									
			Region 1	Sales Mix (%)	Region 2	Sales Mix (%)	Region 3	Sales Mix (%)	Region 4	Sales Mix (%)	Region 5	Sales Mix (%)
FIT Hon Teng	6088 HK	83%	US	46%	Others	17%	China	17%	Taiwan	9%	Hong Kong	6%
Lenovo	992 HK	76%	Americas	34%	EMEA	25%	China	24%	APAC	17%		0%
BYD Electronics	285 HK	67%	International	67%	China	33%		0%		0%		0%
TCL Electronics	1070 HK	59%	China	41%	Emerging Markets	27%	North America	21%	Europe	11%		0%
TK Group	2283 HK	52%	China	48%	US	18%	Europe	16%	SE Asia(Inc HK)	11%	Others	5%
AAC Technologies	2018 HK	50%	Greater China	50%	Americas	43%	Other Asia	6%	Europe	0%		0%
Xiaomi	1810 HK	45%	China	55%	International	45%		0%		0%		0%
Sunny Optical	2382 HK	33%	China	67%	Asia (ex-China)	23%	Europe	5%	North America	3%	Others	1%
Time Interconnect	1729 HK	30%	China	70%	US	15%	Others	4%	Singapore	4%	Netherlands	2%
BOEVx	710 HK	27%	China	73%	Europe	13%	Americas	7%	Others	4%	Korea	3%
Tongda	698 HK	21%	China	79%	Others	7%	Asia	7%	Europe	6%	US	1%
Q Technology	1478 HK	20%	China	80%	India	15%	Others	5%	Hong Kong	0%		0%
Cowell	1415 HK	8%	HK & China	92%	India	6%	Others	2%	Korea	0%		0%
Intron Tech	1760 HK	3%	China	97%	Hong Kong	3%	Others	0%		0%		0%
Transsion	688036.SH	98%	Asia	63%	Africa	35%	Others	2%				
Goertek Inc	002241.SZ	93%	International	93%	China	7%						
Luxshare	002475.SZ	89%	International	89%	China	11%						
Avary	002938.SZ	84%	US	81%	Greater China	16%	Others	4%	Europe	0%		
Dongshan Precision	002384.SZ	83%	International	83%	China	17%						
Sunway	300136.SZ	81%	International	81%	China	19%						
WUS	002463.SZ	81%	International	81%	China	15%	Others	4%				
Crystal-Optech	002273.SZ	77%	International	77%	China	21%	Others	2%				
Leyard Optoelectronic	300162.SZ	72%	Greater China&Intl	72%	North America	55%	Mid-East	10%	South-China	7%	Asia	7%
Lingyi iTech	002600.SZ	69%	International	69%	China	31%						
Lens Tech	300433.SZ	68%	International	68%	China	32%						
Wingtech	600745.SH	67%	International	67%	China	33%	Others					
Huaqin	603296.SH	66%	International	66%	China	34%						
BOE	000725.SZ	54%	China	46%	Other Asia	32%	Americas	19%	Europe	3%	Others	0%
USI	601231.SH	48%	China	62%	Greater China&Intl.	48%	Others	0%	Internal	-9%		
Everwin	300115.SZ	47%	China	53%	International	47%						
Tianma	000050.SZ	42%	China	58%	International	42%						
Lianchuang	002036.SZ	20%	China	80%	International	20%						

Source: Company data, Wind, CMBIGM

Figure 2: Global capacity of component names

Company	Production base
AAC Tech	China, Vietnam, Philippines, Singapore, Germany
FIT Hon Teng	China, Vietnam, Taiwan, India, Mexico, Europe
BYDE	China, India, Vietnam, Europe, Mexico
Goertek	China, Vietnam
Luxshare	China, Vietnam, Malaysia, Germany
Lens Tech	China, Vietnam
Sunny Optical	China, India, Vietnam
Q-Tech	China, Taiwan, India

Source: Company data, CMBIGM

Figure 3: Global capacity of ODM names

Company	Production base
Hon Hai	China, Taiwan, Vietnam, India, Mexico, US, Malaysia
Quanta	China, Taiwan, US, Thailand, Vietnam, Germany, Mexico
Wistron	China, Taiwan, India, Vietnam, Mexico, Europe, Malaysia
Wii ynn	Taiwan, Malaysia, Mexico
Inventec	China, Taiwan, Mexico, Europe
Compal	Taiwan, Vietnam, Mexico, United States, Brazil
Lenovo	China, Europe, Mexico
Xiaomi	China, SEA, India

Source: Company data, CMBIGM

Figure 4: Supply chain mapping and sales mix exposure (2024)

Company	Ticker	Apple	Huawei	Samsung	Other CN brands	Others	Major products
AAC Tech	2018 HK	25%	10%	10%	43%	12%	Acoustics, haptics, optics, casing
FIT Hon Teng	6088 HK	25%	-	-	-	75%	Connectors, AirPods, accessories, EV, servers
Sunny Optical	2382 HK	5%	5%	15%	60%	15%	Handset camera modules, lens sets, auto lens/modules
BYDE	285 HK	60%	5%	5%	15%	15%	Metal/glass/plastics casing, ODM/OEM, automobile
Tongda	698 HK	5%	5%	5%	50%	35%	Metal/plastic casing, waterproof materials
Q-Tech	1478 HK	-	5%	-	85%	15%	Camera modules/lenses, FPM, auto CCM
TK Group	2283 HK	10%	-	-	-	90%	Plastic molding, plastic precision
Truly	732 HK	-	-	3%	62%	35%	Camera modules, fingerprint, display modules
Cowell	1415 HK	90%	-	5%	-	5%	Camera modules
Luxshare	002475 CN	60%	10%	3%	-	27%	Wireless, iPhone/AirPods/Watch OEM, acoustics/haptics

Source: Company data, CMBIGM estimates

Figure 5: Peers valuation

		Mkt Cap	Price	P/E (x)		P/B (x)		ROE (%)		Perf
Company	Ticker	(US\$ mn)	(LC)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	YTD
Brand										
Apple	AAPL US	3,363,292	223.89	30.6	27.3	45.2	28.0	174.6	192.6	(10.6)
Xiaomi	1810 HK	152,945	45.90	26.9	22.0	4.6	3.8	17.0	17.4	33.0
Transsion	688036 CH	13,910	88.96	15.7	13.4	4.1	3.4	27.2	28.5	(6.4)
Samsung	005930 KS	233,959	57,600.00	12.2	9.3	1.0	0.9	7.7	9.8	8.3
LG	066570 KS	8,186	72,900.00	7.4	5.8	0.6	0.5	7.9	10.1	(12.7)
TCL Electronics	1070 HK	2,658	8.20	10.7	9.1	1.1	1.0	10.5	11.4	29.1
Average				17.3	14.5	9.4	6.3	40.8	45.0	6.8
ODM/EMS										
BYDE	285 HK	10,748	37.10	12.6	10.2	2.1	1.8	16.3	17.7	(11.8)
Luxshare	002475 CH	35,198	35.42	15.4	12.2	2.5	2.5	16.4	20.7	(13.1)
Hon Hai Precision	2317 TT	64,187	153.50	10.8	9.3	1.2	1.0	11.2	11.9	(16.6)
Average				12.9	10.5	1.9	1.8	14.6	16.8	(13.8)
Optics										
Sunny Optical	2382 HK	9,804	69.65	20.3	16.6	2.6	2.4	12.7	14.2	1.2
Q Tech	1478 HK	1,075	7.03	13.1	10.5	1.3	1.2	10.3	11.6	8.5
Truly	732 HK	447	1.10	-	-	-	-	-	-	(3.5)
Cowell	1415 HK	2,761	24.90	13.8	10.7	4.0	3.0	31.0	29.9	(12.0)
Largan	3008 TT	9,844	2,450.00	13.2	12.3	1.6	1.5	13.1	13.0	(8.4)
Genius	3406 TT	1,388	409.00	11.0	10.1	1.7	1.5	16.1	15.9	(19.3)
O-Film	002456 CH	5,553	12.23	44.8	36.7	8.7	7.8	12.5	13.4	2.1
Lg Innotek	011070 KS	2,311	142,300.00	6.7	5.0	0.6	0.5	9.2	11.2	(12.2)
Average				17.6	14.6	2.9	2.6	15.0	15.6	(5.5)
Acoustics/Haptics										
AACTech	2018 HK	6,303	41.35	17.5	14.8	1.7	1.6	9.9	10.8	10.3
Luxshare	002475 CH	35,198	35.42	15.4	12.2	2.5	2.5	16.4	20.7	(13.1)
Merry	2439 TT	954	125.00	13.9	12.1	1.6	-	13.9	14.7	15.7
Knowles	KN US	1,338	15.26	14.3	11.4	-	-	-	-	(23.4)
Nidec	6594 JP	18,852	2,309.50	14.4	12.8	1.5	1.4	10.5	11.1	(19.1)
Average				16.1	13.6	1.9	1.9	12.1	13.7	(6.5)
Connector										
FIT Hon Teng	6088 HK	2,185	2.33	8.5	5.8	0.8	0.7	9.0	11.7	(36.2)
Luxshare	002475 CH	35,198	35.42	15.4	12.2	2.5	2.5	16.4	20.7	(13.1)
TE	TEL US	42,453	142.29	17.6	15.9	3.3	3.1	18.8	19.6	(0.5)
Amphenol	APH US	82,280	67.90	29.3	26.1	7.2	6.0	26.9	25.7	(2.2)
Average				17.7		3.4		17.8		(13.0)
Casing										
BYDE	285 HK	10,748	37.10	12.6	10.2	2.1	1.8	16.3	17.7	(11.8)
Tongda	698 HK	96	0.08	4.1	3.0	0.2	0.2	5.9	7.4	(4.9)
TK Group	2283 HK	247	2.31	6.4	5.0	1.0	0.9	15.9	18.3	(2.5)
Everwin	300115 CH	4,333	23.31	36.1	26.1	2.0	1.8	13.0	15.4	43.5
Lens Tech	300433 CH	15,427	22.58	20.8	17.0	2.2	2.0	10.6	12.0	3.1
Catcher	2474 TT	4,506	220.00	14.4	13.8	-	-	6.0	-	13.4
Jabil	JBL US	15,149	138.75	15.5	13.5	10.6	10.4	62.7	72.2	(3.6)
Average				15.7	12.6	3.0	2.9	18.6	23.8	5.3
Hinge										
AACTech	2018 HK	6,303	41.35	17.5	14.8	1.7	1.6	9.9	10.8	10.3
Jiangsu Gian	300709 CH	981	38.44	-	-	-	-	-	-	(4.3)
KH Vatec	060720 KS	142	8,760.00	7.1	5.6	0.7	0.7	10.9	12.6	7.6
Foseltek	6805 TT	1,205	584.00	18.0	12.1	6.0	4.6	33.6	38.8	(27.9)
Jarlytec	3548 TT	291	146.50	15.4	14.6	1.6	1.4	10.2	9.7	(17.0)
NBTM	600114 CH	1,703	20.15	21.1	16.7	4.1	3.7	18.9	20.3	24.6
Dongguan Eontec	300328 CH	1,052	11.11	-	-	-	-	-	-	51.0
Average				15.8	12.8	2.8	2.4	16.7	18.4	6.3

Source: Bloomberg, CMBIGM estimates

Figure 6: Peers valuation (cont.)

Figure 6: FY2025 valuation (cont.)										
Company	Ticker	Mkt Cap (US\$ mn)	Price (LC)	P/E (x)		P/B (x)		ROE (%)		Perf
				FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	YTD
PC/Server										
Lenovo	992 HK	15,677	9.83	10.7	7.5	2.4	2.1	23.8	22.6	(2.5)
Dell	DELL US	66,525	95.33	12.2	10.2	-	69.1	(166.4)	1,027.0	(17.3)
HPE	HPE US	21,175	16.12	8.9	7.8	0.8	0.8	9.3	9.8	(24.5)
HP Inc	HPQ US	26,283	27.88	7.8	7.5	-	-	(303.7)	(35.8)	(14.6)
Super Micro	SMCI US	20,825	35.09	13.5	9.5	3.2	2.5	29.9	31.9	15.1
ASUSTeK	2357 TT	13,505	604.00	12.7	10.9	1.6	1.6	13.0	14.8	(1.9)
Inspur	000977 CH	10,537	52.20	26.6	21.6	3.4	3.0	13.1	13.8	0.6
Daw ning	603019 CH	13,085	65.22	37.1	30.6	4.2	3.8	11.6	12.6	(9.8)
		Average		16.2	13.2	2.6	11.8	(46.2)	137.1	(6.9)
ODM/OEM										
Fii	601138 CH	51,873	19.05	12.2	10.5	2.2	2.0	18.2	18.7	(11.4)
Huaqing	603296 CH	10,013	71.88	19.2	16.3	2.7	2.4	13.9	14.4	1.3
BYDE	285 HK	10,748	37.10	12.6	10.2	2.1	1.8	16.3	17.7	(11.8)
Quanta	2382 TT	27,093	233.00	12.8	10.7	3.7	3.2	30.6	32.0	(18.8)
Wistron	3231 TT	8,807	101.00	12.3	9.9	2.1	1.8	17.5	18.5	(2.9)
Wiw ynn	6669 TT	9,734	1,740.00	11.2	9.4	3.2	2.8	29.8	29.9	(33.6)
Inventec	2356 TT	4,628	42.85	15.5	13.9	2.2	2.1	14.3	15.1	(14.5)
GigaByte	2376 TT	4,981	247.00	13.6	11.5	3.1	2.7	23.1	24.5	(9.4)
		Average		13.7	11.5	2.7	2.3	20.5	21.3	(12.6)
Connector										
FIT Hon Teng	6088 HK	2,185	2.33	8.5	5.8	0.8	0.7	9.0	11.7	(36.2)
Luxshare	002475 CH	35,198	35.42	15.4	12.2	2.5	2.5	16.4	20.7	(13.1)
TE	TEL US	42,453	142.29	17.6	15.9	3.3	3.1	18.8	19.6	(0.5)
Amphenol	APH US	82,280	67.90	29.3	26.1	7.2	6.0	26.9	25.7	(2.2)
		Average		17.7		3.4		17.8		(13.0)
Switch/Storage										
Cisco	CSCO US	245,938	61.82	16.6	15.4	5.3	4.9	33.0	33.2	4.4
Arista	ANET US	101,092	80.16	32.2	27.1	7.8	6.1	26.4	24.7	(27.5)
Juniper	JNPR US	12,018	36.07	17.5	16.1	2.4	2.3	14.3	14.5	(3.7)
Keysight	KEYS US	26,217	151.71	21.6	19.0	4.9	4.3	19.8	21.1	(5.6)
Seagate	STX US	18,105	85.52	11.6	9.0	-	26.6	(143.5)	4,784.2	(0.9)
Western Digital	WDC US	14,532	41.78	8.1	7.4	-	3.4	19.1	34.1	(7.3)
		Average		19.0	16.4	4.7	6.8	0.7	618.9	(6.9)
Substrate										
Unimicron	3037 TT	4,439	96.40	14.6	9.0	1.5	1.3	9.7	15.1	(31.6)
Ibiden	4062 JP	3,820	3,962.00	18.3	15.8	1.1	1.0	6.1	7.0	(17.0)
NYPCB	8046 TT	2,042	105.00	33.1	12.6	1.4	1.3	5.4	10.0	(19.5)
		Average		22.0	12.5	1.3	1.2	7.1	10.7	(22.7)
PCB										
WUS Printed	002463 CH	8,100	30.79	17.1	14.0	4.0	3.2	24.4	24.1	(22.3)
Victory Giant	300476 CH	8,635	73.00	22.1	16.8	5.5	4.2	18.9	20.0	73.4
Gold Circuit	2368 TT	2,887	195.00	12.8	10.4	3.8	3.0	32.3	31.6	(19.3)
		Average		17.4	13.7	4.4	3.5	25.2	25.2	10.6
Power Supply										
Delta	2308 TT	28,893	369.50	20.6	17.4	3.8	3.4	17.7	18.4	(14.2)
Lite-on	2301 TT	6,699	94.80	14.3	12.4	2.4	2.2	16.8	18.2	(4.7)
		Average		17.5	14.9	3.1	2.8	17.2	18.3	(9.4)
Thermal										
Fii	601138 CH	51,873	19.05	12.2	10.5	2.2	2.0	18.2	18.7	(11.4)
Sunow ealth	2421 TT	748	90.90	12.9	10.8	3.0	2.7	23.8	25.7	(6.9)
AVC	3017 TT	5,437	466.00	14.8	12.1	4.8	3.7	35.8	34.4	(25.2)
		Average		13.3	11.1	3.3	2.8	25.9	26.3	(14.5)

Source: Bloomberg, CMBIGM estimates

Figure 7: Peers valuation (cont.)

Figure 11: P/E ratio variation (cont.)										
		Mkt Cap	Price	P/E (x)		P/B (x)		ROE (%)		Perf
Company	Ticker	(US\$ mn)	(LC)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	YTD
Auto Electronics										
BYDE	285 HK	10,748	37.10	12.6	10.2	2.1	1.8	16.3	17.7	(11.8)
Sunny Optical	2382 HK	9,804	69.65	20.3	16.6	2.6	2.4	12.7	14.2	1.2
AACTech	2018 HK	6,303	41.35	17.5	14.8	1.7	1.6	9.9	10.8	10.3
FIT Hon Teng	6088 HK	2,185	2.33	8.5	5.8	0.8	0.7	9.0	11.7	(36.2)
BOE Varitronix	710 HK	561	5.51	8.6	6.9	0.3	0.3	4.0	4.2	(18.5)
Intron Tech	1760 HK	187	1.34	5.2	4.0	0.5	0.5	9.4	11.3	10.7
Luxshare	002475 CH	35,198	35.42	15.4	12.2	2.5	2.5	16.4	20.7	(13.1)
Desay SV	002920 CH	8,091	106.33	21.9	17.2	5.0	4.0	24.4	24.9	(3.4)
Jingwei Hirain	688326 CH	1,332	80.99	77.5	28.7	2.0	1.9	5.0	6.4	(3.7)
Foryou	002906 CH	2,339	32.50	19.5	15.4	2.4	2.2	12.6	14.5	5.7
O-Film	002456 CH	5,553	12.23	44.8	36.7	8.7	7.8	12.5	13.4	2.1
LianChuang	002036 CH	1,591	10.95	67.2	34.2	3.7	3.4	3.9	10.4	16.5
Average				37.3	22.4	3.7	3.3	12.2	14.6	2.1

Source: Bloomberg, CMBIGM estimates

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.