**Supplemental Listing Document**

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

# A further 17,600,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Alibaba Group Holding Limited with a Daily Leverage of 5x

**issued by**

**SG Issuer**

**(Incorporated in Luxembourg with limited liability)**

**unconditionally and irrevocably guaranteed by**

**Société Générale**

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**Issue Price: S$2.50 per Certificate**

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This document is published for the purpose of obtaining a listing of all the above certificates (the "**Certificates**") to be issued by SG Issuer (the "**Issuer**") unconditionally and irrevocably guaranteed by Société Générale (the "**Guarantor**"), and is supplemental to and should be read in conjunction with a base listing document dated 18 June 2021 including such further base listing documents as may be issued from time to time (the "**Base Listing Document**") for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

The Certificates shall be consolidated and form a single series with an existing issue of 2,400,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Alibaba Group Holding Limited (Alibaba 5xLongSG230627A (DNFW)) issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 30 June 2020 and details of which are contained in the Supplemental Listing Document dated 29 June 2020.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see "Placing and Sale" contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products[1] and Specified Investment Products (SIPs)[2], and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 18 June 2021 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 26 July 2021.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

23 July 2021

[1] As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.
[2] As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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## RISK FACTORS

The following are risk factors relating to the Certificates:

(a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;

(b) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;

(c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has fallen sharply;

(d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;

(e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;

(f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

(g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;

(h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 30 to 34 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section of this document for more information;

(i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

(j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);

(k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy (as described below) including the Funding Cost (as defined below) and Rebalancing Cost (as defined below);

(l) investors should note that there may be an exchange rate risk relating to the Certificates where the Cash Settlement Amount is converted from a foreign currency into Singapore dollars.

Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Certificates. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies;

(m) investors should note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

(n) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(o) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);

(p) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

(q) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight fall in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens the following day or (ii) a sharp intraday fall in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 50 to 51 of this document for more information;

(r) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 36 to 38 of this document for more information;

(s) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;

(t) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

(u) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

(v) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

(w) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

(x) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may decline. The following is a list of some of the significant risks associated with the Underlying Stock:

– Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and

– The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

(y) the value of the Certificates depends on the Leverage Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Strategy last closing level and a calculation tool available to the investors on a website;

(z) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;

(aa) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):

(i) investors should note that no definitive certificate will be issued in relation to the Certificates;

(ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;

(iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and

(iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

(bb) the reform of HIBOR may adversely affect the value of the Certificates

The Hong Kong Inter-bank Offered Rate ("**HIBOR**") benchmark is referenced in the Leverage Strategy.

It is not possible to predict with certainty whether, and to what extent, HIBOR will continue to be supported going forwards. This may cause HIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Certificates.

In addition, the occurrence of a modification or cessation of HIBOR may cause adjustment of the Certificates which may include selecting one or more successor benchmarks and making related adjustments to the Certificates, including if applicable to reflect increased costs.

The Calculation Agent may make adjustments as it may determine appropriate if any of the following circumstances occurs or may occur: (1) HIBOR is materially changed or cancelled or (2)(i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms in making any investment decision with respect to any Certificate;

(cc) the US Foreign Account Tax Compliance Act ("**FATCA**") withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor's broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(dd) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under "TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986." Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(ee) risk factors relating to the BRRD

*French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.*

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force on 2 July 2014. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Act 2015**"). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("**SRM**") and a Single Resolution Fund (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism ("**SSM**"). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

Under the SRM Regulation, a centralised power of resolution is established and entrusted to the SRB acting in cooperation with the national resolution authorities. In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution’s business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The application of any measure under the BRRD and the SRM Regulation or any suggestion of such application with respect to the Issuer, the Guarantor or the Group could materially adversely affect the rights of Certificate Holders, the price or value of an investment in the Certificates and/or the ability of the Issuer or the Guarantor to satisfy its obligations under any Certificates, and as a result investors may lose their entire investment.

Moreover, if the Issuer’s or the Guarantor’s financial condition deteriorates, the existence of the Bail-in Power, the exercise of write-down/conversion powers or any other resolution tools by the Resolution Authority independently of a resolution measure or in combination with a resolution measure when it determines that the Issuer, the Guarantor or the Group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities (“**MREL**”) pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The current regime will evolve as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called “EU Banking Package”, the following legislative texts have been published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the "**BRRD II**"); and
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity ("**TLAC**") of credit institutions and investment firms (the "**SRM II Regulation**" and, together with the BRRD II, the "**EU Banking Package Reforms**").

The EU Banking Package Reforms will introduce, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet ("**FSB TLAC Term Sheet**"), by adapting, among others, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC will be implemented in accordance with the FSB TLAC Term Sheet, which impose a level of "Minimum TLAC" that will be determined individually for each global systemically important bank ("**G-SIB**"), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets through January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the "**CRR II**"), EU G-SIBs, such as Societe Generale, will have to comply with TLAC requirements, on top of the MREL requirements, as from the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale will have to comply at the same time with TLAC and MREL requirements.

Consequently, criteria for MREL-eligible liabilities will be closely aligned with those laid down in the CRR, as amended by the CRR II for the TLAC-eligible liabilities, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet the MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance while only an additional return is linked to that derivative component and depends on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL will be set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance any may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The scope of liabilities used to meet the MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in the BRRD, as amended by the BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that the MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail- in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks).

If the SRB finds that there could exist any obstacles to resolvability by the Issuer or the Guarantor and/or the Group, a higher MREL requirement could be imposed. Any failure by the Issuer or the Guarantor, as applicable, and/or the Group to comply with its MREL may have a material adverse effect on the Issuer's business, financial conditions and results of operations.

## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.*

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

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| Certificates: | A further 17,600,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Alibaba Group Holding Limited (the "**Underlying Stock**")<br><br>The Certificates shall be consolidated and form a single series with an existing issue of 2,400,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Alibaba Group Holding Limited issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 30 June 2020. |
| ISIN: | LU1986499298 |
| Company: | Alibaba Group Holding Limited (RIC: 9988.HK) |
| Underlying Price[3] and Source: | HK$209.40 (Reuters) |
| Calculation Agent: | Société Générale |
| Strike Level: | Zero |
| Daily Leverage: | 5x (within the Leverage Strategy as described below) |
| Notional Amount per Certificate: | SGD 2.50 |
| Management Fee (p.a.)[4]: | 0.40% |
| Gap Premium (p.a.)[5]: | 5.40%, is a hedging cost against extreme market movements overnight. |
| Funding Cost[6]: | The annualised costs of funding, referencing a publically published interbank offered rate plus spread. |
| Rebalancing Cost[6]: | The transaction costs (if applicable), computed as a function of |

[3] These figures are calculated as at, and based on information available to the Issuer on 29 June 2020. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 29 June 2020.
[4] Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to "Fees and Charges" below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.
[5] Please note that the Gap Premium is calculated on a 360-day basis.
[6] These costs are embedded within the Leverage Strategy.

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| | leverage and daily performance of the Underlying Stock. |
| Launch Date: | 21 July 2021 |
| Closing Date: | 23 July 2021 |
| Expected Listing Date: | 26 July 2021 |
| Last Trading Date: | The date falling 5 Business Days immediately preceding the Expiry Date, currently being 20 June 2023 |
| Expiry Date: | 27 June 2023 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates) |
| Board Lot: | 100 Certificates |
| Valuation Date: | 26 June 2023 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day. |
| Exercise: | The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates. |
| Cash Settlement Amount: | In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:<br><br>Closing Level multiplied by the Notional Amount per Certificate<br><br>Please refer to the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section on pages 41 to 56 of this document for examples and illustrations of the calculation of the Cash Settlement Amount. |

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| Hedging Fee Factor: | In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of (1 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)),<br><br>where:<br><br>"**t**" refers to "**Observation Date**" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding 30 June 2020 to the Valuation Date; and<br><br>ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).<br><br>If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Underlying Stock Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Underlying Stock Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Underlying Stock Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Strategy and the value of the Certificate on that fifth Underlying Stock Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.<br><br>An "**Underlying Stock Business Day**" is a day on which The Stock Exchange of Hong Kong Limited (the "**HKEX**") is open for dealings in Hong Kong during its normal trading hours and banks are open for business in Hong Kong.<br><br>Please refer to the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section on pages 41 to 56 of this document for examples and illustrations of the calculation of the Hedging Fee Factor. |
| Closing Level: | In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:<br><br>$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$ |
| Initial Reference Level: | 1,000 |
| Final Reference Level: | The closing level of the Leverage Strategy (as described below) on the Valuation Date<br><br>The calculation of the closing level of the Leverage Strategy is set |

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| | out in the "Specific Definitions relating to the Leverage Strategy" section on pages 20 to 24 below. |
| Initial Exchange Rate[3]: | 0.1796 |
| Final Exchange Rate: | The rate for the conversion of HKD to SGD as at 5:00pm (Singapore Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time. |
| Air Bag Mechanism: | The "**Air Bag Mechanism**" refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more ("**Air Bag Trigger Price**") during the trading day (which represents approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.<br><br>Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered.<br><br>The Leverage Strategy is floored at 0 and the Certificates cannot be valued below zero.<br><br>Please refer to the "Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")" section on pages 22 to 24 below and the "Description of Air Bag Mechanism" section on pages 47 to 49 of this document for further information of the Air Bag Mechanism. |
| Adjustments and Extraordinary Events: | The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made. |
| Underlying Stock Currency: | Hong Kong Dollar ("**HKD**") |
| Settlement Currency: | Singapore Dollar ("**SGD**") |
| Exercise Expenses: | Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates. |
| Relevant Stock Exchange for the Certificates: | The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") |

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| Relevant Stock Exchange for the Underlying Stock: | HKEX |
| Business Day and Exchange Business Day: | A "**Business Day**" is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.<br><br>An "**Exchange Business Day**" is a day on which the SGX-ST and the HKEX are open for dealings in Singapore and Hong Kong respectively during its normal trading hours and banks are open for business in Singapore and Hong Kong. |
| Warrant Agent: | The Central Depository (Pte) Limited ("**CDP**") |
| Clearing System: | CDP |
| Fees and Charges: | Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.<br><br>Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET. |
| Further Information: | Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium. |

**Specific Definitions relating to the Leverage Strategy**

***Description of the Leverage Strategy***

The Leverage Strategy is designed to track a 5 times daily leveraged exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Strategy to the Underlying Stock is reset within the Leverage Strategy in order to retain a daily leverage of 5 times the performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

***Leverage Strategy Formula***

**$\mathbf{LSL_t}$** means, for any Observation Date(t), the Leverage Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the Leverage Strategy Closing Level as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):
$\mathrm{LSL_1} = 1000$

On each subsequent Observation Date(t):
$\mathrm{LSL_t} = \mathrm{Max}\left[\mathrm{LSL_{t-1}} \times \left(1 + \mathrm{LR_{t-1,t}} - \mathrm{FC_{t-1,t}} - \mathrm{RC_{t-1,t}}\right), 0\right]$

**$\mathbf{LR_{t-1,t}}$** means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$\mathrm{LR_{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right)$$

**$\mathbf{FC_{t-1,t}}$** means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$\mathrm{FC_{t-1,t}} = (\mathrm{Leverage} - 1) \times \frac{\mathrm{Rate_{t-1}} \times \mathrm{ACT(t-1,t)}}{\mathrm{DayCountBasisRate}}$$

**$\mathbf{RC_{t-1,t}}$** means the Rebalancing Cost of the Leverage Strategy on Observation Date (t), calculated as follows :

$$\mathrm{RC_{t-1,t}} = \mathrm{Leverage} \times (\mathrm{Leverage} - 1) \times \left(\left|\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right|\right) \times \mathrm{TC}$$

**TC** means the Transaction Costs applicable (including Stamp Duty) that are equal to :
0.10%
**With effect from 1 August 2021, TC of the Certificates will be 0.13%.**

**Leverage** 5

**$\mathbf{S_t}$** means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.

**$\mathbf{Rate_t}$** means, in respect of each Observation Date(t), a rate calculated as of such day in accordance with the following formula:

$$\mathrm{Rate_t} = \mathrm{CashRate_t} + \%\mathrm{SpreadLevel_t}$$

**$\mathbf{Rfactor_t}$** means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula :

$$Rfactor_t = 1 - \frac{Div_t}{\mathbf{S_{t-1}}}$$

where

$Div_t$ is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered net of any applicable withholding taxes.

**$\mathbf{CashRate_t}$** means, in respect of each Observation Date(t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND= or any successor page, being the rate as of day (t), provided that if any of such rate is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page.

**$\%\mathbf{SpreadLevel_t}$** means, in respect of each Observation Date(t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the 12-month HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKD1YD= and (2) Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND= or any successor page, each being the rate as of day (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page.

Provided that if such difference is negative, $\%\mathbf{SpreadLevel_t}$ should be 0%.

**ACT(t-1,t)** ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

**DayCountBasisRate** 365

***<u>Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)</u>***

**Extraordinary Strategy Adjustment for Performance Reasons** If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date,** noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Strategy Closing Level on the Intraday Restrike Date ($\mathrm{LSL_{IRD}}$) should be computed as follows :

$$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}} \times \left(1 + \mathrm{ILR_{IR(n),IR(C)}} - \mathrm{IRC_{IR(n),IR(C)}}\right), 0\right]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$\text{LSL}_{\text{IRD}} = \text{Max}\left[\text{ILSL}_{\text{IR(n)}}, 0\right]$$

$\mathbf{ILSL_{IR(k)}}$ means, in respect of IR(k), the Intraday Leverage Strategy Level in accordance with the following provisions :

(1) for k = 1 :

$$\text{ILSL}_{\text{IR(1)}} = \text{Max}\left[\text{LSL}_{\text{IRD}-1} \times \left(1 + \text{ILR}_{\text{IR(0),IR(1)}} - \text{FC}_{\text{IRD}-1,\text{IRD}} - \text{IRC}_{\text{IR(0),IR(1)}}\right), 0\right]$$

(2) for k > 1 :

$$\text{ILSL}_{\text{IR(k)}} = \text{Max}\left[\text{ILSL}_{\text{IR(k-1)}} \times \left(1 + \text{ILR}_{\text{IR(k-1),IR(k)}} - \text{IRC}_{\text{IR(k-1),IR(k)}}\right), 0\right]$$

$\mathbf{ILR_{IR(k-1),IR(k)}}$ means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows :

$$\text{ILR}_{\text{IR(k-1),IR(k)}} = \text{Leverage} \times \left(\frac{\text{IS}_{\text{IR(k)}}}{\text{IS}_{\text{IR(k-1)}}} - 1\right)$$

$\mathbf{IRC_{IR(k-1),IR(k)}}$ means the Intraday Rebalancing Cost of the Leverage Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows :

$$\text{IRC}_{\text{IR(k-1),IR(k)}} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left|\frac{\text{IS}_{\text{IR(k)}}}{\text{IS}_{\text{IR(k-1)}}} - 1\right|\right) \times \text{TC}$$

$\mathbf{IS_{IR(k)}}$ means the Underlying Stock Price in respect of IR(k) computed as follows :

(1) for k=0

$$\text{IS}_{\text{IR(0)}} = \text{S}_{\text{IRD}-1} \times \text{Rfactor}_{\text{IRD}}$$

(2) for k=1 to n

means in respect of IR(k), the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to IR(C)

$$\text{IS}_{\text{IR(C)}} = \text{S}_{\text{IRD}}$$

In each case, subject to the adjustments and provisions of the Conditions.

**IR(k)** For k=0, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;

For k=1 to n, means the $k^{th}$ Intraday Restrike Event on the relevant Intraday Restrike Date.

**IR(C)** means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.

**n** means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.

**Intraday Restrike Event** means in respect of an Observation Date(t):

(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS}_{\mathbf{IR}(\mathbf{0})}$ as of such Calculation Time.

(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS}_{\mathbf{IR}(\mathbf{k})}$ as of such Calculation Time.

**Calculation Time** means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Strategy Level.

**TimeReferenceOpening** means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

**TimeReferenceClosing** means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

**Intraday Restrike Event Observation Period** means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.

Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.

**Intraday Restrike Event Time** means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

*The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.*

## TERMS AND CONDITIONS OF

## THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

### 1. Form, Status and Guarantee, Transfer and Title

(a) *Form*. The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 18 June 2021, made by SG Issuer (the "**Issuer**") and Société Générale (the "**Guarantor**"); and

(ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the "**Certificate Holders**") are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

(b) *Status and Guarantee*. The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a "**Guarantee Obligation**").

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the "**Code**").

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

(i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the "**Law**") on 11 December 2016;

(ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;

(iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and

(iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

(c) Transfer. The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

(e) *Bail-In*. By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer's liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

(C) the cancellation of the Certificates; and/or

(D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the "**Statutory Bail-In**");

(ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the "**M&F Code**"):

(A) ranking:

(1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the M&F Code;

(2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and

(3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and

(B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and

(C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer's obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself, and as if any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the "**Contractual Bail-in**").

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

"**Amounts Due**" means any amounts due by the Issuer under the Certificates.

"**Bail-In Power**" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

"**MREL**" means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

"**Relevant Resolution Authority**" means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

## 2. Certificate Rights and Exercise Expenses

(a) *Certificate Rights*. Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

(i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and

(ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

(b) *Exercise Expenses*. Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

(c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

**3. Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

**4. Exercise of Certificates**

(a) *Exercise*. Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).

(b) *Automatic Exercise*. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

(c) *Settlement*. In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

(d) *CDP not liable*. CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

## 5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

## 6. Adjustments

(a) *Potential Adjustment Event*. Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

(b) *Definitions*. "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

(iii) an extraordinary dividend;

(iv) a call by the Company in respect of the Underlying Stock that is not fully paid;

(v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a "poison pill" being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

(vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.

(c) *Merger Event, Tender Offer, Nationalisation and Insolvency*. If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;

(ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or

(iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the "**Option Reference Source**") make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate

Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

(d) *Definitions*. "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. "**Merger Event**" means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. "**Nationalisation**" means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

(e) *Other Adjustments*. Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

(f) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

## 7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

## 8. Meetings of Certificate Holders; Modification

(a) *Meetings of Certificate Holders*. The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

## 9. Notices

(a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

(b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

## 10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

## 11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

## 12. Delisting

(a) Delisting. If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).

(b) Issuer's Determination. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

## 13. Early Termination

(a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer, Société Générale and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"**Change in law**" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

(b) *Early Termination for Holding Limit Event*. The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

"**Holding Limit Event**" means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

(c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.

(d) *Termination*. If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

**14. Substitution of the Issuer**

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the "**Substituted Obligor**"), it shall give at least 90 days' notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

**15. Governing Law**

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

**16. Prescription**

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

**17. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore**

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

## SUMMARY OF THE ISSUE

*The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.*

| | |
|---|---|
| Issuer: | SG Issuer |
| Company: | Alibaba Group Holding Limited |
| The Certificates: | European Style Cash Settled Long Certificates relating to the Underlying Stock |
| Number: | A further 17,600,000 Certificates<br><br>The Certificates shall be consolidated and form a single series with an existing issue of 2,400,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Alibaba Group Holding Limited issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 30 June 2020. |
| Form: | The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 18 June 2021 (the "**Master Instrument**") and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the "**Master Warrant Agent Agreement**") and made between the Issuer, the Guarantor and the Warrant Agent. |
| Cash Settlement Amount: | In respect of each Certificate, is the amount (if positive) equal to:<br><br>Notional Amount per Certificate x Closing Level |
| Denominations: | Certificates are represented by a global warrant in respect of all the Certificates. |
| Exercise: | The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates. |

| | |
|---|---|
| Exercise and Trading Currency: | SGD |
| Board Lot: | 100 Certificates |
| Transfers of Certificates: | Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP. |
| Listing: | Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 26 July 2021. |
| Governing Law: | The laws of Singapore |
| Warrant Agent: | The Central Depository (Pte) Limited<br>11 North Buona Vista Drive<br>#06-07 The Metropolis Tower 2<br>Singapore 138589 |
| Further Issues: | Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST. |

The above summary is a qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

## INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED LONG CERTIFICATES ON SINGLE EQUITIES

### What are European Style Cash Settled Long Certificates on Single Equities?

European style cash settled long certificates on single equities (the "**Certificates**") are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Strategy.

### A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will increase and are seeking short-term leveraged exposure to the Underlying Stock.

### B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

(i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and

(ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost.

**Illustration of the Calculation of Hedging Fee Factor**

| | | |
|---|---|---|
| Hedging Fee Factor | = | Product of the Daily Fees |

| | | |
|---|---|---|
| Daily Fees | = | **Daily Management Fee Adjustment**<br>1 – Management Fee x ACT (t-1;t) / 360<br>x<br>**Daily Gap Premium Adjustment**<br>1 – Gap Premium (t-1) x ACT (t-1;t) / 360 |

**Illustration of the Calculation of Cash Settlement Amount**

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

| | | t[7]=0 | | t=1 | | t=2 | | t=i |
|---|---|---|---|---|---|---|---|---|
| Value of Certificates | = | Notional Amount | x | Leverage Strategy daily performance[8] x Daily Fees | x | Leverage Strategy daily performance x Daily Fees | x … | Leverage Strategy Daily performance x Daily Fees |

| | | | | | | |
|---|---|---|---|---|---|---|
| Value of Certificates | = | t=0<br>Notional Amount | x | **Product of the daily Leverage Strategy Performance**<br>Leverage Strategy daily performance x Leverage Strategy daily performance | x | **Product of the Daily Fees (Hedging Fee Factor)**<br>Daily Fees x Daily Fees |

| | | | | | | |
|---|---|---|---|---|---|---|
| Final Value of Certificates | = | t=0<br>Notional Amount | x | Final Reference Level x Final Exchange Rate<br>÷<br>Initial Reference Level x Initial Exchange Rate | x | Hedging Fee Factor |

**Illustration of the applicable fees and charges for an intraday trading scenario**

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

[7] "t" refers to "**Observation Date**" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date.

[8] Leverage Strategy daily performance is computed as the Leverage Strategy Closing Level on Business Day (t) divided by the Leverage Strategy Closing Level on Business Day (t-1).

**Example of Calculation of Hedging Fee Factor and Cash Settlement Amount**

*The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.*

Assuming an investor purchases the following Certificates at the Issue Price:

| | |
|---|---|
| Underlying Stock: | Ordinary shares of Alibaba Group Holding Limited |
| Expected Listing Date: | **03/07/2018** |
| Expiry Date: | **18/07/2018** |
| Initial Reference Level: | **1,000** |
| Initial Exchange Rate: | **1** |
| Final Reference Level: | **1,200** |
| Final Exchange Rate: | **1** |
| Issue Price: | **2.50 SGD** |
| Notional Amount per Certificate: | **2.50 SGD** |
| Management Fee (p.a.): | **0.40%** |
| Gap Premium (p.a.): | **5.40%** |
| Strike Level: | Zero |

**Hedging Fee Factor**

Hedging Fee Factor on the n$^{th}$ Underlying Stock Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

HFF(0) = 100%

On Next Calendar Day (assuming it is an Underlying Stock Business Day):

$$\mathrm{HFF}\ (1)\ =\ \mathrm{HFF}\ (0)\ \times\left(1-\ \text{Management Fee}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)\times\left(1-\ \text{Gap Premium}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

$$\mathrm{HFF}\ (1)=\ 100\%\ \times\left(1-\ 0.40\%\ \times\frac{1}{360}\right)\times\left(1-\ 5.40\%\ \times\frac{1}{360}\right)$$

$$\mathrm{HFF}\ (1)=\ 100\%\ \times\ 99.9989\%\ \times\ 99.9850\%\ \approx\ 99.9839\%$$

Assuming 2nd Underlying Stock Business Day falls 3 Calendar Days after 1st Underlying Stock Business Day:

$$\mathrm{HFF}\ (2) = \mathrm{HFF}\ (1) \times \left(1 - \mathrm{Management\ Fee}\ \times \frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right) \times \left(1 - \mathrm{Gap\ Premium}\ \times \frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

$$\mathrm{HFF}\ (2) = 99.9839\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 5.40\% \times \frac{3}{360}\right)$$

$$\mathrm{HFF}\ (2) = 99.9839\% \times 99.9967\% \times 99.9550\% \approx 99.9356\%$$

The same principle applies to the following Underlying Stock Business Days:

$$\mathrm{HFF}\ (\mathrm{n}) = \mathrm{HFF}\ (\mathrm{n}-1) \times \left(1 - \mathrm{Management\ Fee}\ \times \frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right) \times \left(1 - \mathrm{Gap\ Premium}\ \times \frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.7586% as illustrated below:

| Date | HFF |
|---|---|
| 3/7/2018 | 100.0000% |
| 4/7/2018 | 99.9839% |
| 5/7/2018 | 99.9678% |
| 6/7/2018 | 99.9517% |
| 9/7/2018 | 99.9034% |
| 10/7/2018 | 99.8873% |
| 11/7/2018 | 99.8712% |
| 12/7/2018 | 99.8551% |
| 13/7/2018 | 99.8390% |
| 16/7/2018 | 99.7907% |
| 17/7/2018 | 99.7747% |
| 18/7/2018 | 99.7586% |

**Cash Settlement Amount**

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

= [(1200 x 1) / (1000 x 1) – 0] x 99.7586%

= 119.71%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 119.71% x 2.50 SGD

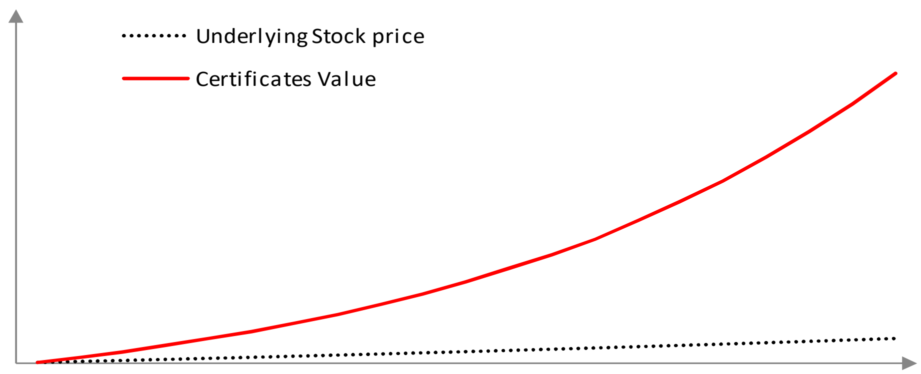
**= 2.993 SGD**

**Illustration on how returns and losses can occur under different scenarios**

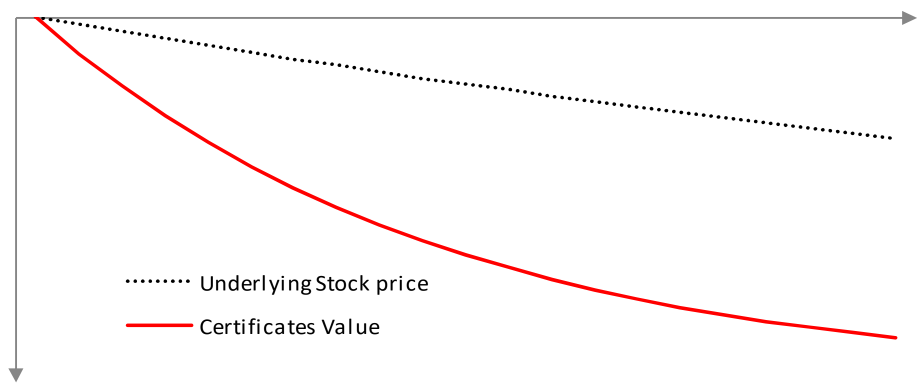
*The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.*

1. Illustrative examples

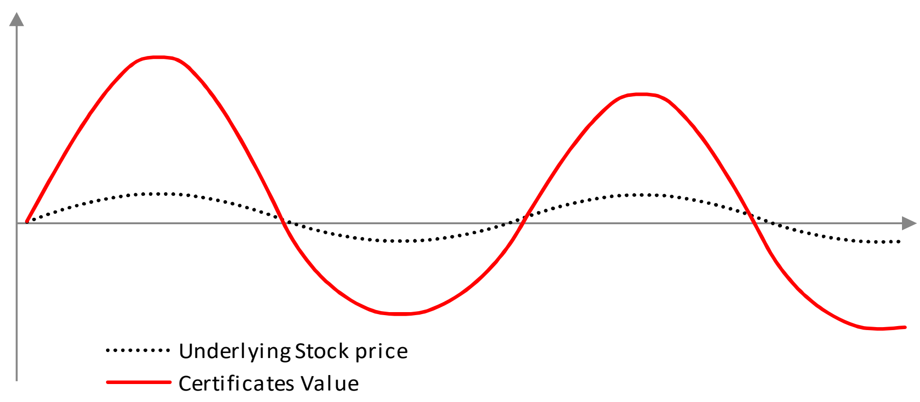
*Scenario 1 – Upward Trend*




*Scenario 2 – Downward Trend*




*Scenario 3 – Volatile Market*



2. Numerical Examples

*Scenario 1 – Upward Trend*

| **Underlying Stock** | | | | | | |
|---|---|---|---|---|---|---|
| | Day 0 | Day 1 | Day 2 | Day 3 | Day 4 | Day 5 |
| Daily return | | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Value at end of day | 10,000.0 | 10,200.0 | 10,404.0 | 10,612.1 | 10,824.3 | 11,040.8 |
| Accumulated Return | | 2.00% | 4.04% | 6.12% | 8.24% | 10.41% |

| **Value of the Certificates** | | | | | | |
|---|---|---|---|---|---|---|
| | Day 0 | Day 1 | Day 2 | Day 3 | Day 4 | Day 5 |
| Daily return | | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| Price at end of day | 2.5 | 2.75 | 3.03 | 3.33 | 3.66 | 4.03 |
| Accumulated Return | | 10.00% | 21.00% | 33.10% | 46.41% | 61.05% |

*Scenario 2 – Downward Trend*

| **Underlying Stock** | | | | | | |
|---|---|---|---|---|---|---|
| | Day 0 | Day 1 | Day 2 | Day 3 | Day 4 | Day 5 |
| Daily return | | -2.0% | -2.0% | -2.0% | -2.0% | -2.0% |
| Value at end of day | 10,000.0 | 9,800.0 | 9,604.0 | 9,411.9 | 9,223.7 | 9,039.2 |
| Accumulated Return | | -2.00% | -3.96% | -5.88% | -7.76% | -9.61% |

| **Value of the Certificates** | | | | | | |
|---|---|---|---|---|---|---|
| | Day 0 | Day 1 | Day 2 | Day 3 | Day 4 | Day 5 |
| Daily return | | -10.0% | -10.0% | -10.0% | -10.0% | -10.0% |
| Price at end of day | 2.5 | 2.25 | 2.03 | 1.82 | 1.64 | 1.48 |
| Accumulated Return | | -10.00% | -19.00% | -27.10% | -34.39% | -40.95% |

*Scenario 3 – Volatile Market*

| **Underlying Stock** | | | | | | |
|---|---|---|---|---|---|---|
| | Day 0 | Day 1 | Day 2 | Day 3 | Day 4 | Day 5 |
| Daily return | | 2.0% | -2.0% | 2.0% | -2.0% | 2.0% |
| Value at end of day | 10,000.0 | 10,200.0 | 9,996.0 | 10,195.9 | 9,992.0 | 10,191.8 |
| Accumulated Return | | 2.00% | -0.04% | 1.96% | -0.08% | 1.92% |

| **Value of the Certificates** | | | | | | |
|---|---|---|---|---|---|---|
| | Day 0 | Day 1 | Day 2 | Day 3 | Day 4 | Day 5 |
| Daily return | | 10.0% | -10.0% | 10.0% | -10.0% | 10.0% |
| Price at end of day | 2.5 | 2.75 | 2.48 | 2.72 | 2.45 | 2.70 |
| Accumulated Return | | 10.00% | -1.00% | 8.90% | -1.99% | 7.81% |

**Description of Air Bag Mechanism**

The Certificates integrate an "Air Bag Mechanism" which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its minimum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Strategy is reset using the minimum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Strategy, 30 minutes after the Air Bag trigger.

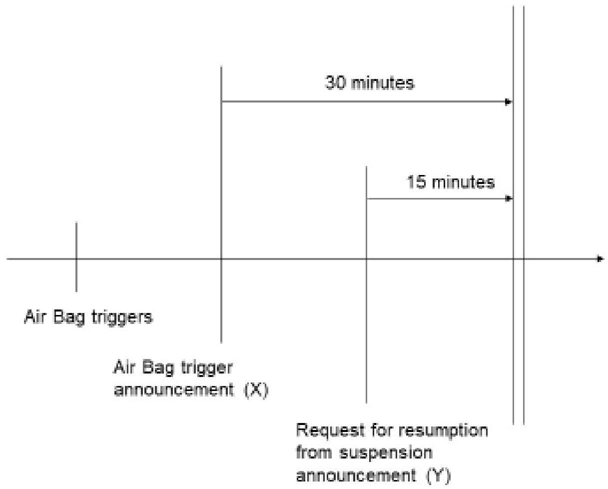
Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. Investors cannot sell or purchase any Certificates during this period.

Air Bag Mechanism timeline

<table>
<tr><th>Air Bag Trigger</th><th>Observation Period</th><th>Resumption of Trading</th></tr>
<tr><td>More than 45 minutes before Market Close</td><td rowspan="5">First 15 minutes after Air Bag Trigger</td><td>Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger</td></tr>
<tr><td>45 minutes before Market Close</td><td rowspan="6">Next trading day at Market Open</td></tr>
<tr><td>30 to 45 minutes before Market Close</td></tr>
<tr><td>30 minutes before Market Close</td></tr>
<tr><td>15 to 30 minutes before Market Close</td></tr>
<tr><td>15 minutes before Market Close</td><td rowspan="2">From Air Bag Trigger to Market Close</td></tr>
<tr><td>Less than 15 minutes before Market Close</td></tr>
</table>

With **Market Close** defined as:

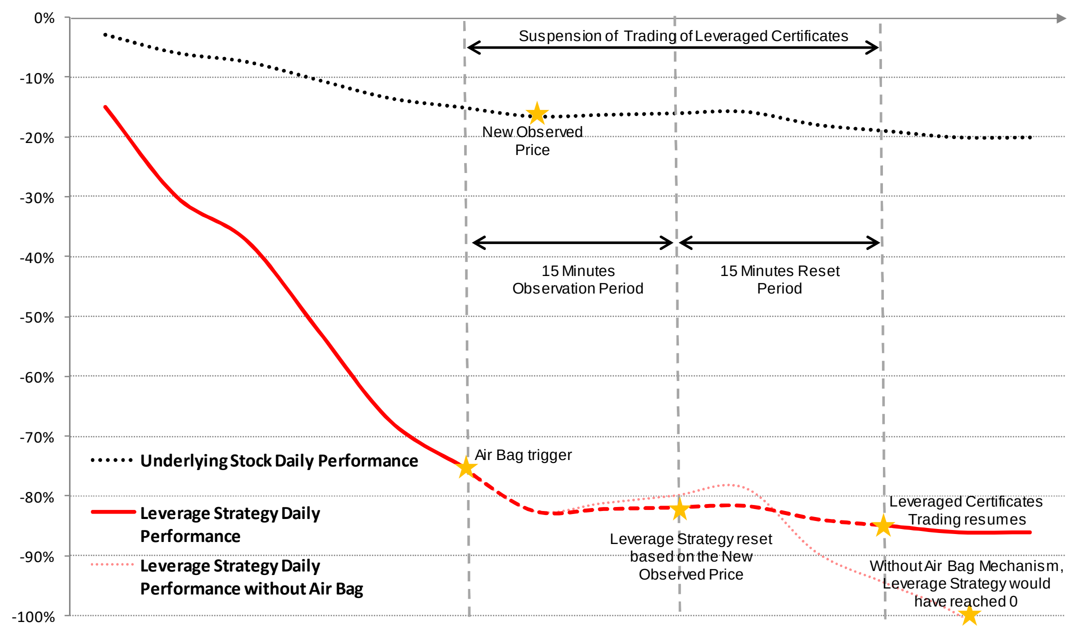
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



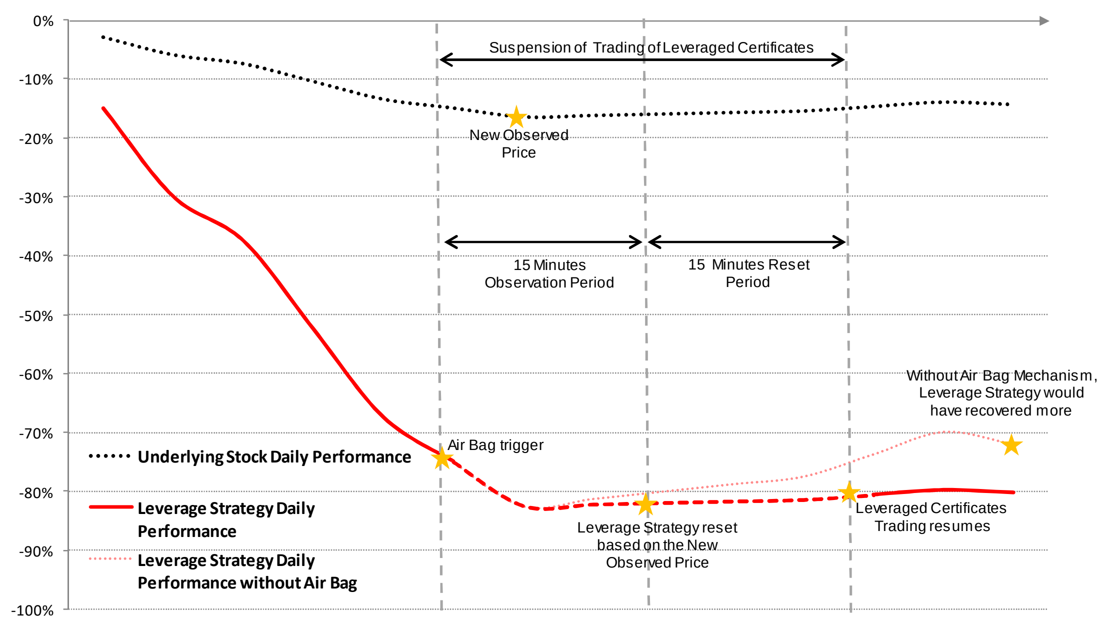

- The later between X+30 minutes or Y+15 minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates.
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time of the underlying asset, the Certificates will resume at 9 a.m. on the next SGX-ST trading day.

Illustrative examples of the Air Bag Mechanism[9]

*Scenario 1 – Downward Trend after Air Bag trigger*




*Scenario 2 – Upward Trend after Air Bag trigger*



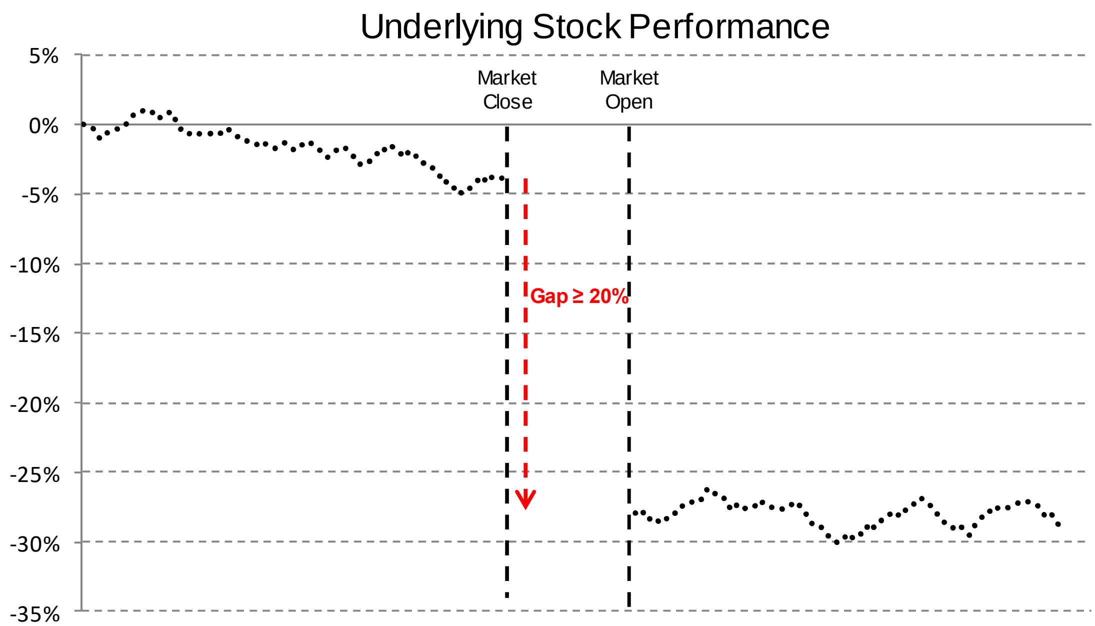

[9] The illustrative examples are not exhaustive.

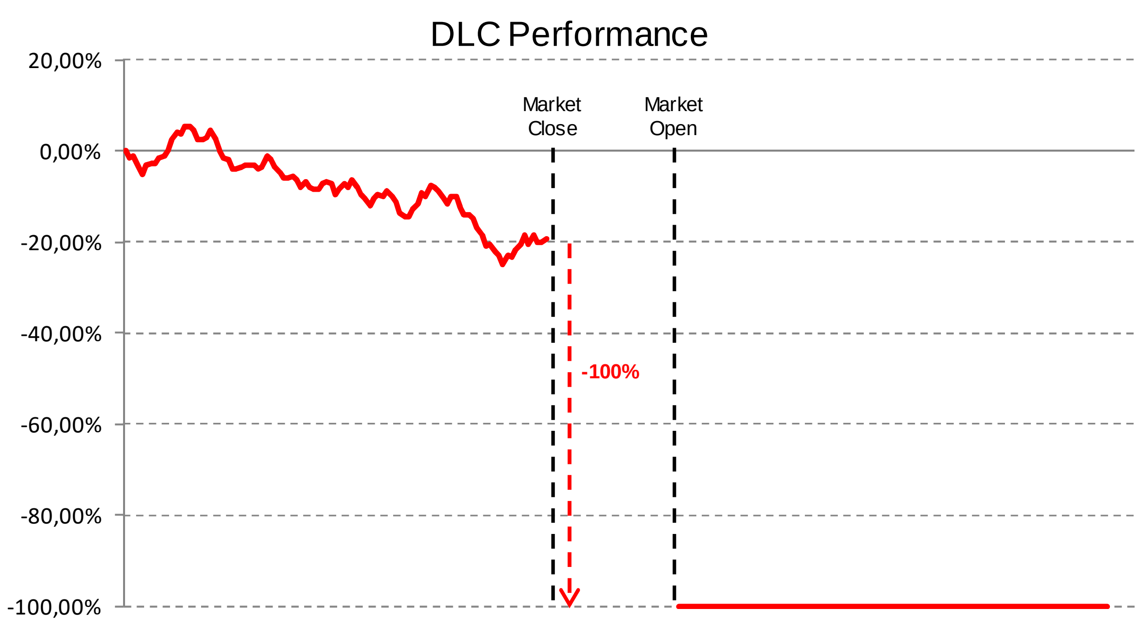
**Scenarios where the investor may lose the entire value of the investment**

*The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value*.

<u>*Scenario 1 – Overnight fall of the Underlying Stock*</u>

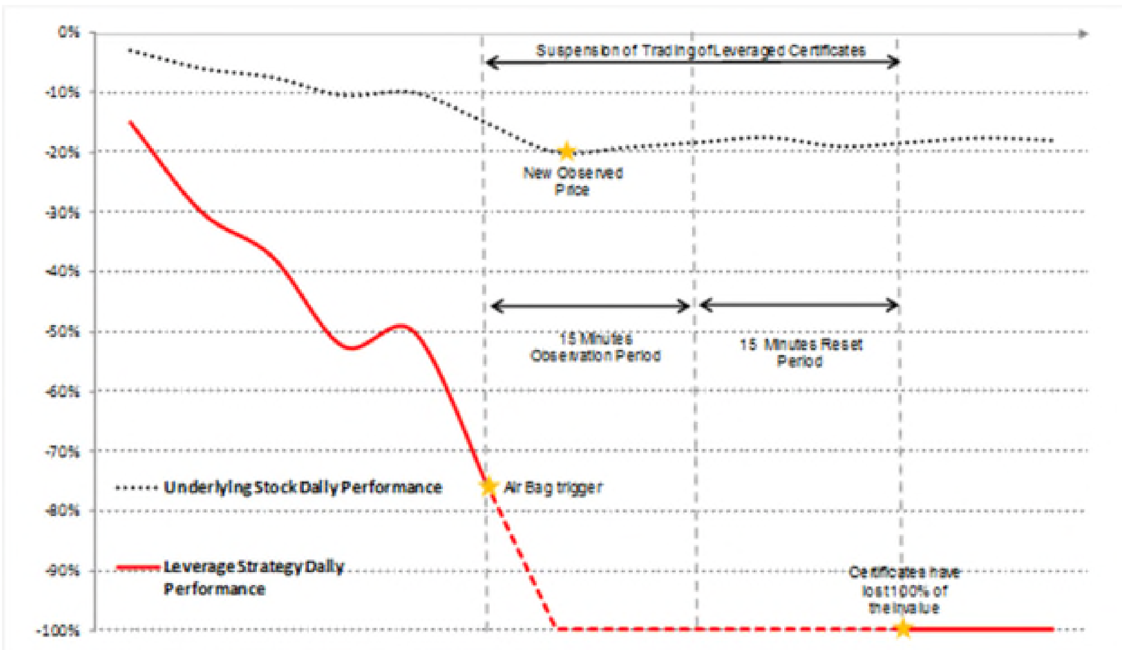
On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is 20% or more below the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens the following day, and the Certificates would lose their entire value in such event.



Scenario 2 – Sharp intraday fall of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock falls by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



**Examples and illustrations of adjustments due to certain corporate actions**

*The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters*.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{\mathrm{S}_{\mathrm{t-1}}}\right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price falls by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$\mathrm{DivExc_t}$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

**M** is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

**R** is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. <u>Stock split</u>

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$\mathrm{S_{t-1}}$ = \$100

$\mathrm{S_t}$ = \$51

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0)}{100}\right] \times \frac{1}{1+1} = 50\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \text{Leverage } \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{51}{100 \times 50\%} - 1\right) = 10\%$$

| $\mathrm{S_{t-1}}$ | $\mathrm{S_{t-1}} \times Rfactor_t$ | $\mathrm{S_t}$ | Adjusted Underlying Stock Performance |
|---|---|---|---|
| 100 | 50 | 51 | 2% |

| Value of the Certificate (t-1) | Value of the Certificate (t) | Certificates' performance (excluding any cost and fees) |
|---|---|---|
| 2.5 | 2.75 | 10% |

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $42.5, which is 15% below $50, the Underlying Stock Reference Price.

2. <u>Share Consolidation</u>

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$\mathrm{S_{t-1}}$ = $100

$\mathrm{S_t}$ = $202

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0)}{100}\right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \text{Leverage } \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{202}{100 \times 200\%} - 1\right) = 5\%$$

| $S_{t-1}$ | $S_{t-1} \times Rfactor_t$ | $S_t$ | Adjusted Underlying Stock Performance |
|---|---|---|---|
| 100 | 200 | 202 | 1% |

| Value of the Certificate (t-1) | Value of the Certificate (t) | Certificates' performance (excluding any cost and fees) |
|---|---|---|
| 2.5 | 2.625 | 5% |

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$170, which is 15% below \$200, the Underlying Stock Reference Price.

3. <u>Rights Issues</u>

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$S_{t-1}$ = \$100

$S_t$ = \$84

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

R = \$40 (i.e. subscription price of \$40)

M = 0.5 (i.e. 1 new share for every 2 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100}\right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = 25\%$$

| $S_{t-1}$ | $S_{t-1} \times Rfactor_t$ | $S_t$ | Adjusted Underlying Stock Performance |
|---|---|---|---|
| 100 | 80 | 84 | 5% |

| Value of the Certificate (t-1) | Value of the Certificate (t) | Certificates' performance (excluding any cost and fees) |
|---|---|---|
| 2.5 | 3.125 | 25% |

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$S_{t-1}$ = $100

$S_t$ = $85

$Div_t = \$0$

$DivExc_t = \$0$

R = $0

M = 0.2 (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100}\right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$LR_{t-1,t} = \text{Leverage } \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = \ 5 \ \times \left(\frac{85}{100 \times 83.33\%} - 1\right) = 10\%$

| $S_{t-1}$ | $S_{t-1} \times Rfactor_t$ | $S_t$ | Adjusted Underlying Stock Performance |
|---|---|---|---|
| 100 | 83.33 | 85 | 2% |

| Value of the Certificate (t-1) | Value of the Certificate (t) | Certificates' performance (excluding any cost and fees) |
|---|---|---|
| 2.5 | 2.75 | 10% |

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $70.83, which is 15% below $83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of $20 (net of taxes) paid in respect of each stock.

$S_{t-1}$ = $100

$S_t$ = $84

$Div_t = \$0$

$DivExc_t = \$20$

R = $0

M = 0

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100}\right] \times \frac{1}{1+0} = 80\%$$

As a consequence:

$$\mathrm{LR_{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = 25\%$$

| $\mathrm{S_{t-1}}$ | $\mathrm{S_{t-1}} \times Rfactor_t$ | $\mathrm{S_t}$ | Adjusted Underlying Stock Performance |
|---|---|---|---|
| 100 | 80 | 84 | 5% |

| Value of the Certificate (t-1) | Value of the Certificate (t) | Certificates' performance (excluding any cost and fees) |
|---|---|---|
| 2.5 | 3.125 | 25% |

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

## INFORMATION RELATING TO THE COMPANY

*All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of Hong Kong Exchanges and Clearing Limited (the "**HKExCL**") at http://www.hkex.com.hk and/or the Company's web-site at http://www.alibabagroup.com/. The Issuer has not independently verified any of such information.*

Alibaba Group Holding Limited (the "**Company**") is a holding company that provides the technology infrastructure and marketing reach to help merchants, brands and other businesses to leverage the power of new technology to engage with users and customers to operate. The Company operates four business segments. The Core Commerce segment provides China retail, China wholesale, International retail, International wholesale, Cainiao logistics services and local consumer services through Taobao Marketplace and Tmall. The Cloud Computing segment provides complete suite of cloud services, including database, storage, network virtualization services, big data analytics and others. The Digital Media and Entertainment segment provides consumer services beyond the core business operations. The Innovation Initiatives and Others segment is to innovate and deliver new services and products.

The information set out in the Appendix to this document relates to the unaudited financial results of the Company and its subsidiaries for the quarter and fiscal year ended 31 March 2021 and has been extracted and reproduced from an announcement by the Company dated 13 May 2021 in relation to the same. Further information relating to the Company may be located on the web-site of the HKExCL at http://www.hkex.com.hk.

## INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

| | | | |
|---|---|---|---|
| (a) | Maximum bid and offer spread | : | (i) when the best bid price of the Certificate is S$10 and below: 10 ticks or S$0.20 whichever is greater; and<br>(ii) when the best bid price of the Certificate is above S$10: 5% of the best bid price of the Certificate. |
| (b) | Minimum quantity subject to bid and offer spread | : | 10,000 Certificates |
| (c) | Last Trading Day for Market Making | : | The date falling 5 Exchange Business Days immediately preceding the Expiry Date |

In addition, the DMM may not provide a quotation in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) before the Relevant Stock Exchange for the Underlying Stock has opened and after the Relevant Stock Exchange for the Underlying Stock has closed on any trading day;

(iv) when trading in the Underlying Stock is suspended or limited in a material way for any reason, for the avoidance of doubt, the DMM is not obliged to provide quotations for the Certificates at any time when the Underlying Stock is not negotiated/traded for any reason;

(v) where the Certificates are suspended from trading for any reason;

(vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;

(vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;

(viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;

(ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;

(x) if the stock market experiences exceptional price movement and volatility;

(xi) when it is a public holiday in Singapore and/or Hong Kong and/or the SGX-ST and/or the

HKEX are not open for dealings; and

(xii) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Exchange Business Day immediately preceding the Expiry Date.

## SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 105 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.

2. Settlement of trades done on a normal "ready basis" on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed "Summary of the Issue" above.

3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.

4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2020 or the Guarantor since 31 March 2021, in the context of the issuance of Certificates hereunder.

5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:

   (a) the Guarantee;

   (b) the Master Instrument; and

   (c) the Master Warrant Agent Agreement.

   None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

   The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.

8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:

   (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;

   (b) the latest financial reports (including the notes thereto) of the Issuer;

   (c) the latest financial reports (including the notes thereto) of the Guarantor;

   (d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;

   (e) the Base Listing Document;

   (f) this document; and

   (g) the Guarantee.

## PLACING AND SALE

### General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

### Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

### Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the

Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

**United Kingdom**

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

(a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

**United States**

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (ii) it is not purchasing any Certificates for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United

States.

As used in the preceding paragraphs, the term "**United States**" includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term "**U.S. person**" means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the "**CEA**") or any rules thereunder of the CFTC (the "**CFTC Rules**"), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person).

## APPENDIX

## REPRODUCTION OF THE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND FISCAL YEAR ENDED 31 MARCH 2021 OF ALIBABA GROUP HOLDING LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited financial results of the Company and its subsidiaries for the quarter and fiscal year ended 31 March 2021 and has been extracted and reproduced from an announcement by the Company dated 13 May 2021 in relation to the same.

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We have one class of shares, and each holder of our shares is entitled to one vote per share. As the Alibaba Partnership's director nomination rights are categorized as a weighted voting rights structure (the "**WVR structure**") under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, we are deemed as a company with a WVR structure. Shareholders and prospective investors should be aware of the potential risks of investing in a company with a WVR structure. Our American depositary shares, each representing eight of our shares, are listed on the New York Stock Exchange in the United States under the symbol BABA.

Alibaba Group
阿里巴巴集团

# Alibaba Group Holding Limited
# 阿里巴巴集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9988)**

## ANNOUNCEMENT OF THE MARCH QUARTER 2021 AND FISCAL YEAR 2021 RESULTS

We hereby announce our unaudited results for the three months ended March 31, 2021 ("**March Quarter 2021**") and the fiscal year ended March 31, 2021 ("**Fiscal Year 2021**"). The March Quarter 2021 and Fiscal Year 2021 unaudited results announcement is available for viewing on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.alibabagroup.com.

By order of the Board
**Alibaba Group Holding Limited**
**Kevin Jinwei ZHANG**
*Secretary*

Hong Kong, May 13, 2021

As at the date of this announcement, our board of directors is comprised of Mr. Daniel Yong ZHANG as the chairman, Mr. Joseph C. TSAI, Ms. Maggie Wei WU, Mr. J. Michael EVANS, Mr. Eric Xiandong JING and Mr. Kabir MISRA as directors, and Mr. Chee Hwa TUNG, Mr. Walter Teh Ming KWAUK, Mr. Jerry YANG, Mr. E. Börje EKHOLM and Ms. Wan Ling MARTELLO as independent directors.

# Alibaba Group Announces March Quarter and Full Fiscal Year 2021 Results

**Hangzhou, China, May 13, 2021** – Alibaba Group Holding Limited (NYSE: BABA and HKEX: 9988, "Alibaba" or "Alibaba Group") today announced its financial results for the quarter and fiscal year ended March 31, 2021.

"Alibaba achieved a historic milestone of one billion annual active consumers globally in the fiscal year ended March 2021," said Daniel Zhang, Chairman and Chief Executive Officer of Alibaba Group. "Our overall business delivered strong growth on a healthy foundation, with the Alibaba Ecosystem generating a record US$1.2 trillion in GMV during this fiscal year. Such achievements were built on top of clear value propositions that we offer to consumers and merchants. We remain very excited about the growth of China's consumption economy, which is benefiting from the acceleration of digitalization in all aspects of life and work. We will continue to focus on customer experience and value creation through innovation, as we pursue our mission to make it easy to do business anywhere in the digital era."

"We surpassed our annual revenue guidance in fiscal year 2021 by achieving strong organic revenue growth of 32% excluding the consolidation of the newly-acquired Sun Art. This was driven by robust performance of our core commerce businesses as well as continued growth of Alibaba Cloud. Our adjusted EBITDA grew 25% year-over-year while we increased investments in new businesses and key strategic growth areas," said Maggie Wu, Chief Financial Officer of Alibaba Group. "We expect to generate over RMB930 billion in revenue in fiscal year 2022. Given the market potential and our proven profit and cash flow generation capabilities, we plan to use all of our incremental profits and additional capital in fiscal year 2022 to support our merchants and invest into new businesses and key strategic areas that will help us increase consumer wallet share and penetrate into new addressable markets."

**BUSINESS HIGHLIGHTS**

**<u>In the quarter ended March 31, 2021:</u>**

- **Revenue** was RMB187,395 million (US$28,602 million), an increase of 64% year-over-year. Excluding the consolidation of Sun Art, our revenue would have grown 40% year-over-year to RMB159,952 million (US$24,413 million).

- **Annual active consumers** on our China retail marketplaces was 811 million for the twelve months ended March 31, 2021, an increase of 32 million from the twelve months ended December 31, 2020.

- **Mobile MAUs** on our China retail marketplaces reached 925 million in March 2021, an increase of 23 million over December 2020.

- **Loss from operations** was RMB7,663 million (US$1,170 million) due to a RMB18,228 million (US$2,782 million) fine levied by China's State Administration for Market Regulation pursuant to China's Anti-monopoly Law (the "Anti-monopoly Fine"). Excluding this one-time impact, our income from operations would have been RMB10,565 million (US$1,612 million), an increase of 48% year-over-year. **Adjusted EBITDA**, a non-GAAP measurement, increased 18% year-over-year to RMB29,898 million (US$4,563 million). **Adjusted EBITA**, a non-GAAP measurement, increased 14% year-over-year to RMB22,612 million (US$3,451 million).

- **Net loss attributable to ordinary shareholders** was RMB5,479 million (US$836 million), and **net loss** was RMB7,654 million (US$1,168 million), primarily due to the above-mentioned Anti-monopoly Fine. Excluding this impact and certain other items, **non-GAAP net income** was RMB26,216 million (US$4,001 million), an increase of 18% year-over-year.

- **Diluted loss per ADS** was RMB1.99 (US$0.30) and **diluted loss per share** was RMB0.25 (US$0.04 or HK$0.30), primarily due to the above-mentioned Anti-monopoly Fine. Excluding this impact and certain other items, **non-GAAP diluted earnings per ADS** was RMB10.32 (US$1.58), an increase of 12% year-over-year and **non-GAAP diluted earnings per share** was RMB1.29 (US$0.20 or HK$1.53), an increase of 12% year-over-year.

- **Net cash provided by operating activities** was RMB24,183 million (US$3,691 million). **Non-GAAP free cash flow** was an outflow of RMB658 million (US$100 million), compared to an outflow of RMB4,214 million in the same quarter of 2020.

**In the fiscal year ended March 31, 2021:**

- **Revenue** was RMB717,289 million (US$109,480 million), an increase of 41% year-over-year. Excluding the consolidation of Sun Art starting in October 2020, our revenue would have grown 32% year-over-year to RMB674,420 million (US$102,937 million).

- **Annual active consumers** for the Alibaba Ecosystem reached a milestone of over 1 billion, including 891 million consumers across our China retail marketplace, Local Consumer Services and digital media and entertainment platforms, and approximately 240 million consumers outside China. Annual active consumers on our China retail marketplaces was 811 million, an increase of 85 million from the twelve months ended March 31, 2020.

- **Mobile MAUs** on our China retail marketplaces reached 925 million in March 2021, an increase of 79 million over March 2020.

- **GMV** transacted in the Alibaba Ecosystem was RMB8,119 billion (US$1,239 billion) for fiscal year 2021, which mainly included China retail marketplaces GMV of RMB7,494 billion (US$1,144 billion), as well as international retail marketplaces and Local Consumer Services GMV.

- **Income from operations** was RMB89,678 million (US$13,688 million), a decrease of 2% year-over-year, primarily due to the above-mentioned Anti-monopoly Fine as well as a RMB16,054 million increase in share-based compensation expense related to Ant Group share-based awards granted to our employees. **Adjusted EBITDA**, a non-GAAP measurement, increased 25% year-over-year to RMB196,842 million (US$30,044 million). **Adjusted EBITA**, a non-GAAP measurement, increased 24% year-over-year to RMB170,453 million (US$26,016 million).

- **Adjusted EBITA for core commerce** was RMB194,512 million (US$29,688 million), an increase of 17% year-over-year. Our **marketplace-based core commerce adjusted EBITA**, a non-GAAP measurement, increased 17% year-over-year to RMB229,134 million (US$34,973 million). Starting this quarter, for purposes of presenting our marketplace-based core commerce adjusted EBITA, we expanded the list of new initiative businesses that we break out in order to present the progress of our strategic investments as well as the profitability of our marketplace-based core commerce businesses on a like-for-like basis. The new initiative businesses, which now include our New Retail businesses (primarily Freshippo, Tmall Supermarket, Community Marketplaces and Taoxianda), Local Consumer Services, Lazada, Taobao Deals, Cainiao Network, and others, represent strategic areas where we are executing to capture incremental opportunities. Comparative figures are presented in the same manner accordingly.

- **Net income attributable to ordinary shareholders** was RMB150,308 million (US$22,941 million), and **net income** was RMB143,284 million (US$21,869 million), which reflected the above-mentioned Anti-monopoly Fine and the increase in share-based compensation expense described in "Income from operations" above. Excluding these impacts and certain other items, **non-GAAP net income** was RMB171,985 million (US$26,250 million), an increase of 30% year-over-year.

- **Diluted earnings per ADS** was RMB54.70 (US$8.35) and **diluted earnings per share** was RMB6.84 (US$1.04 or HK$8.09), which reflected the above-mentioned Anti-monopoly Fine and the increase in share-based compensation expense described in "Income from operations" above. Excluding these impacts and certain other items, **non-GAAP diluted earnings per ADS** was RMB65.15 (US$9.94), an increase of 23% year-over-year and **non-GAAP diluted earnings per share** was RMB8.14 (US$1.24 or HK$9.63), an increase of 23% year-over-year.

- **Net cash provided by operating activities** was RMB231,786 million (US$35,378 million) and **non-GAAP free cash flow** was RMB172,662 million (US$26,353 million), an increase of 32% year-over-year.

Reconciliations of GAAP measures to non-GAAP measures presented above are included at the end of this results announcement.

**BUSINESS AND STRATEGIC UPDATES**

**Alibaba Ecosystem**

Our China consumer-facing businesses include China retail marketplaces, Local Consumer Services and digital media and entertainment platforms, serving the Chinese consumer sector, which is a RMB41.9 trillion (US$6.4 trillion) market for the twelve months ended March 31, 2021, according to the National Bureau of Statistics. Our China consumer-facing businesses served 891 million annual active consumers during the twelve months ended March 31, 2021. Our international retail marketplaces, which include mainly the AliExpress cross-border retail platform and Lazada in Southeast Asia, served approximately 240 million annual active consumers during the same period. Our China and international consumer segments combined to serve over one billion annual active consumers and generated RMB8,119 billion (US$1,239 billion) in GMV.

Our digital infrastructure, such as smart logistics and cloud computing, which enables and underpins across our platforms to serve our major commerce, local services and entertainment businesses, gives us unique technology-driven capabilities to meet changing consumer demand and help our enterprise customers and partners achieve digital transformation.

**Core Commerce**

**China Retail Marketplaces – comprehensive product supply and engaging user experience drive consumer growth and high consumer retention rate**

*Consumers*

In March 2021, our China retail marketplaces had 925 million mobile MAUs, representing annual and quarterly net increases of 79 million and 23 million, respectively. There were 811 million annual active consumers on our China retail marketplaces for the twelve months ended March 31, 2021, representing annual and quarterly net increases of 85 million and 32 million, respectively. In fiscal year 2021, approximately 70% of new annual active consumers were from less developed areas.

In fiscal year 2021, the strong GMV and user growth on our China retail marketplaces reflected our strategic focus on less developed cities and towns and broadening offerings of products and services to meet diverse consumption demand.  Overall online physical goods GMV, excluding unpaid orders, grew 21% year-over-year in fiscal year 2021, driven primarily by the fast-moving-consumer-goods (FMCG) and home furnishing categories, and 33% year-over-year in the March quarter, driven primarily by the apparel and home furnishing categories. For the March quarter, Tmall online physical goods GMV, excluding unpaid orders, grew 26% year-over-year and Taobao online physical goods GMV, excluding unpaid orders, grew even faster as SME merchants recovered from the pandemic.

Our app platforms appeal to a growing and increasingly diverse consumer base at various income levels as well as present different purchase use cases for the same consumer.  Taobao Deals (特价版) offers value-for-money products for the price-conscious consumer and achieved rapid growth in fiscal year 2021. Annual active consumers of Taobao Deals reached over 150 million for the twelve months ended March 31, 2021.   Taobao Deals continues to be an offering that attracts incremental users especially in less developed areas, and we have seen robust retention rate given its clear value-for-money proposition and its expanding product selections in different categories.

We also saw increasing engagement of the existing consumer base on our China retail app platforms. The longer a consumer has shopped on our platforms, the more they spend through more orders across more product categories.  In fiscal year 2021, average annual spending per consumer on our China retail marketplaces reached over RMB9,200 (US$1,404).  Consumers on our China retail marketplaces exhibit high retention across all spending levels.

*Product Supply*

A key to the success of our business is broadening product supply, including increasing the range of branded and imported products, going upstream to directly source agricultural products and expanding the breadth of selection of value-for-money and long-tail products.  Consumption upgrading also helped to drive our business, as more consumers are purchasing from flagship stores of high-end brands and international retailers on our platforms.  More than 200 luxury brands and retailers, such as Cartier, Farfetch, Gucci, IWC and Van Cleef & Arpels, operated their flagship stores on our China retail marketplaces, as of March 31, 2021.

*Engagement*

The Taobao app is the largest social commerce platform in China, offering rich, highly relevant and curated content and features that enable merchants to engage with consumers through live-streaming, short-form videos, interactive games and microblogs.  Among these interactive features, livestreaming is one of the fastest growing with significant scale. Taobao Live GMV reached over RMB500 billion (US$76.3 billion) in fiscal year 2021.

**New Retail – multi-format New Retail businesses built on an expanding digital supply chain and increasingly diversified fulfilment services**

Our New Retail strategy is to develop a digital commerce infrastructure that offers an upgraded consumer experience by seamlessly integrating online and offline.  Over the years, we have helped many retailers digitally transform their businesses and created multiple retail formats that have enabled new consumption experiences by leveraging our consumer insights and technology.  These New Retail businesses are supported and strengthened by our ecosystem with an expanding supply chain and increasingly diversified fulfilment services.

Our New Retail commerce infrastructure now offers a full range of high-frequency fulfilment services that include on-demand delivery, same-or-next day delivery and next day pick-up services for a full range of consumable and physical products.  We will continue to expand all of these fulfilment services across China to reach and serve even more consumers in both large cities and less developed areas as well as drive higher purchase frequency through more effective cross-selling on our China retail marketplaces.

*Community Marketplaces* – As part of our latest exploration in New Retail, we started the Community Marketplaces business in select regions in China. Our Community Marketplaces business is supported by our next-day pickup fulfilment services and the supply capabilities of Freshippo, Sun Art and other partners. Given the initial success and long-term growth potential, we established a new business group in early 2021 to consolidate the resources and capabilities of the Alibaba Ecosystem in order to accelerate the growth of our Community Marketplaces business. Our Community Marketplaces are rapidly expanding their logistics and fulfilment infrastructure and aim to achieve broad coverage across mainland China within the next twelve months.

*Freshippo* – Our self-operated retail chain Freshippo (known as "Hema" in Chinese) continued to execute a multi-format and multi-banner expansion strategy. In fiscal year 2021, Freshippo achieved healthy same-store sales growth, enriched and optimized its product selection and introduced new initiatives to improve customer experience. As of March 31, 2021, we had 257 self-operated Freshippo stores (compared to 202 stores as of March 31, 2020), primarily located in tier-one and tier-two cities throughout China.

*Taoxianda* – Taoxianda, our online-offline retail integration service solution for FMCG brands and third-party grocery retail partners, puts us at the forefront of transforming the retail industry by digitalizing all aspects of store-based operations. Taoxianda drove Sun Art's digitalization of its hypermarkets and, along with our other businesses, facilitated the growth of Sun Art's online revenue. For the twelve months ended March 31, 2021, online revenue represented 24% of Sun Art's sales of goods, increasing from 17% for the twelve months ended March 31, 2020. As of March 31, 2021, in addition to Sun Art, Taoxianda helped 42 retail chains to open online stores with services available across 145 cities in China and enabled over 168 retail chains, supermarkets and marketplaces to digitalize their marketing program.

**Local Consumer Services – Investing for new user acquisition and enhanced consumer experience**

In fiscal year 2021, Ele.me continued to improve its merchant supply and operating efficiency, as reflected in the increasing number of merchants, higher portion of GMV from national and regional chains and improved unit economics year-over-year. Building on this progress, starting from the March quarter 2021, Ele.me stepped up its investment in user acquisition as well as user experience enhancement. For example, during the Chinese New Year period Ele.me increased its rider subsidy to address the usual shortage of riders. As a result, Ele.me's average daily number of paying members continued to grow strongly at approximately 40% year-over-year during the March quarter.

**Cainiao Network – improving efficiency across the Alibaba Ecosystem and the logistics industry in China and internationally**

Cainiao Network continues to expand both its domestic services and global smart logistics infrastructure by deepening integration with logistics partners as well as offering more products and services. In fiscal year 2021, after elimination of inter-company transactions, Cainiao Network achieved solid revenue growth of 68% year-over-year, to RMB37,258 million (US$5,687 million), representing 5% of our total revenue. Cainiao Network also reached an important milestone of generating positive operating cash flow during fiscal year 2021.

A key driver of Cainiao Network's strong financial performance is its global smart logistics infrastructure, which took years of investment to build. This global logistics infrastructure now enjoys increasing adoption of "Fulfilled by Cainiao" services by merchants from our fast growing cross-border businesses, including AliExpress and Tmall Global. Daily package volume on Cainiao Network's global parcel network for the month ended March 31, 2021 exceeded 5 million.

In China, Cainiao Network expanded the coverage of Cainiao Post (neighborhood and campus stations and residential self-pick up stations), as well as improved the customer experience of Cainiao Guoguo (crowdsourced parcel pick-up and delivery service). In March 2021, Cainiao Post's average daily package volume nearly tripled year-over-year.

**International – consistent strong growth of Lazada and AliExpress**

Our international commerce retail business, mainly including Lazada and AliExpress, grew rapidly to achieve approximately 240 million annual active consumers in the twelve months ended March 31, 2021.

*Lazada* – Lazada recorded triple-digit year-over-year order growth during the fiscal year and quarter ended March 31, 2021. Lazada continued to focus on investing in technology and logistics to enable merchants to better service consumers. We have seen strong adoption of store operation and business analytics tools by merchants on the Lazada platform, enabling them to achieve scale and GMV growth.

*AliExpress* – AliExpress is a marketplace for consumers from around the world to buy directly from manufacturers and distributors, mainly from China but also increasingly in consumers' local markets. AliExpress continued to improve its localization initiatives in the areas of differentiated product offerings and improved local delivery experience, which resulted in robust user and GMV growth in fiscal year 2021.

## Cloud Computing

In 2020, Alibaba Group was ranked third globally and first in the Asia Pacific region in the global Infrastructure-as-a-Service market, according to Gartner's April 2021 report. Alibaba Cloud's unique advantages are its proprietary technology and Alibaba Group's continued commitment to invest in research and development in new product offerings and industry-specific solutions for our customers and partners. Highlights of our proprietary technologies in fiscal year 2021 include:

- **Elastic Computing** - In February 2021, Alibaba Cloud launched the 7th generation ECS public cloud server that increases overall computing power by 40%. Built on top of our proprietary X-Dragon architecture, this new generation server offers mission critical security enhancements, which is especially important for customers in the Internet and finance industries that require fail-safe continuous operations and highly secure cloud infrastructure.

- **Database** - Our proprietary technologies have consistently won recognition from leading research and advisory organizations. For example, in December 2020, PolarDB, one of our key database products, won the first prize of the Science and Technology Progress Award of the Chinese Institute of Electronics.

- **Serverless** - In the first quarter of 2021, Forrester recognized Alibaba Function Compute, our suite of serverless products, as a leader in the Function-as-a-Service (FaaS) market given our technological advancements and comprehensive product offerings. Alibaba Cloud is the only cloud vendor in China to be recognized as a FaaS leader.

In fiscal year 2021, our cloud computing revenue grew 50% year-over-year, to RMB60,120 million (US$9,176 million), primarily driven by growth in revenue from customers in the Internet, public sector and finance industries. In the March 2021 quarter, cloud computing revenue grew 37% year-over-year to RMB16,761 million (US$2,558 million). The slower revenue growth during the quarter was primarily due to revenue decline from a top cloud customer in the Internet industry. This customer, which has a sizeable presence outside of China that used our overseas cloud services in the past, has decided to terminate the relationship with respect to their international business due to non-product related requirements. Excluding this customer, Alibaba Cloud's top ten non-affiliated customers together accounted for no more than eight percent of Alibaba Cloud's total revenue in fiscal year 2021. Going forward, we believe that our cloud computing revenue will be further diversified across customers and industries.

## Digital Media and Entertainment

During fiscal year 2021, Youku continued to focus on delivering a superior user experience and increasing paying subscribers. Youku's average daily subscriber base continued to grow at a healthy rate, increasing

35% year-over-year during the fiscal year. The increase in paying subscribers was driven by our offerings of original and exclusive content, our effective targeting of new subscribers and a greater contribution from the 88VIP membership program on our China retail marketplaces. We invested in original and exclusive content while ensuring cost efficiencies and return on investment, which resulted in narrowing annual adjusted EBITA losses year-over-year in fiscal year 2021.

Despite the challenges imposed by the COVID-19 pandemic on cinemas and live performance industries, Alibaba Pictures significantly narrowed its losses in fiscal year 2021, given successful diversification of its revenue stream beyond film and ticketing business and enhanced operational efficiency of its online ticketing platform (Tao Piao Piao) with lowered sales and marketing expenses. Alibaba Pictures will continue to diversify its businesses to capture revenue opportunities in the entire entertainment value chain, including content development, production, promotion and distribution, as well as IP commercialization. We believe these initiatives will ensure Alibaba Pictures' long-term growth potential with a diversified revenue stream.

**Innovation Initiatives and Others**

*Amap* – Amap is the largest provider of mobile digital map, navigation and real-time traffic information in China by monthly active users. It leverages big-data enabled digital mapping technology to power major mobile apps across different industries including local services, ride-hailing services and social networking. Amap reached an important milestone of over 100 million average DAUs in the month of April 2021.

**Share Repurchases**

Pursuant to our share repurchase authorization, for the fiscal year ended March 31, 2021 and through the publication of this results announcement, we repurchased approximately 1.7 million of our ADSs (or approximately 13.6 million of our ordinary shares) for approximately US$371 million under the share repurchase program. As of March 31, 2021, we had approximately 21.7 billion ordinary shares issued and outstanding.

**Cash Flow from Operating Activities and Free Cash Flow**

In the fiscal year 2021, net cash provided by operating activities was RMB231,786 million (US$35,378 million), an increase of 28% compared to RMB180,607 million in the fiscal year 2020. Free cash flow, a non-GAAP measurement of liquidity, increased by 32% in fiscal year 2021 to RMB172,662 million (US$26,353 million), from RMB130,914 million in fiscal year 2020, mainly due to our profit growth.

In the quarter ended March 31, 2021, net cash provided by operating activities was RMB24,183 million (US$3,691 million), which includes a net cash inflow of RMB18,796 million (US$2,869 million) in connection with the consumer protection fund deposits received primarily from Tmall merchants, as well as our increased spending for strategic initiatives. Free cash flow, which excluded these deposits and certain other items, was an outflow of RMB658 million (US$100 million) in the quarter ended March 31, 2021, compared to an outflow of RMB4,214 million in the same quarter of 2020. A reconciliation of net cash provided by operating activities to free cash flow is included at the end of this results announcement.

**Guidance**

The guidance below is a forward-looking statement that reflects assumptions that we believe to be reasonable as of the date of this announcement and involve inherent risks and uncertainties, many of which we are not able to predict or control. Based on our current view of Chinese and global consumption, enterprise digitalization and the competitive landscape, and subject to the uncertainties highlighted under the section entitled "Safe Harbor Statements" below, we expect to generate over RMB930 billion in revenue in fiscal year 2022.

## KEY OPERATIONAL METRICS*

| | March 31, 2020 | December 31, 2020 | March 31, 2021 | Net adds YoY | Net adds QoQ |
|---|---|---|---|---|---|
| **China Commerce Retail:** | | | | | |
| Annual active consumers[(1)] (in millions) | 726 | 779 | 811 | 85 | 32 |
| Mobile monthly active users (MAUs)[(2)] (in millions) | 846 | 902 | 925 | 79 | 23 |

* For definitions of terms used but not defined in this results announcement, please refer to our annual report for the fiscal year ended March 31, 2020.

(1) For the twelve months ended on the respective dates.

(2) For the month ended on the respective dates.

## MARCH QUARTER SUMMARY FINANCIAL RESULTS

| | Three months ended March 31, | | | |
|---|---|---|---|---|
| | 2020 | 2021 | | |
| | RMB | RMB | US$[1] | YoY % Change |
| | (in millions, except percentages and per share amounts) | | | |
| Revenue | 114,314 | 187,395 | 28,602 | 64% |
| Income (Loss) from operations | 7,131 | (7,663) [3] | (1,170) | N/A |
| Operating margin | 6% | (4)% | | |
| Adjusted EBITDA[2] | 25,440 | 29,898 | 4,563 | 18% |
| Adjusted EBITDA margin[2] | 22% | 16% | | |
| Adjusted EBITA[2] | 19,827 | 22,612 | 3,451 | 14% |
| Adjusted EBITA margin[2] | 17% | 12% | | |
| Net income (loss) | 348 | (7,654) [3] | (1,168) | N/A |
| Net income (loss) attributable to ordinary shareholders | 3,162 | (5,479) [3] | (836) | N/A |
| Non-GAAP net income[2] | 22,287 | 26,216 | 4,001 | 18% |
| Diluted earnings (loss) per share[4] | 0.14 | (0.25) | (0.04) | N/A |
| Diluted earnings (loss) per ADS[4] | 1.16 | (1.99) | (0.30) | N/A |
| Non-GAAP diluted earnings per share[2] [4] | 1.15 | 1.29 | 0.20 | 12% |
| Non-GAAP diluted earnings per ADS[2] [4] | 9.20 | 10.32 | 1.58 | 12% |

(1) This results announcement contains translations of certain Renminbi ("RMB") amounts into U.S. dollars ("US$") and Hong Kong dollars ("HK$") for the convenience of the reader. Unless otherwise stated, all translations of RMB into US$ were made at RMB6.5518 to US$1.00, the exchange rate on March 31, 2021 as set forth in the H.10 statistical release of the Federal Reserve Board, and all translations of RMB into HK$ were made at RMB0.84518 to HK$1.00, the middle rate on March 31, 2021 as published by the People's Bank of China. The percentages stated in this announcement are calculated based on the RMB amounts and there may be minor differences due to rounding.

(2) See the sections entitled "Information about Segments," "Non-GAAP Financial Measures" and "Reconciliations of Non-GAAP Measures to the Nearest Comparable U.S. GAAP Measures" for more information about the non-GAAP measures referred to within this results announcement.

(3) This included the Anti-monopoly Fine in the amount of RMB18,228 million (US$2,782 million).

(4) Each ADS represents eight ordinary shares.

## MARCH QUARTER INFORMATION BY SEGMENTS

The table below sets forth selected financial information of our operating segments for the periods indicated:

| | Three months ended March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Core commerce | Cloud computing | Digital media and entertainment[1] | Innovation initiatives and others[1] | Unallocated[2] | Consolidated | |
| | RMB | RMB | RMB | RMB | RMB | RMB | US$ |
| | (in millions, except percentages) | | | | | | |
| **Revenue** | **161,365** | **16,761** | **8,047** | **1,222** | **—** | **187,395** | **28,602** |
| **Income (Loss) from operations** | **23,382** | **(1,436)** | **(3,565)** | **(4,201)** | **(21,843)** | **(7,663)** | **(1,170)** |
| Add: Share-based compensation expense | 4,179 | 1,738 | 646 | 1,006 | 1,063 | 8,632 | 1,318 |
| Add: Amortization of intangible assets | 3,119 | 6 | 221 | 16 | 53 | 3,415 | 521 |
| Add: Fine imposed pursuant to China's Anti-monopoly Law | — | — | — | — | 18,228 | 18,228 | 2,782 |
| **Adjusted EBITA** | **30,680** [3] | **308** | **(2,698)** | **(3,179)** | **(2,499)** | **22,612** | **3,451** |
| **Adjusted EBITA margin** | **19%** | **2%** | **(34)%** | **(260)%** | | **12%** | |

| | Three months ended March 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Core commerce | Cloud computing | Digital media and entertainment[1] | Innovation initiatives and others[1] | Unallocated[2] | Consolidated |
| | RMB | RMB | RMB | RMB | RMB | RMB |
| | (in millions, except percentages) | | | | | |
| **Revenue** | **93,865** | **12,217** | **7,198** | **1,034** | **—** | **114,314** |
| **Income (Loss) from operations** | **20,166** | **(1,757)** | **(4,478)** | **(4,035)** | **(2,765)** | **7,131** |
| Add: Share-based compensation expense | 4,353 | 1,570 | 756 | 906 | 1,067 | 8,652 |
| Add: Amortization and impairment of intangible assets | 3,607 | 8 | 387 | 23 | 19 | 4,044 |
| **Adjusted EBITA** | **28,126**[3] | **(179)** | **(3,335)** | **(3,106)** | **(1,679)** | **19,827** |
| **Adjusted EBITA margin** | **30%** | **(1)%** | **(46)%** | **(300)%** | | **17%** |

(1) Beginning on April 1, 2020, we reclassified the results of our self-developed online games business, which was previously reported under the innovation initiatives and others segment, to the digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

(2) Unallocated expenses primarily relate to corporate administrative costs and other miscellaneous items that are not allocated to individual segments.

(3) Marketplace-based core commerce adjusted EBITA increased 28% year-over-year to RMB44,336 million (US$6,767 million). Starting this quarter, for purposes of presenting our marketplace-based core commerce adjusted EBITA, we expanded the list of new initiative businesses that we break out in order to present the progress of our strategic investments as well as the profitability of our marketplace-based core commerce businesses on a like-for-like basis. The new initiative businesses, which now include our New Retail businesses, Local Consumer Services, Lazada, Taobao Deals, Cainiao Network, and others, represent strategic areas where we are executing to capture incremental opportunities. Comparative figures are presented in the same manner accordingly. A reconciliation of adjusted EBITA for core commerce to marketplace-based core commerce adjusted EBITA is included at the end of this results announcement.

## MARCH QUARTER OPERATIONAL AND FINANCIAL RESULTS

### Revenue

Revenue for the quarter ended March 31, 2021 was RMB187,395 million (US$28,602 million), an increase of 64% compared to RMB114,314 million in the same quarter of 2020. The increase was mainly driven by the robust revenue growth of our China commerce retail business, which includes the consolidation of Sun Art starting in October 2020, and the revenue growth of our Cainiao logistics services and cloud computing businesses. Excluding the consolidation of Sun Art, our revenue would have grown 40% year-over-year to RMB159,952 million (US$24,413 million).

The following table sets forth a breakdown of our revenue by segment for the periods indicated:

| | Three months ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | | |
| | RMB | % of Revenue | RMB | US$ | % of Revenue | YoY % Change |
| | (in millions, except percentages) | | | | | |
| Core commerce: | | | | | | |
| China commerce retail | | | | | | |
| - Customer management[1] | 45,406 | 40% | 63,598 | 9,707 | 34% | 40% |
| - Others[2] | 25,499 | 22% | 59,615 | 9,099 | 32% | 134% |
| | 70,905 | 62% | 123,213 | 18,806 | 66% | 74% |
| China commerce wholesale | 2,787 | 3% | 3,370 | 514 | 2% | 21% |
| International commerce retail | 5,353 | 5% | 9,496 | 1,449 | 5% | 77% |
| International commerce wholesale | 2,458 | 2% | 3,920 | 598 | 2% | 59% |
| Cainiao logistics services | 4,951 | 4% | 9,959 | 1,520 | 5% | 101% |
| Local Consumer Services | 4,841 | 4% | 7,249 | 1,107 | 4% | 50% |
| Others | 2,570 | 2% | 4,158 | 635 | 2% | 62% |
| Total core commerce | 93,865 | 82% | 161,365 | 24,629 | 86% | 72% |
| Cloud computing | 12,217 | 11% | 16,761 | 2,558 | 9% | 37% |
| Digital media and entertainment[3] | 7,198 | 6% | 8,047 | 1,228 | 4% | 12% |
| Innovation initiatives and others[3] | 1,034 | 1% | 1,222 | 187 | 1% | 18% |
| Total | 114,314 | 100% | 187,395 | 28,602 | 100% | 64% |

(1) We presented our commission revenue as part of customer management revenue in order to better reflect our value proposition to merchants on our platforms. Comparative figures are presented in the same manner accordingly.

(2) "Others" revenue under China commerce retail is primarily generated by our New Retail and direct sales businesses, comprising mainly Sun Art, Tmall Supermarket, Freshippo, direct import and Intime.

(3) Beginning on April 1, 2020, we reclassified revenue from our self-developed online games business, which was previously reported under the innovation initiatives and others segment, as revenue from digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

### Core commerce

- ***China commerce retail business***

  Revenue from our China commerce retail business in the quarter ended March 31, 2021 was RMB123,213 million (US$18,806 million), an increase of 74% compared to RMB70,905 million in the same quarter of 2020. Customer management revenue grew 40% year-over-year, primarily due to an increase in the average unit price per click in search monetization, the growth in revenue from new monetization formats, such as recommendation feeds, as well as robust growth of online physical goods GMV on our China retail marketplaces, excluding unpaid orders. The relatively high year-over-year revenue growth rate was also due to the substantial decline in business activities during the early stages of the COVID-19 pandemic in the same period last year.

"Others" revenue under China commerce retail business was RMB59,615 million (US$9,099 million), achieving year-over-year growth of 134% compared to RMB25,499 million in the same quarter of 2020. The increase was primarily driven by the consolidation of Sun Art, as well as the contributions from our direct sales businesses, including Tmall Supermarket.

- ***China commerce wholesale business***

  Revenue from our China commerce wholesale business in the quarter ended March 31, 2021 was RMB3,370 million (US$514 million), an increase of 21% compared to RMB2,787 million in the same quarter of 2020. The increase was primarily due to increases in both average revenue from paying members and the number of paying members on 1688.com.

- ***International commerce retail business***

  Revenue from our international commerce retail business in the quarter ended March 31, 2021 was RMB9,496 million (US$1,449 million), an increase of 77% compared to RMB5,353 million in the same quarter of 2020. The increase was primarily due to the growth in revenue generated by Lazada, AliExpress and Trendyol. The relatively high year-over-year revenue growth rate was due to the substantial decline in business activities during the early stages of the COVID-19 pandemic in the same period last year.

- ***International commerce wholesale business***

  Revenue from our international commerce wholesale business in the quarter ended March 31, 2021 was RMB3,920 million (US$598 million), an increase of 59% compared to RMB2,458 million in the same quarter of 2020. The increase was primarily due to increases in both the number of paying members and average revenue from paying members on Alibaba.com, as well as an increase in revenue generated by cross-border related value-added services.

- ***Cainiao logistics services***

  Revenue from Cainiao Network's logistics services, which represents revenue from its domestic and international one-stop-shop logistics services and supply chain management solutions, after elimination of inter-company transactions, was RMB9,959 million (US$1,520 million) in the quarter ended March 31, 2021, an increase of 101% compared to RMB4,951 million in the same quarter of 2020, primarily due to the increases in both volume of orders fulfilled and average revenue per order from our fast growing cross-border and international commerce retail businesses. The relatively high year-over-year revenue growth rate was also due to the substantial decline in business activities during the early stages of the COVID-19 pandemic in the same period last year.

- ***Local Consumer Services***

  Revenue from Local Consumer Services, which primarily represents platform commissions, fees from provision of delivery services and other services provided by our on-demand delivery and local services platform Ele.me, was RMB7,249 million (US$1,107 million) in the quarter ended March 31, 2021, an increase of 50% compared to RMB4,841 million in the same quarter of 2020, primarily due to an increase in GMV, partly offset by the increase in subsidies for user acquisition and engagement that is contra revenue. The relatively high year-over-year revenue growth rate was also due to mass closure of restaurants and local merchants in China during the early stages of the COVID-19 pandemic in the same period last year.

**Cloud computing**

Revenue from our cloud computing business in the quarter ended March 31, 2021 was RMB16,761 million (US$2,558 million), an increase of 37% compared to RMB12,217 million in the same quarter of 2020, primarily driven by growth in revenue from customers in the Internet, public sector and finance industries. The slower revenue growth during the quarter was primarily due to revenue decline from a top cloud customer in the Internet industry. This customer, which has a sizeable presence outside of China that used our overseas cloud services in the past, has decided to terminate the relationship with respect to their international business due to non-product related requirements.

**Digital media and entertainment**

Revenue from our digital media and entertainment segment in the quarter ended March 31, 2021 was RMB8,047 million (US$1,228 million), an increase of 12% compared to RMB7,198 million in the same quarter of 2020. The slight increase was primarily due to the increase in revenues from Alibaba Pictures and online games business, partly offset by the decrease in revenue from customer management.

**Innovation initiatives and others**

Revenue from innovation initiatives and others in the quarter ended March 31, 2021 was RMB1,222 million (US$187 million), an increase of 18% compared to RMB1,034 million in the same quarter of 2020.

## Costs and Expenses

The following tables set forth a breakdown of our costs and expenses, share-based compensation expense and costs and expenses excluding share-based compensation expense by function for the periods indicated.

| | Three months ended March 31, | | | | | % of Revenue YoY change |
|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | | |
| | RMB | % of Revenue | RMB | US$ | % of Revenue | |
| | (in millions, except percentages) | | | | | |
| **Costs and expenses:** | | | | | | |
| Cost of revenue | 72,502 | 64% | 125,454 | 19,148 | 67% | 3% |
| Product development expenses | 10,587 | 9% | 13,302 | 2,031 | 7% | (2)% |
| Sales and marketing expenses | 12,179 | 11% | 25,153 | 3,839 | 14% | 3% |
| General and administrative expenses | 7,871 | 7% | 27,734 | 4,233 | 14% | 7% |
| Amortization and impairment of intangible assets | 4,044 | 3% | 3,415 | 521 | 2% | (1)% |
| Total costs and expenses | 107,183 | 94% | 195,058 | 29,772 | 104% | 10% |
| **Share-based compensation expense:** | | | | | | |
| Cost of revenue | 1,857 | 2% | 1,750 | 267 | 1% | (1)% |
| Product development expenses | 3,484 | 3% | 3,785 | 578 | 2% | (1)% |
| Sales and marketing expenses | 1,017 | 1% | 1,001 | 153 | 1% | 0% |
| General and administrative expenses | 2,294 | 2% | 2,096 | 320 | 1% | (1)% |
| Total share-based compensation expense | 8,652 | 8% | 8,632 | 1,318 | 5% | (3)% |
| **Costs and expenses excluding share-based compensation expense:** | | | | | | |
| Cost of revenue | 70,645 | 62% | 123,704 | 18,881 | 66% | 4% |
| Product development expenses | 7,103 | 6% | 9,517 | 1,453 | 5% | (1)% |
| Sales and marketing expenses | 11,162 | 10% | 24,152 | 3,686 | 13% | 3% |
| General and administrative expenses | 5,577 | 5% | 25,638 | 3,913 | 13% | 8% |
| Amortization and impairment of intangible assets | 4,044 | 3% | 3,415 | 521 | 2% | (1)% |
| Total costs and expenses excluding share-based compensation expense | 98,531 | 86% | 186,426 | 28,454 | 99% | 13% |

**Cost of revenue –** Cost of revenue in the quarter ended March 31, 2021 was RMB125,454 million (US$19,148 million), or 67% of revenue, compared to RMB72,502 million, or 64% of revenue, in the same quarter of 2020. Without the effect of share-based compensation expense, cost of revenue as a percentage of revenue would have increased from 62% in the quarter ended March 31, 2020 to 66% in the quarter ended

March 31, 2021. The increase was primarily attributable to higher proportion of our direct sales businesses from the consolidation of Sun Art which resulted in increased cost of inventory.

**Product development expenses –** Product development expenses in the quarter ended March 31, 2021 were RMB13,302 million (US$2,031 million), or 7% of revenue, compared to RMB10,587 million, or 9% of revenue, in the same quarter of 2020. Without the effect of share-based compensation expense, product development expenses as a percentage of revenue would have decreased from 6% in the quarter ended March 31, 2020 to 5% in the quarter ended March 31, 2021.

**Sales and marketing expenses –** Sales and marketing expenses in the quarter ended March 31, 2021 were RMB25,153 million (US$3,839 million), or 14% of revenue, compared to RMB12,179 million, or 11% of revenue, in the same quarter of 2020. Without the effect of share-based compensation expense, sales and marketing expenses as a percentage of revenue would have increased from 10% in the quarter ended March 31, 2020 to 13% in the quarter ended March 31, 2021. The increase was primarily due to an increase in marketing and promotional spending for user acquisition and retention on our China retail marketplaces.

**General and administrative expenses –** General and administrative expenses in the quarter ended March 31, 2021 were RMB27,734 million (US$4,233 million) or 14% of revenue, compared to RMB7,871 million, or 7% of revenue, in the same quarter of 2020, primarily due to the Anti-monopoly Fine in the amount of RMB18,228 million (US$2,782 million). Without the effect of this fine imposed and share-based compensation expense, general and administrative expenses as a percentage of revenue would have decreased from 5% in the quarter ended March 31, 2020 to 4% in the quarter ended March 31, 2021.

**Share-based compensation expense –** Total share-based compensation expense included in the cost and expense items above in the quarter ended March 31, 2021 was RMB8,632 million (US$1,318 million), compared to RMB8,652 million in the same quarter of 2020. Share-based compensation expense as a percentage of revenue decreased to 5% in the quarter ended March 31, 2021, as compared to 8% in the same quarter last year.

The following table sets forth our analysis of share-based compensation expense for the quarters indicated by type of share-based awards:

| | Three months ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | | December 31, 2020 | | March 31, 2021 | | | % Change | |
| | RMB | % of Revenue | RMB | % of Revenue | RMB | US$ | % of Revenue | YoY | QoQ |
| | (in millions, except percentages) | | | | | | | | |
| **By type of awards:** | | | | | | | | | |
| Alibaba Group share-based awards[1] | 6,832 | 6% | 7,694 | 4% | 7,162 | 1,093 | 4% | 5% | (7)% |
| Ant Group share-based awards[2] | 259 | 0% | 542 | 0% | 444 | 68 | 0% | 71% | (18)% |
| Others[3] | 1,561 | 2% | 843 | 0% | 1,026 | 157 | 1% | (34)% | 22% |
| Total share-based compensation expense | 8,652 | 8% | 9,079 | 4% | 8,632 | 1,318 | 5% | (0)% | (5)% |

(1) This represents Alibaba Group share-based awards granted to our employees.

(2) This represents Ant Group share-based awards granted to our employees, which is subject to mark-to-market accounting treatment.

(3) Others includes share-based awards of our subsidiaries.

Share-based compensation expense related to Alibaba Group share-based awards remained stable in this quarter compared to the previous quarter.

We expect that our share-based compensation expense will continue to be affected by changes in the fair value of the underlying awards and the quantity of awards we grant in the future.

**Amortization and impairment of intangible assets –** Amortization and impairment of intangible assets in the quarter ended March 31, 2021 was RMB3,415 million (US$521 million), a decrease of 16% from RMB4,044 million in the same quarter of 2020. The decrease was primarily due to an impairment loss of intangible assets recorded in the quarter ended March 31, 2020.

**Income (loss) from operations and operating margin**

Loss from operations in the quarter ended March 31, 2021 was RMB7,663 million (US$1,170 million), or negative 4% of revenue, compared to income from operations of RMB7,131 million, or 6% of revenue, in the same quarter of 2020, due to the Anti-monopoly Fine in the amount of RMB18,228 million (US$2,782 million). Excluding this impact, our income from operations would have been RMB10,565 million (US$1,612 million), an increase of 48% year-over-year.

**Adjusted EBITDA and Adjusted EBITA**

Adjusted EBITDA increased 18% year-over-year to RMB29,898 million (US$4,563 million) in the quarter ended March 31, 2021, compared to RMB25,440 million in the same quarter of 2020. Excluding the consolidation of Sun Art, our adjusted EBITDA would have grown 12% year-over-year.

Adjusted EBITA increased 14% year-over-year to RMB22,612 million (US$3,451 million) in the quarter ended March 31, 2021, compared to RMB19,827 million in the same quarter of 2020. A reconciliation of net income to adjusted EBITDA and adjusted EBITA is included at the end of this results announcement.

**Adjusted EBITA and adjusted EBITA margin by segments**

Adjusted EBITA and adjusted EBITA margin by segments are set forth in the table below. See the section entitled "Information by Segments" above for a reconciliation of income (loss) from operations to adjusted EBITA.

| | Three months ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2020 | | 2021 | | |
| | RMB | % of Segment Revenue | RMB | US$ | % of Segment Revenue |
| | (in millions, except percentages) | | | | |
| Core commerce | 28,126 | 30% | 30,680 | 4,683 | 19% |
| Cloud computing | (179) | (1)% | 308 | 47 | 2% |
| Digital media and entertainment[(1)] | (3,335) | (46)% | (2,698) | (412) | (34)% |
| Innovation initiatives and others[(1)] | (3,106) | (300)% | (3,179) | (485) | (260)% |

(1) Beginning on April 1, 2020, we reclassified the results of our self-developed online games business, which was previously reported under the innovation initiatives and others segment, to the digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

**Core commerce segment –** Adjusted EBITA increased by 9% to RMB30,680 million (US$4,683 million) in the quarter ended March 31, 2021, compared to RMB28,126 million in the same quarter of 2020, primarily due to marketplace-based core commerce adjusted EBITA increasing 28% year-over-year to

RMB44,336 million (US$6,767 million), partly offset by the increase in our strategic investments, including Local Consumer Services and Taobao Deals, as well as the normalization of grocery demand from Freshippo stores after China's recovery from the COVID-19 pandemic. Starting this quarter, for purposes of presenting our marketplace-based core commerce adjusted EBITA, we expanded the list of new initiative businesses that we break out in order to present the progress of our strategic investments as well as the profitability of our marketplace-based core commerce businesses on a like-for-like basis. The new initiative businesses, which now include our New Retail businesses, Local Consumer Services, Lazada, Taobao Deals, Cainiao Network, and others, represent strategic areas where we are executing to capture incremental opportunities. Comparative figures are presented in the same manner accordingly.

Adjusted EBITA margin decreased from 30% in the quarter ended March 31, 2020 to 19% in the quarter ended March 31, 2021, primarily due to the consolidation of Sun Art, the increase in our strategic investments in Local Consumer Services and Taobao Deals, as well as the increased revenue contribution from our self-operated New Retail and direct sales businesses, in respect of which revenue is recorded on a gross basis, including the cost of inventory.

A reconciliation of adjusted EBITA for core commerce to marketplace-based core commerce adjusted EBITA is included at the end of this results announcement.

We expect that our core commerce adjusted EBITA margin will continue to be affected by the pace of our investment in new businesses and the growth of our self-operated New Retail and direct sales businesses.

**Cloud computing segment –** Adjusted EBITA was a profit of RMB308 million (US$47 million) in the quarter ended March 31, 2021, compared to a loss of RMB179 million in the same quarter of 2020, primarily attributable to the realization of economies of scale.

**Digital media and entertainment segment –** Adjusted EBITA in the quarter ended March 31, 2021 was a loss of RMB2,698 million (US$412 million), compared to a loss of RMB3,335 million in the same quarter of 2020. Adjusted EBITA margin improved to negative 34% in the quarter ended March 31, 2021 from negative 46% in the quarter ended March 31, 2020, primarily due to reduced losses of Alibaba Pictures, partly offset by the decrease in revenue contribution from customer management.

**Innovation initiatives and others segment –** Adjusted EBITA in the quarter ended March 31, 2021 was a loss of RMB3,179 million (US$485 million), compared to a loss of RMB3,106 million in the same quarter of 2020, mainly due to our investments in technological research and innovation offset by the reduced loss of DingTalk.

**Interest and investment income, net**

Interest and investment income, net in the quarter ended March 31, 2021 was RMB111 million (US$17 million), compared to a loss of RMB7,715 million in the same quarter of 2020, primarily due to the year-over-year decrease in net loss arising from the fair value changes of our investments in the quarter ended March 31, 2021.

The above-mentioned losses were excluded from our non-GAAP net income.

**Other income, net**

Other income, net in the quarter ended March 31, 2021 was RMB2,115 million (US$323 million), compared to RMB1,180 million in the same quarter of 2020. The increase in other income, net was mainly due to the decrease in exchange loss.

**Income tax expenses**

Income tax expenses in the quarter ended March 31, 2021 were RMB7,049 million (US$1,076 million), compared to RMB2,628 million in the same quarter of 2020.

Excluding the Anti-monopoly Fine, share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments, as well as deferred tax effects arising from our share of results of equity method investees, our effective tax rate would have been 23% in the quarter ended March 31, 2021.

**Share of results of equity method investees**

Share of results of equity method investees in the quarter ended March 31, 2021 was RMB5,992 million (US$915 million), compared to RMB3,545 million in the same quarter of 2020. We record our share of results of all equity method investees one quarter in arrears. Share of results of equity method investees in the quarter ended March 31, 2021 and the comparative periods consisted of the following:

| | Three months ended | | | |
|---|---|---|---|---|
| | March 31, 2020 | December 31, 2020 | March 31, 2021 | |
| | RMB | RMB | RMB | US$ |
| | | (in millions) | | |
| Share of profit (loss) of equity method investees | | | | |
| - Ant Group | 5,109 | 4,796 | 7,182 | 1,096 |
| - Others | 164 | (100) | (432) | (66) |
| Impairment loss | (234) | (7,196) | (55) | (8) |
| Dilution (loss) gain | (249) | (19) | 437 | 67 |
| Others[1] | (1,245) | (1,082) | (1,140) | (174) |
| Total | 3,545 | (3,601) | 5,992 | 915 |

(1) Others mainly include amortization of intangible assets of equity method investees and share-based compensation expense related to share-based awards granted to employees of our equity method investees.

**Net income (loss) and Non-GAAP net income**

Our net loss in the quarter ended March 31, 2021 was RMB7,654 million (US$1,168 million), as compared to net income of RMB348 million in the same quarter of 2020, primarily due to the Anti-Monopoly Fine in the amount of RMB18,228 million (US$2,782 million), partly offset by the year-over-year decrease in net loss arising from the fair value changes of our investments in the quarter ended March 31, 2021.

Excluding the Anti-monopoly Fine, share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments and intangible assets and certain other items, non-GAAP net income in the quarter ended March 31, 2021 was RMB26,216 million (US$4,001 million), an increase of 18% compared to RMB22,287 million in the same quarter of 2020. A reconciliation of net income to non-GAAP net income is included at the end of this results announcement.

**Net income (loss) attributable to ordinary shareholders**

Net loss attributable to ordinary shareholders in the quarter ended March 31, 2021 was RMB5,479 million (US$836 million), compared to net income attributable to ordinary shareholders of RMB3,162 million in the same quarter of 2020 primarily due to the Anti-monopoly Fine in the amount of RMB18,228 million (US$2,782 million), partly offset by the year-over-year decrease in net loss arising from the fair value changes of our investments in the quarter ended March 31, 2021.

**Diluted earnings (loss) per ADS/share and non-GAAP diluted earnings per ADS/share**

Diluted loss per ADS in the quarter ended March 31, 2021 was RMB1.99 (US$0.30) on a weighted average of 22,024 million diluted shares outstanding during the quarter, compared to diluted earnings per ADS of RMB1.16 on a weighted average of 21,822 million diluted shares outstanding during the same quarter in 2020. Excluding the Anti-monopoly Fine, share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments and intangible assets and certain other items, non-GAAP diluted earnings per ADS in the quarter ended March 31, 2021 was RMB10.32 (US$1.58), an increase of 12% compared to RMB9.20 in the same quarter of 2020.

Diluted loss per share in the quarter ended March 31, 2021 was RMB0.25 (US$0.04 or HK$0.30), compared to diluted earnings per share of RMB0.14 in the same quarter of 2020. Excluding the Anti-monopoly Fine, share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments and intangible assets and certain other items, non-GAAP diluted earnings per share in the quarter ended March 31, 2021 was RMB1.29 (US$0.20 or HK$1.53), an increase of 12%, compared to RMB1.15 in the same quarter of 2020.

A reconciliation of diluted earnings (loss) per ADS/share to non-GAAP diluted earnings per ADS/share is included at the end of this results announcement. Each ADS represents eight ordinary shares.

**Cash, cash equivalents and short-term investments**

As of March 31, 2021, cash, cash equivalents and short-term investments were RMB473,638 million (US$72,291 million), compared to RMB456,314 million as of December 31, 2020. The increase in cash, cash equivalents and short-term investments during the quarter ended March 31, 2021 was primarily due to net proceeds of RMB32,008 million (US$4,885 million) from issuance of unsecured senior notes, partly offset by cash used in investment and acquisition activities of RMB17,597 million (US$2,686 million).

**Cash flow from operating activities and free cash flow**

Net cash provided by operating activities in the quarter ended March 31, 2021 was RMB24,183 million (US$3,691 million), which includes a net cash inflow of RMB18,796 million (US$2,869 million) in connection with the consumer protection fund deposits received primarily from Tmall merchants, as well as our increased spending for strategic initiatives. Free cash flow, which excluded these deposits and certain other items, was an outflow of RMB658 million (US$100 million) in the quarter ended March 31, 2021, compared to an outflow of RMB4,214 million in the same quarter of 2020. A reconciliation of net cash provided by operating activities to free cash flow is included at the end of this results announcement.

**Net cash used in investing activities**

During the quarter ended March 31, 2021, net cash used in investing activities of RMB27,701 million (US$4,228 million) primarily reflected (i) cash outflow of RMB17,597 million (US$2,686 million) for investment and acquisition activities, including the investments in Bilibili and STO Express, (ii) an increase in short-term investments by RMB7,846 million (US$1,198 million), as well as (iii) capital expenditures of RMB7,688 million (US$1,173 million), which included cash outflow for acquisition of land use rights and construction in progress relating to office campuses of RMB1,645 million (US$251 million).

We adopted ASU 2019-02, "Entertainment — Films — Other Assets — Film Costs (Subtopic 926-20) and Entertainment — Broadcasters — Intangibles — Goodwill and Other (Subtopic 920-350)," on April 1, 2020. As a result of our adoption of this new accounting update, we are now reporting cash outflows for the acquisition of licensed copyrights as operating activities in the consolidated statements of cash flows prospectively beginning on April 1, 2020. Prior to our adoption of ASU 2019-02, cash outflows for the acquisition of licensed copyrights were previously classified as investing activities in the consolidated statements of cash flows.

## Employees

As of March 31, 2021, we had a total of 251,462 employees, compared to 252,084 as of December 31, 2020.

## FULL FISCAL YEAR 2021 SUMMARY FINANCIAL RESULTS

| | Year ended March 31, | | | |
|---|---|---|---|---|
| | 2020 | 2021 | | |
| | RMB | RMB | US$[1] | YoY % Change |
| | (in millions, except percentages and per share amounts) | | | |
| Revenue | 509,711 | 717,289 | 109,480 | 41% |
| Income from operations | 91,430 | 89,678 | 13,688 | (2)% [3] |
| Operating margin | 18% | 13% | | |
| Adjusted EBITDA[2] | 157,659 | 196,842 | 30,044 | 25% |
| Adjusted EBITDA margin[2] | 31% | 27% | | |
| Adjusted EBITA[2] | 137,136 | 170,453 | 26,016 | 24% |
| Adjusted EBITA margin[2] | 27% | 24% | | |
| Net income | 140,350 | 143,284 | 21,869 | 2% |
| Net income attributable to ordinary shareholders | 149,263 | 150,308 | 22,941 | 1% |
| Non-GAAP net income[2] | 132,479 | 171,985 | 26,250 | 30% |
| Diluted earnings per share[5] | 6.99 | 6.84 | 1.04 | (2)% [4] |
| Diluted earnings per ADS[5] | 55.93 | 54.70 | 8.35 | (2)% [4] |
| Non-GAAP diluted earnings per share[2] [5] | 6.62 | 8.14 | 1.24 | 23% |
| Non-GAAP diluted earnings per ADS[2] [5] | 52.98 | 65.15 | 9.94 | 23% |

(1) This results announcement contains translations of certain Renminbi ("RMB") amounts into U.S. dollars ("US$") and Hong Kong dollars ("HK$") for the convenience of the reader. Unless otherwise stated, all translations of RMB into US$ were made at RMB6.5518 to US$1.00, the exchange rate on March 31, 2021 as set forth in the H.10 statistical release of the Federal Reserve Board, and all translations of RMB into HK$ were made at RMB0.84518 to HK$1.00, the middle rate on March 31, 2021 as published by The People's Bank of China. The percentages stated in this announcement are calculated based on the RMB amounts and there may be minor differences due to rounding.

(2) See the sections entitled "Information about Segments," "Non-GAAP Financial Measures" and "Reconciliations of Non-GAAP Measures to the Nearest Comparable U.S. GAAP Measures" for more information about the non-GAAP measures referred to within this results announcement.

(3) The year-over-year decrease was primarily due to the Anti-monopoly Fine in the amount of RMB18,228 million (US$2,782 million), as well as an increase in share-based compensation expense related to Ant Group share-based awards granted to our employees of RMB16,054 million.

(4) The year-over-year decrease was primarily due to the increase in the weighted average number of shares in fiscal year 2021. This increase was primarily due to the effects of the full year impact of our share issuance in connection with our global offering in November 2019.

(5) Each ADS represents eight ordinary shares.

## FULL FISCAL YEAR 2021 INFORMATION BY SEGMENTS

The table below sets forth selected financial information of our operating segments for the fiscal year 2021:

| | Year ended March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Core commerce | Cloud computing | Digital media and entertainment[(1)] | Innovation initiatives and others[(1)] | Unallocated[(2)] | Consolidated | |
| | RMB | RMB | RMB | RMB | RMB | RMB | US$ |
| | (in millions, except percentages) | | | | | | |
| **Revenue** | **621,146** | **60,120** | **31,186** | **4,837** | **—** | **717,289** | **109,480** |
| **Income (Loss) from operations** | **158,981** | **(9,050)** | **(10,321)** | **(15,502)** | **(34,430)** | **89,678** | **13,688** |
| Add: Share-based compensation expense | 24,356 | 8,861 | 3,281 | 5,162 | 8,460 | 50,120 | 7,650 |
| Add: Amortization of intangible assets | 11,175 | 23 | 922 | 83 | 224 | 12,427 | 1,896 |
| Add: Fine imposed pursuant to China's Anti-Monopoly Law | — | — | — | — | 18,228 | 18,228 | 2,782 |
| **Adjusted EBITA** | **194,512[(3)]** | **(166)** | **(6,118)** | **(10,257)** | **(7,518)** | **170,453** | **26,016** |
| **Adjusted EBITA margin** | **31%** | **(0)%** | **(20)%** | **(212)%** | | **24%** | |

| | Year ended March 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Core commerce | Cloud computing | Digital media and entertainment[(1)] | Innovation initiatives and others[(1)] | Unallocated[(2)] | Consolidated |
| | RMB | RMB | RMB | RMB | RMB | RMB |
| | (in millions, except percentages) | | | | | |
| **Revenue** | **436,104** | **40,016** | **29,094** | **4,497** | **—** | **509,711** |
| **Income (Loss) from operations** | **138,631** | **(7,016)** | **(15,389)** | **(12,499)** | **(12,297)** | **91,430** |
| Add: Share-based compensation expense | 15,427 | 5,577 | 2,566 | 3,928 | 4,244 | 31,742 |
| Add: Amortization and impairment of intangible assets | 11,742 | 25 | 1,377 | 86 | 158 | 13,388 |
| Add: Impairment of goodwill | — | — | — | — | 576 | 576 |
| **Adjusted EBITA** | **165,800[(3)]** | **(1,414)** | **(11,446)** | **(8,485)** | **(7,319)** | **137,136** |
| **Adjusted EBITA margin** | **38%** | **(4)%** | **(39)%** | **(189)%** | | **27%** |

(1) Beginning on April 1, 2020, we reclassified the results of our self-developed online games business, which was previously reported under the innovation initiatives and others segment, to the digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

(2) Unallocated expenses are primarily related to corporate administrative costs and other miscellaneous items that are not allocated to individual segments.

(3) Marketplace-based core commerce adjusted EBITA increased 17% year-over-year to RMB229,134 million (US$34,973 million). In fiscal year 2021, for purposes of presenting our marketplace-based core commerce adjusted EBITA, we expanded the list of new initiative businesses that we break out in order to present the progress of our strategic investments as well as the profitability of our marketplace-based core commerce businesses on a like-for-like basis. The new initiative businesses, which now include our New Retail businesses, Local Consumer Services, Lazada, Taobao Deals, Cainiao Network, and others, represent strategic areas where we are executing to capture incremental opportunities. Comparative figures are presented in the same manner accordingly. A reconciliation of adjusted EBITA for core commerce to marketplace-based core commerce adjusted EBITA is included at the end of this results announcement.

## FULL FISCAL YEAR 2021 OPERATIONAL AND FINANCIAL RESULTS

**Revenue**

Revenue in fiscal year 2021 was RMB717,289 million (US$109,480 million), an increase of 41% compared to RMB509,711 million in fiscal year 2020. The increase was mainly driven by the robust revenue growth of our China commerce retail business, which includes the consolidation of Sun Art starting in October 2020, and the strong revenue growth of cloud computing and Cainiao logistics services businesses. Excluding the consolidation of Sun Art, our revenue would have grown 32% year-over-year to RMB674,420 million (US$102,937 million).

The following table sets forth a breakdown of our revenue by segment for the periods indicated:

| | Year ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | | |
| | RMB | % of Revenue | RMB | US$ | % of Revenue | YoY % Change |
| | (in millions, except percentages) | | | | | |
| Core commerce: | | | | | | |
| China commerce retail | | | | | | |
| - Customer management[(1)] | 246,482 | 48% | 306,070 | 46,715 | 43% | 24% |
| - Others[(2)] | 86,268 | 17% | 167,613 | 25,583 | 23% | 94% |
| | 332,750 | 65% | 473,683 | 72,298 | 66% | 42% |
| China commerce wholesale | 12,427 | 3% | 14,322 | 2,186 | 2% | 15% |
| International commerce retail | 24,323 | 5% | 34,455 | 5,259 | 5% | 42% |
| International commerce wholesale | 9,594 | 2% | 14,396 | 2,197 | 2% | 50% |
| Cainiao logistics services | 22,233 | 4% | 37,258 | 5,687 | 5% | 68% |
| Local Consumer Services | 25,440 | 5% | 31,537 | 4,813 | 5% | 24% |
| Others | 9,337 | 2% | 15,495 | 2,365 | 2% | 66% |
| Total core commerce | 436,104 | 86% | 621,146 | 94,805 | 87% | 42% |
| Cloud computing | 40,016 | 8% | 60,120 | 9,176 | 8% | 50% |
| Digital media and entertainment[(3)] | 29,094 | 5% | 31,186 | 4,760 | 4% | 7% |
| Innovation initiatives and others[(3)] | 4,497 | 1% | 4,837 | 739 | 1% | 8% |
| Total | 509,711 | 100% | 717,289 | 109,480 | 100% | 41% |

(1) We presented our commission revenue as part of customer management revenue in order to better reflect our value proposition to merchants on our platforms. Comparative figures are presented in the same manner accordingly.

(2) "Others" revenue under China commerce retail is primarily generated by our New Retail and direct sales businesses, comprising mainly Tmall Supermarket, Sun Art, Freshippo, direct import and Intime.

(3) Beginning on April 1, 2020, we reclassified revenue from our self-developed online games business, which was previously reported under the innovation initiatives and others segment, as revenue from digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

### Core commerce

- ***China commerce retail business***

  Revenue from our China commerce retail business in fiscal year 2021 was RMB473,683 million (US$72,298 million), an increase of 42% compared to RMB332,750 million in fiscal year 2020. Customer management revenue grew 24% year-over-year, primarily due to robust growth in revenue from new monetization formats, such as recommendation feeds, increases in both average unit price per click and the volume of paid clicks in search monetization, as well as the robust growth of online physical goods GMV on our China retail marketplaces, excluding unpaid orders.

"Others" revenue under China commerce retail business in fiscal year 2021 was RMB167,613 million (US$25,583 million), achieving year-over-year growth of 94% compared to RMB86,268 million in fiscal year 2020, primarily driven by the consolidation of Sun Art, as well as the contributions from our direct sales businesses, including Tmall Supermarket and Freshippo.

- ***China commerce wholesale business***

  Revenue from our China commerce wholesale business in fiscal year 2021 was RMB14,322 million (US$2,186 million), an increase of 15% compared to RMB12,427 million in fiscal year 2020. The increase was primarily due to increases in both average revenue from paying members and the number of paying members on 1688.com.

- ***International commerce retail business***

  Revenue from our international commerce retail business in fiscal year 2021 was RMB34,455 million (US$5,259 million), an increase of 42% compared to RMB24,323 million in fiscal year 2020. The increase was primarily due to the growth in revenue generated by Lazada and Trendyol.

- ***International commerce wholesale business***

  Revenue from our international commerce wholesale business in fiscal year 2021 was RMB14,396 million (US$2,197 million), an increase of 50% compared to RMB9,594 million in fiscal year 2020. The increase was primarily due to an increase in the number of paying members on Alibaba.com, as well as an increase in revenue generated by cross-border related value-added services.

- ***Cainiao logistics services***

  Revenue from Cainiao Network's logistics services, which represents revenue from its domestic and international one-stop-shop logistics services and supply chain management solutions, after elimination of inter-company transactions, was RMB37,258 million (US$5,687 million) in fiscal year 2021, an increase of 68% compared to RMB22,233 million in fiscal year 2020, primarily due to the increases in both volume of orders fulfilled and average revenue per order from our fast growing cross-border and international commerce retail businesses.

- ***Local Consumer Services***

  Revenue from Local Consumer Services, which primarily represents platform commissions, fees from provision of delivery services and other services provided by our on-demand delivery and local services platform Ele.me, was RMB31,537 million (US$4,813 million) in fiscal year 2021, an increase of 24% compared to RMB25,440 million in fiscal year 2020, primarily due to an increase in GMV.

**Cloud computing**

Revenue from our cloud computing business in fiscal year 2021 was RMB60,120 million (US$9,176 million), an increase of 50% compared to RMB40,016 million in fiscal year 2020, primarily driven by growth in revenue from customers in the Internet, the public sector and finance industries.

**Digital media and entertainment**

Revenue from our digital media and entertainment business in fiscal year 2021 was RMB31,186 million (US$4,760 million), an increase of 7% compared to RMB29,094 million in fiscal year 2020. The increase was primarily due to the increase in revenue from online games business, partly offset by the decrease in revenue from customer management.

**Innovation initiatives and others**

Revenue from innovation initiatives and others in fiscal year 2021 was RMB4,837 million (US$739 million), an increase of 8% compared to RMB4,497 million in fiscal year 2020.

**Costs and Expenses**

The following tables set forth a breakdown of our costs and expenses, share-based compensation expense and costs and expenses excluding share-based compensation expense by function for the periods indicated.

| | Year ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | | |
| | RMB | % of Revenue | RMB | US$ | % of Revenue | % of Revenue YoY change |
| | (in millions, except percentages) | | | | | |
| **Costs and expenses:** | | | | | | |
| Cost of revenue | 282,367 | 55% | 421,205 | 64,289 | 59% | 4% |
| Product development expenses | 43,080 | 9% | 57,236 | 8,736 | 8% | (1)% |
| Sales and marketing expenses | 50,673 | 10% | 81,519 | 12,442 | 11% | 1% |
| General and administrative expenses | 28,197 | 5% | 55,224 | 8,429 | 8% | 3% |
| Amortization and impairment of intangible assets | 13,388 | 3% | 12,427 | 1,896 | 1% | (2)% |
| Impairment of goodwill | 576 | 0% | — | — | — | 0% |
| Total costs and expenses | 418,281 | 82% | 627,611 | 95,792 | 87% | 5% |
| **Share-based compensation expense by function:** | | | | | | |
| Cost of revenue | 7,322 | 1% | 11,224 | 1,713 | 2% | 1% |
| Product development expenses | 13,654 | 3% | 21,474 | 3,278 | 3% | 0% |
| Sales and marketing expenses | 3,830 | 1% | 5,323 | 812 | 0% | (1)% |
| General and administrative expenses | 6,936 | 1% | 12,099 | 1,847 | 2% | 1% |
| Total share-based compensation expense | 31,742 | 6% | 50,120 | 7,650 | 7% | 1% |
| **Costs and expenses excluding share-based compensation expense:** | | | | | | |
| Cost of revenue | 275,045 | 54% | 409,981 | 62,576 | 57% | 3% |
| Product development expenses | 29,426 | 6% | 35,762 | 5,458 | 5% | (1)% |
| Sales and marketing expenses | 46,843 | 9% | 76,196 | 11,630 | 11% | 2% |
| General and administrative expenses | 21,261 | 4% | 43,125 | 6,582 | 6% | 2% |
| Amortization and impairment of intangible assets | 13,388 | 3% | 12,427 | 1,896 | 1% | (2)% |
| Impairment of goodwill | 576 | 0% | — | — | — | 0% |
| Total costs and expenses excluding share-based compensation expense | 386,539 | 76% | 577,491 | 88,142 | 80% | 4% |

**Cost of revenue –** Cost of revenue in fiscal year 2021 was RMB421,205 million (US$64,289 million), or 59% of revenue, compared to RMB282,367 million, or 55% of revenue, in fiscal year 2020. Without the effect of share-based compensation expense, cost of revenue as a percentage of revenue would have increased from 54% in fiscal year 2020 to 57% in fiscal year 2021. The increase was primarily attributable to higher proportion of our direct sales businesses from the consolidation of Sun Art as well as the growth of our Tmall Supermarket, which resulted in increased cost of inventory.

**Product development expenses –** Product development expenses in fiscal year 2021 were RMB57,236 million (US$8,736 million), or 8% of revenue, compared to RMB43,080 million, or 9% of revenue, in fiscal year 2020. Without the effect of share-based compensation expense, product development expenses as a percentage of revenue would have decreased from 6% in fiscal year 2020 to 5% in fiscal year 2021.

**Sales and marketing expenses –** Sales and marketing expenses in fiscal year 2021 were RMB81,519 million (US$12,442 million), or 11% of revenue, compared to RMB50,673 million, or 10% of revenue, in fiscal year 2020. Without the effect of share-based compensation expense, sales and marketing expenses as a percentage of revenue would have increased from 9% in fiscal year 2020 to 11% in fiscal year 2021. The increase was primarily due to an increase in marketing and promotional spending for user acquisition and retention on our China retail marketplaces.

**General and administrative expenses –** General and administrative expenses in fiscal year 2021 were RMB55,224 million (US$8,429 million) or 8% of revenue, compared to RMB28,197 million, or 5% of revenue, in fiscal year 2020, primarily due to the Anti-monopoly Fine in the amount of RMB18,228 million (US$2,782 million). Without the effect of this fine imposed and share-based compensation expense, general and administrative expenses as a percentage of revenue would have decreased from 4% in fiscal year 2020 to 3% in fiscal year 2021.

**Share-based compensation expense –** Total share-based compensation expense included in the cost and expense items above in fiscal year 2021 was RMB50,120 million (US$7,650 million), an increase of 58% compared to RMB31,742 million in fiscal year 2020. Share-based compensation expense as a percentage of revenue increased to 7% in fiscal year 2021, as compared to 6% in fiscal year 2020.

The following table sets forth our analysis of share-based compensation expense for the periods indicated by type of share-based awards:

| | Year ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | | |
| | RMB | % of Revenue | RMB | US$ | % of Revenue | YoY % Change |
| | (in millions, except percentages) | | | | | |
| **By type of awards:** | | | | | | |
| Alibaba Group share-based awards[1] | 26,216 | 5% | 29,317 | 4,475 | 4% | 12% |
| Ant Group share-based awards[2] | 1,261 | 0% | 17,315 | 2,643 | 2% | 1,273% |
| Others[3] | 4,265 | 1% | 3,488 | 532 | 1% | (18)% |
| Total share-based compensation expense | 31,742 | 6% | 50,120 | 7,650 | 7% | 58% |

(1) This includes Alibaba Group share-based awards granted to our employees and Ant Group employees. Commencing upon the receipt of the 33% equity interest in Ant Group on September 23, 2019, the expense relating to Alibaba Group share-based awards granted to Ant Group employees are recognized in share of results of equity method investees.

(2) This represents Ant Group share-based awards granted to our employees, which is subject to mark-to-market accounting treatment.

(3) Others includes share-based awards of our subsidiaries.

Share-based compensation expense related to Alibaba Group share-based awards increased in fiscal year 2021 compared to fiscal year 2020. This increase is primarily due to the general increase in the average fair market value of the awards granted.

Share-based compensation expense related to Ant Group share-based awards increased significantly in fiscal year 2021 compared to fiscal year 2020, mainly due to the recognition of an increase in the value of these awards in fiscal year 2021.

We expect that our share-based compensation expense will continue to be affected by changes in the fair value of the underlying awards and the quantity of awards we grant in the future.

**Amortization and impairment of intangible assets –** Amortization and impairment of intangible assets in fiscal year 2021 was RMB12,427 million (US$1,896 million), a decrease of 7% from RMB13,388 million in fiscal year 2020. The decrease was mainly due to an impairment loss of intangible assets recorded in fiscal year 2020.

**Income from operations and operating margin**

Income from operations in fiscal year 2021 was RMB89,678 million (US$13,688 million), or 13% of revenue, a decrease of 2% compared to RMB91,430 million, or 18% of revenue, in fiscal year 2020. The year-over-year decrease was primarily due to the Anti-monopoly Fine in the amount of RMB18,228 million (US$2,782 million), as well as an increase in share-based compensation expense related to Ant Group share-based awards granted to our employees of RMB16,054 million.

**Adjusted EBITDA and Adjusted EBITA**

Adjusted EBITDA increased 25% year-over-year to RMB196,842 million (US$30,044 million) in fiscal year 2021, compared to RMB157,659 million in fiscal year 2020. Adjusted EBITA increased 24% year-over-year to RMB170,453 million (US$26,016 million) in fiscal year 2021, compared to RMB137,136 million in fiscal year 2020. A reconciliation of net income to adjusted EBITDA and adjusted EBITA is included at the end of this results announcement.

**Adjusted EBITA and adjusted EBITA margin by segments**

Adjusted EBITA and adjusted EBITA margin by segments are set forth in the table below. See the section entitled "Information about Segments" above for a reconciliation of income (loss) from operations to adjusted EBITA.

| | Year ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2020 | | 2021 | | |
| | RMB | % of Segment Revenue | RMB | US$ | % of Segment Revenue |
| | (in millions, except percentages) | | | | |
| Core commerce | 165,800 | 38% | 194,512 | 29,688 | 31% |
| Cloud computing | (1,414) | (4)% | (166) | (25) | (0)% |
| Digital media and entertainment[(1)] | (11,446) | (39)% | (6,118) | (934) | (20)% |
| Innovation initiatives and others[(1)] | (8,485) | (189)% | (10,257) | (1,566) | (212)% |

(1) Beginning on April 1, 2020, we reclassified the results of our self-developed online games business, which was previously reported under the innovation initiatives and others segment, to the digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

**Core commerce segment –** Adjusted EBITA increased by 17% to RMB194,512 million (US$29,688 million) in fiscal year 2021, compared to RMB165,800 million in fiscal year 2020, primarily due to marketplace-based core commerce adjusted EBITA increasing 17% year-over-year to RMB229,134 million (US$34,973 million), partly offset by our increased strategic investments in certain new businesses within China retail marketplaces, such as Taobao Deals. In fiscal year 2021, for purposes of presenting our marketplace-based core commerce adjusted EBITA, we expanded the list of new initiative businesses that we break out in order to present the progress of our strategic investments as well as the profitability of our marketplace-based core commerce businesses on a like-for-like basis. The new initiative businesses, which now include our New Retail businesses, Local Consumer Services, Lazada, Taobao Deals, Cainiao Network, and others, represent strategic areas where we are executing to capture incremental opportunities. Comparative figures are presented in the same manner accordingly.

Adjusted EBITA margin decreased from 38% in fiscal year 2020 to 31% in fiscal year 2021 primarily due to the consolidation of Sun Art, as well as the increased revenue contribution from our self-operated New Retail and direct sales businesses, in respect of which revenue is recorded on a gross basis, including the cost of inventory.

A reconciliation of adjusted EBITA for core commerce to marketplace-based core commerce adjusted EBITA is included at the end of this results announcement.

We expect that our core commerce adjusted EBITA margin will continue to be affected by the pace of our investments in new businesses and by a continuing revenue mix shift to self-operated New Retail and direct sales businesses.

**Cloud computing segment –** Adjusted EBITA in fiscal year 2021 was a loss of RMB166 million (US$25 million), compared to a loss of RMB1,414 million in fiscal year 2020, primarily attributable to the realization of economies of scale.

**Digital media and entertainment segment –** Adjusted EBITA in fiscal year 2021 was a loss of RMB6,118 million (US$934 million), compared to a loss of RMB11,446 million in fiscal year 2020. Adjusted EBITA margin improved to negative 20% in fiscal year 2021 from negative 39% in fiscal year 2020, primarily due to reduced losses in Youku and increased contribution from our online games business.

**Innovation initiatives and others segment –** Adjusted EBITA in fiscal year 2021 was a loss of RMB10,257 million (US$1,566 million), compared to a loss of RMB8,485 million in fiscal year 2020. The increase in adjusted EBITA loss was primarily due to our investments in technological research and innovation.

**Interest and investment income, net**

Interest and investment income, net in fiscal year 2021 was RMB72,794 million (US$11,110 million), compared to RMB72,956 million in fiscal year 2020. In fiscal year 2021, we recognized a one-time gain of RMB6.4 billion (US$977 million) arising from the revaluation of our previously held equity interest in Sun Art upon our consolidation in October 2020. In fiscal year 2020, we recognized one-time gains of RMB71.6 billion and RMB10.3 billion in relation to the receipt of the 33% equity interest in Ant Group and our deconsolidation of the AliExpress Russia businesses, respectively. The year-over-year decrease in such gains was partly offset by net gains arising from changes in the fair values of our investments in fiscal year 2021, compared to net losses in fiscal year 2020. The above-mentioned gains and losses were excluded from our non-GAAP net income.

**Other income, net**

Other income, net in fiscal year 2021 was RMB7,582 million (US$1,157 million), compared to RMB7,439 million in fiscal year 2020.

## Income tax expenses

Income tax expenses in fiscal year 2021 were RMB29,278 million (US$4,469 million), compared to RMB20,562 million in fiscal year 2020.

Our effective tax rate increased to 18% in fiscal year 2021 from 12% in fiscal year 2020. Excluding the Anti-monopoly Fine, share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments, as well as the deferred tax effects on basis differences arising from our share of results of equity investees, our effective tax rate would have been 15% in fiscal year 2021.

## Share of results of equity method investees

Share of results of equity method investees in fiscal year 2021 was a profit of RMB6,984 million (US$1,066 million), compared to a loss of RMB5,733 million in fiscal year 2020. We record our share of results of all equity method investees one quarter in arrears. Share of results of equity method investees in fiscal year 2021 and the comparative periods consisted of the following:

| | Year ended March 31, | | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| | | (in millions) | |
| Share of profit (loss) of equity investees: | | | |
| - Ant Group[(1)] | 5,324 | 19,693 | 3,006 |
| - Others | 3,332 | (1,016) | (155) |
| Impairment loss | (11,824) | (7,256) | (1,107) |
| Dilution (loss) gain | (108) | 409 | 62 |
| Others[(2)] | (2,457) | (4,846) | (740) |
| Total | (5,733) | 6,984 | 1,066 |

(1) We received the 33% equity interest in Ant Group on September 23, 2019. Similar to other equity method investees, we record our share of results of Ant Group one quarter in arrears. As such, the share of profit of Ant Group in fiscal year 2020 reflects our share of profit of Ant Group for the period from the day following receipt of the equity interest to the end of the quarter on December 31, 2019.

(2) Others mainly include amortization of intangible assets of equity method investees and share-based compensation expense related to share-based awards granted to employees of our equity method investees.

## Net income and Non-GAAP net income

Our net income in fiscal year 2021 was RMB143,284 million (US$21,869 million), an increase of 2% compared to RMB140,350 million in fiscal year 2020.

Excluding the one-time gain in relation to the receipt of the 33% equity interest in Ant Group in fiscal year 2020, the Anti-monopoly Fine, share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments, intangible assets and goodwill and certain other items, non-GAAP net income in fiscal year 2021 was RMB171,985 million (US$26,250 million), an increase of 30% compared to RMB132,479 million in fiscal year 2020. A reconciliation of net income to non-GAAP net income is included at the end of this results announcement.

## Net income attributable to ordinary shareholders

Net income attributable to ordinary shareholders in fiscal year 2021 was RMB150,308 million (US$22,941 million), as compared to RMB149,263 million in fiscal year 2020.

**Diluted earnings per ADS/share and non-GAAP diluted earnings per ADS/share**

Diluted earnings per ADS in the fiscal year 2021 was RMB54.70 (US$8.35) on a weighted average of 21,982 million diluted shares outstanding during the year, a decrease of 2% compared to RMB55.93 on a weighted average of 21,346 million diluted shares outstanding in fiscal year 2020. Excluding the one-time gain in relation to the receipt of the 33% equity interest in Ant Group in fiscal year 2020, the Anti-monopoly Fine, share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments, intangible assets and goodwill and certain other items, non-GAAP diluted earnings per ADS in fiscal year 2021 was RMB65.15 (US$9.94), an increase of 23% compared to RMB52.98 in fiscal year 2020.

Diluted earnings per share in fiscal year 2021 was RMB6.84 (US$1.04 or HK$8.09), a decrease of 2% compared to RMB6.99 in fiscal year 2020. Excluding the one-time gain in relation to the receipt of the 33% equity interest in Ant Group in fiscal year 2020, the Anti-monopoly Fine, share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments, intangible assets and goodwill and certain other items, non-GAAP diluted earnings per share in fiscal year 2021 was RMB8.14 (US$1.24 or HK$9.63), an increase of 23%, compared to RMB6.62 in fiscal year 2020.

A reconciliation of diluted earnings per ADS/share to non-GAAP diluted earnings per ADS/share is included at the end of this results announcement. Each ADS represents eight ordinary shares.

**Cash, cash equivalents and short-term investments**

As of March 31, 2021, cash, cash equivalents and short-term investments were RMB473,638 million (US$72,291 million), compared to RMB358,981 million as of March 31, 2020. The increase in cash, cash equivalents and short-term investments in fiscal year 2021 was primarily due to free cash flow generated from operations of RMB172,662 million (US$26,353 million) and net proceeds of RMB32,008 million (US$4,885 million) from issuance of unsecured senior notes, partly offset by net cash used in investment and acquisition activities of RMB85,620 million (US$13,068 million).

**Cash flow from operating activities and free cash flow**

Net cash provided by operating activities in fiscal year 2021 was RMB231,786 million (US$35,378 million), an increase of 28% compared to RMB180,607 million in fiscal year 2020. Free cash flow increased by 32% in fiscal year 2021 to RMB172,662 million (US$26,353 million), from RMB130,914 million in fiscal year 2020, mainly due to our profit growth. A reconciliation of net cash provided by operating activities to free cash flow is included at the end of this results announcement.

**Net cash used in investing activities**

During fiscal year 2021, net cash used in investing activities of RMB244,194 million (US$37,271 million) primarily reflected (i) an increase in short-term investments by RMB114,826 million (US$17,526 million), (ii) cash outflow of RMB95,312 million (US$14,547 million) for investment and acquisition activities, including the acquisition of Sun Art and investment in YTO Express, as well as (iii) capital expenditures of RMB41,450 million (US$6,326 million), which included cash outflow for acquisition of land use rights and construction in progress relating to office campuses of RMB5,290 million (US$807 million).

We adopted ASU 2019-02, "Entertainment — Films — Other Assets — Film Costs (Subtopic 926-20) and Entertainment — Broadcasters — Intangibles — Goodwill and Other (Subtopic 920-350)," on April 1, 2020. As a result of our adoption of this new accounting update, we are now reporting cash outflows for the acquisition of licensed copyrights as operating activities in the consolidated statements of cash flows prospectively beginning on April 1, 2020. Prior to our adoption of ASU 2019-02, cash outflows for the acquisition of licensed copyrights were previously classified as investing activities in the consolidated statements of cash flows.

## WEBCAST AND CONFERENCE CALL INFORMATION

Alibaba Group's management will hold a conference call to discuss the financial results at 7:30 a.m. U.S. Eastern Time (7:30 p.m. Hong Kong Time) on May 13, 2021.

Details of the conference call are as follows:
International: +65 6713 5330
U.S.: +1 347 549 4094
U.K.: +44 203 713 5084
Hong Kong: +852 3018 8307
China Landline: 800 820 2079
China Mobile: 400 820 6895
Conference ID: 8598233 (English)
Conference ID: 6767665 (simultaneous interpretation in Chinese, listen only mode)

A live webcast of the earnings conference call can be accessed at http://www.alibabagroup.com/en/ir/earnings. An archived webcast will be available through the same link following the call. A replay of the conference call will be available for one week (dial-in number: +61 2 8199 0299; same conference ID as shown above).

Our results announcement and accompanying slides are available at Alibaba Group's Investor Relations website at http://www.alibabagroup.com/en/ir/home on May 13, 2021.

## ABOUT ALIBABA GROUP

Alibaba Group's mission is to make it easy to do business anywhere. The company aims to build the future infrastructure of commerce. It envisions that its customers will meet, work and live at Alibaba, and that it will be a good company that lasts for 102 years.

## CONTACTS

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## SAFE HARBOR STATEMENTS

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "potential," "continue," "ongoing," "targets," "guidance" and similar statements. In addition, statements that are not historical facts, including statements about Alibaba's strategies and business plans, Alibaba's beliefs, expectations and guidance regarding the growth of its business and its revenue, the business outlook and quotations from management in this announcement, as well as Alibaba's strategic and operational plans, are or contain forward-looking statements. Alibaba may also make forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the "SEC"), in announcements made on the website of The Stock Exchange of Hong Kong

Limited (the “Hong Kong Stock Exchange”), in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Alibaba’s ability to maintain the trusted status of its ecosystem; risks associated with sustained investments in Alibaba’s business and strategic acquisitions and investments; Alibaba’s expected revenue growth and ability to maintain or grow its revenue or business; Alibaba’s ability to continue to compete effectively and maintain and improve the network effects of its ecosystem; company culture; Alibaba’s ability to continue to innovate; risks and challenges associated with operating a complex and large-scale company; risks associated with expanding our international and cross-border businesses and operations; fluctuations in general economic and business conditions in China and globally; impacts of the COVID-19 pandemic; uncertainties arising from competition among countries and geopolitical tensions, including protectionist or national security policies; changes in laws, regulations and regulatory environment that affect Alibaba’s business operations; risks associated with the performance of our business partners, including but not limited to Ant Group; privacy and data protection regulations and concerns; and security breaches, and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Alibaba’s filings with the SEC and announcements on the website of the Hong Kong Stock Exchange. All information provided in this results announcement is as of the date of this results announcement and are based on assumptions that we believe to be reasonable as of this date, and Alibaba does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

**NON-GAAP FINANCIAL MEASURES**

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: for our consolidated results, adjusted EBITDA (including adjusted EBITDA margin), adjusted EBITA (including adjusted EBITA margin), marketplace-based core commerce adjusted EBITA, non-GAAP net income, non-GAAP diluted earnings per share/ADS and free cash flow. For more information on these non-GAAP financial measures, please refer to the section entitled “Information about Segments” and the table captioned “Reconciliations of Non-GAAP Measures to the Nearest Comparable U.S. GAAP Measures” in this results announcement.

We believe that adjusted EBITDA, adjusted EBITA, marketplace-based core commerce adjusted EBITA, non-GAAP net income and non-GAAP diluted earnings per share/ADS help identify underlying trends in our business that could otherwise be distorted by the effect of certain income or expenses that we include in income from operations, net income and diluted earnings per share/ADS. We believe that these non-GAAP measures provide useful information about our core operating results, enhance the overall understanding of our past performance and future prospects and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making. We present three different income measures, namely adjusted EBITDA, adjusted EBITA and non-GAAP net income, as well as one measure that provides supplemental information on our core commerce segment, namely marketplace-based core commerce adjusted EBITA, in order to provide more information and greater transparency to investors about our operating results.

We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by our business that can be used for strategic corporate transactions, including investing in our new business initiatives, making strategic investments and acquisitions and strengthening our balance sheet.

Adjusted EBITDA, adjusted EBITA, marketplace-based core commerce adjusted EBITA, non-GAAP net income, non-GAAP diluted earnings per share/ADS and free cash flow should not be considered in isolation or construed as an alternative to income from operations, adjusted EBITA for core commerce, net income, diluted earnings per share/ADS, cash flows or any other measure of performance or as an indicator of our operating performance. These non-GAAP financial measures presented here do not have standardized meanings prescribed by U.S. GAAP and may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data.

**Adjusted EBITDA** represents net income before (i) interest and investment income, net, interest expense, other income, net, income tax expenses and share of results of equity method investees, (ii) certain non-cash expenses, consisting of share-based compensation expense, amortization and impairment of intangible assets, depreciation of property and equipment, operating lease cost relating to land use rights and impairment of goodwill, and (iii) a fine imposed pursuant to China's Anti-monopoly Law, which we do not believe are reflective of our core operating performance during the periods presented.

**Adjusted EBITA** represents net income before (i) interest and investment income, net, interest expense, other income, net, income tax expenses and share of results of equity method investees, (ii) certain non-cash expenses, consisting of share-based compensation expense, amortization and impairment of intangible assets and impairment of goodwill, and (iii) a fine imposed pursuant to China's Anti-monopoly Law, which we do not believe are reflective of our core operating performance during the periods presented.

**Marketplace-based core commerce adjusted EBITA** represents adjusted EBITA for core commerce excluding the effects of (i) New Retail businesses (primarily Freshippo, Tmall Supermarket, Community Marketplaces and Taoxianda), (ii) Local Consumer Services, (iii) Lazada, (iv) Taobao Deals, (v) Cainiao Network, and others. Marketplace-based core commerce adjusted EBITA reflects the performance of our most established businesses, namely, those of our China retail marketplaces and wholesale marketplaces which primarily adopt a marketplace-based approach. By excluding certain businesses that are in the earlier stages of their development and with business approaches that continue to evolve, marketplace-based core commerce adjusted EBITA enables investors to clearly evaluate the performance of our most established businesses on a like-for-like basis.

**Non-GAAP net income** represents net income before share-based compensation expense, amortization and impairment of intangible assets, impairment of investments and goodwill, gain or loss on deemed disposals/disposals/revaluation of investments, gain in relation to the receipt of the 33% equity interest in Ant Group, a fine imposed pursuant to China's Anti-monopoly Law, amortization of excess value receivable arising from the restructuring of commercial arrangements with Ant Group and others, as adjusted for the tax effects on non-GAAP adjustments.

**Non-GAAP diluted earnings per share** represents non-GAAP net income attributable to ordinary shareholders divided by the weighted average number of shares outstanding during the periods on a diluted basis. **Non-GAAP diluted earnings per ADS** represents non-GAAP diluted earnings per share after adjustment to the ordinary share-to-ADS ratio.

**Free cash flow** represents net cash provided by operating activities as presented in our consolidated cash flow statement less purchases of property and equipment (excluding acquisition of land use rights and construction in progress relating to office campuses) and other intangible assets, as well as adjustments to exclude from net cash provided by operating activities the consumer protection fund deposits from merchants on our China retail marketplaces. Prior to April 1, 2020, we also deducted acquisition of licensed copyrights from cash flows from investing activities. After our adoption of ASU 2019-02, "Entertainment — Films — Other Assets — Film Costs (Subtopic 926-20) and Entertainment — Broadcasters — Intangibles — Goodwill and Other (Subtopic 920-350)," on April 1, 2020, we changed the classification of cash outflows for the acquisition of licensed copyrights from investing activities to operating activities in the consolidated statements of cash flows, prospectively beginning on April 1, 2020. We deduct certain items of cash flows from investing activities in order to provide greater transparency into cash flow from our revenue-generating business operations. We exclude "acquisition of land use rights and construction in progress relating to office campuses" because the office campuses are used by us for corporate and administrative purposes and are not directly related to our revenue-generating business operations. We also exclude consumer protection fund deposits from merchants on our China retail marketplaces because these deposits are restricted for the purpose of compensating consumers for claims against merchants.

The section entitled “Information about Segments” and the table captioned “Reconciliations of Non-GAAP Measures to the Nearest Comparable U.S. GAAP Measures” in this results announcement have more details on the non-GAAP financial measures that are most directly comparable to GAAP financial measures and the related reconciliations between these financial measures.

## ALIBABA GROUP HOLDING LIMITED
## UNAUDITED CONSOLIDATED INCOME STATEMENTS

| | Three months ended March 31, | | | Year ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US$ | RMB | RMB | US$ |
| | (in millions, except per share data) | | | (in millions, except per share data) | | |
| **Revenue** | 114,314 | 187,395 | 28,602 | 509,711 | 717,289 | 109,480 |
| Cost of revenue | (72,502) | (125,454) | (19,148) | (282,367) | (421,205) | (64,289) |
| Product development expenses | (10,587) | (13,302) | (2,031) | (43,080) | (57,236) | (8,736) |
| Sales and marketing expenses | (12,179) | (25,153) | (3,839) | (50,673) | (81,519) | (12,442) |
| General and administrative expenses | (7,871) | (27,734) | (4,233) | (28,197) | (55,224) | (8,429) |
| Amortization and impairment of intangible assets | (4,044) | (3,415) | (521) | (13,388) | (12,427) | (1,896) |
| Impairment of goodwill | — | — | — | (576) | — | — |
| **Income (Loss) from operations** | 7,131 | (7,663) | (1,170) | 91,430 | 89,678 | 13,688 |
| Interest and investment income, net | (7,715) | 111 | 17 | 72,956 | 72,794 | 11,110 |
| Interest expense | (1,165) | (1,160) | (177) | (5,180) | (4,476) | (683) |
| Other income, net | 1,180 | 2,115 | 323 | 7,439 | 7,582 | 1,157 |
| **(Loss) Income before income tax and share of results of equity method investees** | (569) | (6,597) | (1,007) | 166,645 | 165,578 | 25,272 |
| Income tax expenses | (2,628) | (7,049) | (1,076) | (20,562) | (29,278) | (4,469) |
| Share of results of equity method investees | 3,545 | 5,992 | 915 | (5,733) | 6,984 | 1,066 |
| **Net income (loss)** | 348 | (7,654) | (1,168) | 140,350 | 143,284 | 21,869 |
| Net loss attributable to noncontrolling interests | 2,872 | 2,288 | 349 | 9,083 | 7,294 | 1,114 |
| Net income (loss) attributable to Alibaba Group Holding Limited | 3,220 | (5,366) | (819) | 149,433 | 150,578 | 22,983 |
| Accretion of mezzanine equity | (58) | (113) | (17) | (170) | (270) | (42) |
| **Net income (loss) attributable to ordinary shareholders** | 3,162 | (5,479) | (836) | 149,263 | 150,308 | 22,941 |
| **Earnings (Loss) per share attributable to ordinary shareholders[(1)]** | | | | | | |
| Basic | 0.15 | (0.25) | (0.04) | 7.10 | 6.95 | 1.06 |
| Diluted | 0.14 | (0.25) | (0.04) | 6.99 | 6.84 | 1.04 |
| **Earnings (Loss) per ADS attributable to ordinary shareholders[(1)]** | | | | | | |
| Basic | 1.18 | (2.02) | (0.31) | 56.82 | 55.63 | 8.49 |
| Diluted | 1.16 | (1.99) | (0.30) | 55.93 | 54.70 | 8.35 |
| **Weighted average number of shares used in calculating earnings per ordinary share (million shares)[(1)]** | | | | | | |
| Basic | 21,435 | 21,652 | | 21,017 | 21,619 | |
| Diluted | 21,822 | 22,024 | | 21,346 | 21,982 | |

(1) Each ADS represents eight ordinary shares.

**ALIBABA GROUP HOLDING LIMITED**
**REVENUE**

The following table sets forth our revenue by segments for the periods indicated:

| | Three months ended March 31, | | | Year ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US$ | RMB | RMB | US$ |
| | | (in millions) | | | (in millions) | |
| Core commerce[1] | 93,865 | 161,365 | 24,629 | 436,104 | 621,146 | 94,805 |
| Cloud computing[2] | 12,217 | 16,761 | 2,558 | 40,016 | 60,120 | 9,176 |
| Digital media and entertainment[3][5] | 7,198 | 8,047 | 1,228 | 29,094 | 31,186 | 4,760 |
| Innovation initiatives and others[4][5] | 1,034 | 1,222 | 187 | 4,497 | 4,837 | 739 |
| Total | 114,314 | 187,395 | 28,602 | 509,711 | 717,289 | 109,480 |

(1) Revenue from core commerce is primarily generated from our China retail marketplaces, Sun Art, Freshippo, 1688.com, Lazada, AliExpress, Alibaba.com, Local Consumer Services and Cainiao logistics services.

(2) Revenue from cloud computing is primarily generated from the provision of services, such as elastic computing, database, storage, network virtualization services, large scale computing, security, management and application services, big data analytics, a machine learning platform and IoT services.

(3) Revenue from digital media and entertainment is primarily generated from Youku, online games business and UCWeb.

(4) Revenue from innovation initiatives and others is primarily generated from businesses such as Amap, Tmall Genie and other innovation initiatives. Other revenue also includes SME annual fee received from Ant Group and its affiliates.

(5) Beginning on April 1, 2020, we reclassified revenue from our self-developed online games business, which was previously reported under the innovation initiatives and others segment, as revenue from digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

**ALIBABA GROUP HOLDING LIMITED**
**INFORMATION ABOUT SEGMENTS**

The following table sets forth our income (loss) from operations by segments for the periods indicated:

| | Three months ended March 31, | | | Year ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US$ | RMB | RMB | US$ |
| | (in millions) | | | (in millions) | | |
| Core commerce | 20,166 | 23,382 | 3,569 | 138,631 | 158,981 | 24,265 |
| Cloud computing | (1,757) | (1,436) | (219) | (7,016) | (9,050) | (1,381) |
| Digital media and entertainment(1) | (4,478) | (3,565) | (544) | (15,389) | (10,321) | (1,575) |
| Innovation initiatives and others(1) | (4,035) | (4,201) | (642) | (12,499) | (15,502) | (2,366) |
| Unallocated | (2,765) | (21,843) | (3,334) | (12,297) | (34,430) | (5,255) |
| Total | 7,131 | (7,663) | (1,170) | 91,430 | 89,678 | 13,688 |

(1) Beginning on April 1, 2020, we reclassified the results of our self-developed online games business, which was previously reported under the innovation initiatives and others segment, to the digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

The following table sets forth our adjusted EBITA by segments for the periods indicated:

| | Three months ended March 31, | | | Year ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US$ | RMB | RMB | US$ |
| | (in millions) | | | (in millions) | | |
| Core commerce | 28,126 | 30,680 | 4,683 | 165,800 | 194,512 | 29,688 |
| Cloud computing | (179) | 308 | 47 | (1,414) | (166) | (25) |
| Digital media and entertainment(1) | (3,335) | (2,698) | (412) | (11,446) | (6,118) | (934) |
| Innovation initiatives and others(1) | (3,106) | (3,179) | (485) | (8,485) | (10,257) | (1,566) |
| Unallocated | (1,679) | (2,499) | (382) | (7,319) | (7,518) | (1,147) |
| Total | 19,827 | 22,612 | 3,451 | 137,136 | 170,453 | 26,016 |

(1) Beginning on April 1, 2020, we reclassified the results of our self-developed online games business, which was previously reported under the innovation initiatives and others segment, to the digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

**ALIBABA GROUP HOLDING LIMITED**
**UNAUDITED CONSOLIDATED BALANCE SHEETS**

| | As of March 31, 2020 | As of March 31, 2021 | |
|---|---|---|---|
| | RMB | RMB | US$ |
| | | (in millions) | |
| **Assets** | | | |
| Current assets: | | | |
| Cash and cash equivalents | 330,503 | 321,262 | 49,034 |
| Short-term investments | 28,478 | 152,376 | 23,257 |
| Restricted cash and escrow receivables | 15,479 | 35,207 | 5,374 |
| Equity securities and other investments | 4,234 | 9,807 | 1,497 |
| Prepayments, receivables and other assets | 84,229 | 124,708 | 19,034 |
| Total current assets | 462,923 | 643,360 | 98,196 |
| Equity securities and other investments | 161,329 | 237,221 | 36,207 |
| Prepayments, receivables and other assets | 57,985 | 98,432 | 15,024 |
| Investment in equity method investees | 189,632 | 200,189 | 30,555 |
| Property and equipment, net | 103,387 | 147,412 | 22,499 |
| Intangible assets, net | 60,947 | 70,833 | 10,811 |
| Goodwill | 276,782 | 292,771 | 44,686 |
| **Total assets** | 1,312,985 | 1,690,218 | 257,978 |
| **Liabilities, Mezzanine Equity and Shareholders' Equity** | | | |
| Current liabilities: | | | |
| Current bank borrowings | 5,154 | 3,606 | 550 |
| Current unsecured senior notes | — | 9,831 | 1,500 |
| Income tax payable | 20,190 | 25,275 | 3,858 |
| Escrow money payable | 3,014 | 211 | 32 |
| Accrued expenses, accounts payable and other liabilities | 161,536 | 260,929 | 39,826 |
| Merchant deposits | 13,640 | 15,017 | 2,292 |
| Deferred revenue and customer advances | 38,338 | 62,489 | 9,538 |
| Total current liabilities | 241,872 | 377,358 | 57,596 |

**ALIBABA GROUP HOLDING LIMITED**
**UNAUDITED CONSOLIDATED BALANCE SHEETS (CONTINUED)**

| | As of March 31, | As of March 31, | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| | | (in millions) | |
| Deferred revenue | 2,025 | 3,158 | 482 |
| Deferred tax liabilities | 43,898 | 59,598 | 9,097 |
| Non-current bank borrowings | 39,660 | 38,335 | 5,851 |
| Non-current unsecured senior notes | 80,616 | 97,381 | 14,863 |
| Other liabilities | 25,263 | 30,754 | 4,694 |
| **Total liabilities** | 433,334 | 606,584 | 92,583 |
| Commitments and contingencies | — | — | — |
| Mezzanine equity | 9,103 | 8,673 | 1,324 |
| Shareholders' equity: | | | |
| Ordinary shares | 1 | 1 | — |
| Additional paid-in capital | 343,707 | 394,308 | 60,183 |
| Treasury shares at cost | — | — | — |
| Subscription receivables | (51) | (47) | (7) |
| Statutory reserves | 6,100 | 7,347 | 1,121 |
| Accumulated other comprehensive loss | (643) | (19,063) | (2,909) |
| Retained earnings | 406,287 | 554,924 | 84,698 |
| Total shareholders' equity | 755,401 | 937,470 | 143,086 |
| Noncontrolling interests | 115,147 | 137,491 | 20,985 |
| **Total equity** | 870,548 | 1,074,961 | 164,071 |
| **Total liabilities, mezzanine equity and equity** | 1,312,985 | 1,690,218 | 257,978 |

**ALIBABA GROUP HOLDING LIMITED**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Three months ended March 31, | | | Year ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US$ | RMB | RMB | US$ |
| | (in millions) | | | (in millions) | | |
| Net cash provided by operating activities[(1)] | 2,164 | 24,183 | 3,691 | 180,607 | 231,786 | 35,378 |
| Net cash used in investing activities[(1)] | (32,995) | (27,701) | (4,228) | (108,072) | (244,194) | (37,271) |
| Net cash provided by financing activities | 2,967 | 30,270 | 4,620 | 70,853 | 30,082 | 4,591 |
| Effect of exchange rate changes on cash and cash equivalents, restricted cash and escrow receivables | 2,322 | 1,149 | 176 | 4,100 | (7,187) | (1,097) |
| (Decrease) Increase in cash and cash equivalents, restricted cash and escrow receivables | (25,542) | 27,901 | 4,259 | 147,488 | 10,487 | 1,601 |
| Cash and cash equivalents, restricted cash and escrow receivables at beginning of period | 371,524 | 328,568 | 50,149 | 198,494 | 345,982 | 52,807 |
| Cash and cash equivalents, restricted cash and escrow receivables at end of period | 345,982 | 356,469 | 54,408 | 345,982 | 356,469 | 54,408 |

(1) We adopted ASU 2019-02, "Entertainment — Films — Other Assets — Film Costs (Subtopic 926-20) and Entertainment — Broadcasters — Intangibles — Goodwill and Other (Subtopic 920-350)," on April 1, 2020. As a result of our adoption of this new accounting update, we are now reporting cash outflows for the acquisition of licensed copyrights as operating activities in the consolidated statements of cash flows prospectively beginning on April 1, 2020. Prior to our adoption of ASU 2019-02, cash outflows for the acquisition of licensed copyrights were previously classified as investing activities in the consolidated statements of cash flows.

**ALIBABA GROUP HOLDING LIMITED**
**RECONCILIATIONS OF NON-GAAP MEASURES TO THE NEAREST COMPARABLE U.S. GAAP MEASURES**

The table below sets forth a reconciliation of our net income (loss) to adjusted EBITA and adjusted EBITDA for the periods indicated:

| | Three months ended March 31, | | | Year ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US$ | RMB | RMB | US$ |
| | | (in millions) | | | (in millions) | |
| **Net income (loss)** | **348** | **(7,654)** | **(1,168)** | **140,350** | **143,284** | **21,869** |
| Less: Interest and investment income, net | 7,715 | (111) | (17) | (72,956) | (72,794) | (11,110) |
| Add: Interest expense | 1,165 | 1,160 | 177 | 5,180 | 4,476 | 683 |
| Less: Other income, net | (1,180) | (2,115) | (323) | (7,439) | (7,582) | (1,157) |
| Add: Income tax expenses | 2,628 | 7,049 | 1,076 | 20,562 | 29,278 | 4,469 |
| Add: Share of results of equity method investees | (3,545) | (5,992) | (915) | 5,733 | (6,984) | (1,066) |
| **Income (Loss) from operations** | **7,131** | **(7,663)** | **(1,170)** | **91,430** | **89,678** | **13,688** |
| Add: Share-based compensation expense | 8,652 | 8,632 | 1,318 | 31,742 | 50,120 | 7,650 |
| Add: Amortization and impairment of intangible assets | 4,044 | 3,415 | 521 | 13,388 | 12,427 | 1,896 |
| Add: Fine imposed pursuant to China's Anti-monopoly Law | — | 18,228 | 2,782 | — | 18,228 | 2,782 |
| Add: Impairment of goodwill | — | — | — | 576 | — | — |
| **Adjusted EBITA** | **19,827** | **22,612** | **3,451** | **137,136** | **170,453** | **26,016** |
| Add: Depreciation of property and equipment, and operating lease cost relating to land use rights | 5,613 | 7,286 | 1,112 | 20,523 | 26,389 | 4,028 |
| **Adjusted EBITDA** | **25,440** | **29,898** | **4,563** | **157,659** | **196,842** | **30,044** |

## ALIBABA GROUP HOLDING LIMITED
## RECONCILIATIONS OF NON-GAAP MEASURES TO THE NEAREST COMPARABLE U.S. GAAP MEASURES (CONTINUED)

The table below sets forth a reconciliation of adjusted EBITA for core commerce to marketplace-based core commerce adjusted EBITA for the periods indicated:

| | Three months ended March 31, | | | Year ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US$ | RMB | RMB | US$ |
| | | (in millions) | | | (in millions) | |
| **Adjusted EBITA for core commerce** | **28,126** | **30,680** | **4,683** | **165,800** | **194,512** | **29,688** |
| Less: Effects of New Retail businesses, Local Consumer Services, Lazada, Taobao Deals, Cainiao Network, and others[(1)] | 6,421 | 13,656 | 2,084 | 30,230 | 34,622 | 5,285 |
| **Marketplace-based core commerce adjusted EBITA[(1)]** | **34,547** | **44,336** | **6,767** | **196,030** | **229,134** | **34,973** |

(1) Starting this quarter, for purposes of presenting our marketplace-based core commerce adjusted EBITA, we expanded the list of new initiative businesses that we break out in order to present the progress of our strategic investments as well as the profitability of our marketplace-based core commerce businesses on a like-for-like basis. The new initiative businesses, which now include our New Retail businesses, Local Consumer Services, Lazada, Taobao Deals, Cainiao Network, and others, represent strategic areas where we are executing to capture incremental opportunities. Comparative figures are presented in the same manner accordingly.

## ALIBABA GROUP HOLDING LIMITED
## RECONCILIATIONS OF NON-GAAP MEASURES TO THE NEAREST COMPARABLE U.S. GAAP MEASURES (CONTINUED)

The table below sets forth a reconciliation of our net income (loss) to non-GAAP net income for the periods indicated:

| | Three months ended March 31, | | | Year ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US$ | RMB | RMB | US$ |
| | | (in millions) | | | (in millions) | |
| **Net income (loss)** | **348** | **(7,654)** | **(1,168)** | **140,350** | **143,284** | **21,869** |
| Add: Share-based compensation expense | 8,652 | 8,632 | 1,318 | 31,742 | 50,120 | 7,650 |
| Add: Amortization and impairment of intangible assets | 4,044 | 3,415 | 521 | 13,388 | 12,427 | 1,896 |
| Add: Impairment of investments and goodwill | 709 | 532 | 81 | 25,656 | 14,737 | 2,250 |
| Add: Loss/Less: Gain on deemed disposals/disposals/ revaluation of investments and others | 10,334 | 3,085 | 471 | (4,764) | (66,305) | (10,120) |
| Add: Fine imposed pursuant to China's Anti-monopoly Law | — | 18,228 | 2,782 | — | 18,228 | 2,782 |
| Less: Gain in relation to the receipt of the 33% equity interest in Ant Group | — | — | — | (71,561) | — | — |
| Add: Amortization of excess value receivable arising from the restructuring of commercial arrangements with Ant Group | — | — | — | 97 | — | — |
| Adjusted for tax effects on non-GAAP adjustments[1] | (1,800) | (22) | (4) | (2,429) | (506) | (77) |
| **Non-GAAP net income** | **22,287** | **26,216** | **4,001** | **132,479** | **171,985** | **26,250** |

(1) Tax effects on non-GAAP adjustments primarily comprised of tax effects relating to certain gains and losses from investments, share-based compensation expense and amortization and impairment of intangible assets.

**ALIBABA GROUP HOLDING LIMITED**
**RECONCILIATIONS OF NON-GAAP MEASURES TO THE NEAREST COMPARABLE U.S. GAAP MEASURES (CONTINUED)**

The table below sets forth a reconciliation of our diluted earnings (loss) per share/ADS to non-GAAP diluted earnings per share/ADS for the periods indicated:

| | Three months ended March 31, | | | Year ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US$ | RMB | RMB | US$ |
| | (in millions, except per share data) | | | (in millions, except per share data) | | |
| **Net income (loss) attributable to ordinary shareholders – basic** | **3,162** | **(5,479)** | **(836)** | **149,263** | **150,308** | **22,941** |
| Dilution effect on earnings arising from option plans operated by equity method investees and subsidiaries | (1) | (2) | — | (48) | (55) | (8) |
| Net income (loss) attributable to ordinary shareholders – diluted | 3,161 | (5,481) | (836) | 149,215 | 150,253 | 22,933 |
| Add: Non-GAAP adjustments to net income (loss)(1) | 21,939 | 33,870 | 5,169 | (7,871) | 28,701 | 4,381 |
| **Non-GAAP net income attributable to ordinary shareholders for computing non-GAAP diluted earnings per share/ADS** | **25,100** | **28,389** | **4,333** | **141,344** | **178,954** | **27,314** |
| **Weighted average number of shares on a diluted basis (million shares)(5)** | **21,822** | **22,024** | | **21,346** | **21,982** | |
| **Diluted earnings (loss) per share(2)(5)** | **0.14** | **(0.25)** | **(0.04)** | **6.99** | **6.84** | **1.04** |
| Add: Non-GAAP adjustments to net income (loss) per share(3)(5) | 1.01 | 1.54 | 0.24 | (0.37) | 1.30 | 0.20 |
| **Non-GAAP diluted earnings per share(4)(5)** | **1.15** | **1.29** | **0.20** | **6.62** | **8.14** | **1.24** |
| **Diluted earnings (loss) per ADS(2)(5)** | **1.16** | **(1.99)** | **(0.30)** | **55.93** | **54.70** | **8.35** |
| Add: Non-GAAP adjustments to net income (loss) per ADS(3)(5) | 8.04 | 12.31 | 1.88 | (2.95) | 10.45 | 1.59 |
| **Non-GAAP diluted earnings per ADS(4)(5)** | **9.20** | **10.32** | **1.58** | **52.98** | **65.15** | **9.94** |

(1) See the table above for the reconciliation of net income (loss) to non-GAAP net income for more information of these non-GAAP adjustments.
(2) Diluted earnings (loss) per share is derived from net income (loss) attributable to ordinary shareholders for computing diluted earnings (loss) per share divided by weighted average number of shares on a diluted basis. Diluted earnings (loss) per ADS is derived from the diluted earnings (loss) per share after adjustment to the ordinary share-to-ADS ratio.
(3) Non-GAAP adjustments to net income (loss) per share is derived from non-GAAP adjustments to net income (loss) divided by weighted average number of shares on a diluted basis. Non-GAAP adjustments to net income (loss) per ADS is derived from the non-GAAP adjustments to net income (loss) per share after adjustment to the ordinary share-to-ADS ratio.

(4) Non-GAAP diluted earnings per share is derived from non-GAAP net income attributable to ordinary shareholders for computing non-GAAP diluted earnings per share divided by weighted average number of shares on a diluted basis. Non-GAAP diluted earnings per ADS is derived from the non-GAAP diluted earnings per share after adjustment to the ordinary share-to-ADS ratio.

(5) Each ADS represents eight ordinary shares.

**ALIBABA GROUP HOLDING LIMITED**
**RECONCILIATIONS OF NON-GAAP MEASURES TO THE NEAREST COMPARABLE U.S. GAAP MEASURES (CONTINUED)**

The table below sets forth a reconciliation of net cash provided by operating activities to free cash flow for the periods indicated:

| | Three months ended March 31, | | | Year ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2021 | | 2020 | 2021 | |
| | RMB | RMB | US$ | RMB | RMB | US$ |
| | | (in millions) | | | (in millions) | |
| **Net cash provided by operating activities[1]** | **2,164** | **24,183** | **3,691** | **180,607** | **231,786** | **35,378** |
| Less: Purchase of property and equipment (excluding land use rights and construction in progress relating to office campuses) | (3,881) | (6,043) | (922) | (24,662) | (36,160) | (5,519) |
| Less: Acquisition of licensed copyrights[1] and other intangible assets | (2,716) | (2) | — | (12,836) | (1,735) | (265) |
| Less: Changes in the consumer protection fund deposits | 219 | (18,796) | (2,869) | (12,195) | (21,229) | (3,241) |
| **Free cash flow** | **(4,214)** | **(658)** | **(100)** | **130,914** | **172,662** | **26,353** |

(1) We adopted ASU 2019-02, “Entertainment — Films — Other Assets — Film Costs (Subtopic 926-20) and Entertainment — Broadcasters — Intangibles — Goodwill and Other (Subtopic 920-350),” on April 1, 2020. As a result of our adoption of this new accounting update, we are now reporting cash outflows for the acquisition of licensed copyrights as operating activities in the consolidated statements of cash flows prospectively beginning on April 1, 2020. Prior to our adoption of ASU 2019-02, cash outflows for the acquisition of licensed copyrights were previously classified as investing activities in the consolidated statements of cash flows.

**ALIBABA GROUP HOLDING LIMITED**
**SELECTED OPERATING DATA**

**Annual active consumers**

The table below sets forth the number of active consumers on our China retail marketplaces for the periods indicated:

| | Twelve months ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Jun 30, 2019 | Sep 30, 2019 | Dec 31, 2019 | Mar 31, 2020 | Jun 30, 2020 | Sep 30, 2020 | Dec 31, 2020 | Mar 31, 2021 |
| | (in millions) | | | | | | | |
| Annual active consumers | 674 | 693 | 711 | 726 | 742 | 757 | 779 | 811 |

**Mobile MAUs**

The table below sets forth the mobile MAUs on our various mobile apps that access our China retail marketplaces for the periods indicated:

| | The month ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Jun 30, 2019 | Sep 30, 2019 | Dec 31, 2019 | Mar 31, 2020 | Jun 30, 2020 | Sep 30, 2020 | Dec 31, 2020 | Mar 31, 2021 |
| | (in millions) | | | | | | | |
| Mobile MAUs | 755 | 785 | 824 | 846 | 874 | 881 | 902 | 925 |

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