Yum China (9987 HK)

Faster new openings, firmer margins; SSS lags

BUY (Maintain)

Target Price	**HK$457.75**
Up/Downside	**18.0%**
Current Price	**HK$387.80**

The Company's 3Q26 revenue was +8% YoY (+2% cc) to US$3,477mn, -0.9% vs Bloomberg consensus. Adjusted OP of US$451mn (+13% YoY) & diluted EPS of US$0.91 (+20% YoY) slightly beat on margin improvement. We view the results as mixed, with bright spots in **1) strengthened margins,** with restaurant and operating margins each expanding 50bps YoY to 17.8% and 13.0%, respectively, as rent savings and efficiency gains offset cost pressure; and **2) accelerated expansion:** record quarterly net additions of 692 supporting an upgrade of FY26 guidance from 1,900 to over 2,400, taking year-end stores above 20,500. The downside is **3) SSSG below expectations**, falling 3% YoY at both brands on last year's high base due to subsidies, unfavorable weather and faster-than-expected subsidy withdrawal. Mgmt. expects a sequential SSSG uptick in 4Q26 and reiterates the 0-2% SSSG in FY27E given retreat of high base effect in FY26E. We transfer coverage with BUY rating and a TP of HK$457.75, based on 17x FY27E EPS of US$3.43, implying 18% upside.

- **Margins: ~20bps underlying expansion ex-Pizza Hut China acquisition.** 3Q restaurant margin was 17.8% (+50bps YoY): food & paper cost ratio (as a % of company sales) was 31.5% (+20bps), payroll was 26.5% (+30bps), offset by occupancy & other costs at 24.2% (-100bps), the key driver. Portfolio rationalisation and lease renegotiations brought rent to ~8% of sales, the lowest since the 2016 IPO. Lower per-order rider costs, menu innovation, dynamic promotions and back-office automation & centralisation narrowed rider cost drag from >150bps in 1H26 to 30bps. 3Q operating margin stood at 13.0% (+50bps YoY, the 10th consecutive quarter of expansion), with the Pizza Hut China acquisition contributing ~30bps to both restaurant and operating margins. Mgmt. guides broadly flat 4Q operating margin YoY ex-transaction; the deal is expected to add 50–60bps.
- **Store openings: Guidance upgraded driven by untapped lower-tier markets and proven small-store formats.** 3Q net additions reached a quarterly record of 692 units (44% franchisees), taking 9M net additions to 1,888. Full-year target was raised from 1,900 to >2,400 units (~13% of base store count), with year-end store base to exceed 20,500. Franchise stores will account for 40–50% of net additions across both brands. Rationale for guidance upgrade: ample white space in lower-tier cities (1,000–1,500 cities still unserved by both brands), and low-cost formats including small-town, WOW and Gemini stores have been validated. Over half of new stores were in new cities or zones without existing food delivery coverage to minimise cannibalisation.
- **SSSG: traffic up, ticket down.** System sales were +3% YoY cc and SSS -3% YoY in 3Q. Transactions were +3% YoY (15th straight quarterly gain), but average ticket was -5% YoY: KFC -5% YoY to RMB36, Pizza Hut -8% to RMB65. Smaller orders, solo dine-in and KCOFFEE/KPRO occasions weighed on ticket. Monthly trend: July in-line; August soft on East China's bad weather + subsidy pullback vs high base in 2025; September improved; October hit internal targets. Mgmt. guides sequential SSSG improvement and positive transaction growth in 4Q, aided by Nov autumn school holidays; it reiterated 0–2% SSSG for 2027 given diminishing high base impact.
- **Valuation:** Target price of HK$457.75 is based on 17x 2027E P/E (2027E EPS of US$3.43, FX at 7.84). The 17x multiple equals the 3-year average PE (Figure 5). Strong shareholder returns also support the valuation: ~100% FCF payout from 2027 (annual >US$900–1,000mn via dividends + buybacks), implying ~6% shareholder yield. **Catalysts:** 4Q SSSG metrics. **Risks:** Slower-than-expected SSS recovery, renewed competition via delivery subsidies, raw material and labour cost inflation, store opening & franchise execution misses, food safety incidents, FX volatility.

China Consumer Discretionary

Miao ZHANG
(852) 3761 8910
zhangmiao@cmbi.com.hk

Yiwen Xu
xuyiwen@cmbi.com.hk

Stock Data

Mkt Cap (HK$ mn)	131,464.2
Avg 3 mths t/o (HK$ mn)	266.5
52w High/Low (HK$)	450.00/313.80
Total Issued Shares (mn)	339.0

Source: FactSet

Shareholding Structure

JPMorgan Chase & Co.	8.2%
Principal Global Investors	6.3%

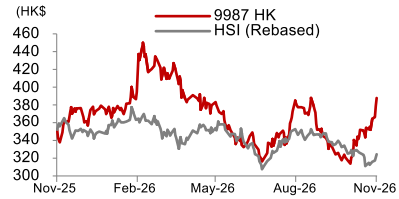
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	22.2%	22.4%
3-mth	1.8%	10.1%
6-mth	1.2%	10.4%

Source: FactSet

12-mth Price Performance



Source: FactSet

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (US$ mn)	11,303	11,797	12,955	13,776	14,643
YoY growth (%)	3.0	4.4	9.8	6.3	6.3
Operating profit (US$ mn)	1,162.0	1,290.0	1,451.4	1,620.5	1,780.9
Net profit (US$ mn)	911.0	929.0	1,010.7	1,121.8	1,235.1
EPS (Reported) (US$)	2.33	2.51	2.94	3.43	3.92
YoY growth (%)	18.3	7.7	17.0	16.9	14.2
P/E (x)	21.2	19.7	16.8	14.4	12.6
Yield (%)	1.3	1.9	2.3	2.7	3.1
ROE (%)	15.0	16.7	19.7	22.5	23.8

Source: Company data, Bloomberg, CMBIGM estimates

Figure 1: Yum China's results summary

Quarterly (US$ mn)	1Q26	2Q26	3Q26	1Q26 YoY	2Q26 YoY	3Q26 YoY
Revenues						
Company sales	3,047	2,910	3,214	9%	11%	7%
KFC	2,410	2,294	2,547	9%	11%	8%
Pizza hut	627	604	654	7%	11%	5%
Franchise fees & income	30	29	32	11%	21%	14%
Revenues from transactions with franchisees	156	155	183	29%	35%	31%
Other revenues	38	44	48	19%	26%	20%
Total revenues	**3,271**	**3,138**	**3,477**	***10%***	***13%***	***8%***
Costs & expenses						
Food & Paper	963	918	1,011	10%	13%	8%
Payroll & employee benefits	813	804	851	13%	13%	8%
Occupancy & other operating expenses	718	719	778	4%	7%	3%
G&A expenses	137	139	155	-1%	6%	8%
As % of total revenues						
Food & Paper	*29.4%*	*29.3%*	*29.1%*	*+0.1 pp*	*+0.2 pp*	*-0.2 pp*
Payroll & employee benefits	*24.9%*	*25.6%*	*24.5%*	*+0.7 pp*	*+0.1 pp*	*-0.0 pp*
Occupancy & other operating expenses	*22.0%*	*22.9%*	*22.4%*	*-1.1 pp*	*-1.1 pp*	*-1.2 pp*
G&A expenses	*4.2%*	*4.4%*	*4.5%*	*-0.4 pp*	*-0.3 pp*	*-0.0 pp*
Operating profit	**447**	**348**	**451**	***12%***	***14%***	***13%***
OP margin	**13.7%**	**11.1%**	**13.0%**	*+0.3 pp*	*+0.2 pp*	*+0.5 pp*
Net profit	**309**	**244**	**311**	***6%***	***13%***	***10%***
NP margin	**9.4%**	**7.8%**	**8.9%**	*-0.3 pp*	*+0.1 pp*	*+0.1 pp*
Operating matrix						
Restaurants	**18,737**	**19,297**	**19,989**	***13%***	***14%***	***14%***
KFC	13,454	13,789	14,307	13%	13%	13%
Pizza hut	4,375	4,549	4,740	16%	18%	18%
System sales growth	**4%**	**6%**	**3%**			
KFC	5%	7%	3%			
Pizza hut	4%	6%	1%			
SSSG	**0%**	**1%**	**-3%**			
KFC	1%	1%	-3%			
Pizza hut	-1%	1%	-3%			
Restaurant margin	**18.1%**	**16.1%**	**17.8%**	*-0.4 pp*	*0.0 pp*	*+0.5 pp*
KFC	19.1%	17.1%	18.6%	*-0.7 pp*	*+0.2 pp*	*+0.1 pp*
Pizza hut	15.0%	12.9%	15.3%	*+0.6 pp*	*-0.4 pp*	*+1.8 pp*

Source: Company data, CMBIGM

Figure 2: Earnings revision

(USD mn)	New FY26E	New FY27E	New FY28E	Old FY26E	Old FY27E	Old FY28E	Diff (%) FY26E	Diff (%) FY27E	Diff (%) FY28E
Revenue	12,955	13,776	14,643	12,334	13,241	14,157	5.0%	4.0%	3.4%
Gross profit	9,164	9,816	10,473	8,744	9,408	10,068	4.8%	4.3%	4.0%
EBIT	1,451	1,620	1,781	1,361	1,531	1,693	6.7%	5.8%	5.2%
Net profit att.	1,011	1,122	1,235	976	1,084	1,084	3.6%	3.5%	14.0%
EPS (USD)	2.94	3.43	3.92	2.79	3.10	3.10	5.3%	10.9%	26.6%
Gross margin	70.7%	71.3%	71.5%	70.9%	71.1%	71.1%	-0.2ppt	0.2ppt	0.4ppt
EBIT margin	11.2%	11.8%	12.2%	11.0%	11.6%	12.0%	0.2ppt	0.2ppt	0.2ppt
Net profit att. margin	7.8%	8.1%	8.4%	7.9%	8.2%	8.2%	-0.1ppt	0ppt	0.3ppt

Source: Company data, CMBIGM estimates

Figure 3: CMBIGM estimates vs consensus

(USD mn)	CMBI est. FY26E	CMBI est. FY27E	CMBI est. FY28E	Cons. FY26E	Cons. FY27E	Cons. FY28E	Diff (%) FY26E	Diff (%) FY27E	Diff (%) FY28E
Revenue	12,955	13,776	14,643	12,860	13,661	14,467	0.7%	0.8%	1.2%
Gross profit	9,164	9,816	10,473	9,086	9,690	10,286	0.9%	1.3%	1.8%
EBIT	1,451	1,620	1,781	1,468	1,622	1,752	-1.1%	-0.1%	1.7%
Net profit att.	1,011	1,122	1,235	1,023	1,132	1,228	-1.2%	-0.9%	0.6%
EPS (USD)	2.937	3.433	3.920	2.927	3.350	3.702	0.3%	2.5%	5.9%
Gross margin	70.7%	71.3%	71.5%	70.7%	70.9%	71.1%	0.1ppt	0.3ppt	0.4ppt
EBIT margin	11.2%	11.8%	12.2%	11.4%	11.9%	12.1%	-0.2ppt	-0.1ppt	0.1ppt
Net profit att. margin	7.8%	8.1%	8.4%	8.0%	8.3%	8.5%	-0.2ppt	-0.1ppt	-0.1ppt

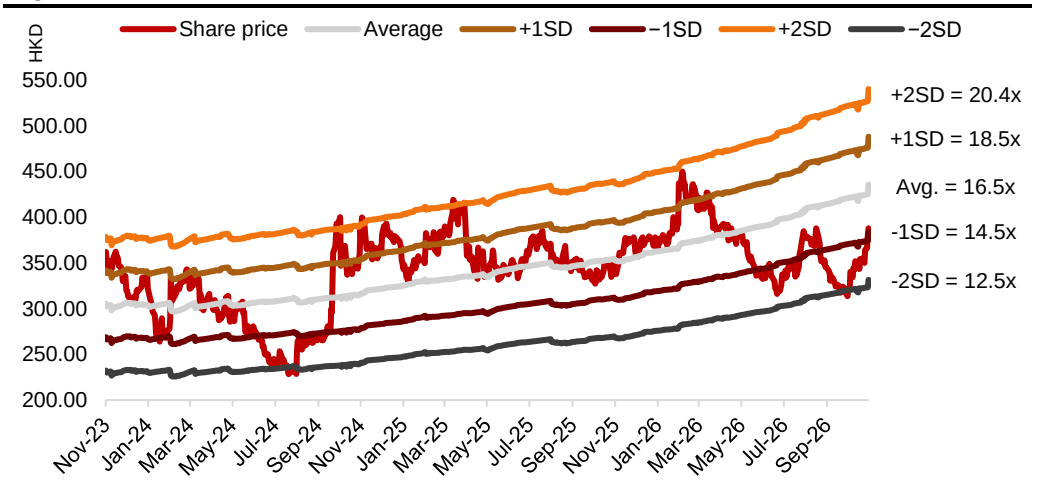
Source: Company data, Bloomberg, CMBIGM estimates

Figure 4: Valuation Comps

Company	Ticker	Last Price (LC)	Mkt Cap (USD mn)	P/E (x) 26E	P/E (x) 27E	P/E (x) 28E	Rev. growth (%) 26E	Rev. growth (%) 27E	Rev. growth (%) 28E	NP growth (%) 26E	NP growth (%) 27E	NP growth (%) 28E	NPM (%) 25A	Payout ratio 25A	Div yield 25A	Div yield 26E	PEG FY27E 2yr CAGR
Haidilao	6862.HK	9.85	6,997	11.1 x	10.1 x	9.3 x	8.0	7.9	6.8	4.4	10.5	8.6	9.4%	86.9%	7.3%	8.1%	1.4 x
Yum China	9987.HK	387.80	16,687	16.2 x	14.8 x	13.6 x	8.1	6.1	5.8	10.7	9.5	8.7	8.5%	40.2%	2.0%	2.1%	1.5 x
DPC Dash	1405.HK	31.00	520	21.9 x	15.9 x	11.4 x	18.2	19.1	18.1	12.6	37.1	39.9	2.6%	n.a.	n.a.	n.a.	0.7 x
Luckin Coffee	LKNCY.OO	32.90	9,319	14.0 x	10.9 x	9.2 x	25.4	17.5	12.3	25.7	28.6	18.5	7.3%	n.a.	n.a.	n.a.	0.4 x
Mixue Group	2097.HK	171.50	8,297	10.7 x	9.6 x	8.5 x	1.6	9.6	9.7	(11.8)	12.3	12.1	17.7%	n.a.	n.a.	1.8%	n.a.
Guming	1364.HK	22.82	6,802	14.2 x	11.9 x	10.2 x	23.5	18.2	15.4	3.3	19.6	16.2	24.1%	96.4%	6.3%	2.8%	1.1 x
Weighted average				**13.9 x**	**12.1 x**	**10.8 x**	**12.6**	**11.0**	**9.3**	**7.8**	**15.5**	**12.5**	**12.1%**	**63.5%**	**4.2%**	**3.2%**	**1.1 x**

Source: Company data, Wind, CMBIGM estimates (data as of 4 Nov 2026)

Figure 5: PE band



Source: Company data, Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (US$ mn)						
Revenue	**10,978**	**11,303**	**11,797**	**12,955**	**13,776**	**14,643**
Cost of goods sold	(3,224)	(3,387)	(3,455)	(3,791)	(3,959)	(4,170)
Gross profit	**7,754**	**7,916**	**8,342**	**9,164**	**9,816**	**10,473**
Operating expenses	**(6,648)**	**(6,754)**	**(7,052)**	**(7,712)**	**(8,196)**	**(8,692)**
Admin expense	(638)	(568)	(581)	(619)	(652)	(689)
Staff costs	(2,725)	(2,787)	(2,987)	(3,324)	(3,533)	(3,738)
Other rental related expenses	(2,752)	(2,798)	(2,794)	(2,937)	(3,004)	(3,101)
Others	(533)	(601)	(690)	(832)	(1,008)	(1,165)
Operating profit	**1,106**	**1,162**	**1,290**	**1,451**	**1,620**	**1,781**
EBITDA	**1,559**	**1,638**	**1,738**	**1,925**	**2,127**	**2,322**
Depreciation	453	476	448	474	507	541
Net Interest income/(expense)	**169**	**129**	**92**	**38**	**15**	**18**
Other income/expense	(49)	40	(24)	(12)	0	0
Pre-tax profit	**1,226**	**1,331**	**1,358**	**1,477**	**1,635**	**1,799**
Income tax	(329)	(356)	(369)	(399)	(441)	(486)
Others	4	5	15	13	15	15
After tax profit	**901**	**980**	**1,004**	**1,091**	**1,209**	**1,328**
Minority interest	(74)	(69)	(75)	(81)	(87)	(93)
Net profit	**827**	**911**	**929**	**1,011**	**1,122**	**1,235**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (US$ mn)						
Current assets	**3,431**	**2,694**	**2,357**	**1,964**	**2,174**	**2,470**
Cash & equivalents	1,128	723	506	223	369	595
Account receivables	68	79	95	120	152	180
Inventories	424	405	438	481	502	529
Prepayment	339	366	440	463	473	488
Other current assets	1,472	1,121	878	678	678	678
Non-current assets	**8,600**	**8,427**	**8,426**	**9,821**	**9,978**	**10,094**
PP&E	2,310	2,407	2,543	2,672	2,761	2,811
Right-of-use assets	2,217	2,146	2,189	2,189	2,189	2,189
Deferred income tax	129	138	156	156	156	156
Investment in JVs & assos	332	368	387	387	387	387
Intangibles	150	144	148	1,333	1,317	1,302
Goodwill	1,932	1,880	1,963	2,045	2,127	2,209
Other non-current assets	1,530	1,344	1,040	1,040	1,040	1,040
Total assets	**12,031**	**11,121**	**10,783**	**11,786**	**12,152**	**12,564**
Current liabilities	**2,422**	**2,283**	**2,246**	**3,653**	**3,756**	**3,886**
Account payables	2,164	2,080	2,127	2,334	2,437	2,567
Tax payable	90	76	89	89	89	89
Other current liabilities	168	127	30	1,230	1,230	1,230
Non-current liabilities	**2,490**	**2,411**	**2,438**	**2,431**	**2,425**	**2,418**
Obligations under finance leases	44	49	51	51	51	51
Other non-current liabilities	2,446	2,362	2,387	2,380	2,374	2,367
Total liabilities	**4,912**	**4,694**	**4,684**	**6,084**	**6,181**	**6,304**
Total shareholders equity	**6,405**	**5,728**	**5,379**	**4,901**	**5,084**	**5,280**
Minority interest	714	699	720	801	888	981
Total equity and liabilities	**12,031**	**11,121**	**10,783**	**11,786**	**12,152**	**12,564**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (US$ mn)						
Operating						
Profit before taxation	**1,230**	**1,336**	**1,373**	**399**	**441**	**486**
Depreciation & amortization	453	476	448	474	507	541
Tax paid	344	337	364	399	441	486
Change in working capital	24	(31)	(109)	117	39	60
Others	80	13	128	0	0	0
Net cash from operations	**1,473**	**1,419**	**1,466**	**1,682**	**1,755**	**1,929**
Investing						
Capital expenditure	(710)	(705)	(626)	(644)	(638)	(632)
Net proceeds from disposal of short-term investments	(18)	523	633	200	0	0
Others	(15)	4	(12)	(1,225)	(25)	(25)
Net cash from investing	**(743)**	**(178)**	**(5)**	**(1,669)**	**(663)**	**(657)**
Financing						
Dividend paid	(216)	(248)	(353)	(392)	(435)	(479)
Net borrowings	0	0	0	1,200	0	0
Proceeds from share issues	2	5	2	0	0	0
Share repurchases	(613)	(1,249)	(1,144)	(1,108)	(515)	(571)
Others	111	(144)	(194)	(7)	(7)	(7)
Net cash from financing	**(716)**	**(1,636)**	**(1,689)**	**(307)**	**(957)**	**(1,057)**
Net change in cash						
Cash at the beginning of the year	1,130	1,128	723	506	223	369
Exchange difference	(16)	(10)	11	11	11	11
Cash at the end of the year	**1,128**	**723**	**506**	**223**	**369**	**595**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	14.7%	3.0%	4.4%	9.8%	6.3%	6.3%
Gross profit	15.2%	2.1%	5.4%	9.9%	7.1%	6.7%
Operating profit	75.8%	5.1%	11.0%	12.5%	11.6%	9.9%
EBITDA	26.6%	5.1%	6.1%	10.8%	10.5%	9.1%
Net profit	87.1%	10.2%	2.0%	8.8%	11.0%	10.1%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	70.6%	70.0%	70.7%	70.7%	71.3%	71.5%
Operating margin	10.1%	10.3%	10.9%	11.2%	11.8%	12.2%
EBITDA margin	14.2%	14.5%	14.7%	14.9%	15.4%	15.9%
Return on equity (ROE)	12.8%	15.0%	16.7%	19.7%	22.5%	23.8%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Current ratio (x)	1.4	1.2	1.0	0.5	0.6	0.6

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	25.1	21.2	19.7	16.8	14.4	12.6
P/E (diluted)	25.1	21.2	19.7	16.8	14.4	12.6
Div yield (%)	1.0	1.3	1.9	2.3	2.7	3.1

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.