

Hong Kong

ADD (no change)

Consensus ratings*: Buy 26 Hold 1 Sell 0

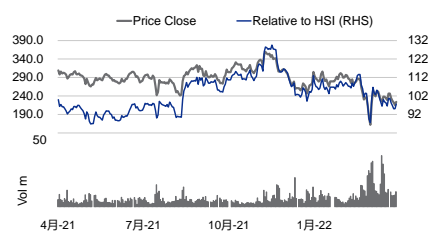
Current price:	HK\$224.2
Target price:	HK\$318.0
Previous target:	HK\$330.0
Up/downside:	41.8%
CGI / Consensus:	-10.0%

Reuters:	9618.HK
Bloomberg:	9618 HK
Market cap:	US\$89,183m
	HK\$699,049m
Average daily turnover:	US\$333.3m
	HK\$2,603m
Current shares o/s:	3,107m
Free float:	51.0%

*Source: Bloomberg

Key changes in this note

- FY22F EPS decreased by 21.2%.
- FY23F EPS decreased by 7.9%.
- FY24F EPS decreased by 4.5%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	6.2	-26.5	-27.5
Relative (%)	2.5	-13.9	-2.4

Major shareholders	% held
Tencent	21.3
Qiangdong Liu	20.0
Walmart	10.8

Analysts

Lei Yang

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

Hang Xu

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

JD.com Inc

1H22F to be impacted by the pandemic

- We held a pre-blackout conference call with JD regarding its 1Q22F performance and 2Q22F outlook.
- Given the current Omicron situation, we expect JD's 1Q22F top-line growth to be 16% yoy. We now expect the pandemic situation in Shanghai to be controlled in late Apr/early May and JD's sales growth to recover in 3Q21.
- Reiterate Add with a new DCF-based TP of HK\$318. JD is our top pick for the e-commerce sector.

1Q22F top line to be affected by city lockdowns

Because of the large-scale Omicron rebound starting in Mar, major cities in China, such as Shenzhen and Shanghai, successively experienced city-wide lockdowns. Currently, Shenzhen's lockdown is mostly over, but Shanghai is still largely locked down. Cities in other provinces, such as Jiangsu and Hebei, are also under small-scale lockdowns. Currently, in Shanghai, over 100 JD warehouses and distribution stations are still locked down, and each vehicle needs a special license to transport goods. Last weekend, JD and some other online platforms started to receive permits to deliver daily necessities, such as groceries and household products. But these are only one-time permits, and each permit is valid for only one vehicle, limiting logistics capacity. Currently, JD is actively applying for multi-trip permits to expand its logistics capacity. However, different communities may have different limitations, such as whether delivery drivers are allowed to enter the community or not, and some drivers are locked in their communities and cannot get to work. On the bright side, Shanghai has mapped out three pandemic control areas in the past few days, reflecting some relaxation of the lockdown in a few low-risk areas. The government policy indicating the shortening of the quarantine period from 14 days to 10 days is also a positive message of relaxing pandemic control measures. Given the current situation, we expect JD's 1Q22F top-line growth to be 16% yoy, and we expect the 2Q22F to continue to be impacted. We expect the government to release more stimulus policies to achieve its 5.5% GDP growth target in FY22F and expect JD to see a growth recovery in 2H22F.

Net margin expected to narrow yoy in 1Q22F but improve in 2H22F

JD was the solo sponsor of the interactive section of CCTV's CNY Gala, and cooperated with brand merchants to offer Rmb1.5bn in coupons for brand building and nurturing the consumer mindset. JD's 1Q22F DAU growth was robust. In 1H22F, JD will focus on improving its ARPU and may step up marketing investment in 2H22F if the macro-economy improves. In 1Q22F, JD optimized its new businesses, especially Jingxi Pinpin, by concentrating on key cities and focusing on improving order density, efficiency and unit economy. JD has found that economy of scale from the nationwide perspective is not realistic for the local retail model and that local retail will not replace B2C e-commerce. Fixed costs related to business optimization will be booked in 1Q22F, affecting its margins. Investment in new businesses in FY22F will be less than that in FY21, and the losses of new businesses will narrow this year as the new businesses in some provinces are already profitable. The fulfillment issue amid the pandemic lockdown has hurt margins, so we expect the 1Q22F net margin to be 1%, down 1% pt yoy and margins to improve in 2H22F.

Reiterate Add with a new DCF-based TP of HK\$318

We cut our FY22–24F non-GAAP EPS by 21.2%, 7.9% and 4.5%, respectively, due to the pandemic impact. We reiterate our Add rating for JD, since we believe it will benefit from more 3P merchants joining its platform and further penetration into lower-tier cities through its Jingxi platform. The key risks include 1) a weaker macro environment, which would affect domestic consumption, and 2) supply chain shortages.

Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (Rmbm)	745,802	951,592	1,120,035	1,380,327	1,633,498
Operating EBITDA (Rmbm)	-15,153	33,818	22,240	38,314	53,756
Net Profit (Rmbm)	49,405	-3,560	6,623	16,105	27,401
Core EPS (Rmb)	5.41	5.39	4.49	7.62	10.79
Core EPS Growth	49.4%	(0.5%)	(16.6%)	69.6%	41.6%
FD Core P/E (x)	32.70	32.89	39.44	23.25	16.42
DPS (Rmb)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	NA	13.07	20.52	12.08	8.59
P/FCFE (x)	NA	NA	NA	NA	NA
Net Gearing	(62.4%)	(71.9%)	(68.7%)	(66.6%)	(64.8%)
P/BV (x)	2.93	2.71	2.59	2.39	2.14
ROE	12.5%	8.7%	6.8%	10.9%	14.0%
% Change In Core EPS Estimates			(21.2%)	(7.9%)	(4.5%)
CGI/consensus EPS (x)			0.33	0.52	0.61

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

1H22F to be impacted by the pandemic

Figure 1: JD earnings revisions

Rmb m	FY22F			FY23F			FY24F		
	Old	New	% change	Old	New	% change	Old	New	% change
Sales	1,140,172	1,120,035	-1.8%	1,405,035	1,380,327	-1.8%	1,662,494	1,633,498	-1.7%
GP margin	13.3%	13.6%	0.3%	13.5%	14.2%	0.7%	13.9%	14.6%	0.7%
Operating margin (Non-GAAP)	1.5%	1.2%	-0.2%	2.0%	1.9%	-0.1%	2.5%	2.4%	-0.1%
Net income (Loss) (GAAP)	8,488	6,623	-22.0%	18,308	16,105	-12.0%	29,195	27,401	-6.1%
Net income (Loss) (Non-GAAP)	18,746	14,781	-21.2%	28,025	25,822	-7.9%	39,447	37,653	-4.5%
EPS (Non-GAAP) (Rmb)	5.70	4.49	-21.2%	8.27	7.62	-7.9%	11.30	10.79	-4.5%

SOURCES: CGIS RESEARCH, COMPANY REPORTS

Figure 2: Our forecasts versus consensus

Rmb m	CGI forecasts			BBG consensus			Diff.	FY23F	FY24F
	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F			
Sales	1,120,035	1,380,327	1,633,498	1,138,000	1,348,000	1,560,000	-1.6%	2.4%	4.7%
GP margin	13.6%	14.2%	14.6%	13.9%	14.1%	14.4%	-0.2%	0.1%	0.2%
Operating margin (Non-GAAP)	1.2%	1.9%	2.4%	1.0%	1.7%	2.1%	0.2%	0.2%	0.3%
Net income (Loss) (GAAP)	6,623	16,105	27,401	8,609	18,281	27,027	-23.1%	-11.9%	1.4%
Net income (Loss) (Non-GAAP)	14,781	25,822	37,653	19,687	29,699	38,818	-24.9%	-13.1%	-3.0%

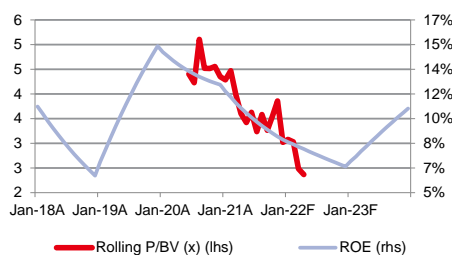
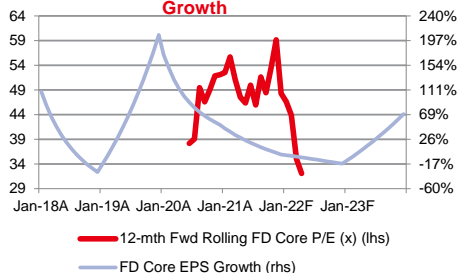
SOURCES: CGIS RESEARCH, BLOOMBERG

Figure 3: JD DCF valuation

DCF computation (Rmb m)	FY21F	FY22F	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F	FY33F
EBIT (non-GAAP)	12,632	13,672	26,217	39,302	43,232	47,555	52,311	57,542	63,296	69,626	76,588	84,247	92,672
Taxes	-1,887	-635	-1,689	-2,944	-2,008	-2,209	-2,430	-2,673	-2,940	-3,234	-3,558	-3,913	-4,305
NOPAT	10,746	13,037	24,528	36,358	41,224	45,346	49,881	54,869	60,356	66,392	73,031	80,334	88,367
NOPAT growth	-28.1%	21.3%	88.1%	48.2%	13.4%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
D&A	8,911	11,518	13,997	16,354	16,845	17,350	17,871	18,407	18,959	19,528	20,114	20,717	21,339
Funds from operation	19,656	24,555	38,525	52,713	58,069	62,697	67,752	73,276	79,315	85,920	93,145	101,051	109,706
Change in net working Capital	9,391	27,754	34,003	41,682	42,933	44,221	45,547	46,914	48,321	49,771	51,264	52,802	54,386
Cash flow from operation	29,048	52,308	72,528	94,395	101,002	106,917	113,299	120,190	127,636	135,690	144,408	153,853	164,092
Capex	-18,885	-21,670	-21,198	-20,932	-21,560	-22,207	-22,873	-23,559	-24,266	-24,994	-25,744	-26,516	-27,311
Free cash flow from operation	10,163	30,638	51,330	73,463	79,442	84,711	90,426	96,631	103,370	110,696	118,665	127,337	136,780
FCF growth	-62.7%	201.5%	67.5%	43.1%	8.1%	6.6%	6.7%	6.9%	7.0%	7.1%	7.2%	7.3%	7.4%
Terminal free cash flow	1,453,199							WACC Assumptions					
Total discounted free cash flow	503,034							Cost of equity			13%		
Present value of terminal free cash flow	289,802							Risk free rate			4%		
								Market Risk Premium			8%		
Total present value of forecasted free cash flows	792,836							Beta			1.24		
Less: Net Debt	-52,568							Cost of debt			6%		
Equity Value	845,404							Kd (after tax)			5%		
No. of shares (millions)	3,201							Target Equity / (Debt + Equity)			100%		
Per share Equity Value (Rmb)	264.1							WACC			13%		
Exchange rate	0.8							Terminal growth			3%		
Target price (US\$)	318.00												

SOURCES: CGIS RESEARCH, COMPANY REPORTS

BY THE NUMBERS

P/BV vs ROE

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


Profit & Loss

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	745,802	951,592	1,120,035	1,380,327	1,633,498
Gross Profit	114,190	137,977	164,003	209,927	254,879
Operating EBITDA	-15,153	33,818	22,240	38,314	53,756
Depreciation And Amortisation	-5,081	-8,911	-11,518	-13,997	-16,354
Operating EBIT	-20,235	24,908	10,722	24,317	37,402
Financial Income/(Expense)	1,628	-1,213	-1,213	-1,213	-1,213
Pretax Income/(Loss) from Assoc.	4,291	-4,918	3,000	3,000	3,000
Non-Operating Income/(Expense)	32,556	-590	2,000	500	500
Profit Before Tax (pre-EI)	18,241	18,186	14,508	26,603	39,689
Exceptional Items					
Pre-tax Profit	18,241	18,186	14,508	26,603	39,689
Taxation	-1,482	-1,887	-635	-1,689	-2,944
Exceptional Income - post-tax	32,578	-20,767	-8,157	-9,717	-10,252
Profit After Tax	49,337	-4,467	5,716	15,197	26,493
Minority Interests	68	908	908	908	908
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	49,405	-3,560	6,623	16,105	27,401
Recurring Net Profit	16,828	17,207	14,781	25,822	37,653
Fully Diluted Recurring Net Profit	16,828	17,207	14,781	25,822	37,653

Cash Flow

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	-15,153	33,818	22,240	38,314	53,756
Cash Flow from Invt. & Assoc.					
Change In Working Capital	18,678	9,391	27,754	34,003	41,682
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	40,145	305	6,706	3,072	1,786
Net Interest (Paid)/Received	-1,125	-1,213	-1,213	-1,213	-1,213
Tax Paid					
Cashflow From Operations	42,544	42,301	55,486	74,175	96,011
Capex	-10,919	-15,536	-18,489	-18,175	-18,061
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	-46,891	-58,712	-56,587	-71,678	-91,534
Cash Flow From Investing	-57,811	-74,248	-75,076	-89,853	-109,594
Debt Raised/(repaid)	4,792	2,869	437	480	528
Proceeds From Issue Of Shares	31,342	0	0	0	0
Shares Repurchased	-312	0	0	0	0
Dividends Paid	0	0	0	0	0
Preferred Dividends					
Other Financing Cashflow	35,250	16,635	-166	-149	-134
Cash Flow From Financing	71,072	19,503	271	331	394
Total Cash Generated	55,805	-12,443	-19,319	-15,347	-13,189
Free Cashflow To Equity	-10,474	-29,078	-19,153	-15,198	-13,055
Free Cashflow To Firm	-14,141	-30,733	-18,377	-14,465	-12,370

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

BY THE NUMBERS... cont'd
Balance Sheet

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	151,245	191,256	194,850	206,998	226,804
Total Debtors	16,526	22,069	22,135	22,293	22,548
Inventories	58,933	75,601	83,161	91,478	100,625
Total Other Current Assets	8,098	10,745	11,324	11,957	12,648
Total Current Assets	234,801	299,672	311,471	332,725	362,624
Fixed Assets	22,597	32,944	39,833	43,436	43,917
Total Investments	97,586	82,311	111,942	152,242	207,048
Intangible Assets	28,492	32,598	34,977	37,167	39,175
Total Other Non-Current Assets	38,811	48,983	52,886	57,421	62,750
Total Non-current Assets	187,487	196,835	239,639	290,266	352,891
Short-term Debt	3,260	4,368	4,804	5,285	5,813
Current Portion of Long-Term Debt					
Total Creditors	127,816	169,590	200,799	238,224	283,226
Other Current Liabilities	42,940	47,678	54,586	62,537	71,689
Total Current Liabilities	174,017	221,636	260,190	306,046	360,729
Total Long-term Debt	9,595	9,386	9,386	9,386	9,386
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	17,057	18,701	18,701	18,701	18,701
Total Non-current Liabilities	26,652	28,087	28,087	28,087	28,087
Total Provisions	0	0	0	0	0
Total Liabilities	200,669	249,723	288,277	334,133	388,816
Shareholders' Equity	187,543	208,912	224,960	250,986	288,826
Minority Interests	34,076	37,872	37,872	37,872	37,872
Total Equity	221,619	246,784	262,832	288,858	326,699

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	29.3%	27.6%	17.7%	23.2%	18.3%
Operating EBITDA Growth	(221%)	N/A	(34%)	72%	40%
Operating EBITDA Margin	(2.03%)	3.55%	1.99%	2.78%	3.29%
Net Cash Per Share (Rmb)	45.80	57.12	56.44	58.34	62.32
BVPS (Rmb)	62.06	67.23	70.29	76.13	85.06
Gross Interest Cover	-17.98	20.53	8.84	20.04	30.82
Effective Tax Rate	8.1%	10.4%	4.4%	6.3%	7.4%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	3.26	3.65	3.78	2.91	2.35
Inventory Days	33.86	30.18	30.31	27.23	25.50
Accounts Payables Days	57.15	55.47	57.93	54.89	54.20
ROIC (%)	1123%	923%	189%	(220%)	(101%)
ROCE (%)	(10.2%)	10.1%	4.0%	8.4%	11.6%
Return On Average Assets	4.44%	3.81%	2.88%	4.45%	5.67%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total GMV growth (%)	25.3%	21.5%	21.5%	24.2%	18.8%
Active customer accounts growth (%)	30.4%	20.7%	18.0%	15.0%	10.0%

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 March 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 March 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 April 12, 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 April 12, 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, BCPG, 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)

JD.com Inc (9618 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.