

# Alibaba (BABA US)

## Multi-app strategy in investment cycle

1QFY22 rev/ adj. net profit +34%/+10% YoY, -2%/+12% vs. consensus. Mgmt kept FY22E rev >RMB930bn (+29.7% YoY) unchanged, and increased its share repurchase program from US\$10bn to US\$15bn. 2QFY22E tends to trend in-line amid COVID-19 uncertainty. Mgmt emphasized its multi-app strategy from super app, and stepping-up investment on user acquirement, merchant support, supply chain, and high-tech initiatives. We trimmed our earnings forecast by 3-6% in FY22-24E (to reflect higher tax rate), with new TP at US\$284.7. Given sector de-rating and weak market sentiment, stock price might see short-term pressure, but we view BABA as relatively defensive (vs. peers) with limited downside risk from valuation and regulation angle.

- Mixed 1QFY22.** 1QFY22 topline/bottom line grew 34%/10% YoY (-2%/+12% vs. consensus), in which core commerce/ cloud/ DME rev +35%/29%/15% YoY. We view the topline miss as forgivable, given core commerce tough base, well-anticipated soft consumption and growth normalization of new retail biz. Cloud slightly missed on rev decline from the top internet customer since last quarter (+40% YoY if excl.). Adj. EBITA margin came out at 20%, slightly above our estimate, mainly on narrowing loss of DME.
- Soft CMR priced in, with multi-app strategy ahead.** 1QFY22 CMR revenue grew 14% YoY, 3% below our estimate due to high base. Taobao deals impressed us with AAC at 190mn by Jun, (vs. ~100mn in Dec 2020), and mgmt. reiterated its ambition to boost Taobao Deals with deeper user penetration and enriched value-for-money products. GGB GMV+200% QoQ. Looking ahead, Lazada and local services would see healthy growth in 2QFY22E, while core commerce would be slightly conservative on COVID-19 uncertainty and Zhengzhou flooding. Mgmt guided effective tax rate up to 22-25% in FY22E. BABA stated its commitment to embrace data security regulation and the potential opening-up between Alibaba & Tencent ecosystem.
- Maintain BUY.** We trimmed our earnings forecast by 3-6% in FY22-24E, to reflect tax rate change. Our SOTP-based TP was adjusted to US\$284.7 (30x/25x FY22/23E P/E). BABA's current forward P/E (17x) implies 10% downside vs. the historical forward P/E trough of 19x in 2016. Despite limited catalysts, we think BABA could be relatively defensive after the fine and biz adjustment under anti-trust law.

### Earnings Summary

(YE 31 Mar)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue (RMB mn)	509,711	717,289	930,174	1,114,190	1,326,733
YoY growth (%)	35.3	40.7	29.7	19.8	19.1
Adj. net profit (RMB mn)	132,479	171,985	166,281	200,762	243,536
Adj. EPS (RMB)	53.9	65.2	60.5	72.3	86.8
YoY growth (%)	41.8	21.0	-7.2	19.5	20.1
Consensus EPS (RMB)	NA	NA	62.6	75.9	93.9
P/E (x)	23.4	19.4	20.9	17.5	14.5
P/B (x)	3.8	3.2	2.8	2.5	2.2
Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	16.3	16.6	14.2	14.9	15.5
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

**BUY (Maintain)**

Target Price **US\$284.7**  
 (Previous TP **US\$302.5**)  
 Up/Downside **+45.6%**  
 Current Price **US\$195.5**

### China Internet Sector

**Sophie Huang**  
 (852) 3900 0889  
 sophiehuang@cmbi.com.hk

**Miriam Lu**  
 (852) 3761 8728  
 miriamlu@cmbi.com.hk

### Stock Data

Mkt Cap (US\$ mn)	530,561
Avg 3 mths t/o (US\$ mn)	3,621.74
52w High/Low (US\$)	319.3/ 179.7
Total Issued Shares (mn)	2,718

Source: Bloomberg

### Shareholding Structure

BlackRock	3.1%
T Rowe Price Group	1.9%
UBS AG	1.3%

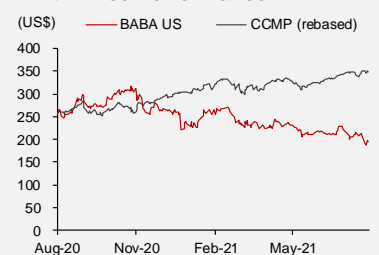
Source: Bloomberg

### Share Performance

	Absolute	Relative
1-mth	-12.0%	-12.9%
3-mth	-15.5%	-19.6%
6-mth	-26.3%	-32.6%

Source: Bloomberg

### 12-mth Price Performance



Source: Bloomberg

**Auditor: PwC**

### Related Reports

- A big investment year ahead – 14 May 2021
- Investment for long-term growth 13 Apr 2021

Please cast your valuable vote for CMBIS research team in the 2021 Asiamoney Brokers Poll:  
<https://euromoney.com/brokers>

**Figure 1: 1QFY22 financial review**

RMB mn, Mar-YE	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	QoQ	YoY	Consensus	Diff %
Revenue	119,017	161,456	114,314	153,751	155,059	221,084	187,395	205,740	9.8%	33.8%	209,380	-2%
Operating Profit	20,364	39,560	7,131	34,705	13,634	49,002	(7,663)	30,847	-502.5%	-11.1%	26,560	16%
Net profit	72,540	52,309	3,162	46,437	26,524	79,427	(5,479)	42,835	-881.8%	-7.8%	31,024	38%
Adj. net profit	32,750	46,493	22,287	39,494	47,088	59,207	26,216	43,441	65.7%	10.0%	38,824	12%
Adj. EPS (RMB)	13.10	18.19	9.20	14.82	17.97	22.03	10.32	16.60	60.9%	12.0%	14.45	15%
<b>Margin (%)</b>												
Gross margin	45.0%	47.8%	36.6%	45.0%	42.0%	45.1%	33.1%	39.7%			40.2%	
Operating margin	17.1%	24.5%	6.2%	22.6%	8.8%	22.2%	-4.1%	15.0%			12.7%	
Adj. net margin	27.5%	28.8%	19.5%	25.7%	30.4%	26.8%	14.0%	21.1%			18.5%	
<b>Growth (%)</b>												
Revenue (YoY)	39.8%	37.7%	22.3%	33.8%	30.3%	36.9%	63.9%	33.8%			36.2%	
Revenue (QoQ)	3.6%	35.7%	-29.2%	34.5%	0.9%	42.6%	-15.2%	9.8%			11.7%	
Operating Profit	50.8%	47.6%	-18.6%	42.4%	-33.0%	23.9%	-207.5%	-11.1%			-23.5%	
Adj. net profit	39.6%	56.0%	11.1%	27.6%	43.8%	27.3%	17.6%	10.0%			-1.7%	

Source: Company data, CMBIS estimates, Bloomberg

**Figure 2: Revenue breakdown**

RMB mn, Mar-YE	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	QoQ	YoY
<b>Total revenue</b>	<b>119,017</b>	<b>161,456</b>	<b>114,314</b>	<b>153,751</b>	<b>155,059</b>	<b>221,084</b>	<b>187,395</b>	<b>205,740</b>	<b>10%</b>	<b>34%</b>
Core commerce	101,220	102,843	93,865	133,318	130,922	195,541	161,365	180,241	12%	35%
Cloud computing	9,291	10,721	12,217	12,437	14,899	16,115	16,669	16,051	-4%	29%
Digital media and entertainment	7,296	7,396	5,944	6,994	8,066	8,079	8,047	8,073	0%	15%
Innovation initiatives and others	1,210	1,864	2,288	1,002	1,172	1,349	1,314	1,375	5%	37%

Source: Company data, CMBIS estimates

**Figure 3: Earnings revision**

Rmb mn, Mar-YE	New			Old			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	930,174	1,114,190	1,326,733	930,174	1,114,190	1,326,733	0.0%	0.0%	0.0%
Gross profit	353,466	428,963	510,792	353,466	428,963	510,792	0.0%	0.0%	0.0%
Operating profit	122,962	154,130	184,955	122,962	154,130	184,955	0.0%	0.0%	0.0%
Adj. net profit	166,281	200,762	243,536	172,217	213,030	257,363	-3.4%	-5.8%	-5.4%
EPS (RMB)	60.49	72.31	86.85	62.65	76.73	91.78	-3.4%	-5.8%	-5.4%
Gross margin	38.0%	38.5%	38.5%	38.0%	38.5%	39%	0.0ppts	0.0ppts	0.0ppts
Operating margin	13.2%	13.8%	13.9%	13.2%	13.8%	13.9%	0.0ppts	0.0ppts	0.0ppts
Adj. net margin	17.9%	18.0%	18.4%	18.5%	19.1%	19%	-0.6ppts	-1.1ppts	-1.0ppts

Source: Company data, CMBIS estimates

**Figure 4: CMBI estimates vs. consensus**

Rmb mn, Mar-YE	CMBI			Consensus			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	930,174	1,114,190	1,326,733	927,717	1,121,468	1,343,002	0.3%	-0.6%	-1.2%
Gross profit	353,466	428,963	510,792	366,913	442,979	536,840	-3.7%	-3.2%	-4.9%
Operating profit	122,962	154,130	184,955	115,056	154,636	196,463	6.9%	-0.3%	-5.9%
Adj. net profit	166,281	200,762	243,536	169,717	211,304	252,786	-2.0%	-5.0%	-3.7%
EPS (RMB)	60.49	72.31	86.85	62.6	75.9	93.9	-3.4%	-4.8%	-7.5%
Gross margin	38.0%	38.5%	38.5%	39.6%	39.5%	40.0%	-1.6ppts	-1.0ppts	-1.5ppts
Operating margin	13.2%	13.8%	13.9%	12.4%	13.8%	14.6%	+0.8ppts	+0.0ppts	-0.7ppts
Adj. net margin	17.9%	18.0%	18.4%	18.3%	18.8%	18.8%	-0.4ppts	-0.8ppts	-0.5ppts

Source: Company data, Bloomberg, CMBIS estimates

**Figure 5: SOTP valuation**

US\$bn	Valuation		Methodology	Multiple Applied		Metrics	
	US\$bn	Per share(US\$)		FY21A	FY22E	FY21A	FY22E
Core Commerce	550.7	200.3	EV/EBITA	20.7	16.0	26.6	34.4
Cloud	128.5	46.7	P/S	14.0	10.0	9.2	12.9
Others	103.4	37.6					
Digital Entertainment	18.9	6.9	P/S	4.0	3.5	4.8	5.4
Innovations	2.5	0.9	P/S	3.5	3.0	0.7	0.8
Strategic Investments	52.4	19.1	SoTP for all investments				
Net (Debt)/Cash	29.6	10.8	Cash forecasted on Balance sheet				
<b>Equity Value (US\$)</b>	<b>783</b>	<b>284.7</b>					

Source: CMBIS estimates

## Financial Summary

### Income statement

YE 31 Mar (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Revenue</b>	<b>509,711</b>	<b>717,289</b>	<b>930,174</b>	<b>1,114,190</b>	<b>1,326,733</b>
Core commerce	436,104	621,146	805,089	952,266	1,122,657
Cloud	40,016	60,120	84,168	116,489	154,510
DME	26,948	31,186	35,355	39,372	43,175
Others	6,643	4,837	5,563	6,063	6,391
<b>COSG</b>	<b>(282,367)</b>	<b>(421,205)</b>	<b>(576,708)</b>	<b>(685,227)</b>	<b>(815,941)</b>
<b>Gross profit</b>	<b>227,344</b>	<b>296,084</b>	<b>353,466</b>	<b>428,963</b>	<b>510,792</b>
R&D	(43,080)	(57,236)	(74,414)	(89,135)	(106,139)
S&M	(50,673)	(81,519)	(99,529)	(119,218)	(141,960)
Admin. Expense	(28,197)	(55,224)	(46,509)	(55,709)	(66,337)
Other income	(13,964)	(12,427)	(10,053)	(10,770)	(11,402)
<b>Operating profit</b>	<b>91,430</b>	<b>89,678</b>	<b>122,962</b>	<b>154,130</b>	<b>184,955</b>
Interest exp	(5,180)	(4,476)	(4,924)	(5,416)	(5,958)
Associates	72,956	72,794	87,353	104,823	115,306
Others	7,439	7,582	7,000	7,000	7,000
<b>Pre-tax profit</b>	<b>166,645</b>	<b>165,578</b>	<b>212,391</b>	<b>260,537</b>	<b>301,303</b>
Equity investees	(5,733)	6,984	(11,057)	(11,057)	(11,057)
Tax	(20,562)	(29,278)	(48,850)	(59,924)	(69,300)
<b>Net profit</b>	<b>140,180</b>	<b>143,014</b>	<b>152,484</b>	<b>189,556</b>	<b>220,946</b>
<b>Non-GAAP NI</b>	<b>132,479</b>	<b>171,985</b>	<b>166,281</b>	<b>200,762</b>	<b>243,536</b>

### Cash flow summary

YE 31 Mar (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Net income</b>	<b>140,350</b>	<b>143,284</b>	<b>152,484</b>	<b>189,556</b>	<b>220,946</b>
D&A	74,169	79,510	87,027	84,898	96,223
Change in WC	59,388	120,741	52,186	62,623	75,148
Others	(93,300)	(111,749)	(74,567)	(76,884)	(79,964)
<b>Operating CF</b>	<b>180,607</b>	<b>231,786</b>	<b>217,129</b>	<b>260,194</b>	<b>312,353</b>
Capex	(180,406)	(192,679)	(204,577)	(217,664)	(232,059)
Associates	(105,178)	(10,557)	0	0	0
Others	177,512	(40,958)	0	0	0
<b>Investing CF</b>	<b>(108,072)</b>	<b>(244,194)</b>	<b>(204,577)</b>	<b>(217,664)</b>	<b>(232,059)</b>
Equity raised	0	0	0	0	0
Change of Debts	(32,422)	(1,548)	3,750	0	0
Dividend paid	0	0	0	0	0
Others	103,275	31,630	0	0	0
<b>Financing CF</b>	<b>70,853</b>	<b>30,082</b>	<b>3,750</b>	<b>0</b>	<b>0</b>
<b>Change in cash</b>	<b>143,388</b>	<b>17,674</b>	<b>16,303</b>	<b>42,530</b>	<b>80,294</b>
Cash (beg of yr)	189,976	345,982	321,262	337,565	380,095
FX	0	(7,187)	0	0	0
<b>Cash (end of yr)</b>	<b>333,364</b>	<b>356,469</b>	<b>337,565</b>	<b>380,095</b>	<b>460,389</b>

### Balance sheet

YE 31 Mar (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>NC assets</b>	<b>850,062</b>	<b>1,046,858</b>	<b>1,252,431</b>	<b>1,419,539</b>	<b>1,594,659</b>
Fixed asset	103,387	147,412	232,964	263,900	291,990
Associates	189,632	200,189	200,189	200,189	200,189
Land use-right	57,985	98,432	0	0	0
Intangible assets	337,729	363,604	582,056	718,229	865,260
Others	161,329	237,221	237,221	237,221	237,221
<b>Current assets</b>	<b>462,923</b>	<b>643,360</b>	<b>684,604</b>	<b>757,064</b>	<b>873,274</b>
Cash	330,503	321,262	337,565	380,095	460,389
Account receivable	99,708	159,915	184,857	214,787	250,702
Other	32,712	162,183	162,183	162,183	162,183
<b>Current liabilities</b>	<b>241,872</b>	<b>377,358</b>	<b>423,463</b>	<b>486,086</b>	<b>561,233</b>
Borrowings	5,154	13,437	7,356	7,356	7,356
Trade & payables	164,550	261,140	313,326	375,949	451,096
Income tax	20,190	25,275	25,275	25,275	25,275
Other	51,978	77,506	77,506	77,506	77,506
<b>NC liabilities</b>	<b>191,462</b>	<b>229,226</b>	<b>229,226</b>	<b>229,226</b>	<b>229,226</b>
Borrowings	39,660	38,335	38,335	38,335	38,335
Deferred taxation	43,898	59,598	59,598	59,598	59,598
Other	107,904	131,293	131,293	131,293	131,293
Mezzanine equity	9,103	8,673	8,673	8,673	8,673
<b>Total Equity</b>	<b>870,548</b>	<b>1,074,961</b>	<b>1,220,815</b>	<b>1,397,760</b>	<b>1,613,943</b>
MI	115,147	137,491	129,481	121,352	113,542
<b>S/H equity</b>	<b>755,401</b>	<b>937,470</b>	<b>1,091,333</b>	<b>1,276,408</b>	<b>1,500,401</b>

### Key ratios

YE 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Sales mix (%)</b>					
Core commerce	85.6	86.6	86.6	85.5	84.6
Cloud	7.9	8.4	9.0	10.5	11.6
DME	5.3	4.3	3.8	3.5	3.3
Others	1.3	0.7	0.6	0.5	0.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Profitability (%)</b>					
Gross margin	44.6	41.3	38.0	38.5	38.5
PreTax margin	32.7	23.1	22.8	23.4	22.7
Tax rate	(12.3)	(17.7)	(23.0)	(23.0)	(23.0)
Adj. net margin	28.2	25.0	18.7	18.7	18.9
<b>Balance sheet</b>					
Current ratio (x)	1.9	1.7	1.6	1.6	1.6
Debtors turnover	51.1	53.2	53.8	53.9	54.3
Creditors turnover	180.5	183.0	181.7	183.5	184.9
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
<b>Returns (%)</b>					
ROE	16.3	16.6	14.2	14.9	15.5
ROA	10.1	10.2	8.6	9.2	9.9
<b>Per share data</b>					
Adj. EPS (RMB)	53.9	65.2	60.5	72.3	86.8
DPS (RMB)	0.0	0.0	0.0	0.0	0.0
BVPS (RMB)	329.7	398.1	447.3	506.6	578.6

Source: Company data, CMBIS estimates

Note: all financials data are recorded in RMB mn

# 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.

## Disclosure

CMBIS or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

## CMBIS 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 CMBIS

**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 Securities Limited*

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

**CMB International Securities Limited ("CMBIS") 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. CMBIS 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. CMBIS 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 CMBIS, solely for the purpose of supplying information to the clients of CMBIS 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 CMBIS 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. CMBIS has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIS provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIS 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. CMBIS may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIS 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 CMBIS 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 CMBIS may have a conflict of interest that could affect the objectivity of this report and CMBIS 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 CMBIS.

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 CMBIS.

For recipients of this document in the United States

CMBIS is not a registered broker-dealer in the United States. As a result, CMBIS 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.