

# Xiaomi (1810 HK)

## Key takeaways from Xiaomi SU7 launch: Positive on EV tech breakthroughs and 1H24E mass production

Xiaomi officially unveiled its first vehicle, Xiaomi SU7 Series electric sedan, during a product launch event in Beijing yesterday. It also announced major technology achievements in manufacturing (powertrain, battery, thermal management, hypercasting, chassis), autonomous driving and smart cabin system, while the car price has not been disclosed yet. The upcoming SU7 Max will be C-class premium model featuring best-in-class driving performance with dual engine AWD, 800V CATL ternary lithium battery, 425KW max power and 2.78s 0-100km/h acceleration. The cars will be fully connected into Xiaomi AIoT system but also allows for Apple CarPlay, and HyperOS enables seamless connection between Xiaomi smartphones, pads and the vehicles. We are positive on Xiaomi's EV product launch and mass production timeline in 1H24E. Reiterate BUY with TP of HK\$20.25, based on the same 24x FY24E P/E.

- Superior car manufacturing capability to deliver best-in-class driving experience.** Xiaomi showcased the technical features of the upcoming SU7/SU7 Max, including the 21000rpm electro motor, 800V CTB ternary lithium battery pack, thermal management, 9100t hypercasting, autonomous driving and smart cabin designs. Xiaomi SU7/SU7 Max will be C-class cars with outstanding sportive performance, featuring ultra-low air resistance, 2.78s 0-100km/h acceleration, boost drive mode, Brembo & Bosch braking system and adjustable car spoiler. Xiaomi's first car aims to benchmark Tesla and Porsche in aspects of design, functionality and driving experience. SU7/SU7 Max started trial production and will officially be launched with mass delivery in 1H24E.
- Smart cabin and AIoT connectivity remain the key differentiators.** SU7 will be fully integrated into Xiaomi's AIoT system and also allows for Apple CarPlay. The HyperOS system enables seamless connectivity among Xiaomi's AIoT devices. The SU 7 Max Xiaomi Pilot autonomous driving experience will be based on two NVIDIA Orin chips and multiple sensors (11 cameras, 1 lidar, 3 millimeter-wave radars, 12 ultrasonic radars). Xiaomi aims to join top-tier AD players in 2024 with "BEV + transformer + occupancy network", and it will launch the first phase of city NOA in major cities of China.
- Positive on smart EV official launch and mass delivery in 1H24E; Reiterate BUY.** We are positive on Xiaomi's car product release and mass production timeline in 1H24E. Maintain BUY with TP of HK\$20.25 based on 24x FY24E P/E. Upcoming catalysts include official mass delivery of EVs and smartphone market share gains.

### Earnings Summary

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	328,309	280,044	269,916	304,862	338,621
YoY growth (%)	33.5	(14.7)	(3.6)	12.9	11.1
Adjusted net profit (RMB mn)	22,039.5	8,518.0	18,480.5	19,695.9	21,293.2
EPS (Adjusted) (RMB)	0.88	0.34	0.74	0.79	0.86
Consensus EPS (RMB)	N/A	N/A	0.63	0.62	0.69
P/E (x)	26.8	30.7	18.9	17.7	17.3
P/B (x)	3.8	1.8	2.2	2.0	1.9
Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	14.8	1.8	11.5	11.1	9.4
Net gearing (%)	96.0	70.9	54.7	50.9	38.7

Source: Company data, Bloomberg, CMBIGM estimates

## BUY (Maintain)

Target Price	HK\$20.25
(Previous TP)	HK\$20.25)
Up/Downside	29.8%
Current Price	HK\$15.6

### China Technology

#### Alex NG

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

#### Claudia LIU

claudialiu@cmbi.com.hk

### Stock Data

Mkt Cap (HK\$ mn)	331,167.8
Avg 3 mths t/o (HK\$ mn)	1,737.8
52w High/Low (HK\$)	16.80/9.99
Total Issued Shares (mn)	20342.0

Source: FactSet

### Shareholding Structure

Lin Bin	8.6%
Smart Mobile Holdings Ltd	8.6%

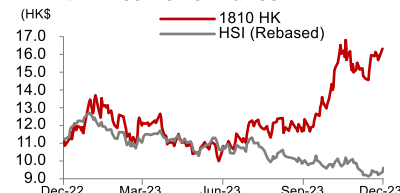
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	4.9%	6.8%
3-mth	38.9%	41.6%
6-mth	50.2%	68.9%

Source: FactSet

### 12-mth Price Performance













Source: FactSet

### Related Reports:

- Xiaomi (1810 HK)-3Q23 beat on GPM and resilient smartphone; Reiterate BUY on EV upside in FY24E ([link](#))

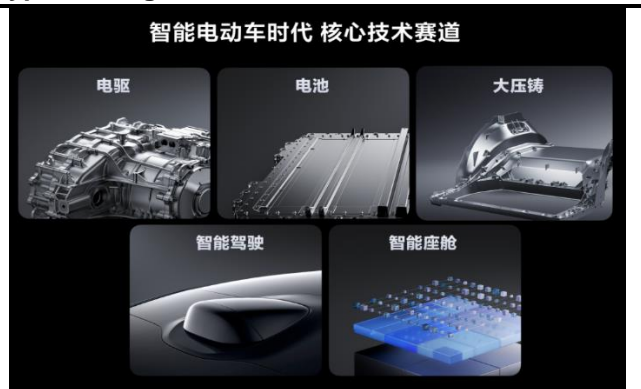
## Focus Charts

Figure 1: Xiaomi SU7 Series in comparison with market peers

Model	Xiaomi SU7 Max	Xiaomi SU7	Tesla Model 3	Taycan	ZEEKER 007
					
Price (RMB)			261.4k-297.4k	898k+	209.9k-299.9k
Dimensions (mm)	4997*1963*1455	4997*1963*1455	4720*2089*1442	4963*1966*1395	4865*1900*1450
Wheelbase (mm)	3000	3000	2875	2900	2928
Seating	5	5	5	4	5
Driving mode	Dual engine AWD	RWD	Dual engine AWD	RWD	RWD/AWD
Peak power (kw)	425		194/331	240/300	310/475
Peak torque (N.m)	838	400	340/559	345	440/710
0-100km/h acceleration (s)	2.78	5.28	6.1/4.4	5.4	5.6/3.8/2.84
Battery miles CLTC (km)	800	668	606/567/682/713	430/527	616/660/688
Battery type	NMC		LFP/NMC	NMC	LFP/NMC
Voltage	800V SiC	400V	400V	800V	800V
System	HyperOS	HyperOS	Tesla	-	
Smart cabin SoC	Qualcomm 8295	Qualcomm 8295	AMD Ryzen		Qualcomm 8295
Screens	2*	2*	2	1	2
Speakers	25	-	9, 17	10	21
Smart chatbot	Xiao Ai	Xiao Ai	-	-	EVA
Connectivity			4G		5G
AD/ADAS System	Xiaomi Pilot	Xiaomi Pilot	Autopilot		ZEEKER AD
AD/ADAS SoC	2*Orin	Orin	Tesla FSD		1*Orin/2*Orin
Computing power (TOPS)	508	254	144		254/508
Number of camera	11		8	2	12
Number of ultrasonic radar	12		12/0	8	12
Number of LiDAR	1	-	0		0/1
Number of mm wave radar	3		0		5
Model	Xpeng P7	Xpeng P7i	NIO ET5	BYD Han EV	AITO S7
					
Price (RMB)	209.9k-239.9k	223.9k-339.9k	298k+	209.8k-279.8k	249.8k-349.8k
Dimensions (mm)	4888*1896*1450	4888*1896*1450	4790*1960*1499	4995*1910*1495	4971*1963*1477
Wheelbase (mm)	2998	2998	2888	2920	2950
Seating	5	5	5	5	5
Driving mode	RWD	RWD/Dual AWD	Dual engine AWD	FWD	RWD/Dual engine AWD
Peak power (kw)	196/196	203/348	360	150/168/180	215/365
Peak torque (N.m)	390/390	440/757	700	310/350	
0-100km/h acceleration (s)	6.4	6.4/3.9	4	7.9	5.4/3.3
Battery miles CLTC (km)	480/586	550/702/610	500/640/1000	506/605/715	550/630/705/855
Battery type	LFP/NMC	LFP/NMC	NMC	blade battery	LFP/NMC
Voltage	400V	400V	500V	400V	800V SiC
System	Xmart OS	Xmart OS 4.0	NIO OS/Banyan		Harmony OS 4
Smart cabin SoC	Qualcomm 8155	Qualcomm SA8155P	Qualcomm 8155		
Screens	1	1	1	1	1
Speakers	8+4	20	23	8, 12	15/17
Smart chatbot	Xiao P	Xiao P	Nomi	-	Xiao Yi
Connectivity	4G	5G	5G, V2X	5G	
AD/ADAS System	Xpilot	Xpilot/XNGP	NAD	DiPilot	Huawei ADS 2.0
AD/ADAS SoC	Xavier/2*Orin	Orin-X/2*Orin-X	4*Orin X	Horizon Robotics Journey 5	Huawei MDC
Computing power (TOPS)	30/508	254/508	1016	128	210
Number of camera	13	12	11	5	11
Number of ultrasonic radar	12	12	12	8, 12	12
Number of LiDAR	-	0/2	1	0	1
Number of mm wave radar	5	5	5	1,3,5	3

Source: Company data, CMBIGM, \*does not include HUD and Xiaomi pads.

**Figure 2: Xiaomi SU7 technology breakthroughs: powertrain, battery, thermal management, hypercasting and chassis**



Source: Xiaomi, CMBIGM

**Figure 3: Xiaomi SU7 Series cars: 101Kwh CATL Cell, 800km CLTC recharge range, 800V HyperCharge**



Source: Xiaomi, CMBIGM

**Figure 4: Xiaomi SU7 Max 0-100km/h acceleration performance: comparison with Porsche Taycan Turbo and Tesla Model S**

	0~100km/h加速	最高时速	最大功率
<b>XIAOMI SU7</b>	<b>2.78s</b>	<b>265<sub>km/h</sub></b>	<b>673<sub>PS</sub></b>
<b>Taycan Turbo</b>	2.93s	260 <sub>km/h</sub>	680 <sub>PS</sub>
<b>Model S</b>	3.0s	250 <sub>km/h</sub>	670 <sub>PS</sub>

Source: Xiaomi, CMBIGM

**Figure 5: SU7 Max Xiaomi Pilot powered by two Nvidia Drive Orin chips**



Source: Xiaomi, CMBIGM

## Valuation

### Maintain BUY with TP of HK\$20.25 (30% upside)

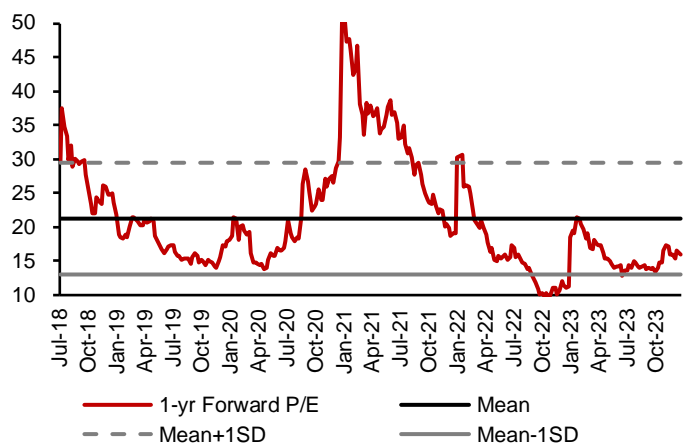
Our TP of HK\$20.25 is based on 24x FY24E P/E. The stock now trades at 18.9x FY24E P/E, and we view its risk-reward as attractive given the company's earnings recovery and upside potential supported by smart EVs. Catalysts include product launch, edge AI deployment progress, stronger shipments, market share gains, internet revenue recovery and smart EV shipment progress.

Figure 6: Peers' valuation

Company	Ticker	Rating	Market Cap (US\$mn)	Price (LC)	TP (LC)	Up/Down -side	P/E (x)		P/B (x)		ROE (%)	
							FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
<b>HK-listed</b>												
Xiaomi	1810 HK	BUY	50,002	15.6	20.3	30%	18.9	17.7	2.2	2.0	11.5	11.1
Sunny Optical	2382 HK	HOLD	9,954	70.9	64.1	-10%	46.8	26.6	3.0	2.8	6.4	10.6
AAC Tech	2018 HK	HOLD	3,544	23.1	14.0	-39%	40.6	23.3	1.1	1.1	2.7	4.6
BYDE	285 HK	BUY	10,527	36.5	44.2	21%	18.6	14.8	2.5	2.2	13.6	15.1
FIT Hon Teng	6088 HK	BUY	1,082	1.2	2.1	78%	7.7	6.2	0.4	0.4	5.2	6.3
Tongda	698 HK	BUY	127	0.1	0.2	67%	5.7	3.5	0.1	0.1	2.3	3.5
Q tech	1478 HK	BUY	670	4.4	3.6	-19%	15.9	8.3	0.9	0.9	5.9	10.3
TK Group	2283 HK	BUY	149	1.4	3.1	121%	5.0	3.7	0.7	0.6	13.3	16.3
<b>Average</b>							<b>22.0</b>	<b>14.3</b>	<b>1.5</b>	<b>1.4</b>	<b>6.8</b>	<b>8.8</b>
<b>Smartphone</b>												
Apple	AAPL US	NR	3,010,702	193.6	NA	NA	31.9	29.3	51.6	40.9	169.4	149.4
Lenovo	992 HK	NR	17,155	10.9	NA	NA	10.1	16.3	2.7	2.7	30.6	17.0
Samsung	005930 KS	NR	361,598	78,500.0	NA	NA	49.4	17.1	1.5	1.4	3.0	8.1
LG Elec	066570 KS	NR	12,855	101,800.0	NA	NA	11.7	7.5	0.9	0.8	7.5	10.5
<b>Average</b>							<b>25.8</b>	<b>17.5</b>	<b>14.2</b>	<b>11.5</b>	<b>52.6</b>	<b>46.3</b>
<b>IoT</b>												
Skyworth	751 HK	NR	922	3.0	NA	NA	9.3	8.1	0.4	0.4	4.2	4.4
Hisense	600060 CH	NR	3,846	20.9	NA	NA	12.3	10.4	1.4	1.3	11.6	12.3
Midea	000333 CH	NR	54,095	54.6	NA	NA	11.3	10.3	2.4	2.1	21.3	20.9
Gree	000651 CH	NR	25,537	32.2	NA	NA	6.7	6.1	1.6	1.4	24.7	22.9
<b>Average</b>							<b>9.9</b>	<b>8.7</b>	<b>1.4</b>	<b>1.3</b>	<b>15.5</b>	<b>15.1</b>

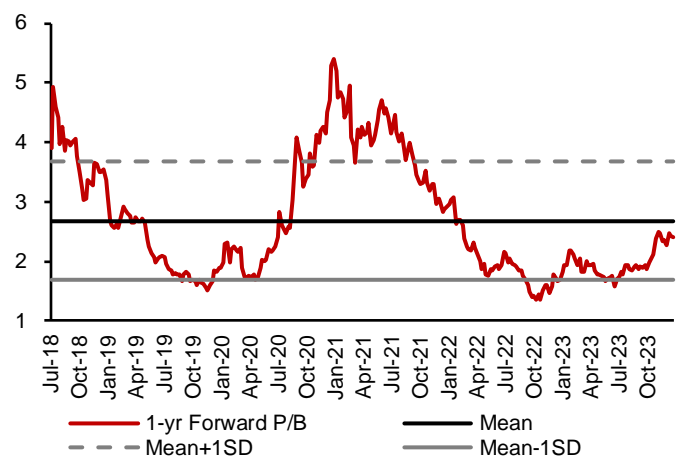
Source: Bloomberg, CMBIGM

Figure 7: 12M forward P/E band



Source: Bloomberg, CMBIGM

Figure 8: 12M forward P/B band



Source: Bloomberg, CMBIGM

## Financial Summary

INCOME STATEMENT	2020A	2021A	2022A	2023E	2024E	2025E
<b>YE 31 Dec (RMB mn)</b>						
<b>Revenue</b>	<b>245,866</b>	<b>328,309</b>	<b>280,044</b>	<b>269,916</b>	<b>304,862</b>	<b>338,621</b>
Cost of goods sold	(209,114)	(270,048)	(232,467)	(215,998)	(241,708)	(268,375)
<b>Gross profit</b>	<b>36,752</b>	<b>58,261</b>	<b>47,577</b>	<b>53,918</b>	<b>63,155</b>	<b>70,246</b>
Selling expense	(14,539)	(20,981)	(21,323)	(19,495)	(22,255)	(24,719)
Admin expense	(3,746)	(4,739)	(5,114)	(5,188)	(5,792)	(6,095)
R&D expense	(9,256)	(13,167)	(16,028)	(19,118)	(20,426)	(22,688)
Other income	643	827	1,136	1,067	1,067	1,067
Gain/loss on financial assets at FVTPL	13,173	8,132	(1,662)	2,678	2,678	2,678
Investment gain/loss	1,381	275	(400)	(18)	(18)	(18)
<b>EBIT</b>	<b>24,035</b>	<b>26,029</b>	<b>2,816</b>	<b>19,371</b>	<b>18,895</b>	<b>20,958</b>
<b>Net Interest income/(expense)</b>	<b>(1,641)</b>	<b>(1,612)</b>	<b>1,117</b>	<b>1,525</b>	<b>1,525</b>	<b>1,525</b>
Foreign exchange gain/loss	(372)	(2,580)	(1,369)	487	487	487
Others	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>21,633</b>	<b>24,417</b>	<b>3,934</b>	<b>20,895</b>	<b>21,121</b>	<b>23,250</b>
Income tax	(1,321)	(5,134)	(1,431)	(4,708)	(5,280)	(5,813)
Minority interest	(43)	(56)	29	(58)	181	199
<b>Net profit</b>	<b>20,313</b>	<b>19,283</b>	<b>2,503</b>	<b>16,187</b>	<b>15,841</b>	<b>17,438</b>
<b>Adjusted net profit</b>	<b>13,006</b>	<b>22,039</b>	<b>8,518</b>	<b>18,480</b>	<b>19,696</b>	<b>21,293</b>
Net dividends	0	0	0	0	0	0
<b>BALANCE SHEET</b>						
<b>YE 31 Dec (RMB mn)</b>						
<b>Current assets</b>	<b>176,283</b>	<b>185,851</b>	<b>160,415</b>	<b>179,674</b>	<b>199,958</b>	<b>221,366</b>
Cash & equivalents	54,752	23,512	27,607	47,817	53,066	74,311
Account receivables	19,080	23,095	19,625	23,551	22,594	26,927
Inventories	41,671	52,398	50,438	45,561	61,553	57,384
Prepayment	16,182	19,852	18,578	18,578	18,578	18,578
ST bank deposits	17,599	31,041	29,875	29,875	29,875	29,875
Financial assets at FVTPL	22,376	30,910	9,846	9,846	9,846	9,846
Other current assets	4,623	5,045	4,446	4,446	4,446	4,446
<b>Non-current assets</b>	<b>77,397</b>	<b>107,040</b>	<b>113,092</b>	<b>115,840</b>	<b>118,545</b>	<b>121,220</b>
PP&E	6,306	6,965	9,138	11,886	14,591	17,266
Deferred income tax	2,011	1,662	2,278	2,278	2,278	2,278
Investment in JVs & assos	12,782	10,231	7,932	7,932	7,932	7,932
Intangibles	4,266	5,579	4,630	4,630	4,630	4,630
Financial assets at FVTPL	35,215	50,114	55,980	55,980	55,980	55,980
Other non-current assets	16,817	32,490	33,134	33,134	33,134	33,134
<b>Total assets</b>	<b>253,680</b>	<b>292,892</b>	<b>273,507</b>	<b>295,514</b>	<b>318,503</b>	<b>342,586</b>
<b>Current liabilities</b>	<b>107,927</b>	<b>115,727</b>	<b>89,628</b>	<b>95,448</b>	<b>102,596</b>	<b>109,241</b>
Short-term borrowings	6,962	5,527	2,151	2,151	2,151	2,151
Account payables	72,199	74,643	53,094	58,914	66,062	72,707
Tax payable	674	2,335	1,384	1,384	1,384	1,384
Other current liabilities	28,092	33,222	32,999	32,999	32,999	32,999
<b>Non-current liabilities</b>	<b>21,739</b>	<b>39,732</b>	<b>39,957</b>	<b>39,957</b>	<b>39,957</b>	<b>39,957</b>
Long-term borrowings	10,635	20,720	21,493	21,493	21,493	21,493
Deferred income	301	1,203	983	983	983	983
Other non-current liabilities	10,804	17,809	17,480	17,480	17,480	17,480
<b>Total liabilities</b>	<b>129,666</b>	<b>155,459</b>	<b>129,584</b>	<b>135,404</b>	<b>142,553</b>	<b>149,198</b>
Share capital	409	407	406	406	406	406
Other reserves	123,691	137,212	143,658	159,903	175,563	192,802
<b>Total shareholders equity</b>	<b>124,014</b>	<b>137,432</b>	<b>143,923</b>	<b>160,110</b>	<b>175,951</b>	<b>193,388</b>
Minority interest	322	220	265	207	388	586
<b>Total equity and liabilities</b>	<b>253,680</b>	<b>292,892</b>	<b>273,507</b>	<b>295,514</b>	<b>318,503</b>	<b>342,586</b>

<b>CASH FLOW</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
<b>Profit before taxation</b>	<b>21,633</b>	<b>24,417</b>	<b>3,934</b>	<b>20,895</b>	<b>21,121</b>	<b>23,250</b>
Depreciation & amortization	1,708	3,062	2,182	2,756	3,392	4,098
Tax paid	(1,126)	(2,442)	(2,382)	(4,708)	(5,280)	(5,813)
Change in working capital	4,320	(15,725)	(15,675)	6,770	(7,886)	6,482
Others	(3,830)	474	7,552	0	0	0
<b>Net cash from operations</b>	<b>22,706</b>	<b>9,785</b>	<b>(4,390)</b>	<b>25,713</b>	<b>11,346</b>	<b>28,018</b>
<b>Investing</b>						
Capital expenditure	(3,026)	(7,169)	(5,800)	(5,503)	(6,097)	(6,772)
Acquisition of subsidiaries/ investments	39	(1,086)	(25)	0	0	0
Net proceeds from disposal of short-term investments	190,494	166,947	23,136	0	0	0
Others	(205,186)	(203,699)	(1,763)	0	0	0
<b>Net cash from investing</b>	<b>(17,679)</b>	<b>(45,008)</b>	<b>15,549</b>	<b>(5,503)</b>	<b>(6,097)</b>	<b>(6,772)</b>
<b>Financing</b>						
Net borrowings	(2,004)	9,227	(2,791)	0	0	0
Proceeds from share issues	19,908	0	0	0	0	0
Share repurchases	(455)	(7,007)	(2,386)	0	0	0
Others	8,767	2,278	(2,677)	0	0	0
<b>Net cash from financing</b>	<b>26,216</b>	<b>4,499</b>	<b>(7,855)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	25,920	55,580	24,339	27,607	47,817	53,066
Exchange difference	(517)	791	0	0	0	0
<b>Cash at the end of the year</b>	<b>55,580</b>	<b>24,339</b>	<b>27,607</b>	<b>47,817</b>	<b>53,066</b>	<b>74,311</b>

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

<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.