

Alibaba (BABA US)

Kicked off FY26 with solid progress on cloud and quick commerce

Alibaba 1QFY26 (March year-end) revenue was RMB247.7bn, up 1.8% YoY, 2% lower than Bloomberg consensus due to the disposal of Sun Art and Intime but was 1% better than our estimate. Excluding the impact of disposal, revenue growth would be 10% YoY on like-for-like basis. Adj. EBITA in 1QFY26 was RMB38.8bn, down 14% YoY, due to investment for quick commerce business, but was 3% better than our forecast. In 1Q results: 1) cloud revenue accelerated faster than expectation (+26% YoY; AI related rev accounted for >20% of rev from external customers), and management expects the growth to accelerate further in the coming quarters; 2) AIDC narrowed its loss to approach breakeven; and 3) the heavy investment in quick commerce (QC) delivered early-stage results (MAC of QC approached 300mn in Aug, contributing to 25/20% YoY increase in MAC/DAU of Taobao App), although the sustainability is still to be verified. The fierce competition in QC especially in food delivery category could sustain in 2QFY26, in our view, although the competition will likely ease in 4Q off a high season, while management expects to cut unit economics loss by half from current level by end-Oct 2025. We lift our SOTP-based TP to US\$158.8 (was US\$141.2) to account for more positive business development outlook for Alibaba China E-commerce Group (ACEG), as well as the lift in valuation of Cloud Intelligence Group (CIG) on better revenue growth outlook. Our TP translates into 20/16x FY26E/27E PE (non-GAAP). BUY.

■ **Cloud revenue growth could accelerate further.** CIG achieved revenue growth of 26% YoY in 1QFY26 (1QFY25: 6%; 4QFY25:18%), driven by public cloud revenue growth, including the increase in adoption of AI-related products. Management highlighted that AI related revenue accounted for over 20% of revenue from external customers, and expects the cloud rev growth to accelerate further in the coming quarters. Although facing supply constraints in chips, management remains committed to the capex plan of RMB380bn in three years that was unveiled in Feb 2025, and guided to balance revenue growth and profitability when driving cloud revenue growth.

■ **Heavy investment on QC delivered early-stage results.** Within the newly classified ACEG, customer management revenue (CMR) delivered growth of 10% YoY in 1QFY26, 1% better than consensus, driven by GMV growth and increase in monetization rate. Management is confident that the level of CMR will sustain in the coming quarters, driven by further increase of penetration for Quanzhantui (QZT), and potential synergies brought by investment in QC, as such investment has helped improve user stickiness and generate incremental GMV, which should in turn drive better CMR growth outlook in the future. Management is currently expecting RMB1tn incremental GMV to be generated by QC in FY28, and expects c. 2-3% incremental CMR growth to be generated from the synergies between QC and Taobao in the medium to the long term. On investment side, adj. EBITA for ACEG was RMB38.4bn in 1QFY26, down 21% YoY due to the investment in QC. However, management highlighted that the adj. EBITA has grown YoY if excluding the investment in QC business. It also noted that investment in QC brought c. RMB11bn impact on EBITA in 1QFY26. Although this investment amount was RMB1bn wider than our previous expectation, it has driven better-than-expected synergies. However, based on our calculation, the results also indicate a YoY decline in adj. EBITA margin for previous Taobao and Tmall business, which is likely due to front investment to drive synergies between QC and Taobao.

BUY (Maintain)

Target Price US\$158.80
(Previous TP) US\$141.20
Up/Downside 17.6%
Current Price US\$135.00

China Internet

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

Ye TAO, CFA
franktao@cmbi.com.hk

Wentao LU, CFA
luwentao@cmbi.com.hk

Joanna Ma
(852) 3761 8838
joannama@cmbi.com.hk

Stock Data

Mkt Cap (US\$ mn)	316,211.5
Avg 3 mths t/o (US\$ mn)	786.2
52w High/Low (US\$)	147.57/80.53
Total Issued Shares (mn)	2342.3

Source: FactSet

Shareholding Structure

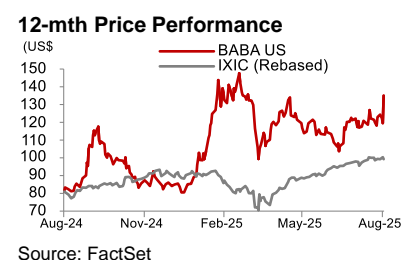
Blackrock	5.0%
Softbank	4.9%

Source: HKEx

Share Performance

	Absolute	Relative
1-mth	13.1%	11.2%
3-mth	15.2%	3.0%
6-mth	1.9%	-10.5%

Source: FactSet



Earnings Summary

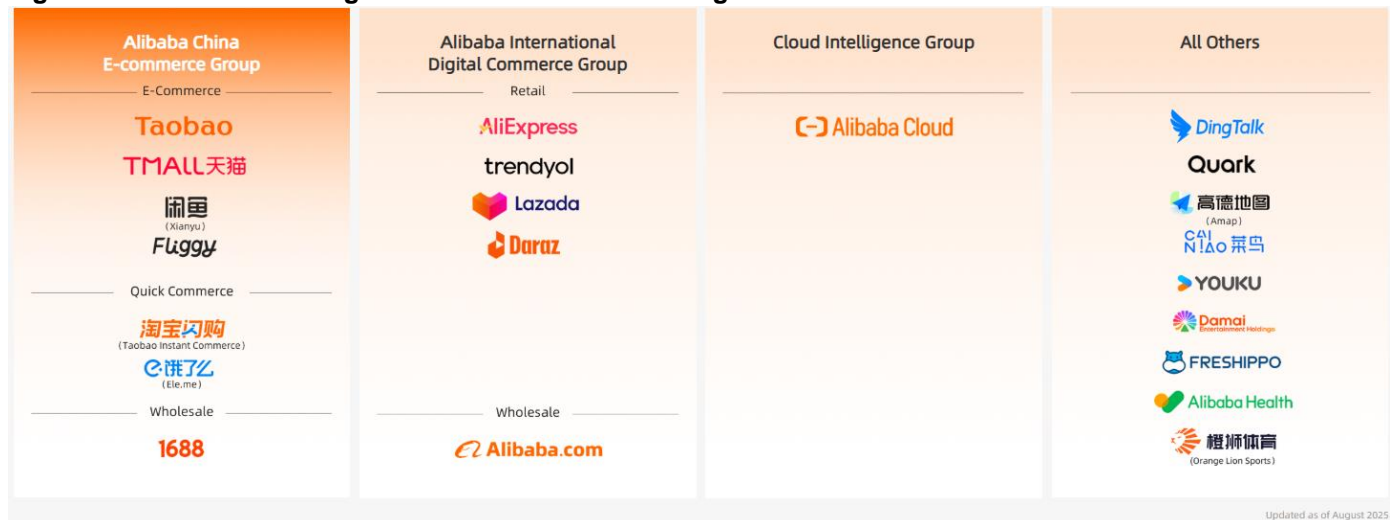
(YE 31 Mar)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	941,168	996,347	1,018,987	1,110,704	1,193,306
YoY growth (%)	8.3	5.9	2.3	9.0	7.4
Net profit (RMB mn)	79,741.0	129,470.0	132,442.5	148,759.1	172,766.3
Adjusted net profit (RMB mn)	158,359.0	158,095.0	136,892.3	166,530.3	190,665.9
YoY growth (%)	10.0	(0.2)	(13.4)	21.7	14.5
EPS (Adjusted) (RMB)	62.77	67.31	60.08	75.35	86.27
Consensus EPS (RMB)	na	65.41	62.83	74.90	83.98
P/E (x)	30.5	17.5	16.6	14.3	12.3
ROE (%)	8.0	12.8	11.2	10.4	10.8

Source: Company data, Bloomberg, CMBIGM estimates

Key business segments update

Starting from 1QFY26, Alibaba undertook a strategic combination of Taobao and Tmall Group, Ele.me and Fliggy into ACEG, and simplified the financial reporting structure by reclassifying Cainiao, Amap and Digital Media and Entertainment Group (rebranded to Hujing Digital Media and Entertainment Group) into “All others”. Based on the re-alignment, Alibaba’s segment reporting will be reclassified to: 1) ACEG; 2) Alibaba International Digital Commerce Group (AIDC); 3) CIG; and 4) All others.

Figure 1: New business segmentation of Alibaba starting from 1QFY26



Source: Company data, CMBIGM

ACEG (52.5% of 1QFY26 revenue)

In 1QFY26, revenue generated from ACEG was RMB140.1bn, up 9.7% YoY. Within the segment, E-commerce/QC/China Commerce saw revenue growth of 9.3/12.0/12.8% YoY respectively. Within E-commerce subsegment, CMR/direct sales, logistics & others delivered revenue growth of 10.1%/6.9%, respectively.

CMR revenue growth of 10% was primarily driven by the improvement of take rate, which benefited from the addition of software service fees in September 2024, and increasing penetration of Quanzhantui (QZT).

Management shared its progress on the early-stage investment results of QC: 1) on order volume, peak daily order volume reached 120mn, and weekly average daily orders reached 80mn in Aug; 2) user scale: monthly active consumers (MAC) reached 300mn in Aug, up 200% compared to that before April 2025; 3) fulfilment capacity: daily active riders have exceeded 2mn currently, up three times from April 2025.

Adjusted EBITA for the segment was RMB38.4bn in 1QFY26, down 21% YoY, primarily due to the investment in “Taobao Instant Commerce”, as well as user experiences, user acquisition and technology, partly offset by double-digit revenue growth in Alibaba China E-commerce Group.

AIDC (13.0% of 1QFY26 revenue)

In 1QFY26, revenue generated from Alibaba International Digital Commerce Group (AIDC) was RMB34.7bn, up 18.6% YoY, among which international commerce retail revenue was up 19.9% YoY, driven by increase in revenue contributed by AliExpress and Trendyol, and international commerce wholesale revenue was up 13.3% YoY, due to increase in revenue generated by cross-border related value-added services.

Adjusted EBITA for AIDC was a loss of RMB59mn in 1QFY26, narrowing from RMB3.7bn loss in 1QFY25, thanks to significant improvement in AliExpress’ operating efficiency, and

enhanced efficiency across various businesses including Alibaba.com, Lazada and Trendyol. The business is on track to deliver the first quarter of profitability in FY26, in our view, while management guided to balance profitability improvement and business scale expansion in the coming quarters.

CIG (12.5% of 1QFY26 revenue)

Revenue of CIG came in at RMB33.4bn in 1QFY26, up 26% YoY, ahead of our forecast at 22%, primarily driven by public cloud revenue growth, including the increasing adoption of AI-related products. Management highlighted that AI related revenue accounted for over 20% of revenue from external customers, and expects the revenue growth to accelerate further in the coming quarters.

Capital expenditures in 1QFY26 were RMB38.7bn, mainly related computing power to support the rapid development of AI and cloud business. Although facing supply constraints in chips, management remains committed to the capex plan of RMB380bn in three years that was unveiled in Feb 2025, and guided to balance revenue growth and profitability when driving cloud revenue growth.

Adjusted EBITA for CIG was RMB3.0bn in 1QFY26, up 26% YoY, and the adj. EBITA margin was 8.8%, flat YoY, due to improving operating efficiency, but offset by increasing investment in customer growth and technology innovation.

All others (22.0% of 1QFY26 revenue)

Revenue from All others segment was RMB58.6bn in 1QFY26, down 28% YoY, primarily due to the disposal of Sun Art and Intime businesses, as well as the decrease in revenue from Cainiao, while was partly offset by the increase in revenue from Freshippo, Alibaba Health and Amap.

Adjusted EBITA from All others segment in 1QFY26 was a loss of RMB1.4bn (1QFY25: RMB1.1bn), primarily due to the increased investment in technology businesses, partly offset by the improved operating results of Freshippo, Amap, Hujing Digital Media and Entertainment, and Alibaba Health.

Update on shareholder return initiatives

For 1QFY26, Alibaba repurchased a total of 56mn ordinary shares (7mn ADSs) for a total of US\$815mn, equivalent to 0.25% of total market cap based on market close as of 29 Aug. The remaining amount of Board authorization for Alibaba's share repurchase program, which is effective through March 2027, was US\$19.3bn as of June 30, 2025.

Revision of forecast and valuation

Our FY26E revenue forecast was largely unchanged, due to the mixed impact of lifting revenue forecast for ACEG and CIG and cutting revenue forecast for All others due to larger-than-our previously expected impact from deconsolidation of Intime and Sun Art. However, our FY27/28E revenue forecast is lifted by 1/3% to account for better-than-expected ACEG and CIG revenue growth outlook. This also propels us to lift FY27-28E non-GAAP NP forecast by 2% each.

Figure 2: Alibaba: forecast revision

RMB bn	Current			Previous			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	1,019.0	1,110.7	1,193.3	1,020.3	1,097.4	1,163.2	-0.1%	1.2%	2.6%
Gross profit	458.5	499.8	537.0	402.0	447.7	474.6	14.1%	11.6%	13.2%
Non-GAAP net profit	136.9	166.5	190.7	136.5	163.8	187.7	0.3%	1.7%	1.6%
Gross margin	45.0%	45.0%	45.0%	39.4%	40.8%	40.8%	5.6 ppt	4.2 ppt	4.2 ppt
Non-GAAP net margin	13.4%	15.0%	16.0%	13.4%	14.9%	16.1%	0.1 ppt	0.1 ppt	-0.2 ppt

Source: CMBIGM estimates

Figure 3: Alibaba: CMBI forecast vs Bloomberg consensus

RMB bn	CMBI			Consensus			Diff (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	1,019.0	1,110.7	1,193.3	1059.9	1150.2	1235.8	-3.9%	-3.4%	-3.4%
Gross profit	458.5	499.8	537.0	423.0	464.2	499.7	8.4%	7.7%	7.5%
Non-GAAP net profit	136.9	166.5	190.7	148.6	174.9	195.6	-7.9%	-4.8%	-2.5%
Gross margin	45.0%	45.0%	45.0%	39.9%	40.4%	40.4%	5.1 ppt	4.6 ppt	4.6 ppt
Non-GAAP net margin	13.4%	15.0%	16.0%	14.0%	15.2%	15.8%	-0.6 ppt	-0.2 ppt	0.2 ppt

Source: Bloomberg, CMBIGM estimates

Valuation: target price of US\$158.8 per ADS

We adjust our SOTP valuation in accordance with Alibaba's new business segmentation, and the better-than-expected business outlook in ACEG and CIG propels us to lift target price to US\$158.8, which comprises, per ADS:

- 1) US\$74.7 for ACEG, based on a 10.0x FY28E P/E and discount back to FY26E at WACC of 11.0%;
- 2) US\$14.0 for AIDC (unchanged), based on an unchanged 1.5x EV/revenue multiple on FY26E revenue forecast;
- 3) US\$44.6 for the Cloud Intelligence Group (was US\$34.3), based on a 5.0x EV/revenue multiple on FY26E revenue (was 4.0x), and this implies a 33x steady-state PE assumption on 15% steady-state net profit margin; we believe Alibaba has strong business development potential in AI and cloud business given its solid infrastructure and technology capabilities;
- 4) US\$13.8 for All Others, based on a 0.95x EV/revenue multiple;
- 5) US\$11.6 per ADS (was US\$11.1) for strategic investments with a 30% holding discount.

Our new SOTP-based target price translates into 20x/16x FY26E/FY27E PE (non-GAAP).

Figure 4: Alibaba: SOTP valuation

#	Segment (USDmn)	Valuation method	Rev (USDmn)	Adj. EBITA post tax (USDmn)	P/E (x)	EV/S (x)	Val. Rmb mn	Val. US\$m	\$/share	Value split
1	Alibaba China E-commerce Group	10x FY28E P/E; 20% tax rate on adjusted EBITA; discounted back with 11% WACC		21,566	10.0		1,260,261	175,036	74.7	47%
2	International Digital Commerce Group	1.5x FY26E EV/S	21,828			1.5	235,745	32,742	14.0	9%
3	Cloud Intelligence Group	5.0x FY26E EV/S on revenue before intersegment elimination	20,902			5.0	752,481	104,511	44.6	28%
4	All others	0.95x FY26E EV/S	34,081			0.95	233,115	32,377	13.8	9%
Total Alibaba business							2,481,602	344,667	147.1	
INVESTMENTS										
1	Ant Group	Last round share buy back valuation; 33% share holding					187,143	25,992	11.1	
2	Others	Market valuation					92,879	12,900	5.5	
Total investment (with 30% holding discount)									11.6	7%
Total (US\$m)									158.8	
#s of diluted ADS (mn)									2,342	

Source: CMBIGM estimates

Risks

- 1) Investments for driving business growth pose a more severe impact on margin than we expect;
- 2) Consumption recovery takes longer than we expect.

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Mar (RMB mn)						
Revenue	868,687	941,168	996,347	1,018,987	1,110,704	1,193,306
Cost of goods sold	(549,695)	(586,323)	(598,285)	(560,443)	(610,887)	(656,318)
Gross profit	318,992	354,845	398,062	458,544	499,817	536,988
Operating expenses	(218,641)	(241,495)	(257,157)	(330,003)	(335,433)	(338,899)
SG&A expense	(145,679)	(157,126)	(188,260)	(263,918)	(265,458)	(266,107)
R&D expense	(56,744)	(52,256)	(57,151)	(63,177)	(66,642)	(69,212)
Others	(16,218)	(32,113)	(11,746)	(2,908)	(3,332)	(3,580)
Operating profit	100,351	113,350	140,905	128,541	164,384	198,089
Interest income	(11,071)	(9,964)	20,759	32,608	25,546	27,207
Interest expense	(5,918)	(7,947)	(9,596)	(9,814)	(10,142)	(10,896)
Other income/expense	5,823	6,157	3,387	5,065	5,521	5,931
Pre-tax profit	89,185	101,596	155,455	156,400	185,309	220,331
Income tax	(15,549)	(22,529)	(35,445)	(32,844)	(43,548)	(55,083)
Others	(8,063)	(7,735)	5,966	5,095	5,554	5,967
After tax profit	65,573	71,332	125,976	128,651	147,315	171,215
Minority interest	7,210	8,677	4,133	1,325	1,444	1,551
Others	(274)	(268)	(639)	2,467	0	0
Net profit	72,509	79,741	129,470	132,442	148,759	172,766
Adjusted net profit	143,991	158,359	158,095	136,892	166,530	190,666
BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Mar (RMB mn)						
Current assets	697,966	752,864	674,049	770,386	848,804	944,011
Cash & equivalents	193,086	248,125	145,487	291,151	356,922	441,014
Restricted cash	36,424	38,299	43,781	43,781	43,781	43,781
Prepayment	137,072	143,536	202,175	152,848	165,495	176,609
Financial assets at FVTPL	331,384	322,904	282,606	282,606	282,606	282,606
Non-current assets	1,055,078	1,011,965	1,130,178	1,350,445	1,483,139	1,618,650
PP&E	176,031	185,161	203,348	430,220	543,847	660,595
Investment in JVs & assos	207,380	203,131	210,169	222,302	234,893	247,898
Intangibles	46,913	26,950	20,911	26,504	29,880	33,400
Goodwill	268,091	259,679	255,501	255,501	255,501	255,501
Financial assets at FVTPL	245,737	220,942	356,818	356,818	356,818	356,818
Other non-current assets	110,926	116,102	83,431	59,101	62,199	64,439
Total assets	1,753,044	1,764,829	1,804,227	2,120,831	2,331,942	2,562,660
Current liabilities	385,351	421,507	435,346	392,558	432,938	470,037
Short-term borrowings	7,466	12,749	22,562	21,135	23,037	24,750
Tax payable	12,543	9,068	11,638	26,932	34,403	41,863
Other current liabilities	89,392	101,807	68,609	64,269	70,054	75,264
Accrued expenses	275,950	297,883	332,537	280,221	305,444	328,159
Non-current liabilities	244,772	230,723	278,775	272,041	281,018	289,102
Long-term borrowings	52,023	55,686	49,909	49,909	49,909	49,909
Deferred income	3,560	4,069	4,536	4,249	4,632	4,976
Other non-current liabilities	189,189	170,968	224,330	217,883	226,477	234,217
Total liabilities	630,123	652,230	714,121	664,598	713,955	759,139
Share capital	1	1	1	1	1	1
Capital surplus	416,880	397,999	381,379	405,328	419,767	434,087
Retained earnings	599,028	597,897	645,478	939,121	1,087,881	1,260,647
Other reserves	(16,394)	1,375	(5,287)	2,511	2,511	2,511
Total shareholders equity	999,515	997,272	1,021,571	1,346,961	1,510,159	1,697,245
Minority interest	123,406	115,327	68,535	109,271	107,827	106,276
Total equity and liabilities	1,753,044	1,764,829	1,804,227	2,120,831	2,331,942	2,562,660

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Mar (RMB mn)						
Operating						
Profit before taxation	89,185	101,596	155,455	156,400	185,309	220,331
Depreciation & amortization	46,938	44,504	42,459	11,607	11,882	12,130
Tax paid	(15,549)	(22,529)	(35,445)	(32,844)	(43,548)	(55,083)
Change in working capital	13,482	(13,749)	(23,988)	87,485	27,201	26,056
Others	65,696	72,771	25,028	10,883	18,948	18,381
Net cash from operations	199,752	182,593	163,509	233,531	199,792	221,815
Investing						
Capital expenditure	(34,330)	(32,087)	(85,972)	(117,183)	(122,177)	(125,297)
Acquisition of subsidiaries/ investments	(22)	(842)	0	(6,000)	(6,708)	(7,100)
Net proceeds from disposal of short-term investments	(61,086)	71,426	23,395	0	0	0
Others	(40,068)	(60,321)	(122,838)	(7,038)	(7,038)	(7,038)
Net cash from investing	(135,506)	(21,824)	(185,415)	(130,221)	(135,923)	(139,435)
Financing						
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	11	843	10	0	0	0
Share repurchases	(74,746)	(88,745)	(86,662)	0	0	0
Others	9,116	(20,342)	10,437	(1,427)	1,902	1,713
Net cash from financing	(65,619)	(108,244)	(76,215)	(1,427)	1,902	1,713
Net change in cash						
Cash at the beginning of the year	227,353	229,510	286,424	189,268	291,151	356,922
Exchange difference	3,530	4,389	965	0	0	0
Cash at the end of the year	229,510	286,424	189,268	291,151	356,922	441,014
GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Mar						
Revenue	1.8%	8.3%	5.9%	2.3%	9.0%	7.4%
Gross profit	1.7%	11.2%	12.2%	15.2%	9.0%	7.4%
Operating profit	44.1%	13.0%	24.3%	(8.8%)	27.9%	20.5%
Net profit	17.0%	10.0%	62.4%	2.3%	12.3%	16.1%
Adj. net profit	0.3%	10.0%	(0.2%)	(13.4%)	21.7%	14.5%
PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Mar						
Gross profit margin	36.7%	37.7%	40.0%	45.0%	45.0%	45.0%
Operating margin	11.6%	12.0%	14.1%	12.6%	14.8%	16.6%
Adj. net profit margin	16.6%	16.8%	15.9%	13.4%	15.0%	16.0%
Return on equity (ROE)	7.4%	8.0%	12.8%	11.2%	10.4%	10.8%
GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Mar						
Net debt to equity (x)	(0.4)	(0.4)	(0.2)	(0.3)	(0.3)	(0.3)
Current ratio (x)	1.8	1.8	1.5	2.0	2.0	2.0
VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Mar						
P/E	34.8	30.5	17.5	16.6	14.3	12.3
P/E (diluted)	35.0	30.7	18.0	17.0	14.7	12.7
P/B	2.5	2.5	2.3	1.7	1.4	1.3
P/CFPS	15.4	16.3	30.0	19.4	28.2	22.7

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report. Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

CMBIGM Ratings

BUY : Stock with potential return of over 15% over next 12 months
HOLD : Stock with potential return of +15% to -10% over next 12 months
SELL : Stock with potential loss of over 10% over next 12 months
NOT RATED : Stock is not rated by CMBIGM

OUTPERFORM : Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM : Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.