

Xiaomi (1810 HK)

Key takeaways from product launch event: Self-developed 3nm SoC debut is the bright spot

Xiaomi held its strategic product launch event on 22 May, featuring the self-developed 3nm SoC chip "XRING O1 and T1", Xiaomi 15S Pro, Pad 7 Ultra and SUV YU7. We believe Xiaomi's self-developed chip strategy will enhance product differentiation, cost structure and competitiveness of its flagship smartphones in the premium market in the long term, and Xiaomi's RMB50bn investment into chips in next 10 years will continue to strengthen its technology leadership and AIoT ecosystem. In addition, we expect the new YU7 model to boost sales and profitability after coming into the market in July. We reiterate BUY with SOTP-based TP of HK\$ 59.99 based on 36.1x FY25E P/E. Upcoming catalysts include 1Q25 results, AI glasses launches and EV order/profitability updates.

- Newly self-developed 3nm SoC XRING O1 to benchmark Apple A18 Pro.** Xiaomi officially unveiled two XRING SoC chips: O1 and T1. The XRING O1 will be adopted in Xiaomi 15S Pro and Xiaomi Pad 7 Ultra, and it is built on 2nd-gen 3nm process, which is used by Apple's A18 Pro and Qualcomm's Snapdragon 8 Elite. Xiaomi's ORING T1 chip with self-developed 4G baseband will be used in Watch S4 eSIM 15th Anniversary Edition. We believe O1 chip is benchmarked against Apple's A18 Pro, and it is primarily used in Xiaomi's products rather than for external sales. Mgmt. guided RMB 50bn R&D investment in the next 10 years, and we believe its in-house SoCs will be gradually used in its EV and IoT products. In addition, we believe Xiaomi will adopt dual-SoC strategy for its flagship models with its self-developed chips and external suppliers (e.g. Qualcomm, MediaTek).
- SUV YU7 to come into market in July; official price yet to be disclosed.** Xiaomi announced the YU7 electric SUV in three models: Standard, Pro, and Max, featuring a preliminary self-driving system, large screen and high-performance battery. Standard model offers a driving range of 835km with a 96.3 kWh battery, while Pro/Max models offer ranges of 760km/770km. Even though the official price is yet to be disclosed, we believe YU7 is set to become a new challenger to Tesla model Y in China, which has a driving range of 593km with starting price at RMB263.5k.
- Xiaomi 15S Pro and smart home products.** Xiaomi's flagship 15S Pro is also released with starting price of RMB 5,499, which is equipped with self-designed ORING O1 SoC, largely in-line with market expectation. Other new products include Xiaomi Civi 5 Pro, Xiaomi TV S Mini LED and smart home products (air conditioner/washing machine/refrigerator/water purifier).

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	270,970	365,903	479,860	580,200	659,673
YoY growth (%)	(3.2)	35.0	31.1	20.9	13.7
Adjusted net profit (RMB mn)	19,272.8	27,234.5	39,881.0	47,759.6	57,062.1
YoY growth (%)	126.3	41.3	46.4	19.8	19.5
EPS (Adjusted) (RMB)	0.77	1.10	1.53	1.86	2.23
Consensus EPS (RMB)	na	na	1.41	1.87	2.37
P/E (x)	63.2	44.6	32.1	26.3	22.0
P/B (x)	7.4	6.4	4.7	4.0	3.4
Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	11.3	13.3	15.9	15.2	15.8
Net gearing (%)	76.9	95.3	52.3	33.8	22.7

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$59.99**
 Up/Downside **12.8%**
 Current Price **HK\$53.20**

China Technology

Alex NG

(852) 3900 0881

alexng@cmbi.com.hk

Hanqing LI

lihanqing@cmbi.com.hk

Stock Data

Mkt Cap (HK\$ mn)	1,124,754.4
Avg 3 mths t/o (HK\$ mn)	16,420.2
52w High/Low (HK\$)	58.20/15.82
Total Issued Shares (mn)	21142.0

Source: FactSet

Shareholding Structure

Lin Bin	8.6%
Smart Mobile Holdings Ltd	8.6%

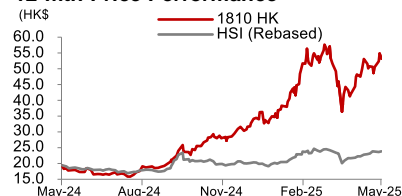
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	19.8%	9.7%
3-mth	2.9%	2.6%
6-mth	86.3%	52.2%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

- 1Q25 Preview: Expect strong results ahead; regained No.1 in China amid Apple weakness – 2 May 2025 ([link](#))
- Placement confirmed for global business expansion – 25 Mar 2025 ([link](#))
- 4Q24 strong beat; Raise estimates on upbeat EV target and overseas IoT upside - 19 Mar 2025 ([link](#))
- 4Q24 Preview: Expect another strong beat; Raise TP to HK\$54.53 – 20 Feb 2025 ([link](#))

Figure 1: Xiaomi/Apple/Qualcomm/MediaTek SoC comparison

	Xiaomi	Xiaomi	Apple	Qualcomm	MediaTek	Qualcomm
Chip type	XRING O1	XRING T1	A18 Pro	Snapdragon 8 Elite	Tianji 9400	Snapdragon 8s Gen4
Process	3nm (2 nd -gen)	-	TSMC 3nm (N3E)	TSMC 3nm (N3E)	TSMC 3nm (N3E)	TSMC 4nm
CPU architecture	Ten core four cluster architecture: 2 x Cortex-X925 ultra large cores, 4 x Cortex-A725 large core, 2 x Cortex-A725 core, 2 x Cortex-A520 Energy Efficiency Core	-	6-core (2 performance cores+4 energy-efficient cores, up to 4.05GHz)	Self-developed Oryon architecture (2+6 cores, frequency not disclosed)	Full core architecture (1 x X5+3 x X4+4 x A720)	1xX4+3xA720+2xA720+2xA720
GPU configuration	16 core Immortalis-G925 GPU	-	Apple 6-core GPU (supports hardware ray tracing)	Adreno 830 (supports hardware ray tracing)	Immortalis-G925 (12 core)	Adreno 825 (Reduced Version 830)
AI performance	Support end-to-end AI inference and image algorithm optimization	Not disclosed AI computing power but integrated sensor hub, supporting linkage with Xiaomi car app	16 core neural network engine, NPU upgraded but AI ecosystem not fully open	Dedicated AI acceleration module, supporting end-to-end LoRA training and video generation	Support end-to-end generative AI, increase video generation efficiency by 25%	Hexagon NPU increases computing power by 44% and supports multilingual generative AI
GeekBench 6 Single core/multi core	Single core 2200+/multi-core 8500+	-	Single core 2500+/multi-core 7800+	Single core 2600+/multi-core 9200+	Single core 2400+/multi-core 8900+	Single core 2000+/Multi core 7500+
Products	Xiaomi 15S Pro/Pad 7 Ultra	Xiaomi Watch S4	iPhone 16 Pro/Max	Redmi K80 Pro、Xiaomi 15 Ultra	OPPO Find X8、vivo X200	Redmi Turbo4 Pro, iQOO Neo9
Feature highlights	CPU single core close to Apple A18 Pro, GPU energy efficiency leading by 35%	The first self-developed 4G baseband, independently designed for baseband and RF full link, with a 35% improvement in 4G-LTE real network performance	Single core performance still leading, supporting spatial video shooting, iOS system optimization advantages	Multi core performance leads the Android camp by 40%, GPU performance leads by a cliff	Multi core performance approaching high pass, significant optimization of energy efficiency ratio, and a 44% increase in AI computing power	Secondary flagship positioning, game energy efficiency improved by 39%

Source: Company data, CMBIGM

Figure 2: Xiaomi ORING O1 SoC







Source: Company data, CMBIGM

Figure 3: Xiaomi ORING T1 SoC with 4G baseband



Source: Company data, CMBIGM

Figure 4: Xiaomi flagship smartphone models

	Xiaomi S15 Pro	Xiaomi 15	Xiaomi 15 Pro	Xiaomi 15 Ultra
Appearance				
CPU	Xiaomi XRING O1	Snapdragon 8 Ultimate Edition	Snapdragon 8 Ultimate Edition	Snapdragon 8 Ultimate Edition
Screen	6.73-inch 2K 120Hz center punch hole deep micro curved screen OLED (8TLTPO)	6.36-inch LTPO straight screen 1.5K Hardware level full brightness DC LTPO dynamic refresh rate	6.73-inch LTPO quad depth micro curved screen 1920Hz high-frequency PWM dimming+DC dimming	6.73-inch LTPO quad depth micro curved screen 1920Hz high-frequency PWM dimming+DC dimming
Camera	Front: 32MP Main: 50MP Ultra wide angle: 50MP 5x periscope IMX858	Front: 32MP Rear main: 50MP Rear ultra wide angle: 50MP Vertical telescope lens: 50MP	Front: 32MP Rear main: 50MP Rear ultra wide angle: 50MP Vertical telescope lens: 50MP	Front: 32MP Rear main: 50MP Rear ultra wide angle: 50MP Vertical telescope lens: 50MP Periscope: 200MP
Battery life	6100mAh 90W wired flash charging+50W wireless	5400mAh 90W wired flash charging+50W wireless	6100mAh 90W wired flash charging+50W wireless	6000mAh 90W wired flash charging+80W wireless
Other	First release of self-developed 50C XRING O1 (surpassing A18 Pro and second only to Snapdragon 8 Ultimate Edition in terms of CPU performance)	NFC/WiFi-7/Bluetooth 5.4/Infrared/3D Ultrasonic Fingerprint/ IP68		
Price	16GB+512GB:RMB 4,999 16GB+1TB:RMB 5,499	12GB+256GB:RMB 4,499 12GB+512GB:RMB 4,799 16GB+512GB:RMB 4,999 16GB+1TB:RMB 5,499	12GB+256GB:RMB 5,299 16GB+512GB:RMB 5,799 16GB+1TB:RMB 6,499	12GB+256GB:RMB 6,499 16GB+512GB:RMB 6,999 16GB+1TB:RMB 7,799 16GB+1TB:RMB 7,999

Source: Xiaomi, Guoguo, CMBIGM estimate

Figure 5: Xiaomi 15S Pro series



Source: Company data, CMBIGM

Figure 6: Xiaomi 15S Pro cameras



Source: Company data, CMBIGM

Figure 7: Xiaomi EVs product line and Tesla model Y

	Xiaomi Yu7	Tesla model Y (Rear wheel)	Xiaomi SU7	Xiaomi SU7 Pro	Xiaomi SU7 Max
Appearance					
Price	TBC	RMB 263.5k	RMB 215.9k	RMB 245.9k	RMB 299.9k
Product Positioning	Luxury high-performance SUV	Rear wheel drive version	Pure Electric Mid-to-Large Sedan	Pure Electric Mid-to-Large Sedan	Pure Electric Mid-to-Large Sedan
Version	Single motor rear wheel drive/dual motor four-wheel drive/Max	Rear wheel drive version	RWD Long-Range Smart Driving Edition	RWD Ultra-Long Range Advanced Smart Driving	AWD Ultra-Long Range High-Performance Advanced Smart Driving
Battery	96.3kWh	62.5kWh	73.6kWh BYD Blade LFP Battery (400V)	94.3kWh CATL Battery (400V)	101kWh CATL Ternary Lithium Battery (800V)
Range	835km	593km	700km	830km	800km
Fast Charging (10-80%)	21min	24min	25min	30min	19min
Motor	Single/dual	Rear wheel drive-220 kW permanent magnet synchronous	Rear Permanent Magnet Synchronous	Front Induction Asynchronous	Dual Motors: Front Induction + Rear Permanent Magnet
Power/Torque	235KW/528N·m	220KW/410N·m	220kW / 400N·m	220kW / 400N·m	495kW / 838N·m
0-100km/h Acceleration	5.88s	5.9s	5.28s	5.7s	2.78s
Top Speed	240km/h	201km/h	210km/h	210km/h	265km/h
100-0km/h Braking	-	-	-	-	33.3m
Dimensions	4999×1996×1608mm	4797×1920×1624mm	4997×1963×1440mm	4997×1963×1455mm	4997×1963×1440mm
Wheelbase/Weight	3000mm	2890mm	3000mm / 1980kg	3000mm / 2090kg	3000mm / 2205kg
Exterior Colors	Jewel green/lava orange/ titanium metallic	Starry Sky Grey/Pearl White/ Glacier Blue/Flame Red/Fast Silver	Blue/Gray/White+Green (Metallic)	Gray/Purple/Black (Metallic)	Gray/Red/Black/Purple
Interior Colors	Pine lime/ coral orange/ twilight blue	-	Blue/Gray/Beige (Metallic)	Gray/Red/Black	Gray/Red/Black/Purple
Suspension	Front double wishbone, rear five link suspension, and fully active suspension system	Front double wishbone, rear multi-link	Front Double Wishbone + Rear Five-Link	Front Double Wishbone + Rear Five-Link	CDC Damping Adjustment + Air Suspension
Wheels	-	Standard 19-inch interactive storm wheels	Standard 19" Low- Drag Alloy Wheels	Standard 19" Low- Drag Alloy Wheels	-

Source: Xiaomi official website, CMBIGM

Valuation

Maintain BUY with SOTP-based TP of HK\$59.99

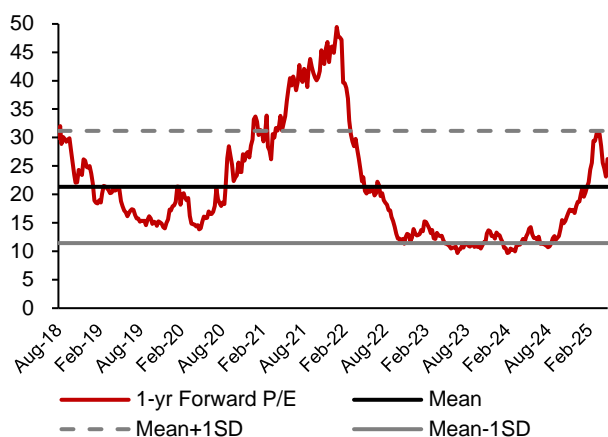
We derive our TP of HK\$59.99 based on the SOTP methodology in order to reflect different growth profiles of Xiaomi's various businesses. We assign 26x/26x/25x FY25E P/E to its smartphone/AIoT/Internet businesses, which we think are justified given Xiaomi's accelerated share gains in smartphone/IoT market, overseas expansion of its ecosystem, improving profitability across smartphone/AIoT/Internet segments and sector re-rating for edge AI upcycle. For EV business, we assign 2.0x FY26E P/S. Upcoming catalysts include SUV model launch, smartphone/AIoT share gains, overseas store expansion and EV order/delivery/profitability updates.

Figure 8: Xiaomi – SOTP valuation

Business segment	FY25E Rev (RMB mn)	% of FY25E Core NP	FY25E Core NP (RMB mn)	Valuation methodology	Target Multiple (x)	Valuation (RMB mn)
Smart phones	211,352	32%	12,460	P/E	26.0	323,951
AIoT and lifestyle products	131,830	33%	12,749	P/E	26.0	331,467
Internet services	38,291	34%	13,313	P/E	25.0	332,826
Others	3,809	0%	193	P/E	25.0	4,824
Smart EV	149,042			P/S	2.00	298,085
						1,291,152
Cash (RMB mn)						85,514
Debt (RMB mn)						(30,603)
Investment (RMB mn)						68,300
Total (RMB mn)						1,414,363
No. of shares (mn)						25,625
TP (RMB)						55.19
TP (HK\$)						59.99

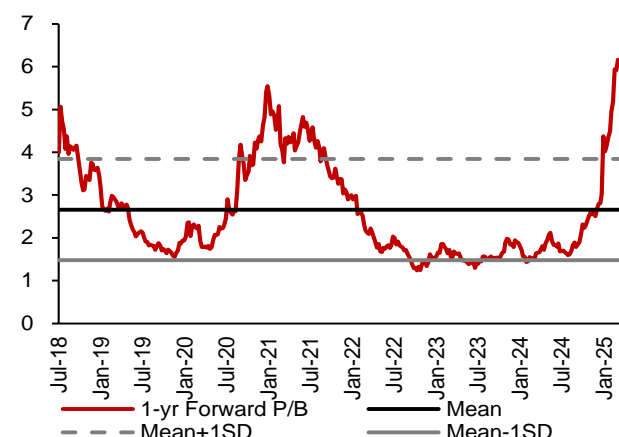
Source: Company data, CMBIGM estimates

Figure 9: 12M forward P/E band



Source: Bloomberg, CMBIGM

Figure 10: 12M forward P/B band



Source: Bloomberg, CMBIGM

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	280,044	270,970	365,903	479,860	580,200	659,673
Cost of goods sold	(232,467)	(213,494)	(289,343)	(374,885)	(450,940)	(508,804)
Gross profit	47,577	57,476	76,560	104,974	129,260	150,869
Selling expense	(21,323)	(19,227)	(25,390)	(32,163)	(38,873)	(43,538)
Admin expense	(5,114)	(5,127)	(5,601)	(6,745)	(8,123)	(9,235)
R&D expense	(16,028)	(19,098)	(24,050)	(30,996)	(36,553)	(40,900)
Other income	1,136	740	1,667	2,456	2,456	2,456
Gain/loss on financial assets at FVTPL	(1,662)	3,501	1,051	1,051	1,051	1,051
Investment gain/loss	(400)	46	277	277	277	277
EBIT	2,816	20,009	24,503	39,654	50,494	61,979
Net Interest income/(expense)	1,117	2,002	3,624	4,132	4,132	4,132
Foreign exchange gain/loss	(1,369)	1,697	(10)	800	1,000	1,000
Others	0	0	0	0	0	0
Pre-tax profit	3,934	22,011	28,127	43,786	54,627	66,111
Income tax	(1,431)	(4,537)	(4,548)	(7,417)	(10,379)	(12,561)
Minority interest	29	(1)	(80)	(121)	(147)	(178)
Net profit	2,503	17,474	23,578	36,369	44,248	53,550
Adjusted net profit	8,518	19,273	27,235	39,881	47,760	57,062
Net dividends	0	0	0	0	0	0
BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	160,415	199,053	225,709	311,708	374,325	429,670
Cash & equivalents	27,607	33,631	33,661	85,514	143,828	173,973
Account receivables	19,625	21,924	26,850	36,062	34,877	42,420
Inventories	50,438	44,423	62,510	87,444	92,932	110,590
Prepayment	18,578	20,079	29,100	29,100	29,100	29,100
ST bank deposits	29,875	52,798	36,350	36,350	36,350	36,350
Financial assets at FVTPL	9,846	20,194	28,124	28,124	28,124	28,124
Other current assets	4,446	6,005	9,113	9,113	9,113	9,113
Non-current assets	113,092	125,195	177,447	182,125	187,529	193,238
PP&E	9,138	13,721	18,088	22,766	28,170	33,879
Deferred income tax	2,278	2,161	2,782	2,782	2,782	2,782
Investment in JVs & assos	7,932	6,922	6,151	6,151	6,151	6,151
Intangibles	4,630	8,629	8,153	8,153	8,153	8,153
Financial assets at FVTPL	55,980	60,200	62,112	62,112	62,112	62,112
Other non-current assets	33,134	33,562	80,161	80,161	80,161	80,161
Total assets	273,507	324,247	403,155	493,833	561,854	622,908
Current liabilities	89,628	115,588	175,385	187,093	210,867	218,371
Short-term borrowings	2,151	6,183	13,327	13,327	13,327	13,327
Account payables	53,094	62,099	98,281	109,989	133,762	141,267
Tax payable	1,384	1,838	3,822	3,822	3,822	3,822
Other current liabilities	32,999	45,467	59,955	59,955	59,955	59,955
Non-current liabilities	39,957	44,398	38,565	38,565	38,565	38,565
Long-term borrowings	21,493	21,674	17,276	17,276	17,276	17,276
Deferred income	983	1,494	1,282	1,282	1,282	1,282
Other non-current liabilities	17,480	21,230	20,007	20,007	20,007	20,007
Total liabilities	129,584	159,986	213,950	225,659	249,432	256,936
Share capital	406	407	407	407	407	407
Other reserves	143,658	163,995	188,737	267,827	312,222	365,951
Total shareholders equity	143,923	164,262	189,205	268,174	312,422	365,972
Minority interest	265	266	467	346	199	21
Total equity and liabilities	273,507	324,247	403,155	493,833	561,854	622,908

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	3,934	22,011	28,127	43,786	54,627	66,111
Depreciation & amortization	3,707	(1,383)	1,874	2,519	3,299	4,186
Tax paid	(3,420)	(4,083)	(2,564)	(7,417)	(10,379)	(12,561)
Change in working capital	(21,255)	25,862	(27,493)	(22,438)	19,471	(17,696)
Others	12,644	(1,107)	39,352	0	0	0
Net cash from operations	(4,390)	41,300	39,295	16,450	67,017	40,040
Investing						
Capital expenditure	(5,800)	(3,200)	(5,489)	(7,198)	(8,703)	(9,895)
Acquisition of subsidiaries/ investments	(25)	0	0	0	0	0
Net proceeds from disposal of short-term investments	23,136	0	0	0	0	0
Others	(1,763)	(31,969)	(29,898)	0	0	0
Net cash from investing	15,549	(35,169)	(35,386)	(7,198)	(8,703)	(9,895)
Financing						
Net borrowings	(2,791)	0	0	0	0	0
Proceeds from share issues	0	0	0	42,600	0	0
Share repurchases	(2,386)	0	0	0	0	0
Others	(2,677)	(505)	(3,999)	0	0	0
Net cash from financing	(7,855)	(505)	(3,999)	42,600	0	0
Net change in cash						
Cash at the beginning of the year	24,339	27,607	33,631	33,661	85,514	143,828
Exchange difference	398	120	0	0	0	0
Cash at the end of the year	27,607	33,631	33,661	85,514	143,828	173,973
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	(14.7%)	(3.2%)	35.0%	31.1%	20.9%	13.7%
Gross profit	(18.3%)	20.8%	33.2%	37.1%	23.1%	16.7%
EBIT	(89.2%)	610.4%	22.5%	61.8%	27.3%	22.7%
Net profit	(87.0%)	598.3%	34.9%	54.2%	21.7%	21.0%
Adj. net profit	(61.4%)	126.3%	41.3%	46.4%	19.8%	19.5%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	17.0%	21.2%	20.9%	21.9%	22.3%	22.9%
Adj. net profit margin	3.0%	7.1%	7.4%	8.3%	8.2%	8.7%
Return on equity (ROE)	1.8%	11.3%	13.3%	15.9%	15.2%	15.8%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	0.7	0.8	1.0	0.5	0.3	0.2
Current ratio (x)	1.8	1.7	1.3	1.7	1.8	2.0
Receivable turnover days	19.4	16.1	13.3	12.0	12.0	12.0
Inventory turnover days	80.7	81.1	67.4	45.4	45.4	45.4
Payable turnover days	100.3	98.5	101.2	94.6	94.6	94.6
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	142.7	63.2	44.6	32.1	26.3	22.0
P/E (diluted)	142.7	63.2	44.6	32.1	26.3	22.0
P/B	8.4	7.4	6.4	4.7	4.0	3.4
Div yield (%)	0.0	0.0	0.0	0.0	0.0	0.0

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.