

China/Hong Kong Company Update

Alibaba Group

Bloomberg: 9988 HK Equity | BABA US Equity | Reuters: 9988.HK | BABA.N

Refer to important disclosures at the end of this report.

DBS Group Research . Equity

13 Jan 2022

HK: BUY

Last Traded Price (12 Jan 2022): HK\$133.00 (HSI : 24,402)
Price Target 12-mth: HK\$211 (58.6% upside) (Prev HK\$228)

US: BUY

Last Traded Price (12 Jan 2022): US\$137.41 (NASDAQ : 15,188)
Price Target 12-mth: US\$216 (57.2% upside) (Prev US\$234)

Analyst

Tsz-Wang TAM, CFA +852 36684195 tszwangtam@dbs.com
Lilian LV lilianlv@dbs.com

What's New

- Revised down non-GAAP net profit forecast by 10%, 8%, and 4% for FY3/22F, FY3/23F, and FY3/24F due to higher investments and slower core business growth
- Growth focus will be shifting from domestic e-commerce to international business and cloud
- The valuation is attractive at c.15x forward PE, much lower than the historical average of 28x
- Maintain BUY with lower TP of HK\$211/US\$216

Encouraging user growth and promising cloud outlook

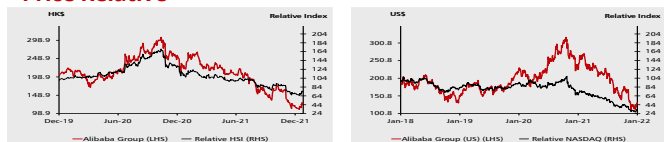
Investment Thesis

Largest e-commerce platform with marketplaces as a key driver. Alibaba continues investing in community marketplaces to deepen penetration into lower-tier cities via multiple consumer touch points in its ecosystem like Taobao Deals and Taobao Grocery.

Cloud leader in China. Alibaba leads the China cloud services market with 39% of market share in 2020, which is expected to grow at c.43% CAGR during FY20-23. Alibaba Cloud has benefited from a larger client base and strong demand from merchants.

International e-commerce new engine driver. Alibaba sees accelerated growth to the international e-commerce market; and it is well positioned to capitalise on the Southeast Asia market by leveraging its existing supply chain and logistics networks.

Price Relative



Forecasts and Valuation (H Shares)

FY Mar (RMBm)	2021A	2022F	2023F	2024F
Turnover	717,289	873,163	1,072,864	1,303,122
EBITDA	152,153	139,302	171,598	218,315
Pre-tax Profit	172,562	159,302	191,598	238,315
Net Profit	150,308	128,276	152,498	187,536
Core profit	179,009	148,276	172,498	207,536
Core Profit Gth (%)	26.6	(14.7)	18.9	23.0
EPS (RMB)	6.95	5.93	7.05	8.67
EPS (HK\$)	8.52	7.27	8.64	10.63
EPS Gth (%)	(2.1)	(14.7)	18.9	23.0
Diluted EPS (HK\$)	8.38	7.15	8.50	10.45
DPS (HK\$)	0.00	0.00	0.00	0.00
BV Per Share (HK\$)	52.94	61.87	72.18	84.46
PE (X)	15.6	18.3	15.4	12.5
P/Cash Flow (X)	10.1	10.2	9.2	8.1
P/Free CF (X)	12.4	13.2	11.6	9.9
EV/EBITDA (X)	14.0	14.7	11.3	8.3
Net Div Yield (%)	0.0	0.0	0.0	0.0
P/Book Value (X)	2.5	2.1	1.8	1.6
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE(%)	17.8	12.6	12.8	13.5
Earnings Rev (%)		(10)	(8)	(4)
Consensus EPS (RMB)		6.46	7.29	8.44
Other Broker Recs:		B:38	S:0	H:2

Source of all data on this page: Company, DBS Bank (Hong Kong) Limited ("DBS HK"), Thomson Reuters

Valuation:

We derive our TP of HK\$211/US\$216 based on SOTP methodology: (1) 20x PE on FY3/22 core business (HK\$171); (2) Cloud: 5x price -to -sales on FY22F (HK\$22); and (3) Digital media and entertainment: (HK\$9).

Where we differ:

More optimistic on e-commerce growth. We believe Alibaba will capture a sizeable market share in the fast-growing e-grocery segment, leveraging on its resources in new retail, supply chain and logistics, leading to revenue upside.

Key Risks to Our View:

(1) Policy risks from regulators; (2) intense competition from other e-commerce platforms; and (3) earnings drag from investments in new initiatives.

At A Glance

Issued Capital (m shrs)	21,699
Mkt Cap (HK\$m/US\$m)	2,885,967 / 370,423
Major Shareholders (%)	
Free Float (%)	100.0
3m Avg. Daily Val. (US\$m)	648.34
GICS Industry: Information Technology / Software & Services	



Watchlist the stock on Insights Direct to receive prompt updates



Live more, Bank less

Alibaba Group

Company Background

Alibaba is China's largest e-commerce platform company, with Taobao and Tmall having monthly active users (MAUs) of over 800m. It has an extensive e-commerce ecosystem including Alipay, Cainiao Logistics, and AliCloud. Its revenue is derived from e-commerce (86%), cloud computing (8%), digital media & entertainment (5%) (i.e., Youku Tudou and UCWeb), and innovation initiatives and others (1%) (i.e., Dingtalk and AutoNavi).

Income Statement (RMB m)

FY Mar	2021A	2022F	% chg	yoy
Revenue	717,289	873,163		21.7
Cost of Goods Sold	(421,205)	(523,898)		24.4
Gross Profit	296,084	349,265		18.0
Other Opng (Exp)/Inc	(206,406)	(269,964)		30.8
Operating Profit	89,678	79,302		(11.6)
Other Non Opg (Exp)/Inc	7,582	5,000		(34.1)
Associates & JV Inc	6,984	5,000		(28.4)
Net Interest (Exp)/Inc	68,318	70,000		2.5
Exceptional Gain/(Loss)	0	0		nm
Pre-tax Profit	172,562	159,302		(7.7)
Tax	(29,278)	(39,825)		36.0
Minority Interest	7,294	9,000		23.4
Net Profit	150,308	128,276		(14.7)
Net Profit before Except.	150,578	128,476		(14.7)
EBITDA	152,153	139,302		(8.4)
Margins & Ratio				
Gross Margins (%)	41.3	40.0		
Opg Profit Margin (%)	12.5	9.1		
Net Profit Margin (%)	21.0	14.7		

Source: Company, DBS HK

Historical PE and PB band

Forward PE band (x)



PB band (x)



Source: Thomson Reuters, DBS HK

Alibaba Group

Key Assumptions

FY Mar	2020A	2021A	2022F	2023F	2024F
China GMV (Rmb bn)	6,589.0	7,494.0	8,552.9	9,408.2	10,349.0
Annual active users (m)	726.0	811.0	916.4	1,008.1	1,108.9
Monetisation rate	0.0	0.0	0.0	0.0	0.0

Source: Company, DBS HK

Segmental Breakdown (RMB m)

FY Mar	2020A	2021A	2022F	2023F	2024F
Revenues (RMB m)					
Core commerce	436,104	621,146	748,886	918,746	1,111,011
Cloud computing	40,016	60,120	84,168	109,418	142,244
Digital media and entertainment	26,948	31,186	34,305	37,735	41,509
Others	6,643	4,837	5,804	6,965	8,358
Total	509,711	717,289	873,163	1,072,864	1,303,122

Source: Company, DBS HK

Income Statement (RMB m)

FY Mar	2020A	2021A	2022F	2023F	2024F
Revenue	509,711	717,289	873,163	1,072,864	1,303,122
Cost of Goods Sold	(282,367)	(421,205)	(523,898)	(638,354)	(768,842)
Gross Profit	227,344	296,084	349,265	434,510	534,280
Other Opng (Exp)/Inc	(135,914)	(206,406)	(269,964)	(322,912)	(375,965)
Operating Profit	91,430	89,678	79,302	111,598	158,315
Other Non Opg (Exp)/Inc	7,439	7,582	5,000	5,000	5,000
Associates & JV Inc	(5,733)	6,984	5,000	5,000	5,000
Net Interest (Exp)/Inc	67,776	68,318	70,000	70,000	70,000
Dividend Income	0	0	0	0	0
Exceptional Gain/(Loss)	0	0	0	0	0
Pre-tax Profit	160,912	172,562	159,302	191,598	238,315
Tax	(20,562)	(29,278)	(39,825)	(47,899)	(59,579)
Minority Interest	9,083	7,294	9,000	9,000	9,000
Preference Dividend	0	0	0	0	0
Net Profit	149,263	150,308	128,276	152,498	187,536
Net Profit before Except.	149,433	150,578	128,476	152,698	187,736
EBITDA	135,563	152,153	139,302	171,598	218,315
Growth					
Revenue Gth (%)	35.3	40.7	21.7	22.9	21.5
EBITDA Gth (%)	42.8	12.2	(8.4)	23.2	27.2
Opg Profit Gth (%)	60.2	(1.9)	(11.6)	40.7	41.9
Net Profit Gth (%)	70.4	0.7	(14.7)	18.9	23.0
Margins & Ratio					
Gross Margins (%)	44.6	41.3	40.0	40.5	41.0
Opg Profit Margin (%)	17.9	12.5	9.1	10.4	12.1
Net Profit Margin (%)	29.3	21.0	14.7	14.2	14.4
ROAE (%)	23.9	17.8	12.6	12.8	13.5
ROA (%)	13.1	10.0	7.1	7.4	7.9
ROCE (%)	8.6	6.2	4.2	5.4	6.8
Div Payout Ratio (%)	0.0	0.0	0.0	0.0	0.0
Net Interest Cover (x)	NM	NM	NM	NM	NM

Source: Company, DBS HK

Alibaba Group

Balance Sheet (RMB m)

FY Mar	2020A	2021A	2022F	2023F	2024F
Net Fixed Assets	103,387	147,412	157,412	167,412	177,412
Invt in Associates & JVs	189,632	200,189	235,189	270,189	305,189
Other LT Assets	557,043	699,257	771,257	843,257	915,257
Cash & ST Invt	378,694	518,652	585,854	678,477	804,643
Inventory	0	0	0	0	0
Debtors	84,229	124,708	174,591	244,428	342,199
Other Current Assets	0	0	0	0	0
Total Assets	1,312,985	1,690,218	1,924,303	2,203,762	2,544,700
ST Debt	5,154	13,437	13,437	13,437	13,437
Creditors	161,536	260,929	326,161	407,702	509,627
Other Current Liab	75,182	102,992	122,369	146,589	176,865
LT Debt	120,276	135,716	135,716	135,716	135,716
Other LT Liabilities	71,186	93,510	93,510	93,510	93,510
Shareholder's Equity	764,504	946,143	1,104,619	1,287,318	1,505,054
Minority Interests	115,147	137,491	128,491	119,491	110,491
Total Cap. & Liab.	1,312,985	1,690,218	1,924,303	2,203,762	2,544,700
Non-Cash Wkg. Capital	(152,489)	(239,213)	(273,939)	(309,863)	(344,293)
Net Cash/(Debt)	253,264	369,499	436,701	529,324	655,490
Debtors Turn (avg days)	51.1	53.2	62.6	71.3	82.2
Creditors Turn (avg days)	212.4	206.5	226.1	227.6	232.9
Inventory Turn (avg days)	N/A	N/A	N/A	N/A	N/A
Asset Turnover (x)	0.4	0.5	0.5	0.5	0.5
Current Ratio (x)	1.9	1.7	1.6	1.6	1.6
Quick Ratio (x)	1.9	1.7	1.6	1.6	1.6
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	36.2	29.0	34.9	34.9	34.9
Z-Score (X)	NA	NA	NA	NA	NA

Source: Company, DBS HK

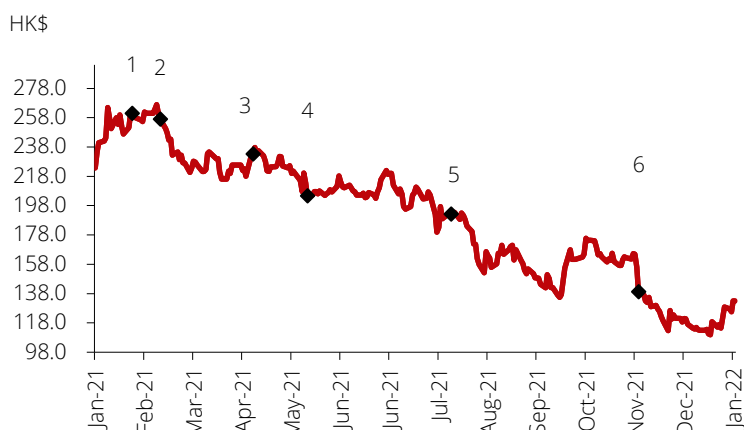
Cash Flow Statement (RMB m)

FY Mar	2020A	2021A	2022F	2023F	2024F
Pre-Tax Profit	160,912	172,562	159,302	191,598	238,315
Dep. & Amort.	42,427	47,909	50,000	50,000	50,000
Tax Paid	(20,562)	(29,278)	(39,825)	(47,899)	(59,579)
Assoc. & JV Inc/(loss)	5,733	(6,984)	(5,000)	(5,000)	(5,000)
(Pft)/ Loss on disposal of FAs	(77,165)	(58,957)	0	0	0
Chg in Wkg.Cap.	21,418	50,508	34,726	35,924	34,430
Other Operating CF	47,844	56,026	30,000	30,000	30,000
Net Operating CF	180,607	231,786	229,202	254,623	288,167
Capital Exp.(net)	(45,386)	(43,185)	(52,000)	(52,000)	(52,000)
Other Invt.(net)	(36,053)	(165,060)	(80,000)	(80,000)	(80,000)
Invt in Assoc. & JV	(24,410)	(16,123)	(30,000)	(30,000)	(30,000)
Div from Assoc & JV	0	0	0	0	0
Other Investing CF	(2,223)	(19,826)	0	0	0
Net Investing CF	(108,072)	(244,194)	(162,000)	(162,000)	(162,000)
Div Paid	0	0	0	0	0
Chg in Gross Debt	(15,953)	31,349	0	0	0
Capital Issues	91,506	(598)	0	0	0
Other Financing CF	(4,700)	(669)	0	0	0
Net Financing CF	70,853	30,082	0	0	0
Currency Adjustments	4,100	(7,187)	0	0	0
Chg in Cash	147,488	10,487	67,202	92,623	126,167
Opg CFPS (RMB)	7.57	8.39	9.00	10.12	11.74
Free CFPS (RMB)	6.43	8.72	8.20	9.37	10.92

Source: Company, DBS HK

Alibaba Group

HK Share - Target Price & Ratings History

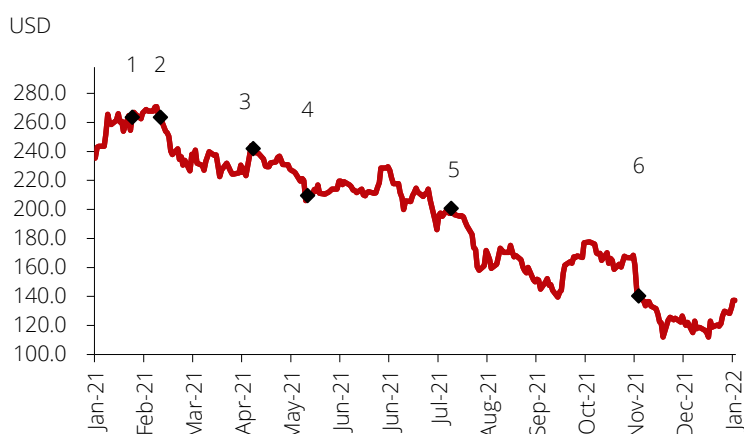


S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	3-Feb-21	HK\$260.00	HK\$315.00	Buy
2:	19-Feb-21	HK\$260.40	HK\$354.00	Buy
3:	13-Apr-21	HK\$232.20	HK\$348.00	Buy
4:	14-May-21	HK\$213.20	HK\$293.00	Buy
5:	4-Aug-21	HK\$193.50	HK\$293.00	Buy
6:	19-Nov-21	HK\$156.00	HK\$228.00	Buy

Source: DBS HK

Analyst: Tsz-Wang TAM, CFA
Lilian LV

US Share - Target Price & Ratings History



S.No.	Date	Closing Price	12-mth Target Price	Rating
1:	3-Feb-21	US\$254.50	US\$324.00	Buy
2:	19-Feb-21	US\$264.51	US\$364.00	Buy
3:	13-Apr-21	US\$244.01	US\$358.00	Buy
4:	14-May-21	US\$206.08	US\$301.00	Buy
5:	4-Aug-21	US\$197.38	US\$301.00	Buy
6:	19-Nov-21	US\$143.60	US\$234.00	Buy

Source: DBS HK

Analyst: Tsz-Wang TAM, CFA
Lilian LV

Alibaba Group

DBS HK recommendations are based on an Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*Share price appreciation + dividends

Completed Date: 13 Jan 2022 09:49:31 (HKT)

Dissemination Date: 13 Jan 2022 15:42:25 (HKT)

Sources for all charts and tables are DBS HK unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank (Hong Kong) Limited ("DBS HK"). This report is solely intended for the clients of DBS Bank Ltd., DBS HK, DBS Vickers (Hong Kong) Limited ("DBSV HK"), and DBS Vickers Securities (Singapore) Pte Ltd. ("DBSVS"), its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS HK.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd., DBS HK, DBSV HK, DBSVS, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets. Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBS Vickers Securities (USA) Inc ("DBSVUSA"), a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

Alibaba Group

Neither DBS Bank Ltd nor DBS HK market makes in equity securities of the issuer(s) or company(ies) mentioned in this Research Report.

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.


COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBSVS or their subsidiaries and/or other affiliates have a proprietary position in Alibaba (HK) (9988 HK) recommended in this report as of 11 Jan 2022.
2. **Compensation for investment banking services:**
DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.
3. **Disclosure of previous investment recommendation produced:**
DBS Bank Ltd, DBSVS, DBS HK, their subsidiaries and/or other affiliates of DBSVUSA may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA in the preceding 12 months.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd, DBSVS or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS Bank Ltd and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	This report is being distributed in Hong Kong by DBS Bank Ltd, DBS Bank (Hong Kong) Limited and DBS Vickers (Hong Kong) Limited, all of which are registered with or licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities. DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;"> Wong Ming Tek, Executive Director, ADBSR</p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, 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, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	<p>This report is produced by DBS HK which is regulated by the Hong Kong Monetary Authority</p> <p>This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.

Alibaba Group

United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	This report was prepared by DBS HK. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

DBS Bank (Hong Kong) Limited

 13th Floor One Island East, 18 Westlands Road, Quarry Bay, Hong Kong

Tel: (852) 3668-4181, Fax: (852) 2521-1812

Alibaba Group

DBS Regional Research Offices

HONG KONG

DBS Bank (Hong Kong) Ltd

Contact: Carol Wu

13th Floor One Island East,

18 Westlands Road, Quarry Bay, Hong Kong

Tel: 852 3668 4181

Fax: 852 2521 1812

e-mail: dbsvhk@dbs.com

MALAYSIA

AllianceDBS Research Sdn Bhd

Contact: Wong Ming Tek (128540 U)

19th Floor, Menara Multi-Purpose, Capital Square,

8 Jalan Munshi Abdullah 50100, Kuala Lumpur, Malaysia.

Tel.: 603 2604 3333

Fax: 603 2604 3921

e-mail: general@alliancedbs.com

Co. Regn No. 198401015984 (128540-U)

SINGAPORE

DBS Bank Ltd

Contact: Janice Chua

12 Marina Boulevard,

Marina Bay Financial Centre Tower 3

Singapore 018982

Tel: 65 6878 8888

e-mail: groupresearch@dbs.com

Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif

DBS Bank Tower

Ciputra World 1, 32/F

Jl. Prof. Dr. Satrio Kav. 3-5

Jakarta 12940, Indonesia

Tel: 62 21 3003 4900

Fax: 6221 3003 4943

e-mail: indonesiaresearch@dbs.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul

989 Siam Piwat Tower Building,

9th, 14th-15th Floor

Rama 1 Road, Pathumwan,

Bangkok Thailand 10330

Tel. 66 2 857 7831

Fax: 66 2 658 1269

e-mail: research@th.dbs.com

Company Regn. No 0105539127012

Securities and Exchange Commission, Thailand