



### Prime Number Weekly Market View:

An iconic figure in Ukraine is the Cossack. Cossack in the local language means “free man”. The Cossack inhabitants of the Ukrainian steppes have been fighting the Pole, Russian, Germans, and Turks for freedom for 600 years. I would not underestimate in this current fight with the Russians. Putin as a former Colonel in the KGB really represents an extension of the Cold War between the West and Communism. It seems the odds are in Russia’s favor but if Putin fails here then this could be the real end of the Cold War 33 years after the fall of the Berlin Wall.

No one knows how Vladimir Putin’s invasion of Ukraine will play out or what his endgame is. In the words of Adolf Hitler “The beginning of every war is like opening the door into a dark room. One never knows what is hidden in the darkness.” After the invasion of Ukraine started last week global financial markets had a very volatile decline then rally. Markets temporarily stabilized toward the end of the week, but we need to be prepared for continued extreme volatility. The military situation is in flux, so far the Ukrainian resistance is slowing the Russians, but the next week will be the real test. NATO and other western countries are committing increasing levels of support for Ukraine. But as I said last week Ukraine and Russia are a very small part of the world economy. Except in certain commodity markets, especially in energy and food.

Meanwhile, the spotlight was off Chinese financial markets because of the Ukrainian situation. Alibaba did report Q4 results which fell short of analyst expectations for revenue growth due to the high base of Q4 2020. Annual active users +3.7% QoQ 1.3 billion. The market reaction to the results was negative due to the perception of slowing growth. I reiterate that Alibaba (BABA) is a BUY at this share price level.

A contrarian thought, a what if – if Russia fails in Ukraine, will we eventually see the sort of peace dividend that came after the collapse of the USSR in the early 1990s? Maybe China would re-evaluate its view that the West is in terminal decline and re-set its relationship with the West. Just a thought - know the betting money right now is on Europe facing a new nuclear standoff at the Polish-Ukrainian border. But as they say “it’s not the dog in the fight, it’s the fight in the dog”.

– Michael Longthorne, Co-CEO of Prime Number Capital

### Prime Number Weekly Recap:

- **Ukraine and Russia talks have started at border with Belarus on Monday.** ([CNN](#))
- NATO and other western countries have escalated sanctions against Russia, including removing a select number of Russian banks from the SWIFT international payment system. ([Financial Times](#)) Although oil and natural gas sanctions have not been imposed yet. ([AP News](#)) Facing increasing sanctions from Western powers, Putin said on Sunday that Russia's nuclear deterrent forces are put on high alert. ([Sky News](#))
- After initially launching to U.S. users last September, Meta is now rolling out Facebook Reels, its’ short-form video platform to over 150 countries globally, rivaling the fast growing TikTok. ([Meta](#))
- Launched in April 2021 in Indonesia and the UK, TikTok e-commerce GMV reached about RMB 6B in 2021 (\$951M), with 70%+ from. The company targets to double the GMV in 2022. ([36Kr](#))
- Alibaba has been seeking to spin-off Lazada as a separate company, but it halted talks with pre-IPO investors to raise \$1B due to a disagreement over valuation. ([Bloomberg](#)) A successful spin-off could help unlock value in Alibaba shares.
- Keep submitted its IPO prospectus to the Hong Kong Exchange. The company had 34M MAUs in 2021 with 3.3M monthly paying users. In the first three quarters of 2021, the company made revenue of RMB 1159M (+41.3% Y/Y) and adjusted net loss of RMB 696M. ([Sina](#))
- LG Electronics announced that it has decided to the global solar panel manufacturing business amid increasing material and logistics costs as well as severe supply chain constraints. It will cease production at the 550-MW solar module assembly plant in Huntsville, Alabama, by June 2022. ([Solar Power World](#))
- China’s Supreme People's Court issued a judicial explanation to illegal fundraising to include P2P lending and virtual currency for the first time, effective on March 1. Fundraisers in cryptocurrency exchange, ICO/IDO, and other trading activities could face over 10 years of imprisonment. ([The Paper](#))



### Prime Number Weekly Market Comment:

乌克兰族里最具有代表性的形象是哥萨克族，在乌克兰语里哥萨克的含义是“自由自在的人”。在历史上哥萨克族以骁勇善战而闻名。他们在过去 600 年中不断地为了自由而与入侵者战斗。我们不应该在这场与俄罗斯的战斗里低估他们的战斗意志。这场乌俄战争是当年冷战的延伸。现在胜利的天平正在俄罗斯这边，不过如果俄罗斯最后无法取得干净利落的胜利，也许在柏林墙倒下的 33 年后也许我们真正迎来冷战的终结。如果我们逆向思考一下，加入俄罗斯战争失败，世界经济是否会迎来如当年苏联解体时一样的和平红利？中国知否会重新审视和西方国家之间的关系？

没有人能预测乌俄战争会如何结束。用阿道夫希特勒的话来说，“每一场战役开始，我们便推开一扇巨大的门，这扇门通向一个淹没在黑暗中长长的房间，我们永远不会知道后面藏着什么”。自上周乌俄战争开始，全球金融市场在剧烈震荡中先大跌后反弹，在上周近结束时逐渐趋向稳定。但是我们需要准备好经历更大的震荡。目前战争局势依然焦灼。乌克兰的抵抗拖慢了俄罗斯的前进脚步，但是随着俄国包围基辅，北约和其他西方国家不断为乌克兰增加支持，下周才会是真正的考验。

而另一方面，阿里巴巴第三财务季度的表现不及分析师预期，同比仅增长 9.7%。核心的中国市场客户管理和佣金收入同比下降 1.3%。全球年活跃消费者数达到了 12.8 亿。市场对此反应不佳，不过我们依然认为在这个估值下投资者们应该买入阿里巴巴。













– 质数资本 Co-CEO Michael Longthorne

### Prime Number Weekly Recap:

- 周一，俄乌谈判正在白俄罗斯边境进行。(CNN)
- 北约和其他西方国家针对俄罗斯侵略乌克兰的军事行动的制裁不断加码，包括禁止俄罗斯的几家主要银行使用 SWIFT 国际结算系统。(Financial Times) 不过尚无针对俄罗斯石油和天然气方面的制裁。(AP News) 在西方的制裁压力下，普金在周日下令核威慑力量转入特殊战备状态。(Sky News)
- 在去年 9 月份在美国推出 Reels 后，Meta 刚刚宣布在全球 150 多个国家推出这款短视频产品，挑战 TikTok。(Meta)
- TikTok 在去年 4 月份开始以印尼和英国为起点试水电商直播业务。其在去年实现了近 60 亿人民币的营收，其中超过 70% 来自于印尼。TikTok 在 2022 年的电商 GMV 目标是近 120 亿人民币。(36Kr)
- 阿里巴巴此前与投资者磋商为 Lazada 融资 \$10B，将其独立拆分，为其上市铺路。不过据报道因在估值上的分歧，阿里巴巴中止了与投资者的谈判。(Bloomberg) 阿里巴巴的几个子公司若可以成功上市，将可以为阿里巴巴股票释放价值。
- 运动科技公司 Keep 正式向港交所递交招股书。公司 2021 年全年平均月活 340 万，平均月付费用户 33 万。在 2021 年的前三个季度里，公司实现营收 11.59 亿元（同比增长 41.3%），调整后亏损净额 6.96 亿元。(Sina)
- 受原材料和物流上升、以及严重的供应限制影响，LG 电子宣布将退出全球太阳能电池板业务。其位于阿拉巴马州的 550MW 太阳能面板组装厂将在 6 月份前停产。(Solar Power World)
- 中国最高人民法院发布了非法集新修改的刑事司法解释，首次将网络借贷和虚拟货币纳入非法集资范畴。新司法解释将于 3 月 1 日生效。加密货币交易平台、ICO/IDO 等集资发起者或许会面临 10 年以上有期徒刑。(The Paper)

# PRIME NUMBER CAPITAL


## OUR CASES

<b>\$30M IPO</b>  NASDAQ: AIH Oct 2019 Joint Book Runner	<b>\$85M IPO</b>  NASDAQ: BLCT Jul 2020 Joint Book Runner	<b>\$45M IPO</b>  NASDAQ: LIZI Jan 2020 Joint Book Runner	<b>\$100M IPO</b>  NASDAQ: EBON Jun 2020 Joint Book Runner	<b>\$46M IPO</b>  NASDAQ: QK Nov 2019 Joint Book Runner
<b>\$40M IPO</b>  NASDAQ: EH Dec 2019 Co-Manager	<b>\$256M IPO</b>  NASDAQ: GTH Jun 2020 Syndicate Member	<b>De-SPAC</b>  NASDAQ: UK Nov 2020 De-SPAC FA	<b>De-SPAC</b>  NASDAQ: CLNN Dec 2020 De-SPAC FA	<b>De-SPAC</b>  NASDAQ: LGHL Jun 2020 IPO Advisor
<b>Private Placement</b>  Ayla Networks FA to Investors	<b>Private Placement</b>  Magic Leap FA to Investors	<b>Private Placement</b>  Circle FA to Investors	<b>Private Placement</b>  Palantir FA to Investors	<b>Private Placement</b>  Pinterest FA to Investors

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<b>\$40M IPO</b> <b>Project PNAI</b> SPAC Exp. Dec 2021 Lead Underwriter	<b>\$40M IPO</b> <b>RichSpace Acquisition Corp.</b> SPAC Exp. Dec 2021 Lead Underwriter	<b>\$40M IPO</b> <b>Project ASK</b> SPAC Exp. Dec 2021 Lead Underwriter	<b>\$75M IPO</b> <b>Project Manna</b> SPAC Exp. Dec 2021 Lead Underwriter	And More ...

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**Xiaoyan Jiang**  
*Founder and CEO*

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- Former Head of US Asia Multinational Banking, and Asia Pacific Head of Real Estate, TMT, and Consumers at BNP Paribas
- Deutsche Bank, GE Capital, Deloitte Consulting, Sinochem Holdings
- Philanthropist



**Michael Longthorne**  
*Co-CEO*

- Global financial markets executive
- Founding member of Mizuho Securities USA Equity Department
- Extensive equity research experience in Asian-related Securities
- Decker Co., Mizuho, Daiwa Securities Capital Markets, ING Baring, Salomon Brothers



**Yang Pu, CFA, MBA**  
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- 6 years of equity research experience
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