

Ke Holdings (BEKE US)

Driving profitability improvement of new businesses and enhancing shareholder return

Ke Holdings' (Beike) 3Q25 revenue rose 2.1% YoY to RMB23.1bn, inline with Bloomberg consensus, and non-GAAP net profit reached RMB1.3bn in the quarter, down 28% YoY but 5% ahead of consensus. Although overall industry headwinds persist, Beike has achieved market share gains and operating efficiency improvement of its core housing transaction business. The company is also driving profitability improvement for both home renovation & furnishing (HR&F) and home rental services, which in our view should all help drive a recovery in non-GAAP net profit in 2026E. We lower 2025-2027E revenue/non-GAAP net profit forecasts by 6-16%/9-11% to reflect more severe-than-expected industry headwinds. Accordingly, we cut our SOTP-based target price by 8% to US\$20.7 (was US\$22.6). However, we are looking for 28% YoY growth for non-GAAP net profit to RMB7.0bn for Beike in 2026E after seeing a drop of 24% in 2025E. The enhancement in shareholder return, evidenced by a 15.7% YoY increase in share repurchase spending to US\$675mn in 9M25 (accounted for 3% of outstanding shares at end-2024), should provide support for valuation amid industry headwinds. We remain positive on Beike's leading position in its core business, while the development of new businesses is on track to drive long-term revenue and earnings upside for Beike. Maintain BUY.

- **Market share gains sustained for core business.** For existing home transactions (EHT)/ new home transactions (NHT), Beike saw GTV growth of +6/-14% YoY, and revenue growth of -4%/-14% YoY in 3Q25. Management noted market share gains sustained for both EHT and NHT in 3Q25: 1) for EHT, the 6% YoY growth in GTV on Beike's platform outpaced the 6% YoY decline for the whole industry under the estimates of Beike Research Institute; 2) for NHT, although the 14% YoY decline on Beike's platform is inline with industry, Beike has a much higher base.
- **Profitability of new businesses on solid improvement track.** For the emerging new businesses, HR&F/home rental services recorded revenue of RMB4.3bn/5.7bn in 3Q25, up 2%/45% YoY, and contributed 43% of total revenue on a combined basis (3Q24: 36%). Contribution margin was 32.0%/8.7% in 3Q25 for HR&F/home rental services, up 0.8ppts/4.3ppts YoY, which demonstrated continuous operating efficiency improvement, in our view. Management guided for further profitability improvement of both HR&F and home rental services in 2026E, driven by efficient cost control, scale effect, and empowerment of AI. Overall operating efficiency is also on improvement track for Beike: total operating expense was RMB4.3bn in 3Q25, down from RMB4.6bn in 2Q25 and RMB4.4bn in 3Q24.
- **Industry headwinds continue to weigh on profitability in the short term.** For 4Q25E, we are looking for total revenue of RMB22.2bn, down 29% YoY, and anticipating non-GAAP net profit of RMB969mn (down 28% YoY), translating into non-GAAP NPM of 4.4%. We estimate GTV growth of -35%/-40% YoY for EHT/NHT in 4Q25E. We lower 2025E non-GAAP net profit forecast by 11% to RMB5.5bn to reflect the near-term industry headwinds, but are looking for a 28% YoY rebound in 2026E driven by: 1) cost optimization of core business; 2) incremental operating profit contribution from new businesses including HR&F and home rental services.
- **SOTP-based TP of US\$20.7.** We rolled over our valuation window to 2026E, and our TP consists of US\$19.8/ADS for Beike Core and US\$0.9/ADS for Shengdu, and translates into 24.5x 2026E non-GAAP PE.

BUY (Maintain)

Target Price	US\$20.70
(Previous TP)	US\$22.60)
Up/Downside	28.3%
Current Price	US\$16.13

China Internet

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

Ye TAO, CFA
franktao@cmbi.com.hk

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

Wentao LU, CFA
luwentao@cmbi.com.hk

Joanna Ma
(852) 3761 8838

Stock Data

Mkt Cap (US\$ mn)	18,764.7
Avg 3 mths t/o (US\$ mn)	35.1
52w High/Low (US\$)	25.09/15.60
Total Issued Shares (mn)	1163.3

Source: FactSet

Shareholding Structure

Propitious Global	23.6%
Tencent Mobility	6.8%

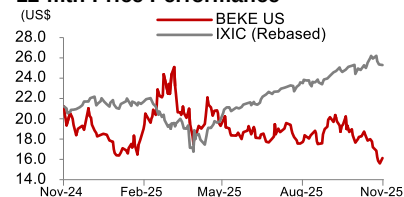
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-8.6%	-11.8%
3-mth	-9.0%	-15.4%
6-mth	-16.4%	-34.9%

Source: FactSet

12-mth Price Performance



Source: FactSet

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	77,777	93,457	94,641	94,356	102,675
YoY growth (%)	28.2	20.2	1.3	(0.3)	8.8
Net profit (RMB mn)	5,883.2	4,064.9	3,268.4	4,885.8	6,463.7
Adjusted net profit (RMB mn)	9,798.5	7,211.1	5,468.5	7,018.9	8,567.8
YoY growth (%)	244.7	(26.4)	(24.2)	28.4	22.1
EPS (Adjusted) (RMB)	8.35	6.44	4.92	6.37	7.86
P/E (x)	22.9	31.6	39.1	25.9	19.4

Source: Company data, Bloomberg, CMBIGM estimates

Results comparison and changes in forecast

Figure 1: BEKE: quarterly financial results

(RMBbn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	3Q25E Consensus	Diff%
GTV	630	839	737	1,144	844	879	737	743	-0.8%
Growth (YoY%)	-35%	7%	12%	55%	34%	5%	0%		
Existing home transaction	453	571	478	745	580	584	506	506	-0.2%
Growth (YoY%)	-32%	25%	9%	59%	28%	2%	6%		
New home transaction	152	235	228	355	232	255	196	200	-1.9%
Growth (YoY%)	-45%	-20%	18%	49%	53%	9%	-14%		
(%)									
Blended monetization rate									
Existing home transaction (revenue/GTV)	1.3%	1.29%	1.30%	1.2%	1.2%	1.2%	1.18%	1.18%	0.0 ppt
New home transaction (revenue/GTV)	3.2%	3.37%	3.39%	3.7%	3.48%	3.37%	3.38%	3.39%	0.0 ppt
Revenue	16.4	23.4	22.6	31.1	23.3	26.0	23.1	23.0	0.4%
Growth (YoY%)	-19%	20%	27%	54%	42%	11%	2.1%		
Existing home transaction	5.7	7.3	6.2	8.9	6.9	6.7	6.0	6.0	0.0%
Growth (YoY%)	-38%	14%	-1%	47%	20%	-8%	-4%		
New home transaction	4.9	7.9	7.7	13.1	8.1	8.6	6.6	6.8	-2.1%
Growth (YoY%)	-41%	-9%	31%	73%	64%	9%	-14%		
Home renovation and furnishing	2.4	4.0	4.2	4.1	2.9	4.6	4.3	4.3	-0.7%
Home rental services	2.6	3.2	3.9	4.6	5.1	5.7	5.7	5.4	6.8%
Emerging and other services	0.7	0.9	0.5	0.4	0.3	0.4	0.4	0.4	-9.0%
Gross profit	4.1	6.5	5.1	7.2	4.8	5.7	4.9	4.8	2.8%
Operating profit	0.0	2.0	0.7	1.0	0.6	1.1	0.6	1.0	-39.6%
Contribution profit	5.2	7.7	6.3	8.7	6.1	7.1	6.1		
Non-GAAP operating profit	1.0	2.8	1.4	1.8	1.1	1.6	1.2	1.0	16.6%
Non-GAAP net profit	1.4	2.7	1.8	1.3	1.4	1.8	1.3	1.2	5.2%
Growth (YoY%)	-61%	14%	-17%	-22%	0%	-32%	-28%		
Margin profile									
(%)									
Gross margin	25.2%	27.9%	22.7%	23.0%	20.7%	21.9%	21.4%	20.9%	0.5 ppt
Operating profit margin	0.1%	8.6%	3.2%	3.2%	2.5%	4.1%	2.6%	4.4%	-1.7 ppt
Contribution profit margin	31.7%	33.0%	28.1%	28.0%	26.1%	27.1%	26.4%		
Existing home transaction	44.5%	47.5%	41.0%	40.4%	38.1%	39.9%	39.0%		
New home transaction	22.3%	25.0%	24.8%	25.6%	23.4%	24.4%	24.1%		
Home renovation and furnishing	30.6%	31.3%	31.2%	29.8%	32.6%	32.1%	32.0%		
Home rental services	5.5%	5.8%	4.4%	4.6%	6.7%	8.4%	8.7%		
Emerging and other services	94.7%	90.3%	79.3%	70.8%	79.0%	74.4%	69.2%		
Non-GAAP net profit margin	8.5%	11.5%	7.9%	4.3%	6.0%	7.0%	5.6%	5.3%	0.2 ppt

Source: Company data, Bloomberg, CMBIGM

Figure 2: BEKE: forecast revision

RMB bn	Current			Previous			Change (%)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue	94.6	94.4	102.7	101.4	112.6	121.9	-6.6%	-16.2%	-15.8%
Gross profit	20.2	21.8	24.6	22.0	25.5	28.3	-7.9%	-14.5%	-13.1%
Operating profit	2.5	5.0	7.1	3.5	6.0	8.1	-29.5%	-16.1%	-12.0%
Non-GAAP net profit	5.5	7.0	8.6	6.1	7.8	9.4	-10.9%	-10.4%	-8.6%
Gross margin	21.4%	23.1%	23.9%	21.7%	22.6%	23.2%	-0.3 ppt	0.5 ppt	0.7 ppt
Operating margin	2.6%	5.3%	6.9%	3.5%	5.3%	6.6%	-0.8 ppt	0.0 ppt	0.3 ppt
Non-GAAP net margin	5.8%	7.4%	8.3%	6.1%	7.0%	7.7%	-0.3 ppt	0.5 ppt	0.7 ppt

Source: Company data, CMBIGM estimates

Figure 3: BEKE: CMBIGM estimates vs consensus

RMB bn	CMBI estimates			Consensus			Diff (%)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue	94.6	94.4	102.7	102.2	113.8	127.0	-7.4%	-17.1%	-19.1%
Gross profit	20.2	21.8	24.6	22.5	25.7	29.5	-9.9%	-15.4%	-16.6%
Non-GAAP net profit	5.5	7.0	8.6	6.6	8.0	9.3	-17.2%	-12.5%	-7.6%
Gross margin	21.4%	23.1%	23.9%	22.0%	22.6%	23.2%	-0.6 ppt	0.5 ppt	0.7 ppt
Non-GAAP net margin	5.8%	7.4%	8.3%	6.4%	7.0%	7.3%	-0.7 ppt	0.4 ppt	1.1 ppt

Source: Company data, Bloomberg, CMBIGM estimates

Figure 4: BEKE: core DCF valuation

(RMBmn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
NPV of FCF	30,615	33,916	33,583	30,864	27,660	23,112	17,978	11,524
Discounted terminal value	73,745							
Enterprise value	104,360							
Net cash	59,637							
Equity value	163,997							
No. of ADS (diluted, mn)	1,152							
Valuation per ADS (USD)	19.8							

Source: CMBIGM estimates

Note: 1) we assume USD:RMB exchange rate = 7.2:1; 2) we rolled over our valuation to 2026E

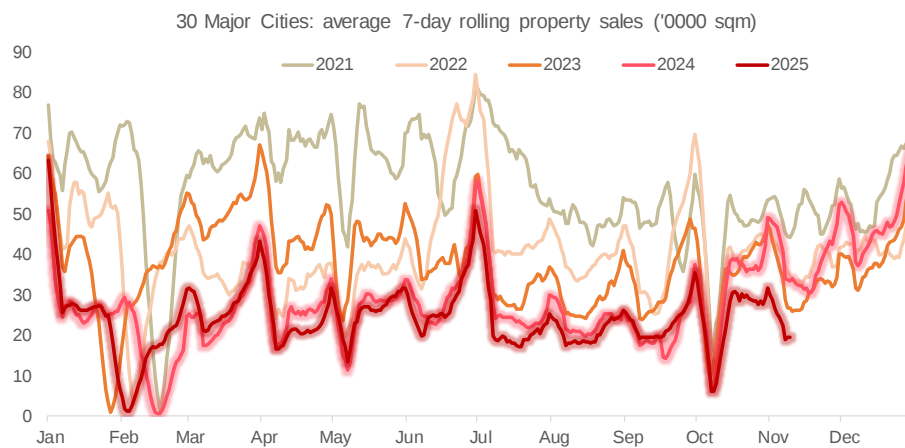
Figure 5: BEKE: SOTP valuation

(RMBmn)	2026E
Beike Core	163,997
Shengdu	8,000
Total Beike valuation	171,997
Total Beike valuation (USDmn)	23,888
Valuation per ADS (USD)	20.7

Source: Company data, CMBIGM estimates

Views on property industry: New home/secondary home sales volume in 30/14 cities remained weak at -9%/+7% YoY growth YTD as of 9 Nov 2025. We think even immediate easing measures are hard to overcome weak sales in 4Q given a time lag before effects materialize. In our view, there is no need for excessive pessimism toward FY26E, as the dismal sales figures in 4Q and FY25 are likely to fuel market expectations for further policy easing. While current measures, such as relaxation of home purchase restrictions in tier 1 cities have limited effects on sales, what matters is that worsening data will prompt regulatory authorities to consider more substantial accommodative moves which may trigger a turning point.

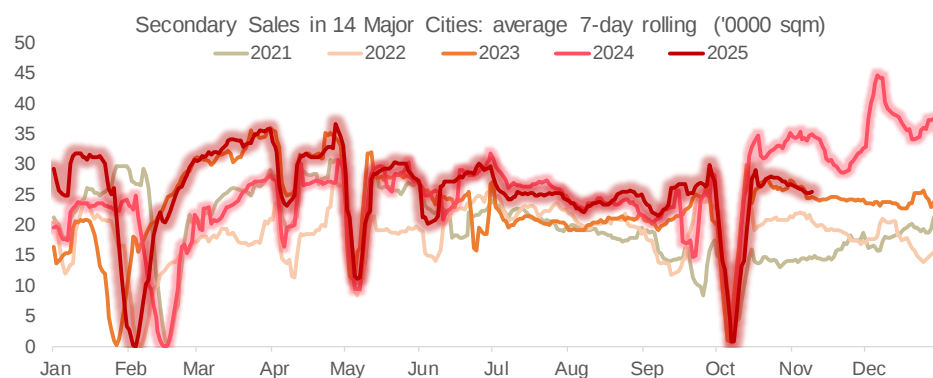
Figure 6: YTD new home sales



新房30城销售

YoY 同比 - new home	25 vs 24	vs 23	vs 22	vs 21	vs 20	vs 19	MoM 月环比	2025
Jan - Feb	1%	-39%	-47%	-60%	-19%	-49%	Feb	-23%
Mar	2%	-46%	-21%	-57%	-21%	-47%	Mar	70%
Apr	-12%	-46%	-30%	-66%	-52%	-60%	Apr	-24%
May	-3%	-40%	-25%	-59%	-54%	-54%	May	16%
Jun	-8%	-26%	-50%	-53%	-54%	-49%	Jun	17%
Jul	-19%	-32%	-50%	-67%	-68%	-64%	Jul	-30%
Aug	-10%	-32%	-48%	-57%	-66%	-60%	Aug	0%
Sep	7%	-28%	-44%	-52%	-65%	-59%	Sep	2%
Oct	-27%	-29%	-31%	-44%	-57%	-54%	Oct	1%
Nov MTD	-38%	-38%	-51%	-62%	-70%	-64%	Nov MTD	122%
1Q25	1%	-42%	-38%	-59%	-20%	-48%	WoW 周环比 2025 Nov 9 -32%	
2Q25	-8%	-38%	-38%	-60%	-54%	-54%		
3Q25	-8%	-31%	-47%	-59%	-66%	-61%		
YTD	-9%	-37%	-41%	-58%	-54%	-55%		

Source: Wind, CMBIGM (data as of 9 Nov 2025)

Figure 7: YTD secondary home sales**二手房14城销售**

YoY 同比 - Second hand	vs 24	vs 23	vs 22	vs 21	vs 20	vs 19	MoM 月环比	2025
Jan - Feb	26%	23%	59%	13%	111%	41%	Feb	-16%
Mar	35%	-4%	71%	25%	112%	38%	Mar	67%
Apr	17%	8%	59%	14%	40%	8%	Apr	-9%
May	0%	-5%	44%	13%	10%	-8%	May	-17%
Jun	2%	12%	19%	20%	-2%	8%	Jun	3%
Jul	-6%	30%	19%	21%	-8%	0%	Jul	0%
Aug	0%	9%	12%	26%	-6%	-3%	Aug	-9%
Sep	17%	22%	38%	75%	2%	14%	Sep	8%
Oct	-20%	-3%	28%	98%	20%	15%	Oct	-16%
Nov MTD	-19%	-19%	-5%	42%	5%	16%	Nov MTD	397%
1Q25	31%	10%	64%	18%	112%	40%	WoW 周环比	
2Q25	6%	5%	39%	15%	15%	3%		
3Q25	3%	20%	22%	37%	-4%	4%		
YTD	7%	9%	37%	27%	24%	13%		
							2025 Nov 9	-4%

Source: Wind, CMBIGM (data as of 9 Nov 2025)

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	60,669	77,777	93,457	94,641	94,356	102,675
Cost of goods sold	(46,888)	(56,059)	(70,513)	(74,396)	(72,569)	(78,084)
Gross profit	13,781	21,718	22,944	20,245	21,787	24,590
Operating expenses	(14,614)	(16,921)	(19,179)	(17,779)	(16,763)	(17,492)
SG&A expense	(11,920)	(14,891)	(16,744)	(15,158)	(14,357)	(14,905)
R&D expense	(2,546)	(1,937)	(2,283)	(2,508)	(2,406)	(2,587)
Others	(148)	(93)	(152)	(113)	0	0
Operating profit	(833)	4,797	3,765	2,466	5,023	7,099
Other income	1,569	1,869	1,566	1,409	1,409	1,409
Other expense	(719)	(133)	(44)	(57)	0	0
Investment gain/loss	(512)	78	313	448	0	0
Share of (losses)/profits of associates/JV	45	9	10	23	0	0
Interest income	743	1,263	1,260	1,048	1,150	1,254
Pre-tax profit	292	7,884	6,870	5,338	7,582	9,762
Income tax	(1,690)	(1,994)	(2,792)	(2,056)	(2,683)	(3,285)
After tax profit	(1,397)	5,890	4,078	3,282	4,899	6,477
Minority interest	11	(6)	(13)	(13)	(13)	(13)
Net profit	(1,386)	5,883	4,065	3,268	4,886	6,464
Core net profit	(1,386)	5,883	4,065	3,268	4,886	6,464
Adjusted net profit	2,843	9,798	7,211	5,468	7,019	8,568
BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	70,425	69,754	76,603	79,515	81,852	88,749
Cash & equivalents	19,413	19,635	11,443	16,720	18,607	24,009
Restricted cash	6,181	6,223	8,858	9,301	9,766	10,255
Account receivables	4,163	3,176	5,498	3,485	3,555	4,137
Other current assets	40,667	40,720	50,804	50,009	49,923	50,348
Non-current assets	38,923	50,578	56,546	58,218	61,976	65,802
PP&E	2,037	1,965	2,400	2,278	2,088	1,966
Right-of-use assets	11,284	17,618	23,367	27,367	31,367	35,367
Intangibles	1,687	1,067	858	(1,348)	(1,400)	(1,452)
Goodwill	4,934	4,857	4,777	4,777	4,777	4,777
Other non-current assets	18,981	25,071	25,144	25,144	25,144	25,144
Total assets	109,347	120,332	133,149	137,733	143,828	154,551
Current liabilities	33,341	39,524	52,744	54,181	53,377	55,651
Short-term borrowings	619	290	288	288	288	288
Account payables	5,843	6,329	9,493	11,210	10,935	11,766
Other current liabilities	14,528	13,175	15,913	15,232	14,891	15,767
Lease liabilities	4,972	9,369	13,730	13,730	13,730	13,730
Contract liabilities	3,260	4,665	6,052	6,052	6,052	6,052
Accrued expenses	4,118	5,696	7,269	7,669	7,480	8,049
Non-current liabilities	6,952	8,607	8,957	8,957	8,957	8,957
Long-term borrowings	0	0	0	0	0	0
Other non-current liabilities	6,952	8,607	8,957	8,957	8,957	8,957
Total liabilities	40,293	48,131	61,701	63,138	62,334	64,609
Share capital	0	0	0	0	0	0
Retained earnings	(11,406)	(5,673)	(1,724)	1,544	6,430	12,894
Other reserves	80,326	77,773	73,048	72,913	74,913	76,885
Total shareholders equity	68,920	72,100	71,324	74,458	81,344	89,779
Minority interest	134	101	124	137	151	164
Total equity and liabilities	109,347	120,332	133,149	137,733	143,828	154,551

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	292	7,884	6,870	5,338	7,582	9,762
Depreciation & amortization	1,089	932	691	1,008	1,061	1,065
Tax paid	1,690	1,994	2,792	2,056	2,683	3,285
Change in working capital	5,036	2,075	1,925	(31)	(4,788)	(2,560)
Others	354	(1,471)	(2,831)	(2,107)	(3,366)	(4,600)
Net cash from operations	8,461	11,414	9,447	6,264	3,173	6,953
Investing						
Capital expenditure	(793)	(874)	(1,037)	(821)	(819)	(891)
Acquisition of subsidiaries/ investments	5,420	(5,595)	(11,886)	0	0	0
Others	(13,099)	2,492	3,545	277	(2)	(172)
Net cash from investing	(8,472)	(3,977)	(9,378)	(544)	(820)	(1,063)
Financing						
Net borrowings	359	(329)	(2)	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Others	(1,514)	(6,889)	(5,792)	0	0	0
Net cash from financing	(1,155)	(7,218)	(5,795)	0	0	0
Net change in cash						
Cash at the beginning of the year	26,732	25,594	25,857	20,301	26,021	28,374
Exchange difference	29	45	169	0	0	0
Cash at the end of the year	25,594	25,857	20,301	26,021	28,374	34,264

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.