

# Zoomlion (1157 HK/000157 CH)

## Expect accelerated sales growth in Nov

We have received positive feedback on Zoomlion following the publication of our 2026 capital goods sector outlook ([link](#)) and investor call this week. Based on our understanding, domestic demand for crane and concrete machinery continued to see meaningful recovery in Nov, while earth-moving's growth remained solid. We estimate Zoomlion's domestic machinery sales growth in Oct-Nov to be 20-30% YoY, accelerating from 13% YoY in 3Q25. On the overseas front, we believe the sales growth has also remained strong in Oct-Nov. We have left our earnings forecast unchanged. Our TP for Zoomlion A/H are maintained at RMB12.0/HK\$9.2, based on 2026E target P/E multiple of 18.6x for A-share and 30% discount for H-share. Reiterate **BUY**.

- **Mining equipment is a structural growth driver.** We highlighted in our 2026 outlook report that mining equipment is an attractive area for Chinese machinery players. Zoomlion's mining equipment (including mining excavators, mining trucks and aftermarket services) revenue accounts for 6-7% of total revenue at present, and we expect such contribution will increase to 15% over the coming few years.
- **Valuation for Zoomlion.** Our TP for A-share of RMB12 is based on 18.6x P/E which is equivalent to the five-year average historical P/E of 13.7x plus 1SD. Our above-average target multiple is to reflect Zoomlion's emerging market expansion story with a full range of product offerings. Our TP for H-share (HK\$9.2) is based on a 30% H/A discount (based on the historical average).
- **Key risks:** (1) lack of sustainable recovery of non-earth-moving machinery demand in China; (2) slowdown of overseas demand; (3) decline in mining capex.

### Earnings Summary - 1157 HK

| (YE 31 Dec)                  | FY23A   | FY24A   | FY25E   | FY26E   | FY27E   |
|------------------------------|---------|---------|---------|---------|---------|
| Revenue (RMB mn)             | 47,075  | 45,478  | 51,347  | 58,703  | 66,030  |
| YoY growth (%)               | 13.1    | (3.4)   | 12.9    | 14.3    | 12.5    |
| Adjusted net profit (RMB mn) | 3,550.0 | 3,521.0 | 4,672.7 | 5,320.3 | 5,986.3 |
| EPS (Reported) (RMB)         | 0.43    | 0.42    | 0.57    | 0.65    | 0.73    |
| YoY growth (%)               | 54.9    | (1.3)   | 33.4    | 13.9    | 12.5    |
| Consensus EPS (RMB)          | na      | 0.00    | 0.58    | 0.69    | 0.81    |
| P/E (x)                      | 15.9    | 16.1    | 12.1    | 10.6    | 9.4     |
| P/B (x)                      | 1.1     | 1.0     | 1.0     | 1.0     | 0.9     |
| Yield (%)                    | 4.7     | 4.4     | 5.5     | 6.3     | 7.1     |
| ROE (%)                      | 6.9     | 7.1     | 8.5     | 9.3     | 10.1    |
| Net gearing (%)              | 8.1     | 18.9    | 22.7    | 22.5    | 21.8    |

Source: Company data, Bloomberg, CMBIGM estimates

|                 | 1157 HK         | 000157 CH |
|-----------------|-----------------|-----------|
| <b>BUY</b>      | <b>BUY</b>      |           |
| <b>Maintain</b> | <b>Maintain</b> |           |

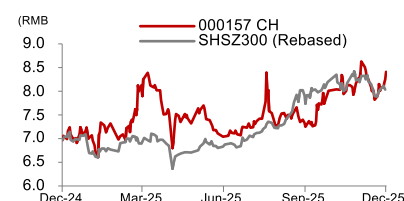
|                      |          |          |
|----------------------|----------|----------|
| <b>TP</b>            | HK\$9.20 | RMB12.00 |
| <b>Prior TP</b>      | HK\$9.20 | RMB12.00 |
| <b>Up/Downside</b>   | 22.3%    | 42.7%    |
| <b>Current Price</b> | HK\$7.5  | RMB8.4   |

**China Capital Goods**  
**Wayne FUNG, CFA**

(852) 3900 0826

waynefung@cmbi.com.hk

### 12-mth Price Performance



Source: FactSet

### Stock Performance

|       | 1157 HK |       | 000157 CH |       |
|-------|---------|-------|-----------|-------|
|       | Abs.    | Rel.  | Abs.      | Rel.  |
| 1-mth | 0.3%    | 0.3%  | 2.4%      | 2.2%  |
| 3-mth | 19.0%   | 15.0% | 16.0%     | 14.6% |
| 6-mth | 30.8%   | 19.3% | 19.3%     | 11.7% |

Source: FactSet

### Stock Data

| (LC)                | 1157 HK  | 000157 CH |
|---------------------|----------|-----------|
| Mkt Cap (mn)        | 11896.37 | 59677.59  |
| Avg 3 mths t/o (mn) | 67.34    | 724.35    |
| 52w High            | 7.86     | 8.63      |
| 52w Low             | 4.94     | 6.61      |
| Issued Shares (mn)  | 1581.965 | 7096.028  |

Source: FactSet

### Related reports:

Capital Goods – Key themes in 2026; Focus on Mining equipment + Power for data centres + Replacement cycle – 1 Dec 2025 ([link](#))

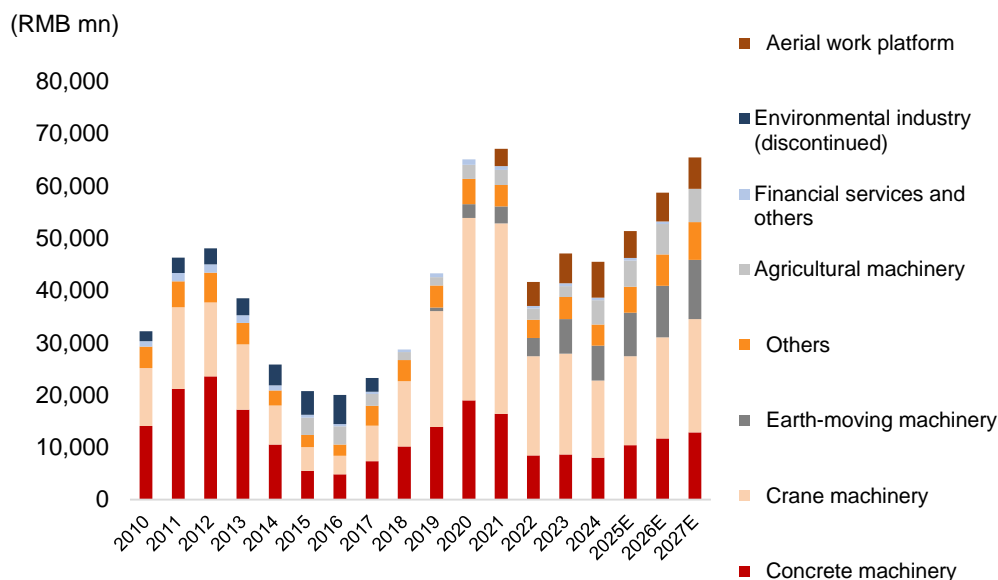
Zoomlion – Full range of products to expand globally – 1 Dec 2025 ([link](#))

Capital Goods – Domestic crane demand continues to recover – 18 Nov 2025 ([link](#))

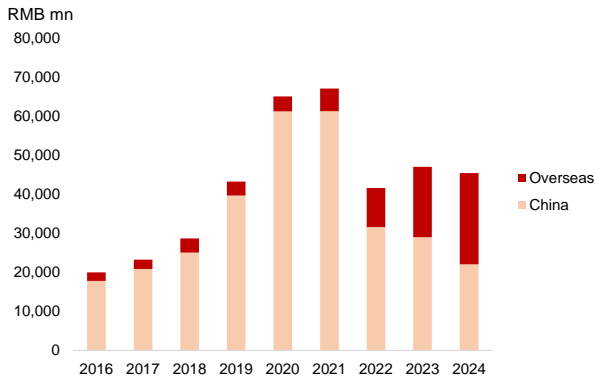
**Figure 1: Key assumptions for Zoomlion**

| (RMB mn)                                      | 2022          | 2023          | 2024          | 2025E         | 2026E         | 2027E         |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Revenue</b>                                |               |               |               |               |               |               |
| Construction machinery                        | 38,991        | 44,486        | 40,356        | 45,829        | 52,407        | 59,131        |
| Concrete machinery                            | 8,460         | 8,598         | 8,013         | 10,417        | 11,667        | 12,834        |
| Crane machinery                               | 18,979        | 19,291        | 14,786        | 17,004        | 19,385        | 21,711        |
| Aerial work platform                          | 4,597         | 5,707         | 6,833         | 5,125         | 5,484         | 6,032         |
| Earth-moving machinery                        | 3,511         | 6,648         | 6,671         | 8,338         | 9,839         | 11,315        |
| Other machinery                               | 3,444         | 4,242         | 4,053         | 4,944         | 6,032         | 7,238         |
| Agricultural machinery                        | 2,138         | 2,092         | 4,650         | 5,022         | 5,775         | 6,353         |
| Financial services and others                 | 502           | 497           | 472           | 496           | 520           | 546           |
| <b>Total revenue</b>                          | <b>41,631</b> | <b>47,075</b> | <b>45,478</b> | <b>51,347</b> | <b>58,703</b> | <b>66,030</b> |
| <b>Revenue growth</b>                         |               |               |               |               |               |               |
| Construction machinery                        | -38.6%        | 14.1%         | -9.3%         | 13.6%         | 14.4%         | 12.8%         |
| Concrete machinery                            | -48.4%        | 1.6%          | -6.8%         | 30.0%         | 12.0%         | 10.0%         |
| Crane machinery                               | -48.0%        | 1.6%          | -23.4%        | 15.0%         | 14.0%         | 12.0%         |
| Aerial work platform                          | 37.2%         | 24.1%         | 19.7%         | -25.0%        | 7.0%          | 10.0%         |
| Earth-moving machinery                        | 8.5%          | 89.4%         | 0.3%          | 25.0%         | 18.0%         | 15.0%         |
| Other machinery                               | -15.2%        | 23.2%         | -4.5%         | 22.0%         | 22.0%         | 20.0%         |
| Agricultural machinery                        | -26.5%        | -2.2%         | 122.3%        | 8.0%          | 15.0%         | 10.0%         |
| Financial services                            | -28.4%        | -1.0%         | -5.0%         | 5.0%          | 5.0%          | 5.0%          |
| <b>Revenue growth (continuing operations)</b> | <b>-38.0%</b> | <b>13.1%</b>  | <b>-3.4%</b>  | <b>12.9%</b>  | <b>14.3%</b>  | <b>12.5%</b>  |
| Environmental industry (discontinued)         | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Total revenue growth</b>                   | <b>-38.0%</b> | <b>13.1%</b>  | <b>-3.4%</b>  | <b>12.9%</b>  | <b>14.3%</b>  | <b>12.5%</b>  |
| <b>Gross margin</b>                           |               |               |               |               |               |               |
| Construction machinery                        | 21.8%         | 27.5%         | 29.2%         | 29.3%         | 29.5%         | 29.6%         |
| Concrete machinery                            | 21.0%         | 22.9%         | 22.7%         | 23.0%         | 23.2%         | 23.2%         |
| Crane machinery                               | 22.9%         | 31.0%         | 32.4%         | 33.0%         | 33.1%         | 33.2%         |
| Aerial work platform                          | 20.8%         | 22.7%         | 29.7%         | 30.0%         | 30.3%         | 30.3%         |
| Earth-moving machinery                        | 23.5%         | 27.9%         | 30.2%         | 29.8%         | 30.0%         | 30.5%         |
| Other machinery                               | 17.2%         | 26.6%         | 28.0%         | 28.0%         | 28.2%         | 28.2%         |
| Agricultural machinery                        | 4.4%          | 11.8%         | 12.3%         | 14.0%         | 15.5%         | 16.0%         |
| Financial services                            | 97.8%         | 96.6%         | 96.4%         | 97.0%         | 97.0%         | 97.0%         |
| <b>Blended gross margin</b>                   | <b>21.8%</b>  | <b>27.5%</b>  | <b>28.2%</b>  | <b>28.4%</b>  | <b>28.7%</b>  | <b>28.9%</b>  |

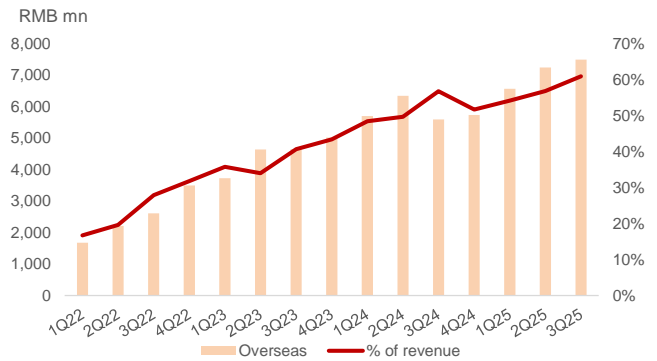
Source: Company data, CMBIGM estimates

**Figure 2: Zoomlion's revenue breakdown**

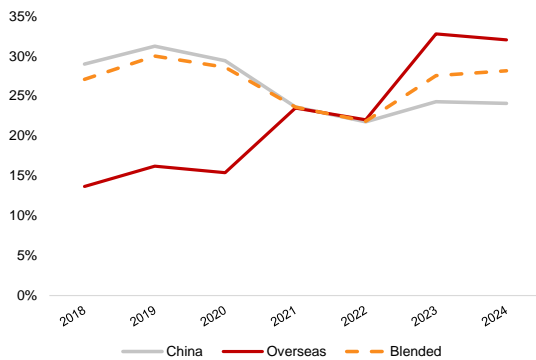
Source: Company data, CMBIGM estimates

**Figure 3: Zoomlion revenue breakdown by region**

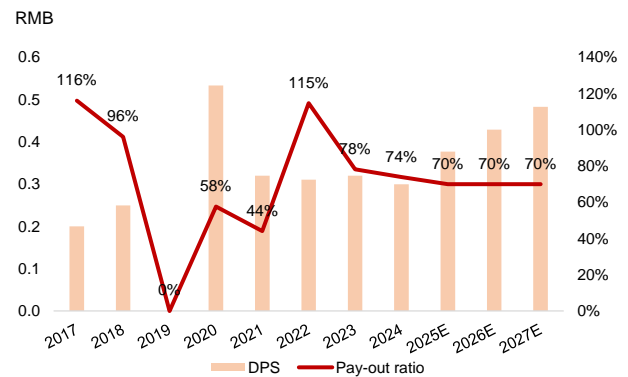
Source: Company data, CMBIGM

**Figure 4: Overseas revenue ratio has exceeded 50% since 2Q24**

Source: Company data, CMBIGM

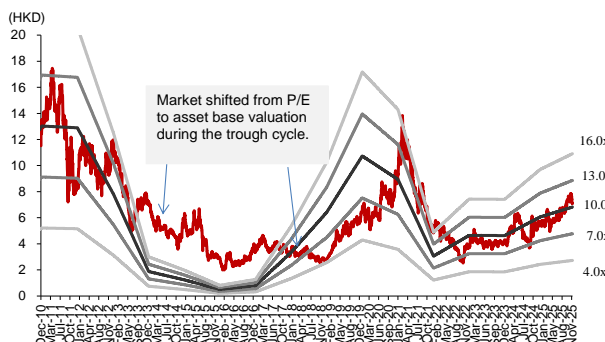
**Figure 5: Gross margin overseas has exceeded that in China since 2023**

Source: Company data, CMBIGM

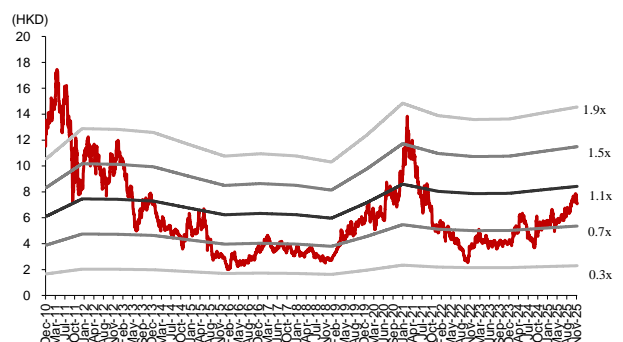
**Figure 6: Zoomlion's DPS and payout ratio**

Source: Company data, CMBIGM estimates

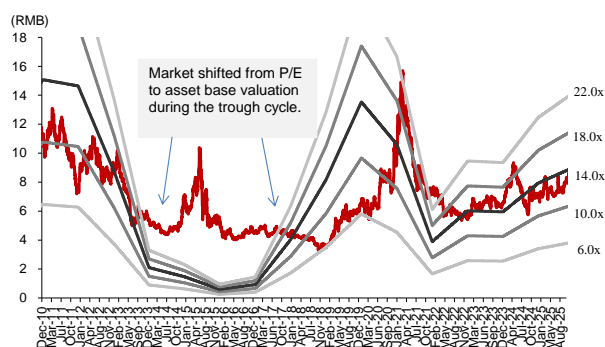
## Valuation

**Figure 7: Zoomlion - H 12M forward P/E band**

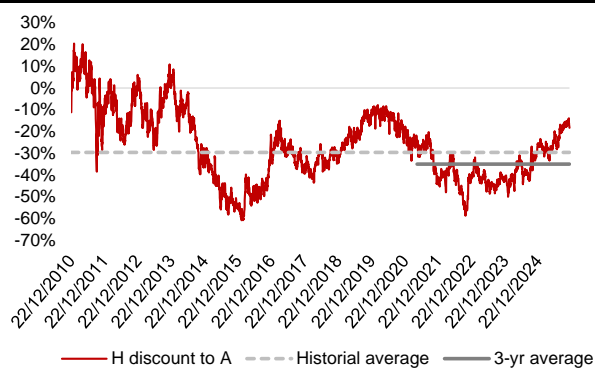
Source: Bloomberg, company data, CMBIGM estimates

**Figure 8: Zoomlion - H 12M forward P/B band**

Source: Bloomberg, company data, CMBIGM estimates

**Figure 9: Zoomlion - A 12M forward P/E band**

Source: Bloomberg, company data, CMBIGM estimates

**Figure 10: Zoomlion – H/A discount**

Source: Bloomberg, CMBIGM estimates

## Financial Summary

| INCOME STATEMENT                           | 2022A    | 2023A    | 2024A    | 2025E    | 2026E    | 2027E    |
|--|----------|----------|----------|----------|----------|----------|
| YE 31 Dec (RMB mn)                         |          |          |          |          |          |          |
| Revenue                                    | 41,631   | 47,075   | 45,478   | 51,347   | 58,703   | 66,030   |
| Cost of goods sold                         | (32,543) | (34,109) | (32,668) | (36,749) | (41,865) | (46,978) |
| Gross profit                               | 9,088    | 12,966   | 12,810   | 14,598   | 16,837   | 19,052   |
| Selling expense                            | (2,635)  | (3,557)  | (3,721)  | (4,210)  | (4,814)  | (5,414)  |
| Admin expense                              | (2,846)  | (3,068)  | (3,155)  | (3,132)  | (3,522)  | (3,962)  |
| R&D expense                                | (2,507)  | (3,441)  | (2,769)  | (2,824)  | (3,170)  | (3,500)  |
| Other income                               | 982      | 935      | 1,162    | 1,023    | 973      | 923      |
| Other gains/(losses)                       | 0        | 0        | 0        | 0        | 0        | 0        |
| Share of (losses)/profits of associates/JV | 130      | 153      | 84       | 91       | 92       | 94       |
| EBITDA                                     | 3,116    | 4,980    | 5,401    | 6,713    | 7,626    | 8,465    |
| Depreciation                               | 1,034    | 1,145    | 1,074    | 1,259    | 1,321    | 1,366    |
| EBIT                                       | 2,082    | 3,835    | 4,327    | 5,454    | 6,304    | 7,099    |
| Interest income                            | 989      | 914      | 653      | 771      | 688      | 682      |
| Interest expense                           | (689)    | (630)    | (681)    | (789)    | (792)    | (795)    |
| Net Interest income/(expense)              | 300      | 284      | (28)     | (18)     | (104)    | (113)    |
| Pre-tax profit                             | 2,512    | 4,272    | 4,383    | 5,527    | 6,293    | 7,080    |
| Income tax                                 | (86)     | (457)    | (374)    | (608)    | (692)    | (779)    |
| Minority interest                          | (79)     | (265)    | (488)    | (246)    | (280)    | (315)    |
| Net profit                                 | 2,426    | 3,815    | 4,009    | 4,919    | 5,600    | 6,301    |
| Adjusted net profit                        | 2,347    | 3,550    | 3,521    | 4,673    | 5,320    | 5,986    |
| Gross dividends                            | 2,694    | 2,777    | 2,603    | 3,271    | 3,724    | 4,190    |

| BALANCE SHEET                 | 2022A   | 2023A   | 2024A   | 2025E   | 2026E   | 2027E   |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| YE 31 Dec (RMB mn)            |         |         |         |         |         |         |
| Current assets                | 73,602  | 78,006  | 74,478  | 85,440  | 83,849  | 96,939  |
| Cash & equivalents            | 13,791  | 13,606  | 12,155  | 9,620   | 9,381   | 9,389   |
| Account receivables           | 33,962  | 32,033  | 32,400  | 39,345  | 39,462  | 46,648  |
| Inventories                   | 14,203  | 22,504  | 22,564  | 26,770  | 26,680  | 29,951  |
| ST bank deposits              | 1,708   | 2,265   | 1,565   | 1,565   | 1,565   | 1,565   |
| Financial assets at FVTPL     | 4,011   | 1,767   | 1,622   | 1,622   | 1,622   | 1,622   |
| Other current assets          | 5,927   | 5,831   | 4,172   | 6,519   | 5,140   | 7,764   |
| Non-current assets            | 49,915  | 52,819  | 49,234  | 61,707  | 55,922  | 66,520  |
| PP&E                          | 13,903  | 17,364  | 20,577  | 23,730  | 24,623  | 24,971  |
| Deferred income tax           | 1,907   | 2,303   | 2,637   | 2,637   | 2,637   | 2,637   |
| Investment in JVs & assos     | 4,476   | 4,497   | 4,484   | 4,575   | 4,667   | 4,761   |
| Intangibles                   | 1,926   | 1,988   | 2,019   | 1,957   | 1,793   | 1,629   |
| Goodwill                      | 2,562   | 2,641   | 2,580   | 2,580   | 2,580   | 2,580   |
| Financial assets at FVTPL     | 2,263   | 2,669   | 2,017   | 2,017   | 2,017   | 2,017   |
| Other non-current assets      | 22,878  | 21,357  | 14,920  | 24,211  | 17,605  | 27,925  |
| Total assets                  | 123,517 | 130,825 | 123,712 | 147,147 | 139,771 | 163,459 |
| Current liabilities           | 48,393  | 49,996  | 42,987  | 64,106  | 54,401  | 75,512  |
| Short-term borrowings         | 11,018  | 7,377   | 10,837  | 10,937  | 11,037  | 11,137  |
| Account payables              | 35,259  | 40,513  | 29,763  | 50,782  | 40,977  | 61,988  |
| Tax payable                   | 107     | 154     | 310     | 310     | 310     | 310     |
| Other current liabilities     | 2,009   | 1,952   | 2,077   | 2,077   | 2,077   | 2,077   |
| Non-current liabilities       | 18,185  | 21,698  | 20,923  | 20,923  | 20,923  | 20,923  |
| Long-term borrowings          | 10,962  | 14,922  | 15,412  | 15,412  | 15,412  | 15,412  |
| Other non-current liabilities | 7,223   | 6,776   | 5,511   | 5,511   | 5,511   | 5,511   |
| Total liabilities             | 66,578  | 71,694  | 63,910  | 85,029  | 75,324  | 96,435  |
| Total shareholders equity     | 54,705  | 56,371  | 57,101  | 59,171  | 61,220  | 63,482  |
| Minority interest             | 2,234   | 2,760   | 2,701   | 2,947   | 3,227   | 3,542   |
| Total equity and liabilities  | 123,517 | 130,825 | 123,712 | 147,147 | 139,771 | 163,459 |

| <b>CASH FLOW</b>                         | <b>2022A</b>   | <b>2023A</b>   | <b>2024A</b>   | <b>2025E</b>   | <b>2026E</b>   | <b>2027E</b>   |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>YE 31 Dec (RMB mn)</b>                |                |                |                |                |                |                |
| <b>Operating</b>                         |                |                |                |                |                |                |
| Profit before taxation                   | 2,512          | 4,272          | 4,383          | 5,527          | 6,293          | 7,080          |
| Depreciation & amortization              | 1,034          | 1,145          | 1,074          | 1,259          | 1,321          | 1,366          |
| Tax paid                                 | (436)          | (401)          | (1,003)        | (608)          | (692)          | (779)          |
| Change in working capital                | (2,015)        | (2,837)        | (3,410)        | (1,820)        | (1,897)        | (2,440)        |
| Others                                   | 856            | 113            | 430            | (73)           | 12             | 19             |
| <b>Net cash from operations</b>          | <b>1,951</b>   | <b>2,292</b>   | <b>1,474</b>   | <b>4,286</b>   | <b>5,036</b>   | <b>5,246</b>   |
| <b>Investing</b>                         |                |                |                |                |                |                |
| Capital expenditure                      | (1,027)        | (1,727)        | (3,902)        | (4,200)        | (2,000)        | (1,500)        |
| Acquisition of subsidiaries/ investments | (191)          | 0              | 0              | 0              | 0              | 0              |
| Others                                   | 2,259          | 1,870          | 1,648          | 671            | 688            | 682            |
| <b>Net cash from investing</b>           | <b>1,041</b>   | <b>143</b>     | <b>(2,254)</b> | <b>(3,529)</b> | <b>(1,312)</b> | <b>(818)</b>   |
| <b>Financing</b>                         |                |                |                |                |                |                |
| Dividend paid                            | (2,777)        | (2,694)        | (2,777)        | (2,603)        | (3,271)        | (3,724)        |
| Net borrowings                           | 2,751          | 319            | 3,950          | 100            | 100            | 100            |
| Proceeds from share issues               | (1,556)        | (1,085)        | (54)           | 0              | 0              | 0              |
| Others                                   | (912)          | 816            | (1,798)        | (789)          | (792)          | (795)          |
| <b>Net cash from financing</b>           | <b>(2,494)</b> | <b>(2,644)</b> | <b>(679)</b>   | <b>(3,292)</b> | <b>(3,963)</b> | <b>(4,419)</b> |
| <b>Net change in cash</b>                |                |                |                |                |                |                |
| Cash at the beginning of the year        | 13,190         | 13,791         | 13,606         | 12,155         | 9,620          | 9,381          |
| Exchange difference                      | 103            | 24             | 8              | 0              | 0              | 0              |
| <b>Cash at the end of the year</b>       | <b>13,791</b>  | <b>13,606</b>  | <b>12,155</b>  | <b>9,620</b>   | <b>9,381</b>   | <b>9,389</b>   |
| <b>GROWTH</b>                            | <b>2022A</b>   | <b>2023A</b>   | <b>2024A</b>   | <b>2025E</b>   | <b>2026E</b>   | <b>2027E</b>   |
| <b>YE 31 Dec</b>                         |                |                |                |                |                |                |
| Revenue                                  | (38.0%)        | 13.1%          | (3.4%)         | 12.9%          | 14.3%          | 12.5%          |
| Gross profit                             | (42.7%)        | 42.7%          | (1.2%)         | 14.0%          | 15.3%          | 13.2%          |
| EBITDA                                   | (61.5%)        | 59.8%          | 8.5%           | 24.3%          | 13.6%          | 11.0%          |
| EBIT                                     | (71.1%)        | 84.2%          | 12.8%          | 26.0%          | 15.6%          | 12.6%          |
| Net profit                               | (62.2%)        | 57.3%          | 5.1%           | 22.7%          | 13.9%          | 12.5%          |
| Adj. net profit                          | (62.8%)        | 51.3%          | (0.8%)         | 32.7%          | 13.9%          | 12.5%          |
| <b>PROFITABILITY</b>                     | <b>2022A</b>   | <b>2023A</b>   | <b>2024A</b>   | <b>2025E</b>   | <b>2026E</b>   | <b>2027E</b>   |
| <b>YE 31 Dec</b>                         |                |                |                |                |                |                |
| Gross profit margin                      | 21.8%          | 27.5%          | 28.2%          | 28.4%          | 28.7%          | 28.9%          |
| EBITDA margin                            | 7.5%           | 10.6%          | 11.9%          | 13.1%          | 13.0%          | 12.8%          |
| Adj. net profit margin                   | 5.6%           | 7.5%           | 7.7%           | 9.1%           | 9.1%           | 9.1%           |
| Return on equity (ROE)                   | 4.4%           | 6.9%           | 7.1%           | 8.5%           | 9.3%           | 10.1%          |
| <b>GEARING/LIQUIDITY/ACTIVITIES</b>      | <b>2022A</b>   | <b>2023A</b>   | <b>2024A</b>   | <b>2025E</b>   | <b>2026E</b>   | <b>2027E</b>   |
| <b>YE 31 Dec</b>                         |                |                |                |                |                |                |
| Net debt to equity (x)                   | 0.0            | 0.1            | 0.2            | 0.2            | 0.2            | 0.2            |
| Current ratio (x)                        | 1.5            | 1.6            | 1.7            | 1.3            | 1.5            | 1.3            |
| Receivable turnover days                 | 413.2          | 343.9          | 329.6          | 325.0          | 312.0          | 305.0          |
| Inventory turnover days                  | 155.4          | 196.4          | 251.8          | 245.0          | 233.0          | 220.0          |
| Payable turnover days                    | 403.0          | 405.4          | 392.6          | 400.0          | 400.0          | 400.0          |
| <b>VALUATION</b>                         | <b>2022A</b>   | <b>2023A</b>   | <b>2024A</b>   | <b>2025E</b>   | <b>2026E</b>   | <b>2027E</b>   |
| <b>YE 31 Dec</b>                         |                |                |                |                |                |                |
| P/E                                      | 24.6           | 15.9           | 16.1           | 12.1           | 10.6           | 9.4            |
| P/B                                      | 1.1            | 1.1            | 1.0            | 1.0            | 1.0            | 0.9            |
| Div yield (%)                            | 4.5            | 4.7            | 4.4            | 5.5            | 6.3            | 7.1            |

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.