

IPO Expected Timetable#

| Stock Code | Stock Name | Closing Date* | Allotment Date | Listing Date |
|------------|------------|---------------|----------------|--------------|
| 09988 | BABA-SW | 2019/11/19 | 2019/11/25 | 2019/11/26 |

#IPO listed above are those with fundraising amount more than HK\$500M. For more IPO information, please visit www.cfsg.com.hk or contact our account executives or customer service representatives.

* Applicants please deposit the full amount / margin into the bank account of Celestial Securities Limited no later than 12:00 p.m. in case of cash payment or 4:00 p.m. in case of cheque payment on the Closing Date. If your margin financing is approved and your application for Public Offer Shares is successful (in whole or in part), please deposit the remaining amount of margin no later than 4:00 p.m. on the allotment date.

Alibaba Group Holding Limited (09988.HK)

Share Offer Highlights

| | |
|----------------------------------|--|
| Total number of Offer Shares: | 500,000,000 Shares (subject to the Overallotment Option) |
| - Number of Public Offer Shares: | 12,500,000 Shares (subject to adjustment) |
| - Number of Placing Shares: | 487,500,000 Shares (subject to adjustment and the Over-allotment Option) |
| Number of Shares per Lot: | 100 Shares |
| Offer Price: | HKD 188 per Share |
| FY2019 Historical P/E ratio: | 41.09x |
| Sponsor: | CICC, Credit Suisse |

Company

Industry: E-Commerce & Internet Services

Business: Its businesses are comprised of core commerce, cloud computing, digital media and entertainment, and innovation initiatives. In addition, Ant Financial, an unconsolidated related party, provides payment and financial services to consumers and merchants on its platforms. A digital economy has developed around its platforms and businesses that consist of consumers, merchants, brands, retailers, third-party service providers, strategic alliance partners and other businesses.

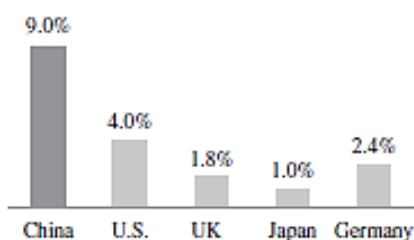
Investment Highlights

➤ Massive online consumption potential in China

China has the world's largest number of middle class households. It also has a higher savings rate and a lower ratio of household consumption to GDP - indicating a significant potential of consumption growth. It still faced with opportunities from retail market and online consumption market. According to NBS, it holds:

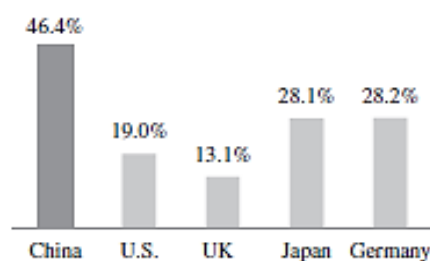
- the number of middle income households in China reached 140 million in 2017. The CAGR for China's overall retail sales of consumer goods CAGR of 9.4% since 2013, outpacing the CAGR of China's real GDP over the same period.
- China's online retail sales of consumer goods increased to RMB7.0 trillion in 2018, representing a CAGR of 29.4% since 2015. Online retail has been an important growth driver of the overall retail market.
- total online consumption in services and entertainment in China reached RMB2.0 trillion in 2018, representing a CAGR of 46.3% since 2015, and has outgrown that of consumer goods.

Graph: CAGR of per capita disposable income, 2013-2018



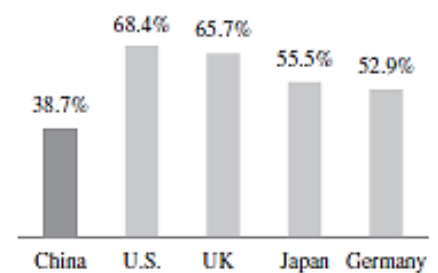
Source : prospectus, CASH

Graph : Gross savings as % of GDP, 2017



Source : prospectus, CASH

Graph : Household final consumption expenditure as % of GDP, 2017



Source : prospectus, CASH

➤ Market Leadership

Its businesses are comprised of core commerce, cloud computing, digital media and entertainment, and innovation initiatives. According to Analysys,

- it holds the largest retail commerce business in the world in terms of GMV in the twelvemonths ended March 31, 2019;
- it operates Taobao Marketplace, China’s largest mobile commerce destination with a large and growing social community;
- it operates Tmall, the world’s largest third-party online and mobile commerce platform for brands and retailers;
- it operates Tmall Global, the largest import e-commerce platform;
- it operates 1688.com, China’s leading integrated domestic wholesale marketplace in 2018 by revenue;
- it operates Alibaba.com, China’s largest integrated international online wholesale marketplace in 2018 by revenue.

According to Gartner’s report,

- Alibaba Cloud is the world’s third largest, and Asia Pacific’s largest IaaS and Infrastructure Utility Services provider by revenue.

➤ Diversified business development

A digital economy has developed around its platforms and businesses that consist of consumers, merchants, brands, retailers, third-party service providers, strategic alliance partners and other businesses. It also achieved significant growth in the number of annual active consumers and the GMV on its China retail marketplaces. Its digital economy has strong self-reinforcing network effects.

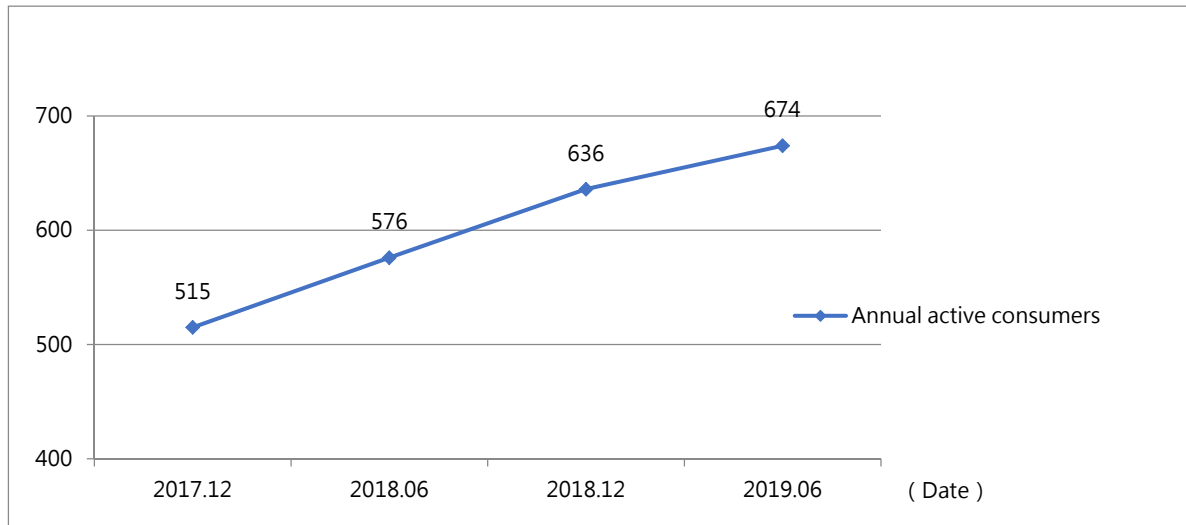
Pic : The key businesses and services provided



Note: Alibaba does not consolidate Ant Financial in its financial statements.

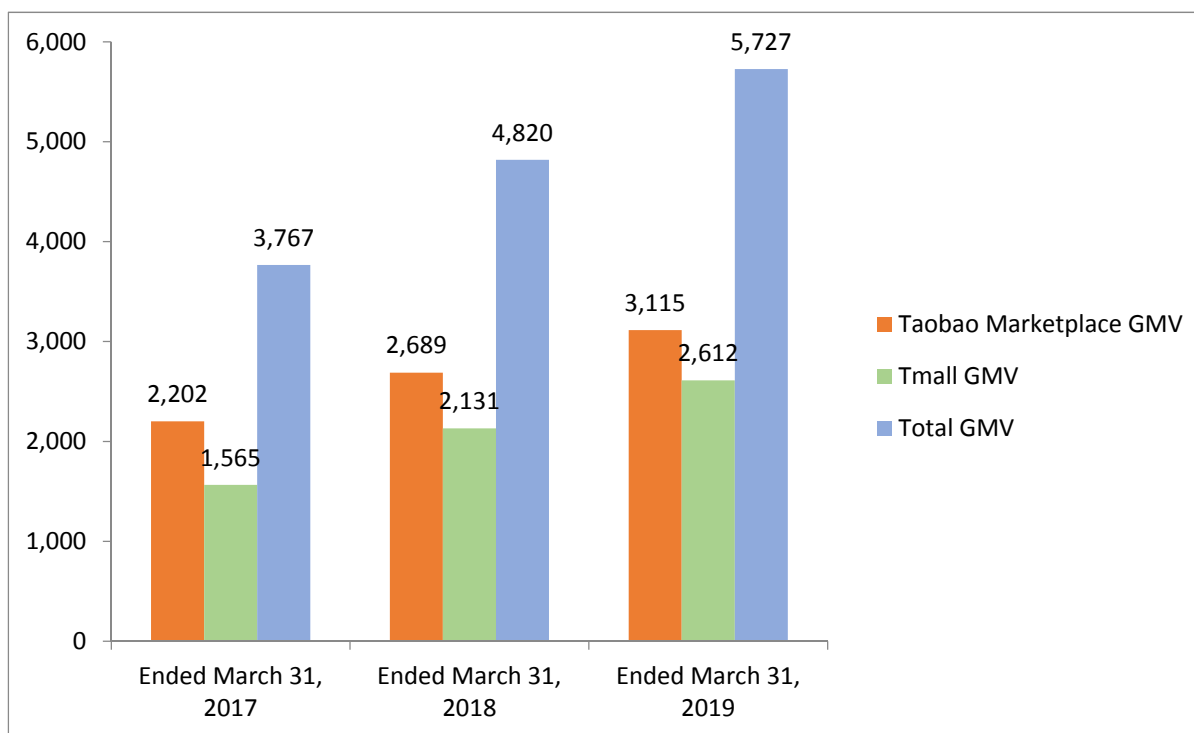
Source : prospectus, CASH

Graph: The number of annual active consumers on its China retail marketplaces. (in millions)



Source : prospectus, CASH

Graph : GMV of the Company's China retail marketplaces in the past three years (billion RMB)



Source : prospectus, CASH

Risk Factors

- The failure to maintain the trusted status of Alibaba's digital economy, which would severely damage its reputation and brand.
- Sustained investment in its business, strategic acquisitions and investments may negatively affect its margins and net income.
- The Company may not be able to maintain or grow its revenue or business.

Basic Financial Data

| | For the year ended 31 Mar 2019 | | For the three months ended 30 June 2019 | |
|---------------------|--------------------------------|--------|---|---------|
| | FY2019 | % | 3M2020 | % |
| Revenue(mn RMB) | 376,844 | +50.58 | 114,924 | +42.02 |
| Net Profit (mn RMB) | 87,600 | +36.91 | 21,252 | +144.70 |

Use Of Proceeds

Assuming the Over-allotment Option is not exercised, with an Offer Price of HKD 188.00, the estimated expenses in relation to the Global Offering payable by the Company will be approximately HKD93,542 million. The entire net proceeds from the Global Offering will be used:

| The entire net proceeds | | Use of proceeds |
|-------------------------|--------------|--|
| (mn HKD) | (%) | |
| 93,542 | 100% | Driving user growth and engagement, empowering businesses to facilitate digital transformation and improve operational efficiency and continuing to innovate |
| Total: | 100.0 | |

Source

IPO Prospectus

Contact Us

| | | |
|------------------------|--|--------------------|
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| China Services Centre: | 1004A(10/F), AVIC Center, 1018 Huafu Road, Futian District, Shenzhen | (86-755) 2216 5888 |
| | 2501, Tower A, China Overseas International Centre, 838 South Huangpi Road, Huangpu District, Shanghai | (86-21) 3227 9888 |

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