

## Greentown Management (9979 HK)

### Earnings beat with double surprises on dividend payout; Maintain Buy

Company's +32% YoY earnings growth in 2022 slightly beat the market expectation. Double surprises come from a special dividend which pushes **the payout ratio to 100%** in 2022, and **a lift of future payout ratio to 80%** (vs. 60% originally). This boosted the share price by 3% against the HSI (-3%) yesterday. Considering 1) company's absolute leading position in the industry (25.5% mkt share) amid more favorable competitive landscape as others were affected by troubled parent.co.; 2) More business from FIs/LGFVs, which partly offset the continued slowdown in SMD business; and 3) Company's good target completion records, good cash flow and super high dividend payout, we **maintain buy and lift TP 9% to HK\$9.39**, reflecting 18x 2023E P/E.

- **Earnings beat with margin largely improved.** Company reported +32% YoY NP growth in 2022, (0.2% above our expectation) as total GP margin surprisingly lifted 6 ppt to 52% in 2022 from 46% in 2021 due to decrease in staff costs and slowdown in growth of services & outsourcing costs. (Figure 3). GPM for commercial PJM went up 9ppt to 54% from 45% and we noticed that the proportion of self-operated projects largely increased (Figure 2). We think it was likely due to 1) consolidation of Shangli who has more self-operated projects; 2) Company needs less help from partners to expand business amid more favorable competitive landscape; 3) Prop. market is having higher quality standard that makes company to choose more self-operating pattern to avoid risk; 4) Capital PJM with higher margin was included in this segment. **Company expects NP growth to stay stable at ~30% YoY.**
- **Structure shifting continues with business from SMDs further declined.** Company's revenue of RMB 2.7bn (+18.4% YoY) missed our estimates by 7.8% as commercial PJM growth slowed to 0.7% YoY if excluded the revenue from acquired company (vs. +13% YoY in 2022 with no acquisition). It is mainly due to the decline in business from SMDs which outpaced the growth of business from FIs/LGFVs, etc. Commercial PJM now accounted for 63% of total revenue in 2022 vs. 66% in 2021. Contribution from Government PJM reached 29%, close to the company's target of 30%. **Company stated to lift contribution from Capital PJM (included in Commercial PJM) to 20% in the future** and it already accounted for 11.7% of total new contract value in 2022.
- **Double Surprises: payout ratio at 100%/80% in 2022/going forward.** Company's special div. of HK\$ 0.9/share pushes 2022 payout ratio to 100%, totaled HK\$ 0.43/share represents dividend yield of 5.9%. The future payout ratio is also lifted to 80% from original guidance of 60%.
- **Maintain Buy and lift TP 9% to HK\$ 9.39.** Take into account of company's absolute leading position with 25.5% market share in the industry and more favorable competitive landscape, as well as factors including company's high brand value, asset light model, good cash flow without debt, super high dividend payout ratio, etc., we **maintain Buy rating and lifted TP to HK\$ 9.39** (up 9% from the previous TP), reflecting 18x 2023E PE.

**BUY (Maintain)**

<b>Target Price</b>	<b>HK\$9.39</b>
(Previous TP)	HK\$8.60)
<b>Up/Downside</b>	<b>+29.5%</b>
<b>Current Price</b>	<b>HK\$7.25</b>

#### China PJM Sector

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

**Jeffrey Zeng**  
 (852) 3916 3727  
 jeffreyzeng@cmbi.com.hk

**Bella Li**  
 (852) 3757 6202  
 bellali@cmbi.com.hk

#### Stock Data

Mkt Cap (HK\$ mn)	14,573
Avg 3 mths t/o (HK\$ mn)	17.06
52w High/Low (HK\$)	7.67/4.19
Total Issued Shares (mn)	2,010

Source: Bloomberg

#### Shareholding Structure

Greentown China Holdings Ltd	71.28%
SUPOR Industrial capital	2.91%
LOU GONGWANG	1.23%

Source: HKEX

#### Share Performance

	Absolute	Relative
1-mth	4.5%	10.9%
3-mth	16.0%	15.0%
6-mth	2.8%	-2.2%

Source: Bloomberg

#### 12-mth Price Performance



Source: Bloomberg  
 Auditor: Deloitte

## Earnings Summary

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	2,243	2,656	3,372	4,294	5,465
YoY growth (%)	23.7	18.4	27.0	27.4	27.3
Net income (RMB mn)	565	745	935	1,174	1,461
EPS (RMB)	0.29	0.38	0.48	0.61	0.75
YoY growth (%)	12.4	30.7	25.6	25.5	24.4
Consensus EPS (RMB)	N.A.	0.37	0.46	0.58	0.76
P/E (x)	22.2	17.0	13.5	10.8	8.7
P/B (x)	3.8	3.4	3.8	3.6	3.4
Yield (%)	3.1	5.8	5.9	7.4	9.2
ROE (%)	16.9	19.9	27.8	33.1	38.8
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

## Earnings revision

Considering that the competitive landscape is becoming more favorable as most competitors are affected by troubled parent Co. (company's mkt share rose to 25.5% in 2022 from 22.4% in 2021) and continued slowdown in SMD business will be partly offset by more business from FIs/LGFVs/local SOEs, we lifted our revenue estimates by 4-10% in 2023-24E and expect it to grow at 26-27% YoY in 2023-25E. We expect GPM to be stable at ~50%, resulted in a 9-13% higher NP estimates in 2023-24E. The NP growth was estimated at 27-28% YoY in 2023-25E.

**Figure 1: Earnings revision**

RMB mn	New			Old			Diff (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	3,372	4,294	5,465	3,257	3,910	n.a.	4%	10%	n.a.
Gross Profit	1,691	2,143	2,723	1,472	1,778	n.a.	15%	21%	n.a.
Operating Profit	969	1,269	1,625	924	1,142	n.a.	5%	11%	n.a.
Net profit	935	1,174	1,461	850	1,029	n.a.	10%	14%	n.a.
EPS (RMB)	0.48	0.61	0.75	0.44	0.54	n.a.	9%	13%	n.a.
Gross Margin	50.1%	49.9%	49.8%	45.2%	45.5%	n.a.	4.9 ppt	4.4 ppt	n.a.
Operating Margin	28.8%	29.5%	29.7%	28.4%	29.2%	n.a.	0.4 ppt	0.3 ppt	n.a.
Net Margin	27.7%	27.3%	26.7%	26.1%	26.3%	n.a.	1.6 ppt	1.0 ppt	n.a.

Source: Company data, CMBIGM estimates

**Figure 2: FY22 results summary**

### 9979 HK Greentown Mgmt. results summary

RMB mn	2021	2022	YoY	vs. Est.
<b>Revenue</b>	<b>2,243</b>	<b>2,656</b>	<b>18.4%</b>	<b>-7.8%</b>
Commercial PJM	1,478	1,669	13.0%	-12.9%
Government PJM	572	781	36.6%	2.6%
Other services	194	206	6.1%	1.0%
<b>Gross profit</b>	<b>1,041</b>	<b>1,389</b>	<b>33.4%</b>	<b>6.4%</b>
<b>Net profit</b>	<b>565</b>	<b>745</b>	<b>31.7%</b>	<b>0.2%</b>
EPS (RMB)	0.29	0.38	30.7%	-0.6%
DPS (RMB)	0.20	0.38	90.0%	63.9%
Dividend payout ratio	68%	99%	45.4%	39 ppt
<b>GP Margin</b>	<b>46.4%</b>	<b>52.3%</b>	<b>5.9 ppt</b>	<b>7 ppt</b>
GP Margin - Commercial	45%	54%	9 ppt	10 ppt
GP Margin - Government	40.9%	40.8%	-0.1 ppt	0 ppt
GP Margin - Other services	74.2%	84.0%	9.8 ppt	10 ppt
<b>Net Margin</b>	<b>25%</b>	<b>28%</b>	<b>3 ppt</b>	<b>2 ppt</b>
<b>Newly contacted GFA (mn sqm)</b>	<b>22.78</b>	<b>28.23</b>	<b>23.9%</b>	
<b>Collectable service fee</b>	<b>7.11</b>	<b>8.61</b>	<b>21.1%</b>	
<b>Total contracted GFA (mn sqm)</b>	<b>84.68</b>	<b>101.40</b>	<b>19.7%</b>	

Source: Company data, CMBIGM

**Figure 3: Self-operated projects largely increased**

Revenue structure of main business	2020	2021	2022
<b>Commercial PJM</b>			
Self-operated	53%	48%	62%
Cooperation with business partners	47%	52%	38%
<b>Government PJM</b>			
Self-operated	98%	97%	95%
Cooperation with business partners	2%	3%	5%

Source: Company data, CMBIGM

**Figure 4: Staff costs declined and Service & Outsourcing costs growth slowed down**

	COGS			as % of total		
	2021	2022	YoY	2021	2022	YoY
Staff costs	498.2	492.9	-1%	41%	39%	-3 ppt
Service and outsourcing costs	659.3	665.3	1%	55%	52%	-2 ppt
Traveling expenses	13.2	15.0	14%	1%	1%	0 ppt
Amortization of intangible assets	0.0	53.4	n.a.	0%	4%	4 ppt
Others	31.8	40.8	28%	3%	3%	1 ppt
<b>Total</b>	<b>1,202.5</b>	<b>1,267.4</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>	<b>n.a.</b>

Source: Company data, CMBIGM

**Figure 5: Valuation table**

Company	Ticker	CMBI rating	TP (HK\$)	Last price (HK\$ mn)	Mkt Cap (HK\$ mn)	P/E			Net profit growth %		Dividend Yield		Payout ratio
						22E	23E	24E	22E	23E	21A	22E	21A
<b>BTM</b>													
Greentown Management	9979 HK	Buy	9.4	7.3	14,573	17.0	13.5	10.8	31.7	25.6	3.3%	5.9%	68%
Central China Management	9982 HK	Hold	1.4	0.6	1,941	5.1	4.4	3.8	-60.5	16.4	25.4%	14.0%	65%
<b>Average</b>						<b>15.6</b>	<b>12.4</b>	<b>10.0</b>	<b>20.9</b>	<b>24.5</b>	<b>5.9%</b>	<b>6.9%</b>	<b>67.6%</b>
<b>PSM</b>													
Country Garden Services	6098 HK	Buy	47.6	12.8	43,041	8.5	6.4	5.4	1.7	26.9	2.8%	3.1%	24%
CR MixC Lifestyle	1209 HK	Buy	44.3	40.1	91,528	36.1	27.6	21.9	23.3	31.4	0.8%	1.2%	38%
A-Living	3319 HK	Hold	34.2	7.9	11,175	4.5	3.8	3.3	-10.8	15.2	6.3%	5.1%	23%
Greentown Services	2869 HK	Buy	7.9	4.9	15,936	17.1	13.5	11.3	-12.0	26.2	4.1%	3.0%	69%
Ever Sunshine	1995 HK	Hold	12.7	2.9	5,090	5.8	4.5	3.6	18.4	26.8	4.5%	5.5%	29%
Poly Services	6049 HK	Hold	53.4	43.2	23,904	19.6	15.6	12.5	19.5	26.1	0.9%	1.0%	20%
S-Enjoy	1755 HK	Sell	8.5	5.8	5,018	6.7	4.8	4.1	18.0	27.5	3.2%	4.9%	21%
Powerlong Commercial	9909 HK	Buy	33.2	5.2	3,330	5.4	4.4	4.4	5.9	15.4	5.8%	6.8%	35%
Excellence CM	6989 HK	Buy	14.9	3.4	4,100	4.6	3.4	2.9	33.5	33.8	10.7%	10.8%	71%
Central China New Life	9983 HK	Buy	12.9	2.8	3,555	4.5	4.0	3.5	3.3	11.6	12.1%	15.6%	51%
Sino-Ocean Services	6677 HK	Buy	7.1	2.4	2,818	4.8	3.8	3.6	5.1	21.7	4.7%	6.3%	24%
New Hope Services	3658 HK	Buy	4.4	1.4	1,099	2.6	NA	NA	83.5	NA	6.3%	9.2%	29%
Redsun Services	1971 HK	Buy	9.4	2.2	892	2.9	2.0	NA	41.2	32.2	NA	NA	NA
Evergrande Services	6666 HK	Buy	10.4	2.3	24,865	4.9	3.7	NA	21.9	32.8	NA	NA	NA
Sunac Services	1516 HK	Buy	7.0	3.0	9,201	4.6	6.1	8.1	-161.8	NA	5.0%	0.0%	24%
Jinmao Services	816 HK	Hold	5.5	3.9	3,563	7.8	5.8	4.0	102.0	45.7	NA	NA	NA
<b>Average</b>						<b>19.2</b>	<b>14.9</b>	<b>11.8</b>	<b>9.1</b>	<b>27.4</b>	<b>2.3%</b>	<b>2.3%</b>	<b>30.3%</b>

Source: Company data, Bloomberg, CMBIGM

## Financial Summary

### Income statement

YE 31 Dec (RMB mn)	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Revenue</b>	<b>2,243</b>	<b>2,656</b>	<b>3,372</b>	<b>4,294</b>	<b>5,465</b>
Commercial	1,478	1,669	2,097	2,653	3,346
Government	572	781	1,057	1,411	1,874
Other service	194	206	218	231	245
Cost of sales	(1,203)	(1,267)	(1,681)	(2,152)	(2,742)
<b>Gross Profit</b>	<b>1,041</b>	<b>1,389</b>	<b>1,691</b>	<b>2,143</b>	<b>2,723</b>
Selling and marketing expenses	(93)	(120)	(145)	(176)	(224)
Administration expenses	(378)	(489)	(546)	(668)	(843)
Listing fee	-	-	-	-	-
Other gains and losses	(10)	(73)	(30)	(30)	(30)
<b>Operating profit</b>	<b>560</b>	<b>707</b>	<b>969</b>	<b>1,269</b>	<b>1,625</b>
Finance cost - net	110	159	137	138	142
<b>Pre-tax Profit</b>	<b>722</b>	<b>925</b>	<b>1,16</b>	<b>1,46</b>	<b>1,825</b>
Income tax	(152)	(189)	(238)	(300)	(374)
Discontinued operations	-	-	-	-	-
<b>PROFIT FOR THE YEAR</b>	<b>571</b>	<b>735</b>	<b>926</b>	<b>1,16</b>	<b>1,452</b>
Non-controlling interest	5	(9)	(9)	(9)	(9)
<b>Net Profit attribute to</b>	<b>565</b>	<b>745</b>	<b>935</b>	<b>1,174</b>	<b>1,461</b>

### Cash flow summary

YE 31 Dec (RMB mn)	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Profit before tax</b>	<b>571</b>	<b>735</b>	<b>926</b>	<b>1,165</b>	<b>1,452</b>
D&A	25	24	24	24	24
Change in working capital	57	29	(102)	19	17
Others	(119)	(118)	(238)	(300)	(374)
<b>Net cash from operating</b>	<b>566</b>	<b>714</b>	<b>686</b>	<b>1,044</b>	<b>1,325</b>
Capex	(21)	(39)	(46)	(56)	(67)
Advance/repayment of long-term receivables	(238)	(36)	-	-	-
Others	(238)	(178)	110	112	106
<b>Net cash from investing</b>	<b>(497)</b>	<b>(253)</b>	<b>63</b>	<b>57</b>	<b>39</b>
Dividends paid	(333)	(764)	(748)	(939)	(1,169)
Advance from/repayment of a related party	25	-	-	-	-
Proceeds from issue of new shares	-	-	-	-	-
Others	(15)	(5)	(7)	(7)	(7)
<b>Net cash from financing</b>	<b>(322)</b>	<b>(769)</b>	<b>(755)</b>	<b>(946)</b>	<b>(1,176)</b>
Net change in cash	(260)	(307)	(6)	155	188
Exchange difference	(6)	-	-	-	-
<b>Cash at the beginning of the year</b>	<b>2,397</b>	<b>2,138</b>	<b>1,830</b>	<b>1,824</b>	<b>1,979</b>
<b>Cash at the end of the year</b>	<b>2,138</b>	<b>1,830</b>	<b>1,824</b>	<b>1,979</b>	<b>2,168</b>

### Balance sheet

YE 31 Dec (RMB mn)	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Current assets</b>	<b>3,701</b>	<b>3,858</b>	<b>4,264</b>	<b>5,024</b>	<b>5,980</b>
Bank balances and cash	2,138	1,933	1,824	1,979	2,168
Trade and other receivables	749	824	1,126	1,434	1,824
Contract assets	482	574	725	924	1,175
Amounts due from related parties	240	298	361	460	585
Other current assets	92	228	228	228	228
<b>Non-current assets</b>	<b>1,543</b>	<b>2,304</b>	<b>1,926</b>	<b>1,958</b>	<b>2,001</b>
Property, plant and equipment	102	109	139	166	203
Right-of-use assets	17	19	24	28	34
Investment properties	47	46	46	46	46
Goodwill	769	982	982	982	982
Interests in associates and JVs	244	317	317	317	317
Long-term receivables	238	265	265	265	265
Other non-current assets	126	567	154	154	154
<b>Total assets</b>	<b>5,244</b>	<b>6,161</b>	<b>6,190</b>	<b>6,982</b>	<b>7,981</b>
<b>Current liabilities</b>	<b>1,844</b>	<b>2,087</b>	<b>2,501</b>	<b>3,124</b>	<b>3,908</b>
Trade and other payables	943	1,173	1,318	1,688	2,150
Amounts due to related parties	246	221	344	440	561
Contract liabilities	385	433	579	737	938
Others	270	260	260	260	260
<b>Non-current liabilities</b>	<b>29</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>201</b>
Deferred tax liabilities	19	103	103	103	103
Lease liabilities	10	9	9	9	9
<b>Total liabilities</b>	<b>1,872</b>	<b>2,288</b>	<b>2,702</b>	<b>3,325</b>	<b>4,110</b>
<b>Equity to shareholders</b>	<b>3,341</b>	<b>3,739</b>	<b>3,364</b>	<b>3,541</b>	<b>3,765</b>
Share capital	16	17	17	17	17
Reserves	3,325	3,722	3,347	3,525	3,749
Non-controlling interests	30	134	125	115	106
<b>Total Equity</b>	<b>3,372</b>	<b>3,873</b>	<b>3,488</b>	<b>3,657</b>	<b>3,872</b>

### Key ratios

YE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Sales mix (%)</b>					
Commercial	65.9	62.9	62.2	61.8	61.2
Government	25.5	29.4	31.4	32.9	34.3
Others	8.6	7.7	6.5	5.4	4.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Growth (%)</b>					
Revenue	23.7%	18.4%	27.0%	27.4%	27.3%
Gross profit	20.2%	33.4%	21.7%	26.7%	27.1%
Operating profit	32.8%	26.3%	37.1%	30.9%	28.1%
Net profit	28.7%	31.7%	25.6%	25.5%	24.4%
<b>Profit &amp; loss ratios (%)</b>					
Gross profit margin	46.4	52.3	50.1	49.9	49.8
Net profit margin	25.2	28.0	27.7	27.3	26.7
Effective tax rate	21.0	20.5	20.5	20.5	20.5
<b>Balance sheet ratios</b>					
Cash/total assets (%)	0.4	0.3	0.3	0.3	0.3
Current ratio (x)	0.8	1.1	0.8	0.6	0.5
Receivable turnover days	122	122	122	122	122
Payable turnover days	286	286	286	286	286
IBL to total assets	0.00	0.00	0.00	-	-
<b>Returns (%)</b>					
ROE	16.9	19.9	27.8	33.1	38.8
ROA	10.8	12.1	15.1	16.8	18.3
<b>Per share</b>					
EPS (RMB)	0.29	0.38	0.48	0.61	0.75
DPS (RMB)	0.20	0.38	0.39	0.48	0.60
BVPS (RMB)	1.74	1.93	1.74	1.83	1.94

Source: Company and 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 or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months

## CMBIGM Ratings

<b>BUY</b>	: Stock with potential return of over 15% over next 12 months
<b>HOLD</b>	: Stock with potential return of +15% to -10% over next 12 months
<b>SELL</b>	: Stock with potential loss of over 10% over next 12 months
<b>NOT RATED</b>	: Stock is not rated by CMBIGM
<b>OUTPERFORM</b>	: Industry expected to outperform the relevant broad market benchmark over next 12 months
<b>MARKET-PERFORM</b>	: Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
<b>UNDERPERFORM</b>	: Industry expected to underperform the relevant broad market benchmark over next 12 months

## CMB International Global Markets Limited

**Address:** 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

**CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)**

## Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.