

Kuaishou (1024 HK)

Inline 3Q24 results; resilient core commercial business

Kuaishou reported 3Q24 results: total revenue grew by 11% YoY to RMB31.1bn, in line with Bloomberg consensus estimates of RMB31.0bn; adjusted net profit increased by 24% YoY to RMB3.95bn, also in line with consensus estimates. Average DAUs grew by 5% YoY to 408mn in 3Q24 on improved user stickiness, achieving Kuaishou's medium DAUs target of 400mn. Looking into 4Q24E, we expect Kuaishou's core commercial business revenue (online marketing & other services) to maintain solid YoY growth of 16%, primarily driven by resilient growth of external marketing service revenue and e-commerce GMV. As Kuaishou stepped up investments in key growth initiatives such as e-commerce, short play and AI, we lower our FY25-26E earnings forecasts by 5-8%. We trim our SOTP-derived TP to HK\$85.6 (previous: HK\$92.0). Maintain BUY.

■ Online marketing and e-commerce businesses delivered solid growth.

Online marketing revenue was up by 20% YoY to RMB17.6bn in 3Q24, primarily driven by strong growth of external marketing revenue. Short-play marketing spending grew by over three-fold YoY and accounted for double-digit % of external marketing spending in 3Q24. Closed-loop marketing revenue maintained robust YoY growth in 3Q24, with the number of monthly active merchants using marketing placements up by over 50% YoY. Other services revenue increased by 18% YoY to RMB4.2bn in 3Q24, with e-commerce GMV up by 15% YoY (2Q24/1Q24: +15%/28% YoY). Supported by the e-commerce supply enrichment and ecosystem development, e-commerce MPUs grew by 12% YoY to 133mn and accounted for 18.6% of MAUs in 3Q24 (3Q23: 17.3%). Live streaming revenue was down by 4% YoY to RMB9.3bn in 3Q24, with YoY decline rate narrowing due to healthy growth of live streaming content supply.

■ Expect resilient revenue growth in 4Q24E.

Looking into 4Q24E, we expect total revenue to increase by 10% YoY, with online marketing/others/live streaming revenue +15%/+18%/-4% YoY. For online marketing business, external marketing services will remain as the key growth driver in 4Q24E, fuelled by the strong ad demand from short plays & mini games verticals. But the take rate of closed-loop marketing services may face some pressure due to the increase of subsidy for e-commerce merchants. We forecast e-commerce GMV to grow by 14% YoY in 4Q24E, mainly driven by the increasing penetration of e-commerce users.

■ Investing in key growth initiatives.

Kuaishou's adjusted NPM rose by 1.3ppts YoY to 12.7% in 3Q24, supported by favourable revenue mix shift and operating leverage. GPM was slightly down by 1ppt QoQ in 3Q24 mainly due to content costs related to the Paris Olympics, which should recover in FY25E. S&M expenses grew by 16% YoY and accounted for 33.3% of total revenue in 3Q24 (3Q22: 32.0%), mainly due to increase in subsidy for short-play and e-commerce users. Looking ahead, we expect Kuaishou will continue to invest in a prudent way in key growth areas like e-commerce, short play and AI to capture growth opportunities.

BUY (Maintain)

Target Price **HK\$85.60**
 (Previous TP) HK\$92.00)
Up/Downside **62.9%**
Current Price **HK\$52.55**

China Internet

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

Wentao LU, CFA
 luwentao@cmbi.com.hk

Ye TAO, CFA
 franktao@cmbi.com.hk

Stock Data

Mkt Cap (HK\$ mn)	226,700.7
Avg 3 mths t/o (HK\$ mn)	2,248.3
52w High/Low (HK\$)	62.20/38.15
Total Issued Shares (mn)	4314.0

Source: FactSet

Shareholding Structure

Tencent	15.6%
Su Hua	9.9%

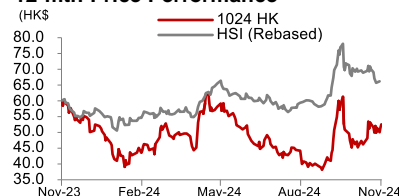
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	9.9%	16.1%
3-mth	18.4%	5.2%
6-mth	-11.2%	-11.5%

Source: FactSet

12-mth Price Performance



Source: FactSet

Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	94,183	113,470	127,293	142,209	154,855
Adjusted net profit (RMB mn)	(5,751.4)	10,271.0	17,664.1	22,393.6	27,930.4
EPS (Adjusted) (RMB)	(1.35)	2.38	4.09	5.19	6.47
Consensus EPS (RMB)	N/A	N/A	4.05	5.14	6.16
P/E (x)	N/A	32.5	13.7	10.5	8.2

Source: Company data, Bloomberg, CMBIGM estimates

Business forecasts update and valuation

Figure 1: Kuaishou: forecast revision

(RMB mn)	Current			Previous			Change (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	127,293	142,209	154,855	127,468	142,448	155,176	-0.1%	-0.2%	-0.2%
Gross profit	69,616	79,223	88,859	69,520	79,634	89,500	0.1%	-0.5%	-0.7%
Operating profit	15,016	21,060	28,220	15,870	22,821	31,307	-5.4%	-7.7%	-9.9%
Adjusted net profit	17,664	22,394	27,930	17,764	23,515	30,255	-0.6%	-4.8%	-7.7%
Adjusted EPS (RMB)	4.1	5.2	6.5	4.1	5.5	7.0	-0.6%	-4.8%	-7.7%
Gross margin	54.7%	55.7%	57.4%	54.5%	55.9%	57.7%	0.2 ppt	-0.2 ppt	-0.3 ppt
Operating margin	11.8%	14.8%	18.2%	12.5%	16.0%	20.2%	-0.7 ppt	-1.2 ppt	-2.0 ppt
Adjusted net margin	13.9%	15.7%	18.0%	13.9%	16.5%	19.5%	-0.1 ppt	-0.8 ppt	-1.5 ppt

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

(RMB mn)	CMBIGM			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	127,293	142,209	154,855	127,167	140,912	155,137	0.1%	0.9%	-0.2%
Gross profit	69,616	79,223	88,859	69,319	78,618	88,224	0.4%	0.8%	0.7%
Operating profit	15,016	21,060	28,220	15,108	20,924	27,330	-0.6%	0.6%	3.3%
Adjusted net profit	17,664	22,394	27,930	17,557	22,498	27,929	0.6%	-0.5%	0.0%
Adjusted EPS (RMB)	4.1	5.2	6.5	4.0	5.1	6.2	1.2%	1.0%	5.1%
Gross margin	54.7%	55.7%	57.4%	54.5%	55.8%	56.9%	0.2 ppt	-0.1 ppt	0.5 ppt
Operating margin	11.8%	14.8%	18.2%	11.9%	14.8%	17.6%	-0.1 ppt	0.0 ppt	0.6 ppt
Adjusted net margin	13.9%	15.7%	18.0%	13.8%	16.0%	18.0%	0.1 ppt	-0.2 ppt	0.0 ppt

Source: Bloomberg, CMBIGM estimates

Figure 3: Kuaishou: quarterly financials

(RMB mn)	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	Cons.	Diff%
Live streaming revenue	8,947	10,034	9,319	9,968	9,719	10,048	8,575	9,302	9,338	9,213	1.4%
YoY%	15.8%	13.7%	18.8%	16.4%	8.6%	0.1%	-8.0%	-6.7%	-3.9%		
Online marketing services	11,590	15,094	13,064	14,347	14,690	18,203	16,650	17,515	17,634	17,644	-0.1%
YoY%	6.2%	14.0%	15.1%	30.4%	26.8%	20.6%	27.4%	22.1%	20.0%		
Other services revenue	2,592	3,164	2,834	3,429	3,539	4,310	4,183	4,158	4,159	4,173	-0.3%
YoY%	39.4%	33.7%	51.3%	61.5%	36.5%	36.2%	47.6%	21.3%	17.5%		
Total revenue	23,128	28,292	25,217	27,744	27,948	32,561	29,408	30,975	31,131	31,030	0.3%
YoY%	12.9%	15.8%	19.7%	27.9%	20.8%	15.1%	16.6%	11.6%	11.4%		
Average DAUs	363	366	374	376	387	383	394	395	408		
YoY%	13.4%	13.3%	8.3%	8.3%	6.4%	4.5%	5.2%	5.1%	5.4%		
Gross profit margin (%)	46.3%	45.5%	46.4%	50.2%	51.7%	53.1%	54.8%	55.3%	54.3%	53.9%	0.4 ppt
S&M expense ratio (%)	42.0%	34.4%	34.6%	31.1%	32.0%	31.3%	31.9%	32.4%	33.3%		
R&D expense ratio (%)	15.0%	12.2%	11.6%	11.4%	10.6%	10.1%	9.7%	9.1%	10.0%		
Adjusted net margin (%)	-2.9%	-0.2%	0.2%	9.7%	11.4%	13.4%	14.9%	15.1%	12.7%		
Adjusted net income	-672	-45	42	2,694	3,173	4,362	4,388	4,679	3,948	3,909	1.0%

Source: Company data, CMBIGM estimates

Our SOTP-derived target price of HK\$85.6 comprises, per share:

- 1) HK\$18.2 for the live streaming business, based on 1.9x 2025E EV/Sales, which is on par with the average EV/sales for its peers.
- 2) HK\$21.2 for the online marketing business (excl. enclosed loop marketing), based on 13x 2025E EV/EBIT, which is on par with the average EV/EBIT for its peers.
- 3) HK\$40.2 for the e-commerce business, based on 0.10x 2025E EV/GMV. The target multiple is at a discount to the average EV/GMV for its peers (0.14x 2025E EV/GMV), given the relatively low monetization level of Kuaishou's e-commerce business.
- 4) HK\$5.9 for net cash.

Figure 4: Kuaishou: SOTP valuation

(RMBmn)	25E Rev/EBIT/GMV	Methodology	Multiple	Valuation	As % of total valuation	Per share valuation (HK\$)
Live streaming	38,019	EV/Sales	1.9x	72,236	21%	18.2
Advertising (excl. enclosed loop marketing)	6,484	EV/EBIT	13.0x	84,296	25%	21.2
E-commerce	1,596,880	EV/GMV	0.10x	159,688	47%	40.2
Enterprise value				316,221	93%	79.7
Net cash				23,531	7%	5.9
Equity value				339,752		
Exchange rate (RMB/HK\$)				0.92		
Target value (HK\$mn)				369,296		
Target price (HK\$)				85.60		

Source: Company data, CMBIGM estimates

Figure 5: Peer comparison: live streaming, advertising, and e-commerce sectors

Companies	Ticker	Price (LC)	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Live streaming			Revenue growth (YoY%)			EV/Sales		
TME	TME US	11.2	2	10	10	3.9	3.5	3.2
Bilibili	BILI US	18.5	18	13	10	1.7	1.5	1.4
Hello Group	MOMO US	6.7	(11)	(2)	14	0.6	0.6	0.6
Huya	HUYA US	3.1	(12)	6	7	NA	NA	NA
Average						2.1	1.9	1.7
Advertising			EBIT growth (YoY%)			EV/EBIT		
Baidu	BIDU US	86.0	(12)	9	9	2.1	2.0	1.8
Focus Media	002027 CH	7.2	5	9	10	16.5	15.1	13.7
Meta	META US	561.1	45	15	15	21.1	18.4	16.0
Alphabet	GOOG US	179.6	32	15	7	19.1	16.5	15.4
Average						14.7	13.0	11.7
E-commerce			GMV Growth (YoY%)			EV/GMV		
Alibaba	BABA US	87.1	4	7	9	0.16	0.15	0.14
JD.com	JD US	35.2	5	6	6	0.03	0.03	0.03
Pinduoduo	PDD US	117.7	71	26	19	0.31	0.24	0.20
Average						0.17	0.14	0.12

Source: Bloomberg, CMBIGM estimates

Note: Data as of market close on 19 Nov

Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	81,082	94,183	113,470	127,293	142,209	154,855
Cost of goods sold	47,052	52,051	56,079	57,677	62,986	65,996
Gross profit	34,030	42,131	57,391	69,616	79,223	88,859
Operating expenses	61,731	54,689	50,960	54,600	58,163	60,639
Selling expense	44,176	37,121	36,496	41,243	43,658	45,682
Admin expense	3,400	3,921	3,514	2,902	3,129	3,252
R&D expense	14,956	13,784	12,338	12,220	12,833	13,136
Others	801	137	1,388	1,766	1,457	1,431
Operating profit	(27,701)	(12,558)	6,431	15,016	21,060	28,220
Net Interest income/(expense)	(39)	166	539	271	524	235
Others	(51,276)	0	0	0	0	0
Pre-tax profit	(79,016)	(12,392)	6,970	15,287	21,584	28,455
Income tax	(1,025)	1,158	490	(153)	1,511	2,846
After tax profit	(77,990)	(13,551)	6,480	15,440	20,073	25,610
Net profit	(77,990)	(13,551)	6,480	15,440	20,073	25,610
Adjusted net profit	(18,852)	(5,751)	10,271	17,664	22,394	27,930

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Current assets	53,011	45,859	60,361	84,584	90,044	130,223
Cash & equivalents	32,612	13,274	12,905	34,918	23,531	70,146
Restricted cash	2	59	128	128	128	128
Account receivables	4,450	6,288	6,457	7,840	8,132	9,261
Prepayment	3,278	4,832	4,919	6,020	6,201	7,107
ST bank deposits	3,825	8,318	9,874	9,599	25,974	17,504
Financial assets at FVTPL	8,842	13,087	26,078	26,078	26,078	26,078
Non-current assets	39,505	43,449	45,935	48,330	68,267	61,846
PP&E	11,051	13,215	12,356	11,637	13,599	15,448
Right-of-use assets	12,562	10,806	10,399	13,814	15,584	15,809
Deferred income tax	5,405	5,095	6,108	6,108	6,108	6,108
Investment in JVs & assos	1,411	268	214	214	214	214
Intangibles	1,172	1,123	1,073	1,043	1,055	935
Financial assets at FVTPL	3,301	3,626	5,245	5,245	5,245	5,245
Other non-current assets	4,603	9,316	10,540	10,268	26,462	18,086
Total assets	92,515	89,307	106,296	132,914	158,311	192,069
Current liabilities	37,256	40,710	48,778	55,146	56,828	62,417
Account payables	20,021	22,868	23,601	26,965	27,565	29,572
Tax payable	1,080	936	1,222	1,273	1,422	1,549
Other current liabilities	12,626	13,430	20,628	22,628	23,043	26,409
Lease liabilities	3,529	3,475	3,327	4,280	4,798	4,887
Non-current liabilities	10,164	8,760	8,444	10,962	12,284	12,522
Obligations under finance leases	10,080	8,721	8,405	10,813	12,121	12,346
Other non-current liabilities	84	39	39	148	163	176
Total liabilities	47,419	49,470	57,222	66,108	69,112	74,939
Share capital	0	0	0	0	0	0
Retained earnings	(250,172)	(263,883)	(257,491)	(242,079)	(222,006)	(196,396)
Other reserves	295,261	303,712	306,554	308,875	311,195	313,516
Total shareholders equity	45,089	39,830	49,063	66,795	89,189	117,119
Minority interest	7	8	11	11	11	11
Total equity and liabilities	92,515	89,307	106,296	132,914	158,311	192,069

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	(79,016)	(12,392)	6,970	15,287	21,584	28,455
Depreciation & amortization	6,885	6,573	7,202	7,627	9,179	10,433
Tax paid	(1,497)	(990)	(1,223)	313	(1,347)	(2,706)
Change in working capital	8,531	1,234	4,859	2,879	542	3,339
Others	59,577	7,773	2,973	2,293	2,321	2,321
Net cash from operations	(5,519)	2,198	20,781	28,399	32,279	41,841
Investing						
Capital expenditure	(8,777)	(50,079)	(66,680)	(3,929)	(7,234)	(7,743)
Acquisition of subsidiaries/ investments	(72,416)	0	0	0	0	0
Net proceeds from disposal of short-term investments	67,406	0	0	0	0	0
Others	(4,574)	32,531	46,815	546	(32,568)	16,847
Net cash from investing	(18,361)	(17,548)	(19,865)	(3,383)	(39,802)	9,104
Financing						
Net borrowings	0	0	11,259	0	0	0
Proceeds from share issues	39,223	0	0	0	0	0
Others	(2,722)	(4,482)	(1,364)	(3,003)	(3,864)	(4,331)
Net cash from financing	36,500	(4,482)	(1,364)	(3,003)	(3,864)	(4,331)
Net change in cash						
Cash at the beginning of the year	20,392	32,612	13,274	12,905	34,918	23,531
Exchange difference	(399)	494	79	0	0	0
Cash at the end of the year	32,612	13,274	12,905	34,918	23,531	70,146
GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Revenue	37.9%	16.2%	20.5%	12.2%	11.7%	8.9%
Gross profit	42.9%	23.8%	36.2%	21.3%	13.8%	12.2%
Operating profit	na	na	na	133.5%	40.3%	34.0%
Net profit	na	na	na	138.3%	30.0%	27.6%
Adj. net profit	na	na	na	72.0%	26.8%	24.7%
PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Gross profit margin	42.0%	44.7%	50.6%	54.7%	55.7%	57.4%
Operating margin	(34.2%)	(13.3%)	5.7%	11.8%	14.8%	18.2%
Adj. net profit margin	(23.3%)	(6.1%)	9.1%	13.9%	15.7%	18.0%
Return on equity (ROE)	na	(31.9%)	14.6%	26.7%	25.7%	24.8%
GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Net debt to equity (x)	(0.7)	(0.3)	(0.3)	(0.5)	(0.3)	(0.6)
Current ratio (x)	1.4	1.1	1.2	1.5	1.6	2.1
Receivable turnover days	20.0	24.4	20.8	22.5	20.9	21.8
Payable turnover days	155.3	160.4	153.6	170.6	159.7	163.6
VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
P/E	ns	ns	32.5	13.7	10.5	8.2
P/E (diluted)	ns	ns	32.5	13.7	10.5	8.2
P/B	4.2	5.2	4.3	3.2	2.4	1.8

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.