

BYDE (285 HK)

1Q24 solid on track; Android recovery, Jabil synergy, high-end NEV and AI servers the bright spots

BYDE's 1Q24 rev/earnings growth of 38%/33% YoY is largely in-line, mainly driven by Android/Apple orders, Jabil's component biz and steady NEV/intelligent product businesses despite seasonality and CNY effects. Looking into 2024, mgmt. remains positive on high-end Android recovery, Jabil synergy, high-end NEV and AI server ramp-up to drive earnings growth. We slightly lowered FY24-26E EPS by 2-3% to factor in lower GPM and higher OPEX on amortization of intangible assets, and our FY24-26E EPS remain 2-12% above consensus. The stock now trades at 10.3x/7.6x FY24/25E P/E, which is attractive in our view. Our new SOTP-based TP of HK\$45.15 implies 17.2x FY24E P/E. Maintain BUY. Catalysts include Jabil sales synergy and NEV/AI server products ramp-up.

- 1Q24 largely in-line; rapid growth on components and Android/iPad recovery.** BYDE's 1Q24 revenue/NP growth of 38%/33% YoY are driven by Android/Apple recovery, casing component growth, NEV product ramp-up and steady new intelligent products. 1Q24 GPM was 6.9%, down 0.8ppt YoY due to higher sales mix of assembly business offsetting higher margin component/auto/new intelligent businesses. Overall, 1Q24 results are solid and in-line despite seasonality and CNY effects.
- 2024 bright spots: Android recovery, Jabil synergy, high-end NEV products and AI server products.** Looking into 2024: 1) for Android component biz, mgmt. expects revenue YoY growth and encouraging GPM thanks to high-end order ramp-up; 2) for Jabil biz, mgmt. reiterated that better automation and supply chain management will continue to boost profitability; 3) For NEV biz, mgmt. expects BYDE will continue to benefit from rising NEV penetration and steady GPM given parentco orders and mass production of suspension products for high-end models in 2H24E; 4) in addition to AI server shipments in 2Q24E, mgmt. believes stronger cooperation with NVIDIA in robots and edge computing will establish a solid foundation to penetrate into more customers in the long term.
- Our sector top pick; Reiterate BUY.** Overall, we raised revenue in FY24-25E by 5.6%/5.0% to reflect better Android shipment (Huawei/Xiaomi) and steady NEV outlook. We lowered FY24-25E EPS by 2.9%/1.5% to factor in weaker GPM and higher OPEX on amortization of intangible assets. Our new FY24-26E EPS are 2-12% above consensus, given our more positive view on Jabil synergies and Android high-end demand. Our new SOTP-based TP of HK\$45.15 implies 17.2x FY24E P/E. Maintain BUY. Near-term catalysts include Jabil's product mass production and NEV/AI server products ramp-up.

Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	107,186	129,957	181,168	207,378	236,855
YoY growth (%)	20.4	21.2	39.4	14.5	14.2
Net profit (RMB mn)	1,857.6	4,041.4	5,382.6	7,330.2	8,992.7
YoY growth (%)	(19.6)	117.6	33.2	36.2	22.7
EPS (Reported) (RMB)	0.82	1.79	2.39	3.25	3.99
Consensus EPS (RMB)	0.00	1.70	2.34	2.95	3.55
P/E (x)	29.9	13.7	10.3	7.6	6.2
P/B (x)	2.2	1.9	2.9	2.3	1.8
Yield (%)	0.7	2.2	2.9	4.0	4.9
ROE (%)	7.5	14.7	22.3	34.0	33.0
Net gearing (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$45.15
(Previous TP)	HK\$46.51
Up/Downside	69.7%
Current Price	HK\$26.60

China Technology

Alex NG

(852) 3900 0881
alexng@cmbi.com.hk

Hanqing LI

lihanqing@cmbi.com.hk

Stock Data

Mkt Cap (HK\$ mn)	59,935.2
Avg 3 mths t/o (HK\$ mn)	153.5
52w High/Low (HK\$)	39.95/22.20
Total Issued Shares (mn)	2253.2

Source: FactSet

Shareholding Structure

Golden Link Worldwide Ltd	65.8%
Gold Dragonfly Ltd	5.0%

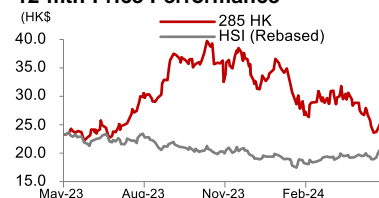
Source: HKEX

Share Performance

	Absolute	Relative
1-mth	-7.8%	-14.1%
3-mth	-0.6%	-13.3%
6-mth	-18.4%	-21.4%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related Reports:

- Reiterate BUY on multiple growth drivers in 2024 – 29 Mar 2024 ([link](#))
- FY23 positive profit alert above expectations; Reiterate BUY on strong FY24E outlook – 30 Jan 2024 ([link](#))
- Market concerns overdone; Strong NEV and Jabil mobile synergies ahead – 25 Jan 2024 ([link](#))
- NDR Takeaways: Android upside, NEV ramp-up and Jabil synergies – 2 Nov 2023 ([link](#))

1Q24 Results Review

Figure 1: Quarterly results review

RMB mn	1Q23	2Q23	3Q23	4Q23	1Q24	YoY	QoQ
Revenue	26,375	29,805	35,964	37,813	36,480	38%	-4%
Gross profit	2030	6350	2030	2379	2509	24%	5%
Net profit	459	1858	459	1057	610	33%	-42%
EPS (RMB)	0.20	0.82	0.20	0.47	0.27	35%	-43%
Gross margin	7.7%	5.9%	7.7%	8.0%	6.9%	-0.8 ppt	-1.1 ppt
Net margin	1.7%	1.7%	1.7%	3.5%	1.7%	-0.1 ppt	-1.9 ppt
Revenue (YoY)	26%	20%	26%	31%	38%		
Gross profit (YoY)	77%	5%	77%	101%	24%		
Net profit (YoY)	155%	-20%	155%	133%	33%		

Source: Company data, Bloomberg, CMBIGM estimates

Earnings Revision

Figure 2: Earnings revision

(RMB mn)	New			Old			Change (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	181,168	207,378	236,855	171,585	197,422	226,904	5.6%	5.0%	4.4%
Gross profit	15,280	18,898	22,816	15,350	18,762	22,634	-0.5%	0.7%	0.8%
Operating profit	5,723	7,990	9,908	6,123	8,299	10,268	-6.5%	-3.7%	-3.5%
Net profit	5,383	7,330	8,993	5,542	7,441	9,148	-2.9%	-1.5%	-1.7%
EPS (RMB)	2.39	3.25	3.99	2.46	3.30	4.06	-2.9%	-1.5%	-1.7%
Gross margin	8.4%	9.1%	9.6%	8.9%	9.5%	10.0%	-0.5 ppt	-0.4 ppt	-0.3 ppt
Operating margin	3.2%	3.9%	4.2%	3.6%	4.2%	4.5%	-0.4 ppt	-0.4 ppt	-0.3 ppt
Net margin	3.0%	3.5%	3.8%	3.2%	3.8%	4.0%	-0.3 ppt	-0.2 ppt	-0.2 ppt

Source: Company data, CMBIGM estimates

Figure 3: CMBI estimates vs consensus

(RMB mn)	CMBI			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	181,168	207,378	236,855	167,720	185,350	202,112	8.0%	11.9%	17.2%
Gross profit	15,280	18,898	22,816	14,871	16,854	19,088	2.8%	12.1%	19.5%
Operating profit	5,723	7,990	9,908	5,903	7,272	8,813	-3.1%	9.9%	12.4%
Net profit	5,383	7,330	8,993	5,270	6,644	8,008	2.1%	10.3%	12.3%
EPS (RMB)	2.39	3.25	3.99	2.34	2.95	3.55	1.9%	10.2%	12.3%
Gross margin	8.4%	9.1%	9.6%	8.9%	9.1%	9.4%	-0.4 ppt	0 ppt	0.2 ppt
Operating margin	3.2%	3.9%	4.2%	3.5%	3.9%	4.4%	-0.4 ppt	-0.1 ppt	-0.2 ppt
Net margin	3.0%	3.5%	3.8%	3.1%	3.6%	4.0%	-0.2 ppt	0 ppt	-0.2 ppt

Source: Company data, Bloomberg, CMBIGM estimates

Figure 4: Revenue breakdown

(RMB mn)	FY23	1H24E	2H24E	FY24E	FY25E	FY26E
Assembly	83,783	40,600	54,253	94,853	103,132	108,993
...YoY	23%	12.6%	13.7%	13%	9%	6%
Component (metal/glass/plastic)	13,637	14,624	30,495	44,758	50,492	57,917
...YoY	-4%	193.3%	252.5%	228%	13%	15%
Metal	6,208	2,706	2,706	5,412	5,502	5,451
Plastic	2,803	1,132	1,755	2,887	3,031	3,334
Glass/ceramic	5,143	1,148	4,190	5,338	6,405	7,687
Jabil component	-	-	-	29,820	34,020	39,608
New intelligent	18,441	10,799	11,330	22,129	26,555	31,866
...YoY	21%	20.0%	20.0%	20%	20%	20%
E-cigarette	2,062	495	1,773	2,268	2,495	2,745
...YoY	34%	10.0%	10.0%	10%	10%	10%
Household energy storage	2,775	611	2,442	3,053	3,358	3,694
...YoY	85%			10%	10%	10%
Auto intelligent	14,096	8,280	11,148	19,428	27,199	38,078
...YoY	52%	35%	40%	38%	40%	40%
Total	129,957	74,302	107,227	181,168	207,378	236,855
...YoY	21%	32.3%	45%	39%	14%	14%

Source: Company data, CMBIGM estimates

Figure 5: P&L forecast

(RMB mn)	FY23	1H24E	2H24E	FY24E	FY25E	FY26E
Revenue	129,957	74,302	107,227	181,168	207,378	236,855
...YoY	21.2%	32.3%	45.3%	39.4%	14.5%	14.2%
Cost of sales	(119,523)	(68,283)	(97,966)	(165,888)	(188,479)	(214,038)
Gross profit	10,434	6,019	9,261	15,280	18,898	22,816
GPM (%)	8.0%	8.1%	8.6%	8.4%	9.1%	9.6%
...YoY	64.3%	36.5%	53.7%	46.4%	23.7%	20.7%
SG&A	(2,007)	(1,167)	(1,458)	(2,625)	(3,028)	(3,671)
...% of rev	2%	2%	1%	1%	1%	2%
R&D	(4,722)	(3,180)	(3,753)	(6,933)	(7,880)	(9,237)
...% of rev	4%	4%	4%	4%	4%	4%
Operating profit	3,705	1,672	4,050	5,723	7,990	9,908
OPM (%)	3%	2%	4%	3%	4%	4%
...YoY	506%	63%	51%	54%	40%	24%
Net profit	4,041	1,869	3,514	5,383	7,330	8,993
NPM (%)	3.1%	2.5%	3.3%	3.0%	3.5%	3.8%
...YoY	118%	23%	39%	33%	36%	23%

Source: Company data, CMBIGM estimates

Valuation

Maintain BUY with new TP of HK\$45.15

We maintain BUY and derive our TP based on SOTP valuation to reflect BYDE's business diversification with different growth profiles and visibility.

Our new TP of HK\$45.15 is based on a weighted-average target P/E multiple of 17.2x FY24E PE. We assign 15x P/E to its assembly EMS business and 15x P/E for component business, in line with TW/HK-listed peers, given Android business margin recovery and Apple business expansion. We assign 20x for new intelligent and NEV segments to reflect its growth potential and higher earnings visibility.

Figure 6: BYDE – SOTP valuation

Business segment	% of FY24E Profit	FY24E EPS (RMB)	Target P/E
Assembly	14%	0.35	15x
Components	16%	0.38	15x
Jabil Components	26%	0.62	15x
Masks	0%	0	8x
New Intelligent	23%	0.54	20x
Auto intelligent	21%	0.51	20x
Total (RMB) /Implied P/E		2.46	17.2x
TP (HK\$)			45.15

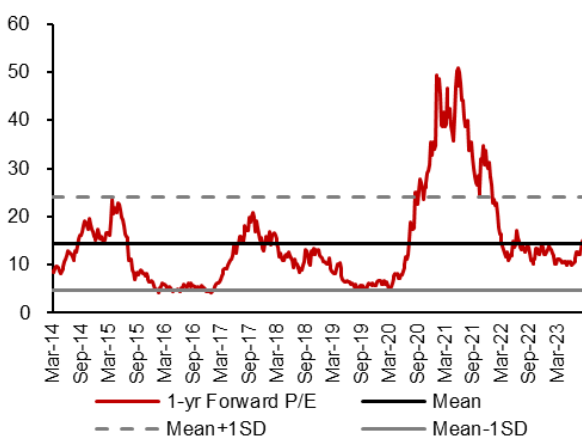
Sources: Company data, CMBIGM estimates

Figure 7: Peers' valuation

Company	Ticker	Rating	Market Cap (US\$ mn)	Price (LC)	TP (LC)	Up/Down -side	P/E (x)		P/B (x)		ROE (%)	
							FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
BYDE	285 HK	Buy	7,661	26.60	45.2	70%	10.0	7.3	2.8	2.2	28.4	30.3
Tongda	698 HK	Buy	98	0.08	0.14	77%	3.4	2.7	0.1	0.1	3.1	3.8
AAC Tech	2018 HK	Hold	3,830	25.00	22.4	-10%	19.5	15.7	1.1	1.1	5.8	6.9
TK Group	2283 HK	Buy	162	1.52	2.8	84%	4.5	3.8	0.7	0.6	15.3	16.3
Ju Teng	3336 HK	NR	158	1.03	NA	NA	-	-	-	-	-	-
Everwin	300115 CH	NR	1,761	10.59	NA	NA	18.9	14.6	2.0	1.8	10.2	12.0
Lens Tech	300433 CH	NR	9,848	14.31	NA	NA	18.2	14.8	1.5	1.4	8.2	9.4
Foxconn	2354 TT	NR	2,675	61.60	NA	NA	11.4	10.8	0.5	0.5	7.0	7.1
Catcher	2474 TT	NR	4,553	218.00	NA	NA	16.4	13.9	0.9	-	5.7	6.2
Average							12.8	10.5	1.2	1.1	10.5	11.5

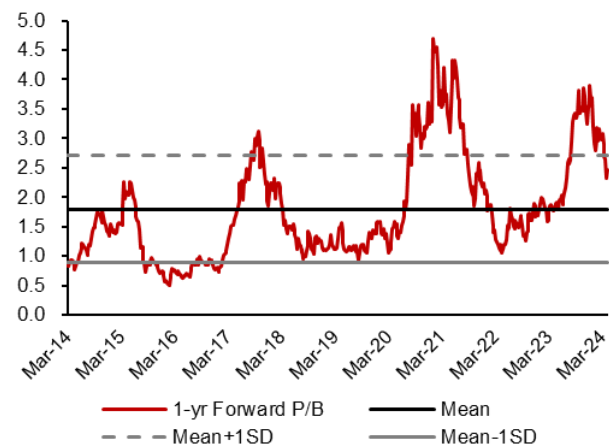
Source: Bloomberg, CMBIGM estimates

Figure 8: 12M forward P/E band



Source: Bloomberg, CMBIGM estimates

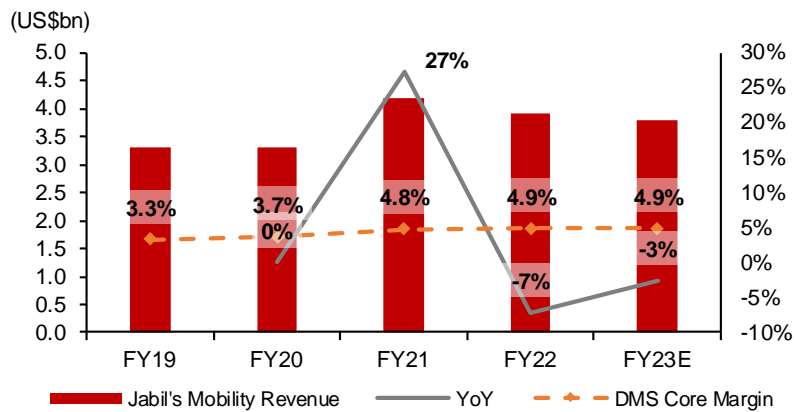
Figure 9: 12M forward P/B band



Source: Bloomberg, CMBIGM estimates

Overview of Jabil's Mobility business

Figure 10: Jabil's Mobility segment revenue in FY19-23



Source: Jabil's announcement, Bloomberg, CMBIGM

Figure 11: Overview of Jabil's mobility business location in China (Wuxi, Chengdu)

Location	Main business	Overview	Applications	Service offerings	Manufacturing area
Wuxi	EMS	* Offer a full suite of supply chain solutions from design services to seamless customs clearance and after-market services (including non-Jabil made products).	* Hardware automation & manual job digitization * Software automation * Digital highway	* PCB assembly * Box build * Configure-to-order * Automated manufacturing systems	Factory areas: 156,485 sqm Floor space: 84,263 sqm
	JGP	* Established in Dec 2015. * 1,800+ sets of most advanced CNC machines * One of the most reliable suppliers of the famous mobile phone brand in the world.	* Mobile phone related parts	* Products include series of small metal parts, housing.	693,235 sq.ft.
	Metal	* Provides world-class engineering and manufacturing services to customers in China and overseas.	* Consumer lifestyle * Mobility		1,765,281 sq.ft.
	Plastics	* A world leader in consumer handheld electronics	* Consumer electronics * Mobility	* Esthetic, precise and structural mechanical plastic and metal components * Innovative decorating technologies and optimized mechanical solutions	120,420 sq.ft.
	Stamping	* One of the most reliable suppliers of the famous mobile phone brand in the world	* Electronics	* Production of mobile phone related parts, digital camera related parts, fine punching dies, precision cavity dies and mold standard parts	356,569 sq.ft.
	Tooling	* Diversified mold manufacturing capabilities * Deliver comprehensive design, manufacturing, supply chain and product management services for customers in a broad range of industries.	* Consumer electronics * Healthcare * Packaging * Automotive product	* From standard mold to high precision mold * Implement self-developed Tool Smart Manufacturing System to establish unique Smart Factory in Tooling industry	12,100 sq.ft.
Chengdu	Capacity expansion	* As one of Jabil's largest sites in China, JGP Chengdu offers capacity for future expansion and development.	* Consumer * Mobile	* Layout conducive for strong security system control * Offers 24-hour customer support * The only government-certified site for Worldwide Tech Services (CNC and Anodizing) * Offers capacity for future expansion and development	7,170,000 sq.ft.

Source: Company website, CMBIGM

Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	89,057	107,186	129,957	181,168	207,378	236,855
Cost of goods sold	(83,028)	(100,836)	(119,523)	(165,888)	(188,479)	(214,038)
Gross profit	6,029	6,350	10,434	15,280	18,898	22,816
Selling expense	(275)	(535)	(720)	(987)	(1,161)	(1,540)
Admin expense	(1,041)	(1,235)	(1,288)	(1,638)	(1,866)	(2,132)
R&D expense	(3,308)	(3,969)	(4,722)	(6,933)	(7,880)	(9,237)
Operating profit	1,405	611	3,705	5,723	7,990	9,908
Other income/expense	1,104	1,386	1,165	1,346	1,346	1,346
Pre-tax profit	2,465	1,939	4,681	6,187	8,455	10,372
Income tax	(155)	(81)	(640)	(804)	(1,124)	(1,379)
Minority interest	0	0	0	0	0	0
Net profit	2,310	1,858	4,041	5,383	7,330	8,993
Adjusted net profit	2,310	1,858	4,041	5,383	7,330	8,993
BALANCE SHEET						
YE 31 Dec (RMB mn)						
Current assets	27,630	40,488	54,607	37,777	54,524	48,261
Cash & equivalents	2,825	6,244	10,537	(893)	(435)	(2,694)
Account receivables	9,240	10,471	23,011	13,222	28,253	19,118
Inventories	10,567	17,046	18,541	22,930	24,189	29,320
ST bank deposits	0	0	0	0	0	0
Other current assets	4,998	6,727	2,517	2,517	2,517	2,517
Non-current assets	12,314	15,006	29,647	41,522	45,314	49,529
PP&E	11,182	12,941	19,709	19,167	23,339	27,975
Deferred income tax	201	481	620	620	620	620
Other non-current assets	931	1,583	9,318	21,735	21,355	20,934
Total assets	41,175	56,994	87,219	83,451	104,370	102,743
Current liabilities	16,220	30,143	54,751	61,315	77,102	69,179
Short-term borrowings	0	0	0	0	0	0
Account payables	11,724	22,002	29,939	21,103	36,890	28,968
Tax payable	184	363	607	607	607	607
Other current liabilities	4,312	7,777	24,204	39,604	39,604	39,604
Non-current liabilities	928	1,216	3,138	3,138	3,138	3,138
Deferred income	150	231	290	290	290	290
Other non-current liabilities	404	395	1,206	1,206	1,206	1,206
Total liabilities	17,148	31,359	57,888	64,452	80,239	72,317
Share capital	4,052	4,052	4,052	4,052	4,052	4,052
Other reserves	19,975	21,583	25,278	14,947	20,078	26,374
Total shareholders equity	24,027	25,635	29,330	18,999	24,131	30,426
Minority interest	0	0	0	0	0	0
Total equity and liabilities	41,175	56,994	87,219	83,451	104,370	102,743

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	2,465	1,939	4,681	6,187	8,455	10,372
Depreciation & amortization	1,717	1,987	2,315	2,771	3,294	3,891
Change in working capital	(2,228)	2,568	(6,098)	(3,436)	(503)	(3,918)
Others	(187)	(124)	(346)	77	(243)	(498)
Net cash from operations	1,768	6,370	552	5,600	11,003	9,847
Investing						
Capital expenditure	(3,206)	(3,859)	(4,678)	(6,522)	(7,466)	(8,527)
Others	0	0	0	(13,605)	0	0
Net cash from investing	(3,206)	(3,859)	(4,678)	(20,127)	(7,466)	(8,527)
Financing						
Dividend paid	(232)	(372)	(1,212)	(1,615)	(2,199)	(2,697)
Others	(43)	(59)	(189)	14,518	(882)	(882)
Net cash from financing	(275)	(430)	(1,401)	12,904	(3,080)	(3,579)
Net change in cash						
Cash at the beginning of the year	3,466	2,825	6,258	731	(893)	(435)
Exchange difference	1,072	1,352	0	0	0	0
Cash at the end of the year	2,825	6,258	731	(893)	(435)	(2,694)
GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Revenue	21.8%	20.4%	21.2%	39.4%	14.5%	14.2%
Gross profit	(37.4%)	5.3%	64.3%	46.4%	23.7%	20.7%
Operating profit	(75.8%)	(56.5%)	506.5%	54.5%	39.6%	24.0%
Net profit	(57.5%)	(19.6%)	117.6%	33.2%	36.2%	22.7%
Adj. net profit	(57.5%)	(19.6%)	117.6%	33.2%	36.2%	22.7%
PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Gross profit margin	6.8%	5.9%	8.0%	8.4%	9.1%	9.6%
Operating margin	1.6%	0.6%	2.9%	3.2%	3.9%	4.2%
Adj. net profit margin	2.6%	1.7%	3.1%	3.0%	3.5%	3.8%
Return on equity (ROE)	10.0%	7.5%	14.7%	22.3%	34.0%	33.0%
GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Net debt to equity (x)	0.0	0.0	0.0	0.0	0.0	0.0
Current ratio (x)	1.7	1.3	1.0	0.6	0.7	0.7
Receivable turnover days	48.4	33.6	33.5	36.5	36.5	36.5
Inventory turnover days	38.4	50.0	50.0	45.6	45.6	45.6
Payable turnover days	43.7	61.0	60.8	56.2	56.2	56.2
VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
P/E	24.0	29.9	13.7	10.3	7.6	6.2
P/B	2.3	2.2	1.9	2.9	2.3	1.8
Div yield (%)	0.4	0.7	2.2	2.9	4.0	4.9
EV	24,027.1	25,635.1	29,330.4	18,999.0	24,130.5	30,425.8
EV/Sales	0.3	0.2	0.2	0.1	0.1	0.1

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, 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.