JD.com (JD US)

Resilient core execution amid macro headwinds

BUY (Maintain)

Target Price	**US$47.00**
(Previous TP	US$47.20)
Up/Downside	**84.8%**
Current Price	**US$25.43**

JD.com (JD) reported broadly in-line 3Q26 results: revenue rose 3.5% YoY to RMB309.6bn (2Q26: -2.9%), in line with our forecast and consensus, while non-GAAP net profit grew 43.7% YoY to RMB8.3bn, 4%/3% ahead of our forecast/consensus, on significantly narrower losses from new businesses. We expect soft consumer demand, especially for electronics and home appliances (E&HA), and elevated AI-related R&D spending to weigh on JD Retail (JDR) in the near term. We now factor in the consolidation of Ceconomy and raise our 2026-2028E non-GAAP net profit forecasts by 2-6%, while trimming our DCF-based TP to US$47.0 (from US$47.2) after deducting the Ceconomy acquisition consideration and minority interests. Macro headwinds may cap near-term upside, but JD's competitive edge in core categories, steady core earnings growth and ongoing shareholder returns should support valuation. BUY.

- **JDR: a steady 3Q26; margin pressure likely in 4Q26E.** JDR revenue grew 2.9% YoY to RMB258.0bn and operating profit (OP) rose 1.6% YoY to RMB15.1bn in 3Q26, in line with our forecast; OPM was at 5.8% (3Q25: 5.9%). A record 20.1% gross margin (+0.8ppt YoY) was largely offset by a 45% YoY increase in JDR R&D expenses. We forecast JDR revenue to be flat YoY and OPM to decline 0.4ppt YoY to 2.8% in 4Q26E, and JDR OP to decline 12% YoY in 4Q26E but grow 1% YoY in 2026E.
- **Competitive edge in E&HA despite weak demand.** E&HA revenue declined 0.7% YoY in 3Q26 (2Q26: -11.8%), with mobile phone revenue up by double digits despite industry-wide price increases; general merchandise and marketplace and advertising revenue grew 8.1%/9.6% YoY. Given price inflation and macro headwind, we forecast E&HA revenue to decline 5.6% YoY in 4Q26E, but believe JD's supply chain and omnichannel capabilities should support further market share gains.
- **New businesses: loss reduction on track; Ceconomy consolidated.** Operating loss from new businesses narrowed to RMB9.6bn in 3Q26 (3Q25: RMB15.7bn). We forecast food delivery (FD) losses of RMB4.6bn/RMB11.7bn in 4Q26E/2027E (-20% QoQ/-50% YoY). We estimate Ceconomy (59.8% stake acquired for EUR1,335mn) will contribute revenue of RMB33.9bn and net profit of RMB0.5bn in 4Q26E, since its consolidation on 12 Nov 2026.
- **Shareholder returns.** JD did not repurchase shares in 3Q26, with US$1.0bn remaining under its program valid through Aug 2027. Backed by LTM free cash flow of RMB18.8bn and cash, restricted cash and short-term investments of RMB215bn, we expect annual dividends and buybacks to continue providing support to valuation, though the buyback pace may be affected by capital needs.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	1,158,819	1,309,085	1,359,162	1,572,607	1,625,548
YoY growth (%)	6.8	13.0	3.8	15.7	3.4
Net profit (RMB mn)	41,359.0	19,631.0	21,873.3	35,584.0	43,037.1
Adjusted net profit (RMB mn)	47,827.0	27,032.0	29,038.2	40,302.5	47,844.3
EPS (Adjusted) (RMB)	31.07	17.02	19.80	27.69	33.00
Consensus EPS (RMB)	na	na	17.27	na	na
P/E (x)	6.1	12.3	10.9	6.6	5.5

Source: Company data, Bloomberg, CMBIGM estimates

China Internet

Saiyi HE, CFA
(852) 3916 1739
hesaiyi@cmbi.com.hk

Ye TAO, CFA
(852) 3850 5226
franktao@cmbi.com.hk

Wentao LU, CFA
luwentao@cmbi.com.hk

Shuyin GUO
(852) 3916 3716
guoshuyin@cmbi.com.hk

Stock Data

Mkt Cap (US$ mn)	37,297.3
Avg 3 mths t/o (US$ mn)	93.4
52w High/Low (US$)	33.77/25.19
Total Issued Shares (mn)	1466.7

Source: FactSet

Shareholding Structure

Blackrock	5.5%
Vanguard	4.8%

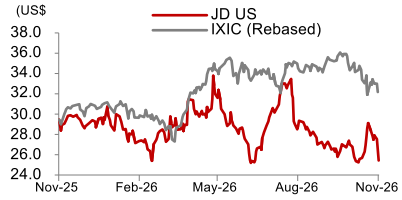
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-5.8%	0.4%
3-mth	-11.8%	-5.4%
6-mth	-19.5%	-14.3%

Source: FactSet

12-mth Price Performance



Source: FactSet

Business forecasts update and valuation

Figure 1: JD: quarterly financial results

(RMBbn)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	3Q26E Consensus	Diff%	3Q26 CMBI estimates	Diff%
Revenue breakdown by product and services revenue											
Net product revenues	**242.3**	**282.4**	**226.1**	**273.0**	**244.8**	**267.1**	**233.2**	**231.2**	**0.8%**	**231.1**	**0.9%**
YoY growth (%)	*16.2%*	*20.7%*	*10.5%*	*-2.8%*	*1.0%*	*-5.4%*	*3.1%*			*2.2%*	
Electronics and home appliance revenues	144.3	179.0	128.6	153.3	132.2	157.9	127.7	126.1	1.3%	125.8	**1.6%**
YoY growth (%)	*17.1%*	*23.4%*	*4.9%*	*-12.0%*	*-8.4%*	*11.8%*	*-0.7%*			*-2.2%*	
General merchandise revenues	98.0	103.4	97.5	119.7	112.6	109.2	105.5	105.1	0.3%	105.3	**0.1%**
YoY growth (%)	*14.9%*	*16.4%*	*18.8%*	*12.1%*	*14.9%*	*5.6%*	*8.1%*			*8.0%*	
Net services revenues	**58.8**	**74.2**	**73.0**	**79.3**	**70.9**	**79.3**	**76.4**	**77.7**	**1.6%**	**77.0**	**0.8%**
YoY growth (%)	*14.0%*	*29.1%*	*30.8%*	*20.1%*	*20.6%*	*6.8%*	*4.7%*			*5.6%*	
Marketplace and advertising revenues	22.3	28.5	25.7	30.6	26.5	30.9	28.1	28.1	0.0%	27.9	**1.0%**
YoY growth (%)	*15.7%*	*21.7%*	*23.7%*	*15.0%*	*18.8%*	*8.3%*	*9.6%*			*8.5%*	
Logistics and other service revenues	36.5	45.7	47.3	48.7	44.4	48.4	48.3	49.5	-2.5%	49.2	**-1.8%**
YoY growth (%)	*13.0%*	*34.3%*	*35.0%*	*23.6%*	*21.7%*	*5.9%*	*2.1%*			*4.0%*	
Revenue breakdown by business segments											
JD Retail	**263.8**	**310.1**	**250.6**	**301.9**	**268.6**	**295.4**	**258.0**	**256.9**	**0.4%**	**257.1**	**0.3%**
YoY growth (%)	*16.3%*	*20.6%*	*11.4%*	*-1.7%*	*1.8%*	*-4.7%*	*2.9%*				
JD Logistics	**47.0**	**51.6**	**55.1**	**63.5**	**60.6**	**64.1**	**64.0**				
YoY growth (%)	*11.5%*	*16.6%*	*24.1%*	*21.9%*	*29.0%*	*24.3%*	*16.1%*				
New businesses (including Dada)	**5.8**	**13.9**	**15.6**	**14.1**	**6.3**	**7.3**	**7.8**				
YoY growth (%)	*18.1%*	*198.8%*	*213.7%*	*200.9%*	*9.1%*	*47.6%*	*49.8%*				
Intersegment elimination	**-15.5**	**-18.8**	**-22.2**	**-27.2**	**-19.8**	**-20.3**	**-20.2**				
Total revenue	**301.1**	**356.7**	**299.1**	**352.3**	**315.7**	**346.4**	**309.6**	**309.1**	**0.1%**	**308.1**	**0.5%**
YoY growth (%)	*15.8%*	*22.4%*	*14.9%*	*1.5%*	*4.9%*	*-2.9%*	*3.5%*				
Gross profit	47.8	56.6	50.5	55.1	53.0	59.3	56.0	54.2	3.3%	54.8	2.0%
Operating profit	10.5	-0.9	-1.1	-5.8	3.8	4.5	5.2	5.3	-2.9%	5.2	-1.6%
JD Retail OP	**12.8**	**13.9**	**14.8**	**9.8**	**15.0**	**13.5**	**15.1**	**14.7**	**2.6%**	**15.0**	**0.2%**
YoY growth (%)	*37.8%*	*37.9%*	*27.7%*	*-2.5%*	*16.5%*	*-3.3%*	*1.6%*				
New businesses (including Dada)	-1.3	-14.8	-15.7	-14.8	-10.4	-9.9	-9.6	-9.4	2.1%	-9.5	1.5%
Non-GAAP net profit	**12.8**	**7.4**	**5.8**	**1.1**	**7.4**	**8.9**	**8.3**	**8.1**	**3.3%**	**8.0**	**4.0%**
YoY growth (%)	*43.4%*	*-48.9%*	*-56.0%*	*-90.4%*	*-42.2%*	*20.8%*	*43.7%*				
Margin profile											
GPM (%)	15.9%	15.9%	16.9%	15.6%	16.8%	17.1%	18.1%	17.5%	0.5 ppt	17.8%	0.3 ppt
OPM (%)	3.5%	-0.2%	-0.4%	-1.7%	1.2%	1.3%	1.7%	1.7%	-0.1 ppt	1.7%	0.0 ppt
JD Retail	**4.9%**	**4.5%**	**5.9%**	**3.2%**	**5.6%**	**4.6%**	**5.8%**	**5.7%**	**0.1 ppt**	**5.9%**	**0.0 ppt**
Adjusted NPM (%)	4.2%	2.1%	1.9%	0.3%	2.3%	2.6%	2.7%	2.6%	0.1 ppt	2.6%	0.1 ppt

Source: Bloomberg, Company data, CMBIGM estimates

Figure 2: JD: forecast revision

	Current			Previous			Change (%)		
RMB bn	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	1,359.2	1,572.6	1,625.5	1,339.6	1,407.5	1,460.2	1.5%	11.7%	11.3%
Gross profit	231.9	278.5	290.9	226.9	246.2	257.8	2.2%	13.1%	12.8%
Non-GAAP net profit	29.0	40.3	47.8	28.6	38.0	46.1	1.5%	5.9%	3.7%
Gross margin	17.1%	17.7%	17.9%	16.9%	17.5%	17.7%	0.1 ppt	0.2 ppt	0.2 ppt
Non-GAAP net margin	2.1%	2.6%	2.9%	2.1%	2.7%	3.2%	0.0 ppt	-0.1 ppt	-0.2 ppt

Source: CMBIGM estimates

Figure 3: CMBIGM estimates vs consensus

	Current			Consensus			Diff (%)		
RMB bn	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	1,359.2	1,572.6	1,625.5	1,346.1	1,423.8	1,493.3	1.0%	10.4%	8.9%
Gross profit	231.9	278.5	290.9	226.1	242.1	257.8	2.6%	15.0%	12.8%
Non-GAAP net profit	29.0	40.3	47.8	30.4	39.2	46.6	-4.4%	2.8%	2.7%
Gross margin	17.1%	17.7%	17.9%	16.8%	17.0%	17.3%	0.3 ppt	0.7 ppt	0.6 ppt
Non-GAAP net margin	2.1%	2.6%	2.9%	2.3%	2.8%	3.1%	-0.1 ppt	-0.2 ppt	-0.2 ppt

Source: Bloomberg, CMBIGM estimates

DCF-based target price of US$47.0

Our target price of US$47.0 is derived from the DCF valuation methodology (WACC of 11.8% and terminal growth of 1.0%; both unchanged).

Figure 4: JD: DCF valuation (WACC of 11.8% and terminal growth of 1.0%)

(RMBbn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Total revenue	1,359	1,573	1,626	1,669	1,704	1,734	1,757	1,777	1,793
NPV of FCF	186								
Discounted terminal value	180								
Total equity valuation	472								
No. of ADS (diluted, mn)	1,467								
Valuation per ADS (US$)	47.0								
TP per ADS (US$)	47.0								

Source: CMBIGM estimates

Risks

1) Consumption recovery takes longer than we expect; 2) more intensified-than-expected business competition; 3) more aggressive-than-expected investment on FD business may weigh on earnings growth.

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**1,084,662**	**1,158,819**	**1,309,085**	**1,359,162**	**1,572,607**	**1,625,548**
Cost of goods sold	(924,958)	(974,951)	(1,099,057)	(1,127,222)	(1,294,120)	(1,334,694)
Gross profit	**159,704**	**183,868**	**210,028**	**231,941**	**278,487**	**290,854**
Operating expenses	**(132,663)**	**(143,570)**	**(207,641)**	**(216,928)**	**(245,518)**	**(245,170)**
Selling expense	(40,133)	(47,953)	(83,953)	(71,585)	(70,395)	(66,119)
Admin expense	(9,710)	(8,888)	(11,980)	(14,190)	(19,903)	(20,356)
R&D expense	(16,393)	(17,031)	(22,229)	(30,890)	(37,068)	(38,191)
Others	(66,427)	(69,698)	(89,479)	(100,263)	(118,153)	(120,505)
Operating profit	**27,041**	**40,298**	**2,387**	**15,013**	**32,969**	**45,683**
Other gains/(losses)	7,496	13,371	17,327	11,241	11,241	11,241
Share of (losses)/profits of associates/JV	1,010	2,327	8,025	8,191	8,191	8,191
EBIT	**35,547**	**55,996**	**27,739**	**34,445**	**52,401**	**65,115**
Interest income	(2,881)	(2,896)	(2,803)	(2,768)	(2,768)	(2,768)
Others	(1,016)	(1,562)	387	98	0	0
Pre-tax profit	**31,650**	**51,538**	**25,323**	**31,775**	**49,632**	**62,347**
Income tax	8,393	6,878	2,181	5,363	8,976	14,023
After tax profit	**23,257**	**44,660**	**23,142**	**26,412**	**40,656**	**48,324**
Minority interest	(910)	3,301	3,511	4,538	5,072	5,287
Discontinued operations	0	0	0	0	0	0
Others	0	0	0	0	0	0
Net profit	**24,167**	**41,359**	**19,631**	**21,873**	**35,584**	**43,037**
Adjusted net profit	**35,200**	**47,827**	**27,032**	**29,038**	**40,302**	**47,844**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**307,810**	**386,698**	**374,421**	**400,927**	**472,073**	**525,229**
Cash & equivalents	71,892	108,350	137,488	137,684	185,274	232,719
Restricted cash	7,506	7,366	12,137	12,137	12,137	12,137
Account receivables	20,302	25,596	27,333	29,790	34,468	35,628
Inventories	68,058	89,326	95,428	116,737	134,021	138,223
Prepayment	15,639	15,951	17,898	17,898	17,898	17,898
Other current assets	124,413	140,109	84,137	86,681	88,275	88,623
Non-current assets	**321,148**	**311,536**	**320,780**	**347,321**	**358,171**	**369,319**
PP&E	70,035	82,737	91,349	101,259	112,109	123,256
Right-of-use assets	20,863	24,532	31,128	31,128	31,128	31,128
Deferred income tax	1,744	2,459	5,237	5,237	5,237	5,237
Investment in JVs & assos	56,746	56,850	51,978	51,978	51,978	51,978
Intangibles	6,935	7,793	7,723	7,723	7,723	7,723
Goodwill	19,980	25,709	26,291	42,923	42,923	42,923
Other non-current assets	144,845	111,456	107,074	107,074	107,074	107,074
Total assets	**628,958**	**698,234**	**695,201**	**748,248**	**830,244**	**894,547**
Current liabilities	**265,650**	**299,521**	**306,072**	**301,576**	**335,638**	**343,747**
Short-term borrowings	5,034	7,581	8,014	8,014	8,014	8,014
Account payables	166,167	192,860	188,379	182,208	209,186	215,745
Tax payable	7,313	9,487	7,008	7,008	7,008	7,008
Other current liabilities	35,848	36,002	43,227	44,902	51,985	53,536
Lease liabilities	7,755	7,606	9,399	9,399	9,399	9,399
Accrued expenses	43,533	45,985	50,045	50,045	50,045	50,045
Non-current liabilities	**66,928**	**85,416**	**95,346**	**117,354**	**120,523**	**124,238**
Long-term borrowings	10,411	24,770	20,798	44,112	47,281	50,996
Deferred income	964	502	0	0	0	0
Other non-current liabilities	55,553	60,144	74,548	73,242	73,242	73,242
Total liabilities	**332,578**	**384,937**	**401,418**	**418,930**	**456,160**	**467,985**
Share capital	0	0	0	0	0	0
Capital surplus	231,858	239,347	225,040	232,016	241,197	250,639
Retained earnings	0	0	0	21,873	57,457	100,494
Other reserves	614	484	0	0	0	0
Total shareholders equity	**232,472**	**239,831**	**225,040**	**253,889**	**298,655**	**351,134**
Minority interest	63,908	73,466	68,743	75,429	75,429	75,429
Total equity and liabilities	**628,958**	**698,234**	**695,201**	**748,248**	**830,244**	**894,547**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**31,650**	**51,538**	**25,323**	**31,775**	**49,632**	**62,347**
Depreciation & amortization	8,292	8,904	9,747	9,897	10,495	10,916
Tax paid	(8,393)	(6,878)	(2,181)	(5,363)	(8,976)	(14,023)
Change in working capital	16,547	5,350	(6,923)	(30,805)	10,505	2,398
Others	11,425	(819)	(6,975)	4,221	4,109	4,155
Net cash from operations	**59,521**	**58,095**	**18,991**	**9,724**	**65,766**	**65,793**
Investing						
Capital expenditure	(15,050)	(16,950)	(14,520)	(19,807)	(21,345)	(22,063)
Acquisition of subsidiaries/ investments	(194,987)	(151,608)	(81,188)	0	0	0
Net proceeds from disposal of short-term investments	225,889	168,481	139,402	0	0	0
Others	(75,395)	(794)	(1,862)	(9,946)	0	0
Net cash from investing	**(59,543)**	**(871)**	**41,832**	**(29,752)**	**(21,345)**	**(22,063)**
Financing						
Net borrowings	1,562	13,113	2,398	23,314	3,169	3,715
Proceeds from share issues	(7,370)	(34,117)	(29,126)	0	0	0
Others	0	0	0	0	0	0
Net cash from financing	**(5,808)**	**(21,004)**	**(26,728)**	**23,314**	**3,169**	**3,715**
Net change in cash						
Cash at the beginning of the year	82,013	76,308	112,626	146,535	149,821	197,411
Exchange difference	125	98	(186)	0	0	0
Cash at the end of the year	**76,308**	**112,626**	**146,535**	**149,821**	**197,411**	**244,856**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	3.7%	6.8%	13.0%	3.8%	15.7%	3.4%
Gross profit	8.6%	15.1%	14.2%	10.4%	20.1%	4.4%
Operating profit	37.1%	49.0%	(94.1%)	529.0%	119.6%	38.6%
EBIT	122.5%	57.5%	(50.5%)	24.2%	52.1%	24.3%
Net profit	132.8%	71.1%	(52.5%)	11.4%	62.7%	20.9%
Adj. net profit	24.7%	35.9%	(43.5%)	7.4%	38.8%	18.7%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	14.7%	15.9%	16.0%	17.1%	17.7%	17.9%
Operating margin	2.5%	3.5%	0.2%	1.1%	2.1%	2.8%
Adj. net profit margin	3.2%	4.1%	2.1%	2.1%	2.6%	2.9%
Return on equity (ROE)	10.8%	17.5%	8.4%	9.1%	12.9%	13.2%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	(0.2)	(0.3)	(0.5)	(0.3)	(0.4)	(0.5)
Current ratio (x)	1.2	1.3	1.2	1.3	1.4	1.5
Receivable turnover days	6.9	7.2	7.4	7.7	7.5	7.9
Inventory turnover days	(28.8)	(29.5)	(30.7)	(34.4)	(35.4)	(37.2)
Payable turnover days	(64.5)	(67.2)	(63.3)	(60.0)	(55.2)	(58.1)

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	11.0	6.1	12.3	10.9	6.6	5.5
P/E (diluted)	11.1	6.3	12.9	11.4	6.9	5.7
P/B	1.1	1.1	1.1	0.9	0.8	0.7

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.