

Hong Kong

ADD (no change)

Consensus ratings*: Buy 38 Hold 2 Sell 0

Current price: HK\$105.3
 Target price: ▼ HK\$170.0
 Previous target: HK\$207.0
 Up/downside: 61.4%
 CGI / Consensus: -11.9%

Reuters: 9988.HK
 Bloomberg: 9988 HK
 Market cap: US\$292,441m
 HK\$2,283,674m

Average daily turnover: US\$575.6m
 HK\$4,488m

Current shares o/s: 21,619m
 Free float: 61.3%

*Source: Bloomberg

Key changes in this note

- FY3/22F net profit decreased by 5.1%.
- FY3/23F net profit decreased by 12.2%.
- FY3/24F net profit decreased by 15.0%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-9.9	-22.2	-56.7
Relative (%)	-3.8	-14.2	-32.4

Major shareholders	% held
SoftBank	24.9
Jack Yun MA	4.8

Analysts

Lei Yang

T (86) 21 6162 9676
 E yangleil@chinastock.com.hk

Hang Xu

T (852) 3698 6308
 E xuhang@chinastock.com.hk

Alibaba Group

From growth of scale to optimizing efficiency

- Alibaba reported 3Q FY3/22 revenue of Rmb243bn, up 9.7% yoy, slightly below our expectation, mainly because of a yoy decline in CMR in the China commerce retail segment due to low single-digit GMV growth and more support to merchants.
- We expect Alibaba to meet its goal of 1bn China AACs in the next quarter; management guided that international AACs would double in the next few years.
- The losses of Taobao Deals and Taocaicai are expected to gradually narrow in the next few quarters, owing to improving order density and supply chain performance.
- AliCloud will focus on converting hybrid cloud customers to public cloud and adding customers in new industries, such as financial services, telecom, new energy vehicles and healthcare.
- Reiterate Add with a new DCF-based TP of HK\$170.

3Q FY3/22 results missed as revenue growth slowed down

3Q FY3/22 revenue growth for China commerce, international commerce, Cainiao, local consumer services, cloud computing, media and entertainment, and innovation initiatives was 7%, 18%, 15%, 27%, 20%, 0% and 63% yoy, respectively (2Q FY3/22 estimated: 32%, 34%, 20%, 23%, 33%, 0% and 37% yoy). The revenue growth slowdown was mainly due to weak macro, more intense competition and various types of support to merchants. Its gross margin was 39.5%, down 6% pts, due to a higher contribution of direct sales business and the growth of Taocaicai, Freshippo and Tmall Supermarket, which led to an increase in logistics costs. Alibaba spent more on user acquisition and engagement; as a result, its sales and marketing expenses ratio increased from 11.5% in 3Q FY3/21 to 15.1% in 3Q FY3/22. Non-GAAP net profit was Rmb44.6bn, down 25% yoy, below our expectation, because of slower-than-expected revenue growth and higher-than-expected sales and marketing expenses. Alibaba will continue its share repurchases while maintaining a strong cash position for business investment.

Robust AAC growth but slower GMV growth

The overall number of annual active consumers (AACs) in 3Q FY3/22 reached 1.28bn; the number in overseas markets was up 6% qoq to 301m, and in the China market, it was up 2.7% qoq to 979m, with AACs in local consumer services up 4.8% qoq to 372m. Taobao Deal was the major contributor of AAC growth, with 13.9% qoq growth to 280m. We expect Alibaba to fulfill its goal of 1bn China AACs in the next quarter, and management guided that international AACs would double in the next few years. Overall GMV growth in the quarter was in the low single-digits because of the weak macro environment and the high base last year. GMV growth in all product categories was positive yoy; FMCG and home furnishing had the highest GMV growth, while growth of apparel and accessories, and consumer electronics was lower. Management said Jan GMV growth remained resilient, at a positive low single-digit level. We expect GMV growth to return to a healthy level when the overall consumption environment improves and the penetration increases in more product categories.

Driving penetration across more product categories

Alibaba's Taobao Deals and Taocaicai made an important contribution in attracting new consumers and transactions in low-penetration product categories, such as home goods and groceries. Paid orders of Taobao Deals grew over 100% yoy in the quarter and Taocaicai's GMV grew by 30% qoq. Taocaicai's UE improved, with higher order density and a more efficient supply chain and delivery network. As the business scale has increased, the focus of these two businesses is changing to optimizing efficiency. With further improvements in supply chain efficiency, the losses of these two businesses are expected to gradually narrow in the next few quarters.

Financial Summary

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue (Rmbm)	509,711	717,289	854,321	957,202	1,107,282
Operating EBITDA (Rmbm)	133,857	137,587	128,878	144,596	177,387
Net Profit (Rmbm)	132,479	171,985	135,569	151,264	180,254
Core EPS (Rmb)	6.30	7.96	5.97	6.66	7.94
Core EPS Growth	39.3%	26.2%	(24.9%)	11.6%	19.2%
FD Core P/E (x)	13.75	10.90	14.52	13.02	10.92
DPS (Rmb)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	12.36	11.72	12.74	10.56	7.96
P/FCFE (x)	20.62	72.12	35.64	18.42	18.56
Net Gearing	(28.8%)	(34.1%)	(35.8%)	(41.0%)	(44.7%)
P/BV (x)	2.35	1.95	1.84	1.66	1.48
ROE	21.0%	20.1%	13.6%	13.6%	14.5%
% Change In Core EPS Estimates			(5.1%)	(12.2%)	(15.0%)
CGI/consensus EPS (x)			0.93	0.91	

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

From growth of scale to optimizing efficiency

A more diversified and green cloud business

In the quarter, cloud revenue grew by 20% yoy. But excluding the impact from the loss of a large internet customer, revenue growth of AliCloud was still a robust 29% yoy. Management said non-internet customers accounted for 52% of AliCloud's total revenue. AliCloud continued to invest in expanding its international infrastructure, adding one data centre in Korea and one in Thailand in the quarter, and now serving 25 regions globally. AliCloud saw strong demand growth in the financial services, telecom, new energy vehicles and healthcare sectors, which partially offset slower demand from the internet sector. Budget constraints were adopted by many players in the internet and online education sectors under the new government policy environment. AliCloud's IaaS business was more affected because of weak demand of internet companies, but the growth of higher-margin products, such as database, continue to be resilient since these products are less needed by the internet sector. Going forward, AliCloud will focus on converting hybrid cloud customers to public cloud and adding customers in new industries, such as healthcare and new energy, which are heavy data users. AliCloud is well positioned in energy efficiency. It has already achieved an average PUE of less than 1.3 in all of its self-developed data centers, with a minimum PUE of as low as 1.09, making it the biggest green energy cloud business in China and maintaining its competitive advantage.

International business another major investment area

Cainiao's global business is already larger than its domestic business thanks to the fast growth of Alibaba's international commerce business. In the quarter, the overall order growth of Alibaba's international commerce retail business continued to remain healthy at 25% yoy, with Lazada and Trendyol growing 52% and 49% yoy, respectively. However, AliExpress was negatively affected by a change in the EU's VAT exemptions and the significant depreciation of the Turkish lira against the Rmb, which had a negative impact on Trendyol's revenue.

Minimum policy impact from the food delivery take rate

Regarding the recent policy on the food delivery take rate, management stated that Ele.me is not the largest player in the market, and it currently is charging a lower take rate than its major competitor, so the policy impact on Ele.me will be limited. Ele.me optimized its consumer subsidy in the quarter and recorded over 20% yoy revenue growth. Thanks to a strategy of more disciplined user acquisition spending and improved delivery costs, Ele.me's UE also improved.

Reiterate Add with a new DCF-based TP of HK\$170

We cut our FY3/22–24F non-GAAP net profit by 5.1%, 12.2% and 15.0%, respectively, to reflect slower revenue growth and margin pressure. But we still believe Alibaba's new initiatives, such as Taobao Deals, Taocaicai, AliCloud, international business, Cainiao and domestic retail business, to bear fruit in the future. Short-term catalysts for Alibaba are 1) robust growth in its user base, owing to growth in lower-tier markets, 2) synergies in the Alibaba's retail ecosystem, 3) fast growth in its international retail business, such as Lazada, and 4) returns from industrial digitalization with its cloud computing service offerings. Key risks include 1) more intense competition in the domestic e-commerce market, 2) global political issues, and 3) a negative impact from any new regulations.

Figure 1: Alibaba quarterly results

(RMB m)	3Q21	3Q22	yoy
Core commerce	196,144	213,894	9.0%
China commerce retail	157,497	167,995	6.7%
China commerce wholesale	3,831	4,231	10.4%
International commerce retail	10,158	11,606	14.3%
International commerce wholesale	3,762	4,843	28.7%
Cainiao logistics services	11,360	13,078	15.1%
Local consumer services	9,536	12,141	27.3%
Others	-	-	N/A
Cloud	16,227	19,539	20.4%
Digital media and entertainment	8,079	8,113	0.4%
Innovation initiatives and others	634	1,034	63.1%
Operating revenue	221,084	242,580	9.7%
Cost of revenue	(121,268)	(146,658)	20.9%
Gross profit	99,816	95,922	-3.9%
GP margin	45.1%	39.5%	-5.6% pts
Product development expenses	(13,607)	(15,705)	15.4%
Sales and marketing expenses	(25,343)	(36,706)	44.8%
General and administrative expenses	(8,692)	(8,465)	-2.6%
Amortization of intangible assets	(3,172)	(2,837)	-10.6%
Impairment of goodwill and intangible assets	-	(25,141)	N/A
Income from operations	49,002	7,068	-85.6%
OP margin	22.2%	2.9%	-19.3% pts
Interest and investment income, net	40,036	18,361	-54.1%
Interest expense	(1,092)	(1,186)	8.6%
Other income, net	2,826	5,083	79.9%
Income before income tax	90,772	29,326	-67.7%
Income tax expenses	(9,194)	(9,553)	3.9%
Share of results of equity investees	(3,601)	(549)	-84.8%
Net income	77,977	19,224	-75.3%
Non-controlling interests	1,558	1,322	-15.1%
Net income attributable to Alibaba	79,535	20,546	-74.2%
Preference Shares or mezzanine equity	(108)	(117)	8.3%
Net income attributable to ordinary shareholders	79,427	20,429	-74.3%
NP margin	35.9%	8.4%	-27.5% pts
Non-GAAP adjustments	(18,770)	25,400	N/A
Non-GAAP net income	59,207	44,624	-24.6%
Non-GAAP NP margin	26.8%	18.4%	-8.4% pts

SOURCES: CGIS RESEARCH, COMPANY DATA

Figure 2: Alibaba AAC growth

Annual Active Consumers (mn)				QoQ Net Adds	YoY Growth
	Dec 2020	Sep 2021	Dec 2021	(Dec 2021 vs Sep 2021)	(Dec 2021 vs Dec 2020)
China⁽¹⁾	855	953	979	26.4	15%
China Commerce Retail ⁽²⁾	782	863	882	19.6	13%
Local Consumer Services ⁽³⁾	296	355	372	17.0	26%
International	220	285	301	16.3	37%
Global	1,075	1,238	1,281	42.7	19%

Notes: For the twelve months ended on the respective dates

(1) Annual Active Consumers in China have been deduplicated.

(2) China Commerce Retail businesses primarily include Taobao, Tmall, Tmall Supermarket and Freshippo.

(3) Local Consumer Services businesses primarily include Ele.me, Amap, Fliggy and Taoxianda.

SOURCES: CGIS RESEARCH, COMPANY DATA

Figure 3: Alibaba earnings revisions

(Rmb m)	FY3/22F			FY3/23F			FY3/24F		
	Old	New	% change	Old	New	% change	Old	New	% change
Revenue	871,309	854,321	-1.9%	1,010,677	957,202	-5.3%	1,178,613	1,107,282	-6.1%
Gross margin (%)	37.5%	37.5%	0.0% pts	38.0%	37.2%	-0.8% pts	38.5%	37.6%	-0.9% pts
Operating margin (%)	10.5%	9.7%	-0.8% pts	11.1%	9.2%	-2.0% pts	12.4%	9.9%	-2.5% pts
Net income	115,660	108,322	-6.3%	135,800	114,819	-15.4%	172,360	140,575	-18.4%
Adjusted net income	142,906	135,569	-5.1%	172,244	151,264	-12.2%	212,039	180,254	-15.0%
EPS	6.30	5.97	-5.1%	7.59	6.66	-12.2%	9.34	7.94	-15.0%

SOURCES: CGIS RESEARCH

Figure 4: Alibaba DCF valuation

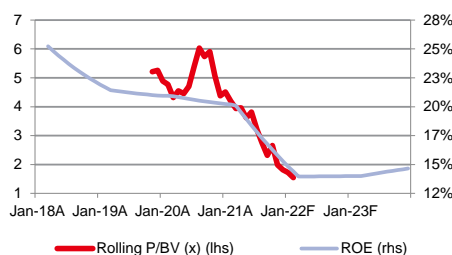
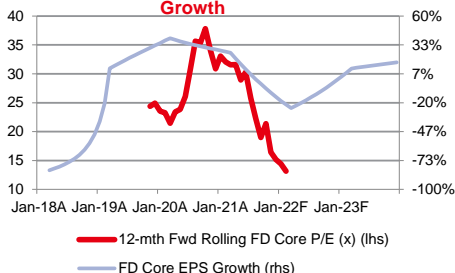
(RMB m)	FY3/22F	FY3/23E	FY3/24E	FY3/25E	FY3/26E	FY3/27E	FY3/28E	FY3/29E	FY3/30E	FY3/31E	FY3/32E
EBIT	83,009	87,620	109,305	134,445	165,368	203,402	250,185	307,727	378,504	465,560	572,639
Add: Depreciation & amortization	33,195	42,176	51,157	51,668	52,185	52,707	53,234	53,766	54,304	54,847	55,395
Less: Tax	19,890	21,157	26,495	32,588	40,084	49,303	60,642	74,590	91,746	112,848	138,802
Less: Capex	95,000	95,000	95,000	95,950	96,910	97,879	98,857	99,846	100,844	101,853	102,871
Less: Net change in working capital	(22,833)	(59,652)	(25,953)	(26,212)	(26,474)	(26,739)	(27,007)	(27,277)	(27,549)	(27,825)	(28,103)
Unlevered FCF	24,147	73,291	64,920	83,787	107,034	135,667	170,925	214,334	267,767	333,532	414,464
Terminal value											5,820,393
DCF	24,147	66,427	53,328	62,380	72,223	82,969	94,741	107,674	121,918	137,637	155,015

Assumptions

PV for the forecasted period	954,310	Risk-free Rate of Return	3.0%
PV for the terminal value	2,176,899	Equity Risk Premium	7.7%
Enterprise Value	3,131,209	Company Beta	0.98
Minus: Net debt + Minority interest	(91,437)	Cost of Equity	10.5%
NPV to equity shareholders	3,222,647	Pre-tax Cost of Debt	4.0%
Divided by: # of shares outstanding	22,700	Tax Rate	12%
NPV per share to equity shareholders (RMB)	142	After-tax Cost of Debt	3.5%
HKD/CNY	0.83	Target debt to total capital	3%
NPV per share to equity shareholders (HKD)	170	WACC	10.3%
		Terminal growth ("g")	3%

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

BY THE NUMBERS

P/BV vs ROE

12-mth Fwd FD Core P/E vs FD Core EPS Growth


Profit & Loss

(Rmbm)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Total Net Revenues	509,711	717,289	854,321	957,202	1,107,282
Gross Profit	227,344	296,084	320,370	356,079	416,338
Operating EBITDA	133,857	137,587	128,878	144,596	177,387
Depreciation And Amortisation	(42,427)	(47,909)	(45,870)	(56,976)	(68,082)
Operating EBIT	91,430	89,678	83,009	87,620	109,305
Financial Income/(Expense)	67,776	68,318	26,275	28,626	36,269
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	1,706	14,566	11,174	11,174	11,174
Profit Before Tax (pre-EI)	160,912	172,562	120,459	127,420	156,749
Exceptional Items					
Pre-tax Profit	160,912	172,562	120,459	127,420	156,749
Taxation	(20,562)	(29,278)	(19,890)	(21,157)	(26,495)
Exceptional Income - post-tax					
Profit After Tax	140,350	143,284	100,569	106,264	130,254
Minority Interests	9,083	7,294	8,023	8,826	10,591
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	(16,954)	21,407	26,977	36,174	39,409
Net Profit	132,479	171,985	135,569	151,264	180,254
Recurring Net Profit	132,479	171,985	135,569	151,264	180,254
Fully Diluted Recurring Net Profit	132,479	171,985	135,569	151,264	180,254

Cash Flow

(Rmbm)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
EBITDA	133,857	137,587	128,878	144,596	177,387
Cash Flow from Inv. & Assoc.					
Change In Working Capital	21,418	50,508	22,833	59,652	25,953
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(23,588)	(9,915)	0	0	0
Other Operating Cashflow	1,706	14,566	11,174	11,174	11,174
Net Interest (Paid)/Received	67,776	68,318	26,275	28,626	36,269
Tax Paid	(20,562)	(29,278)	(19,890)	(21,157)	(26,495)
Cashflow From Operations	180,607	231,786	169,272	222,892	224,289
Capex	(45,386)	(43,185)	(95,000)	(95,000)	(95,000)
Disposals Of FAs/subsidiaries	31,417	10,061	0	0	0
Acq. Of Subsidiaries/investments	(54,432)	(76,175)	(20,019)	(22,021)	(24,223)
Other Investing Cashflow	(39,671)	(134,895)	0	0	0
Cash Flow From Investing	(108,072)	(244,194)	(115,019)	(117,021)	(119,223)
Debt Raised/(repaid)	15,788	38,410	1,000	1,000	1,000
Proceeds From Issue Of Shares	91,506	175	0	0	0
Shares Repurchased	0	(773)	0	0	0
Dividends Paid					
Preferred Dividends	0	0	0	0	0
Other Financing Cashflow	(36,441)	(7,730)	0	0	0
Cash Flow From Financing	70,853	30,082	1,000	1,000	1,000
Total Cash Generated	143,388	17,674	55,253	106,871	106,066
Free Cashflow To Equity	88,323	26,002	55,253	106,871	106,066
Free Cashflow To Firm	77,715	(7,932)	59,132	110,782	110,010

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

BY THE NUMBERS... cont'd
Balance Sheet

(Rmbm)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Total Cash And Equivalents	378,694	518,652	573,905	680,776	786,842
Total Debtors	0	0	0	0	0
Inventories					
Total Other Current Assets	84,229	124,708	124,145	154,676	167,861
Total Current Assets	462,923	643,360	698,050	835,452	954,703
Fixed Assets	103,387	147,412	184,218	212,042	230,886
Total Investments	350,961	437,410	457,429	479,450	503,673
Intangible Assets	337,729	363,604	375,929	386,128	394,203
Total Other Non-Current Assets	57,985	98,432	98,432	98,432	98,432
Total Non-current Assets	850,062	1,046,858	1,116,007	1,176,052	1,227,193
Short-term Debt	5,154	13,437	13,527	13,617	13,707
Current Portion of Long-Term Debt					
Total Creditors	236,718	363,921	386,191	476,374	515,512
Other Current Liabilities	0	0	0	0	0
Total Current Liabilities	241,872	377,358	399,718	489,992	529,220
Total Long-term Debt	120,276	135,716	136,626	137,536	138,446
Hybrid Debt - Debt Component	0	0	0	0	0
Total Other Non-Current Liabilities	27,288	33,912	33,912	33,912	33,912
Total Non-current Liabilities	147,564	169,628	170,538	171,448	172,358
Total Provisions	43,898	59,598	59,598	59,598	59,598
Total Liabilities	433,334	606,584	629,854	721,037	761,175
Shareholders' Equity	764,504	946,143	1,054,735	1,169,825	1,310,670
Minority Interests	115,147	137,491	129,468	120,642	110,051
Total Equity	879,651	1,083,634	1,184,203	1,290,467	1,420,721

Key Ratios

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue Growth	35.3%	40.7%	19.1%	12.0%	15.7%
Operating EBITDA Growth	42.2%	2.8%	(6.3%)	12.2%	22.7%
Operating EBITDA Margin	26.3%	19.2%	15.1%	15.1%	16.0%
Net Cash Per Share (Rmb)	12.05	17.09	18.67	23.33	27.96
BVPS (Rmb)	36.38	43.76	46.46	51.53	57.74
Gross Interest Cover	17.65	20.04	17.01	17.84	22.11
Effective Tax Rate	12.8%	17.0%	16.5%	16.6%	16.9%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	-	-	-	-	-
Inventory Days	-	-	-	-	-
Accounts Payables Days	60.62	56.10	45.92	46.91	47.06
ROIC (%)	28.0%	25.9%	22.4%	22.1%	29.2%
ROCE (%)	17.4%	14.5%	9.3%	9.1%	10.3%
Return On Average Assets	4.88%	6.42%	5.78%	5.95%	6.36%

Key Drivers

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
AAU change (%)	11.0%	11.7%	9.5%	6.0%	6.0%
China commerce retail monetization rate (%)	5.1%	6.3%	6.4%	6.5%	6.6%

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to China Galaxy International Securities (Hong Kong) Co., Limited ("China Galaxy International"), and is distributed by CGS-CIMB pursuant to an arrangement between China Galaxy International and CGS-CIMB.

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.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS-CIMB.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report.

China Galaxy International may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. Neither China Galaxy International nor CGS-CIMB is under any obligation to update this report in the event of a material change to the information contained in this report. Neither China Galaxy International nor CGS-CIMB has any and will accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, China Galaxy International, CGS-CIMB and their respective affiliates and related persons including China Galaxy International Financial Holdings Limited ("CGIFHL") and CIMB Group Sdn. Bhd. ("CIMBG") and their respective related corporations (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, China Galaxy International and CGS-CIMB disclaim all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from China Galaxy International's research. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS-CIMB or China Galaxy International or any of their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) to any person to buy or sell any investments.

CGS-CIMB and/or China Galaxy International and/or their respective affiliates and related corporations (including CGIFHL, CIMBG and their respective related corporations), their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS-CIMB and/or China Galaxy International, and/or their respective affiliates and their respective related corporations (including CGIFHL, CIMBG and their respective related corporations) do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS-CIMB and/or China Galaxy International and/or their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS-CIMB and/or China Galaxy International may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/her coverage of company(ies) in the performance of his/her duties or the performance of his/her recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

The term "China Galaxy International" shall, unless the context otherwise requires, mean China Galaxy International and its affiliates, subsidiaries and related companies. The term "CGS-CIMB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS-CIMB Securities International Pte. Ltd. and its affiliates, subsidiaries and related corporations.

CGS-CIMB

Country	CGS-CIMB Entity	Regulated by
Hong Kong	CGS-CIMB Securities (Hong Kong) Limited	Securities and Futures Commission Hong Kong
India	CGS-CIMB Securities (India) Private Limited	Securities and Exchange Board of India (SEBI)
Indonesia	PT CGS-CIMB Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS-CIMB Securities Sdn. Bhd.	Securities Commission Malaysia
Singapore	CGS-CIMB Securities (Singapore) Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS-CIMB Securities (Hong Kong) Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS-CIMB Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

(i) As of January 31, 2022 Galaxy International Securities/ China Galaxy International Finance (Hong Kong) Co., Limited, one of the subsidiaries of China Galaxy International Financial Holdings Limited, has financial interests of more than 1% in the securities (which may include but not limited to shares, warrants, call warrants and/ or other derivatives) in the following or companies covered or recommended in this report:

(a)

(ii) As of January 31, 2022 CGS-CIMB has a proprietary position in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a)

(iii) As of February 25, 2022, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a)

(a)

This report does not purport to contain all the information that a prospective investor may require. CGS-CIMB, China Galaxy International and their respective affiliates (including CGIFHL, CIMBG and their related corporations) do not make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. None of CGS-CIMB, China Galaxy International and their respective affiliates and related persons (including CGIFHL, CIMBG and their related corporations) shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS-CIMB's and its affiliates' (including CGIFHL's, CIMBG's and their respective related corporations') clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report. The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

Restrictions on Distributions

Australia: Despite anything in this report to the contrary, this research is issued by China Galaxy International and provided in Australia by CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited. This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited do not hold, and are not required to hold an Australian financial services license. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is issued and distributed in Hong Kong by CGS-CIMB Securities (Hong Kong) Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CGS-CIMB Securities (Hong Kong) Limited. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CHK has no obligation to update its opinion or the information in this research report.

India:

This report is issued by China Galaxy International and distributed in India by CGS-CIMB Securities (India) Private Limited ("CGS-CIMB India"). CGS-CIMB India is a subsidiary of CGS-CIMB Securities International Pte. Ltd. which in turn is a 50:50 joint venture company of CGIFHL and CIMBG. The details of the members of the group of companies of CGS-CIMB can be found at www.cgs-cimb.com, CGIFHL at www.chinastock.com.hk/en/ACG/ContactUs/index.aspx and CIMBG at www.cimb.com/en/who-we-are.html. CGS-CIMB India is registered with the National Stock Exchange of India Limited and BSE Limited as a trading and clearing member (Merchant Banking Number: INM00012037) under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992. In accordance with the provisions of Regulation 4(g) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, CGS-CIMB India is not required to seek registration with the Securities and Exchange Board of India ("SEBI") as an Investment Adviser. CGS-CIMB India is registered with SEBI (SEBI Registration Number: INZ00209135) as a Research Analyst (INH000000669) pursuant to the SEBI (Research Analysts) Regulations, 2014 ("Regulations").

This report does not take into account the particular investment objectives, financial situations, or needs of the recipients. It is not intended for and does not deal with prohibitions on investment due to law/jurisdiction issues etc. which may exist for certain persons/entities. Recipients should rely on their own investigations and take their own professional advice before investment.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of CGS-CIMB India and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by CGS-CIMB India or its affiliates.

CGS-CIMB India does not have actual / beneficial ownership of 1% or more securities of the subject company in this research report, at the end of the month immediately preceding the date of publication of this research report. However, since affiliates of CGS-CIMB India are engaged in the financial services business, they might have in their normal course of business financial interests or actual / beneficial ownership of one per cent or more in various companies including the subject company in this research report.

CGS-CIMB India or its associates, may: (a) from time to time, have long or short position in, and buy or sell the securities of the subject company in this research report; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company in this research report or act as an advisor or lender/borrower to such company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

CGS-CIMB India, its associates and the analyst engaged in preparation of this research report have not received any compensation for investment banking, merchant banking or brokerage services from the subject company mentioned in the research report in the past 12 months.

CGS-CIMB India, its associates and the analyst engaged in preparation of this research report have not managed or co-managed public offering of securities for the subject company mentioned in the research report in the past 12 months. The analyst from CGS-CIMB India engaged in preparation of this research report or his/her relative (a) do not have any financial interests in the subject company mentioned in this research report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the research report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the research report.

Indonesia: This report is issued by China Galaxy International and distributed by PT CGS-CIMB Sekuritas Indonesia ("CGS-CIMB Indonesia"). The views and opinions in this research report are not our own but of China Galaxy International as of the date hereof and are subject to change. CGS-CIMB Indonesia has no obligation to update the opinion or the information in this research report. This report is for private circulation only to clients of CGS-CIMB Indonesia. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

Ireland: CGS-CIMB is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS-CIMB acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is issued by China Galaxy International and distributed in Malaysia by CGS-CIMB Securities Sdn. Bhd. ("CGS-CIMB Malaysia") solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS-CIMB Malaysia, at Level 29, Menara Bumiputra-Commerce, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS-CIMB Malaysia has no obligation to update, revise or reaffirm the opinion or the information in this research report after the date of this report.

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is issued by China Galaxy International and distributed by CGS-CIMB Securities (Singapore) Pte Ltd (“CGS-CIMB Singapore”). CGS-CIMB Singapore is a capital markets services licensee under the Securities and Futures Act (Chapter 289). Accordingly, it is exempted from the requirement to hold a financial adviser’s licence under the Financial Advisers Act, Cap 110 (“FAA”) for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. Accordingly CGS-CIMB Singapore is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS-CIMB Singapore, 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #09-01, Singapore 018983 in respect of any matters arising from, or in connection with this report. CGS-CIMB Singapore has no obligation to update the opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS-CIMB Singapore directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CGS-CIMB Singapore accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS-CIMB Singapore is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following :

- (a) Section 25 of the FAA (obligation to disclose product information);
- (b) Section 27 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 36 (obligation on disclosure of interest in securities), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that a CGS-CIMB Singapore is exempt from Section 27 of the FAA, the recipient will also not be able to file a civil claim against CGS-CIMB Singapore for any loss or damage arising from the recipient’s reliance on any recommendation made by CGS-CIMB Singapore which would otherwise be a right that is available to the recipient under Section 27 of the FAA.

CGS-CIMB Singapore, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS-CIMB Singapore, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

As of February 25, 2022, CGS-CIMB Singapore does not have a proprietary position in the recommended specified products in this report.

CGS-CIMB Singapore makes a market on the specified products of .

CGS-CIMB Singapore does not make a market on other securities mentioned in the report.

Chan Swee Liang Carolina, the Group Chief Executive Officer of the CGS-CIMB group of companies (in which CGS-CIMB Singapore is a member) is an independent non-executive director of City Developments Limited as of 29 Dec 2020. CGS-CIMB Singapore is of the view that this does not create any conflict of interest that may affect the ability of the analyst [or CGS-CIMB Singapore] to offer independent and unbiased analyses and recommendations.

Chan Swee Liang Carolina, the Group Chief Executive Officer of the CGS-CIMB group of companies (in which CGS-CIMB Singapore is a member) is an independent non-executive director of Genting Singapore PLC as of 1 May 2018. CGS-CIMB Singapore is of the view that this does not create any conflict of interest that may affect the ability of the analyst [or CGS-CIMB Singapore] to offer independent and unbiased analyses and recommendations.

South Korea: This report is issued by China Galaxy International and distributed in South Korea by CGS-CIMB Securities (Hong Kong) Limited, Korea Branch (“CGS-CIMB Korea”) which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea (“FSCMA”).

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS-CIMB is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers’ Association (Directives on the Independence of Financial Research).

Thailand: This report is issued and distributed by CGS-CIMB Securities (Thailand) Co. Ltd. (“CGS-CIMB Thailand”) based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CGS-CIMB Thailand has no obligation to update its opinion or the information in this research report.

CGS-CIMB Thailand may act or acts as Market Maker, and issuer and offeror of Derivative Warrants and Structured Note which may have the following securities as its underlying securities. Investors should carefully read and study the details of the derivative warrants in the prospectus before making investment decisions.

AAV, ACE, ADVANC, AEONTS, AMATA, AOT, AP, BAM, BANPU, BBL, BCH, BCP, BCPC, BDMS, BEC, BEM, BGRIM, BH, BJC, BTS, CBG, CENTEL, CHG, CK, CKP, COM7, CPALL, CPF, CPN, CRC, DELTA, DOHOME, DTAC, EA, EGCO, ESSO, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, ICHI, INTUCH, IRPC, IVL, JAS, JMART, JMT, KBANK, KCE, KKP, KTB, KTC, LH, MAJOR, MEGA, MINT, MTC, NRF, OR, ORI, OSP, PLANB, PRM, PSL, PTG, PTL, PTT, PTTEP, PTTGC, QH, RATCH, RBF, RS, SAWAD, SCB, SCC, SCGP, SINGER, SPALI, SPRC, STA, STEC, STGT, SUPER, SYNEX, TASCO, TCAP, THANI, TISCO, TKN, TOP, TQM, TRUE, TTB, TU, TVO, VGI, WHA

Corporate Governance Report:

The disclosure of the survey result of the Thai Institute of Directors Association (“IOD”) regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom and European Economic Area (EEA): In the United Kingdom and European Economic Area, this material is also being distributed by CGS-CIMB Securities (UK) Limited (“CGS-CIMB UK”). CGS-CIMB UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 53 New Broad Street, London EC2M 1JJ. The material distributed by CGS-CIMB UK has been prepared in accordance with CGS-CIMB’s policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS-CIMB UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (c) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as “relevant persons”). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

This material is categorised as non-independent for the purposes of CGS-CIMB UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

United States: This research report is issued by China Galaxy International and distributed in the United States of America by CGS-CIMB Securities (USA) Inc, a U.S. registered broker-dealer and a related company of CGS-CIMB Securities (Singapore) Pte Ltd, PT CGS-CIMB Sekuritas Indonesia, CGS-CIMB Securities (Thailand) Co. Ltd, CGS-CIMB Securities (Hong Kong) Limited, CGS-CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS-CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc.

CGS-CIMB Securities (USA) Inc. has managed or co-managed a public offering of securities for in the past 12 months.

CGS-CIMB Securities (USA) Inc. has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. has received compensation for investment banking services from in the past 12 months.

CGS-CIMB Securities (USA) Inc. has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. expects to receive or intend to seek compensation for investment banking services from within the next 3 months.

CGS-CIMB Securities (USA) Inc. neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

As of the end of the month immediately preceding the date of publication of this report, CGS-CIMB Securities (USA) Inc. beneficially owns 1% or more of any class of common equity securities of .

Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 31 Dec 2021		
619 companies under coverage for quarter ended on 31 Dec 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	0.0%

Spitzer Chart for stock being researched (2 year data)

Alibaba Group (9988 HK)

RECOMMENDATION FRAMEWORK

Stock Ratings Definition:

Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

The total expected return of a stock is defined as the sum of the:(i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings Definition:

Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

Analyst Certification

The analyst who is primarily responsible for the content of this report, in whole or in part, certifies that with respect to the securities or issuer 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 the 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 securities 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 securities covered in this research report three 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.

#11