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 40,000,000 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

Issue Price: S$0.80 per Certificate

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 16 June 2023 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 12,500,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Alibaba Group Holding Limited (Alibaba 5xLongSG250205 (DCUW)) issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 7 February 2023 and details of which are contained in the Supplemental Listing Document dated 6 February 2023.

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 16 June 2023 (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 13 July 2023.

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.

12 July 2023

[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 has not been and 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 32 to 37 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 (including the pre-opening session) 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 53 to 54 of this document for more information;

(r) In the case of extreme market conditions or where the Air Bag Mechanisms are triggered simultaneously, trading in the Certificates may be suspended for an extended period, which may be up to an additional 15 minutes, to facilitate the intra-day adjustment under the Air Bag Mechanism;

(s) 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 39 to 40 of this document for more information;

(t) 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;

(u) 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;

(v) 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;

(w) 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;

(x) 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;

(y) 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;

(z) 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;

(aa) 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;

(bb) 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;

(cc) 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;

(dd) 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;

(ee) 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

(ff) 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, as amended, 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*).

In April 2023, the EU Commission released a proposal to amend, in particular, the BRRD according to which senior preferred debt instruments would no longer rank pari passu with any non covered non preferred deposits of the Issuer; instead, senior preferred debt instruments would rank junior in right of payment to the claims of all depositors.

This proposal will be discussed and amended by the European Parliament and the European Council before being final and applicable. If the Commission proposal was adopted as is, there may be an increased risk of an investor in senior preferred debt instruments losing all or some of their investment in the context of the exercise of the Bail-in Power. The proposal may also lead to a rating downgrade for senior preferred debt instruments.

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 Framework (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, and continues to be, 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).

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 BRRD, the BRR Act 2015 and the SRM Regulation however also state that, under exceptional circumstances, if the bail-in instrument is applied, the SRB, in cooperation with the CSSF, may completely or partially exclude certain liabilities from the application of the impairment or conversion powers under certain conditions.

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 regime has evolved 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 were 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 (“**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 introduced, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet (“**FSB TLAC Term Sheet**”), by adapting, among other things, 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 has been 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 since January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator since January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

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 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, have to comply with TLAC requirements, on top of the MREL requirements, since the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale have to comply with both the TLAC and MREL requirements.

Consequently, the criteria for MREL-eligible liabilities have been closely aligned with the criteria for TLAC-eligible liabilities under CRR II, 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 MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance with only an additional return permitted to be linked to that derivative component and dependent on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL is set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance and may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining term of at least one year and, they recognise contractually the Resolution Authority's power to write down or convert the liabilities governed by non-EU law.

The scope of liabilities used to meet 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 BRRD, as amended by 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 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, including Societe Generale).

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:

Certificates:	A further 40,000,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Alibaba Group Holding Limited traded in HKD (the "**Underlying Stock**") The Certificates shall be consolidated and form a single series with an existing issue of 12,500,000 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 7 February 2023.
ISIN:	LU2375051070
Company:	Alibaba Group Holding Limited (RIC: 9988.HK)
Underlying Price[3] and Source:	HK$103.20 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 0.80
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	7.50%, is a hedging cost against extreme market movements overnight.
Funding Cost[6]:	The annualised costs of funding, referencing a publicly published interbank offered rate plus spread.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.

[3] These figures are calculated as at, and based on information available to the Issuer on 6 February 2023. 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 6 February 2023.
[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.

Launch Date:	10 July 2023
Closing Date:	12 July 2023
Expected Listing Date:	13 July 2023
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 27 January 2025
Expiry Date:	5 February 2025 (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:	4 February 2025 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: Closing Level multiplied by the Notional Amount per Certificate Please refer to the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section on pages 44 to 59 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
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)),

where:

"**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 7 February 2023 to the Valuation Date; and

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).

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.

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.

Please refer to the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section on pages 44 to 59 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:

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

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Strategy is set out in the "Specific Definitions relating to the Leverage Strategy" section on pages 20 to 26 below.

Initial Exchange Rate[3]:	0.1686
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 an 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. Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. The Leverage Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section on pages 24 to 26 below and the “Description of Air Bag Mechanism” section on pages 50 to 52 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 SGX-ST

Relevant Stock Exchange for the Underlying Stock:	HKEX
Business Day, Settlement Business Day and Exchange Business Day:	A "**Business Day**" or a "**Settlement 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. 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. 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.

<u>Specific Definitions relating to the Leverage Strategy</u>

<u>Description of the Leverage Strategy</u>

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 and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to:

0.13%

“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.

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. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

$\%\mathbf{SpreadLevel_t}$ 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. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

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
Benchmark Fallback	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Reference Rate Event	means, in respect of the Reference Rate any of the following has occurred or will occur: (i) a Reference Rate Cessation; (ii) an Administrator/Benchmark Event; or (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board's paper titled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.
Reference Rate Cessation	means, for a Reference Rate, the occurrence of one or more of the following events: (i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

(iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

Administrator/ Benchmark Event means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.

Reference Rate(s) means the rate(s) used in the Leverage Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

<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:

$$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}}, 0\right]$$

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

(1) for k = 1 :

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

(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 $\mathbf{IS_{IR(0)}}$ 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 $\mathbf{IS_{IR(k)}}$ 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 (including pre-opening session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time (including closing auction session) 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 16 June 2023, 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 "**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 Code;

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

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

(B) which are not *titres non structurés* as defined under Article R.613-28 of the 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 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, varied or otherwise modified in any way 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 Settlement Business Days (as defined in the relevant Supplemental Listing Document and subject to extension upon the occurrence of a Settlement Disruption Event (as defined below)) 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.

If the Issuer determines, in its sole discretion, that on any Settlement Business Day during the period of five Settlement Business Days following the Expiry Date a Settlement Disruption Event has occurred, such Settlement Business Day shall be postponed to the next Settlement Business Day on which the Issuer determines that the Settlement Disruption Event is no longer subsisting and such period shall be extended accordingly, provided that the Issuer and/or the Guarantor shall make their best endeavours to implement remedies as soon as reasonably practicable to eliminate the impact of the Settlement Disruption Event on its/their payment obligations under the Certificates and/or the Guarantee.

"**Settlement Disruption Event**" means the occurrence or existence of any malicious action or attempt initiated to steal, expose, alter, disable or destroy information through unauthorised access to, or maintenance or use of, the Computer Systems of the Issuer, the Guarantor, the Calculation Agent, their respective affiliates (the "SG Group"), their IT service providers, by (and without limitation) the use of malware, ransomware, phishing, denial or disruption of service or cryptojacking or any unauthorized entry, removal, reproduction, transmission, deletion, disclosure or modification preventing the Issuer, the Guarantor and/or the Calculation Agent to perform their obligations under the Certificates, and notwithstanding the implementation of processes, required, as the case may be, by the laws and regulations applicable to the Issuer, the Guarantor, the Calculation Agent and their affiliates, or their IT service providers to improve their resilience to these actions and attempts.

"**Computer System**" means all the computer resources including, in particular: hardware, software packages, software, databases and peripherals, equipment, networks, electronic installations for storing computer data, including Data. The Computer System shall be understood to be that which (i) belongs to the SG Group and/or (ii) is rented, operated or legally held by the SG Group under a contract with the holder of the rights to the said system and/or (iii) is operated on behalf of the SG Group by a third party within the scope of a contractual relationship and/or (iv) is made available to the SG Group under a contract within the framework of a shared system (in particular cloud computing).

"**Data**" means any digital information, stored or used by the Computer System, including confidential data.

(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) *Subdivision or Consolidation of the Certificates*. The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment 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) and subject to the approval of the SGX-ST.

(f) *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).

(g) *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 2001 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 2001 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 40,000,000 Certificates The Certificates shall be consolidated and form a single series with an existing issue of 12,500,000 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 7 February 2023.
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 16 June 2023 (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: 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 13 July 2023.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 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 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**
		1 – Management Fee x ACT (t-1;t) / 360
		x
		Daily Gap Premium Adjustment
		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

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

		t=0				
Final Value of Certificates	=	Notional Amount	x	Final Reference Level x Final Exchange Rate ÷ 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 traded in HKD
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:	**0.80 SGD**
Notional Amount per Certificate:	**0.80 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**7.50%**
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):

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

$$\mathrm{HFF}\,(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 7.50\% \times \frac{1}{360}\right)$$

$$\mathrm{HFF}\,(1) = 100\% \times 99.9989\% \times 99.9792\% \approx 99.9781\%$$

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

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

$$\text{HFF (2)} = 99.9781\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 7.50\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9781\% \times 99.9967\% \times 99.9375\% \approx 99.9122\%$$

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

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

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.6713% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9781%
5/7/2018	99.9561%
6/7/2018	99.9342%
9/7/2018	99.8684%
10/7/2018	99.8465%
11/7/2018	99.8246%
12/7/2018	99.8027%
13/7/2018	99.7808%
16/7/2018	99.7151%
17/7/2018	99.6932%
18/7/2018	99.6713%

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 99.6713%

= 119.61%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 119.61% x 0.80 SGD

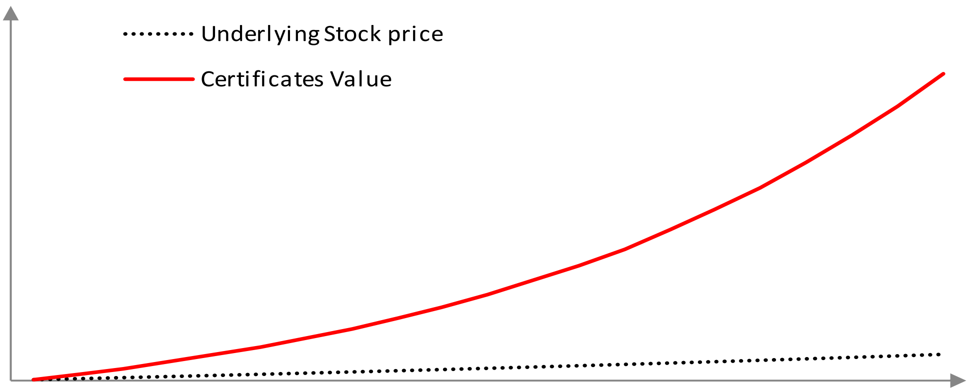
= 0.957 SGD

Illustration on how returns and losses can occur under different scenarios

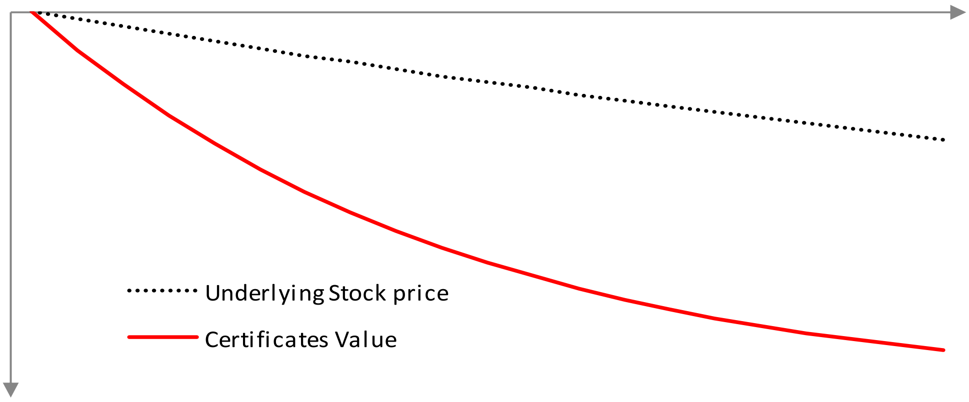
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

1. Illustrative examples

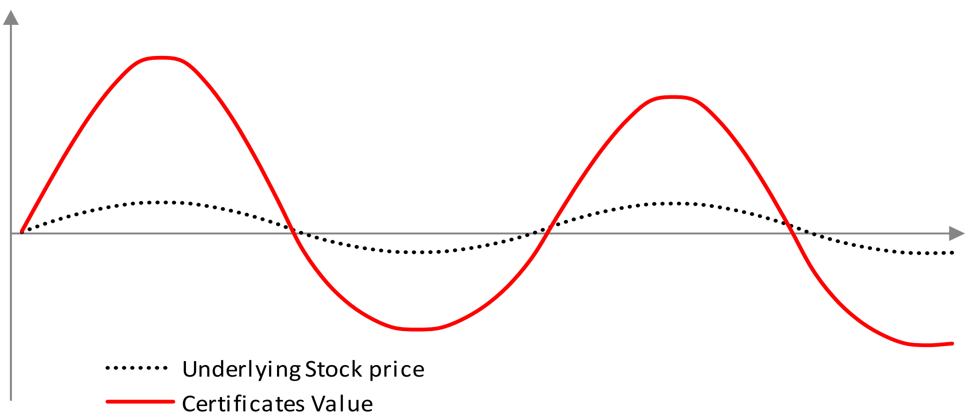
Scenario 1 – Upward Trend



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	0.8	0.88	0.97	1.06	1.17	1.29
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	0.8	0.72	0.65	0.58	0.52	0.47
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	0.8	0.88	0.79	0.87	0.78	0.86
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.

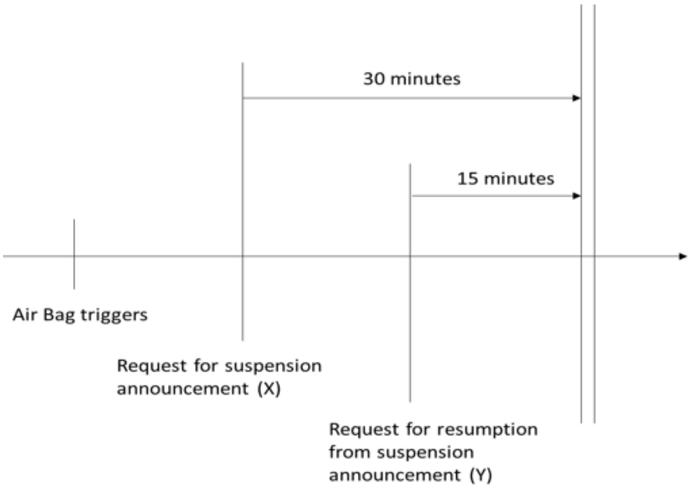
Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered and does not take into account the mid-day break. Investors cannot sell or purchase any Certificates during this period.

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="2">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>Less than 45 minutes before Market Close and more than 15 minutes before Market Close</td><td rowspan="2">Next trading day at Market Open</td></tr>
<tr><td>15 minutes or less than 15 minutes before Market Close</td><td>From Air Bag Trigger to Market Close</td></tr>
</table>

With **Market Close** defined as:

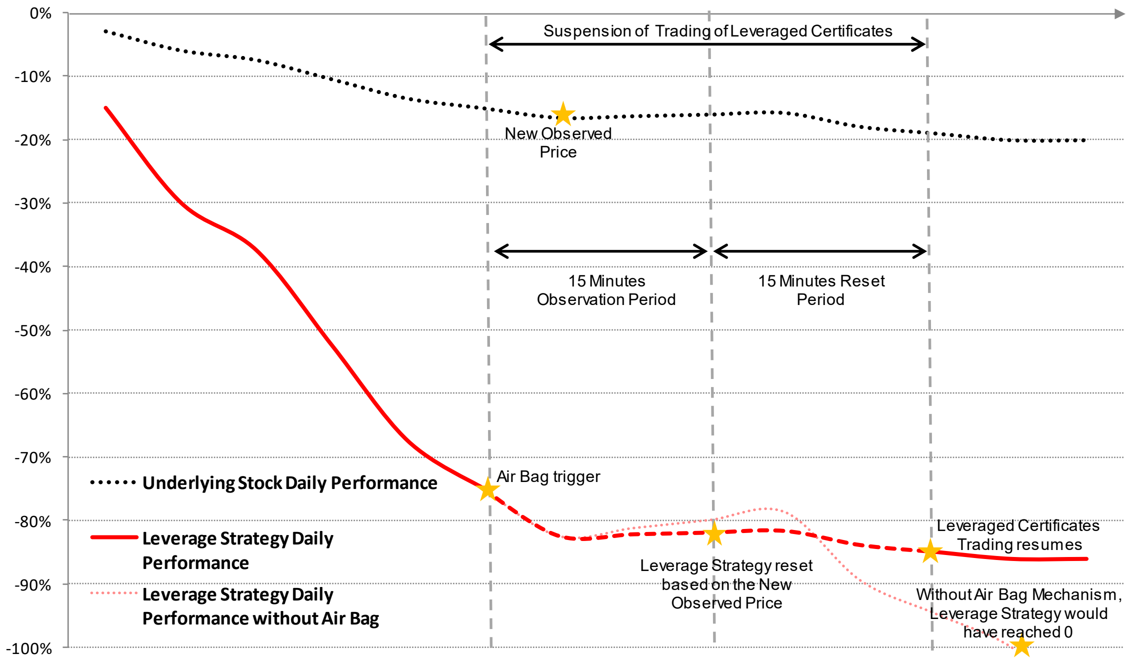
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



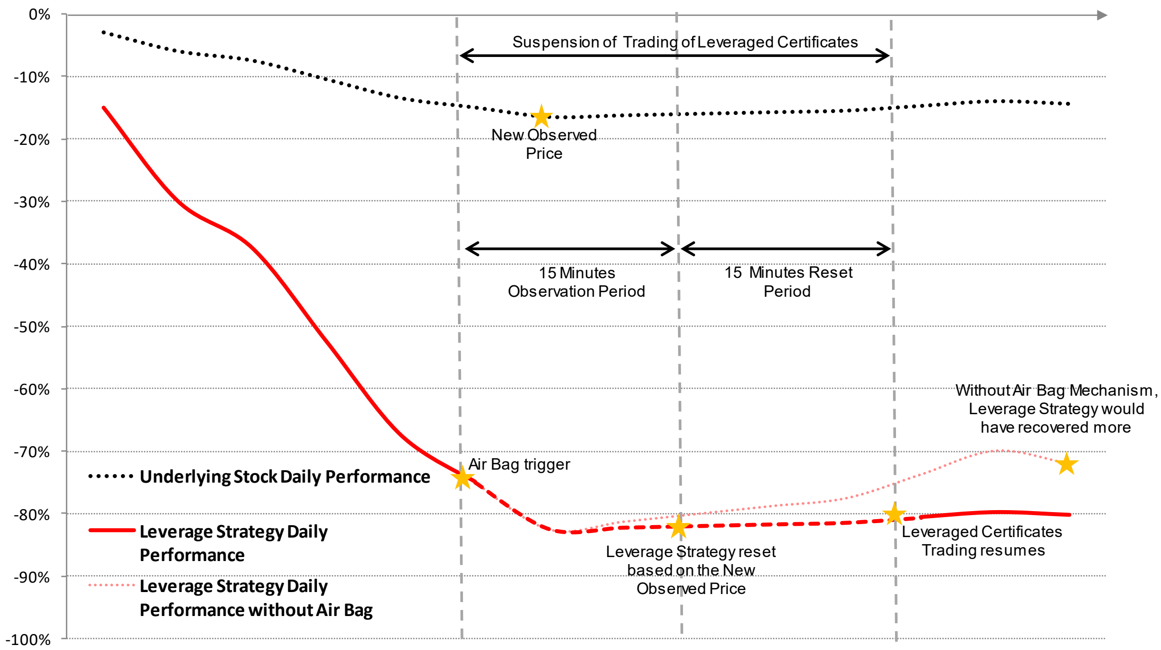
- The later between X+30 minutes or Y+15 minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time 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



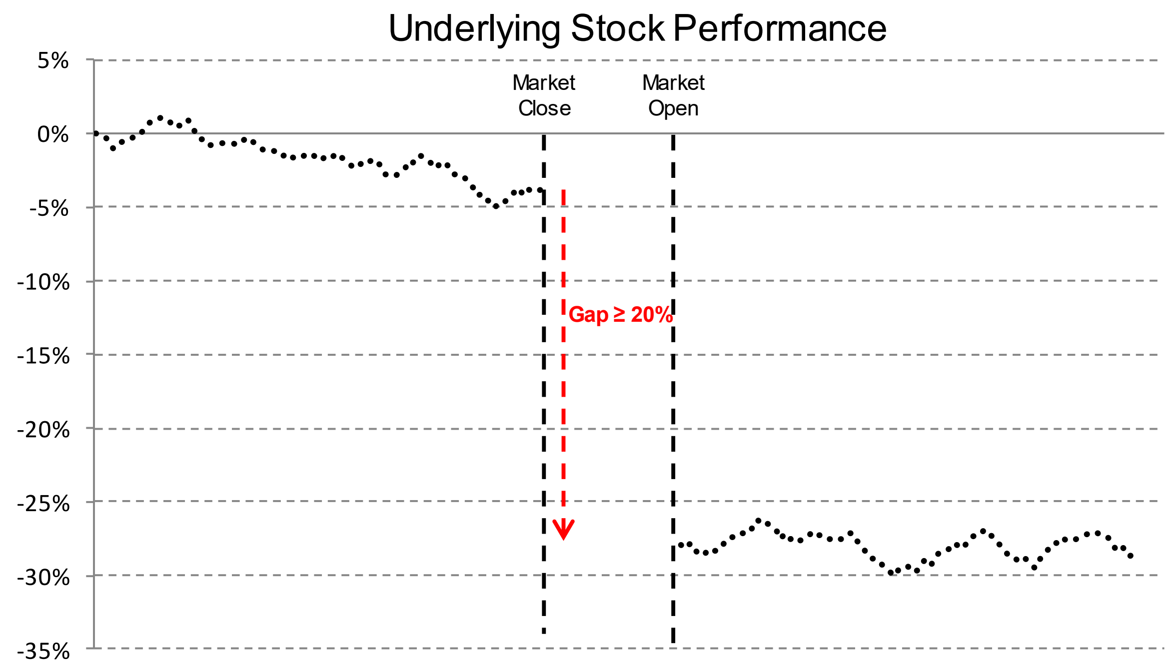
[9] The illustrative examples are not exhaustive.

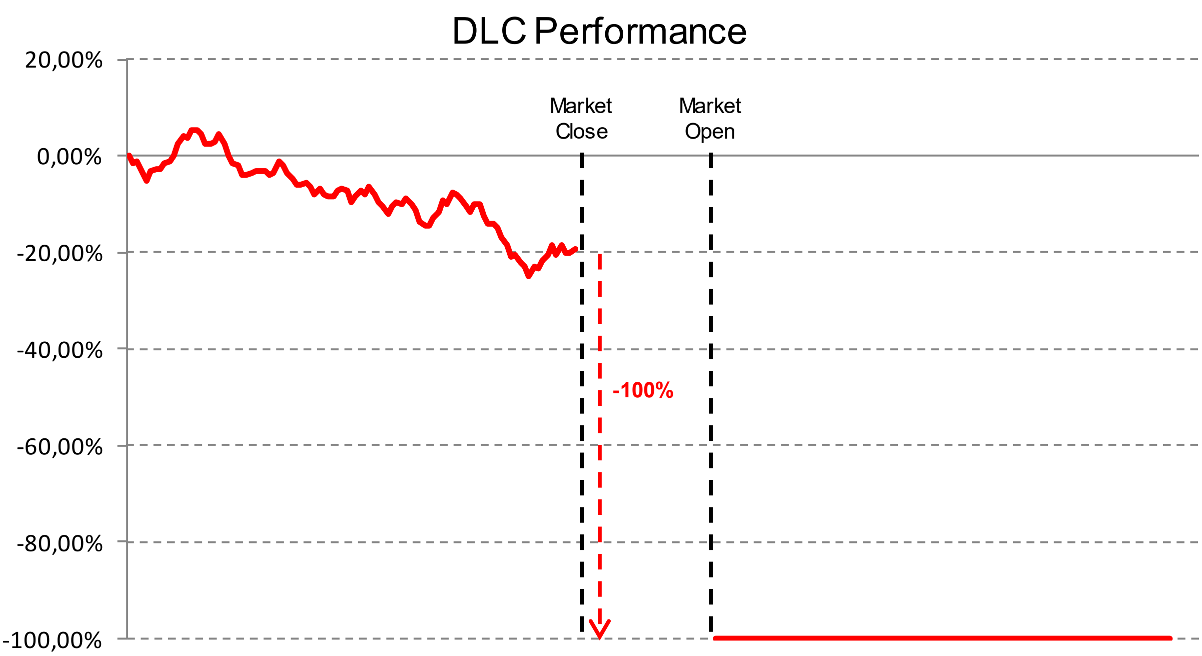
Scenarios where the investor may lose the entire value of the investment

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>

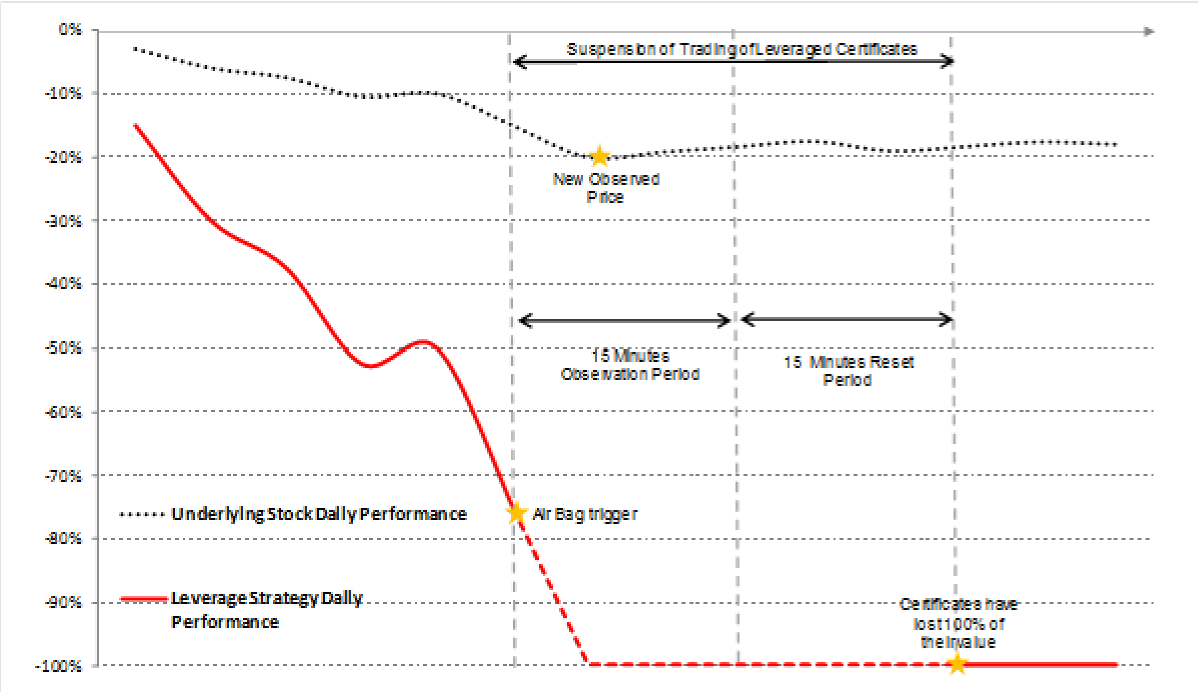
On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more below the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens (including the pre-opening session) 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 :

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

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. Stock split

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:

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

S_{t-1}	$\mathrm{S}_{t-1} \times Rfactor_t$	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)
0.80	0.88	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):

S_{t-1} = \$100

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)
0.80	0.84	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)
0.80	1.00	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)
0.80	0.88	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:

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

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	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)
0.80	1.00	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 a**t** http://www.alibabagroup.com/. The Issuer has not independently verified any of such information.*

Alibaba Group Holding Limited (the "**Company**") provides technology infrastructure and marketing platforms. The Company operates through seven segments. China Commerce segment includes China retail commerce businesses such as Taobao, Tmall and Freshippo, among others, and wholesale business. International Commerce segment includes international retail and wholesale commerce businesses such as Lazada and AliExpress. Local Consumer Services segment includes location-based businesses such as Ele.me, Amap, Fliggy and others. Cainiao segment includes domestic and international one-stop-shop logistics services and supply chain management solutions. Cloud segment provides public and hybrid cloud services like Alibaba Cloud and DingTalk for domestic and foreign enterprises. Digital Media and Entertainment segment includes Youku, Quark and Alibaba Pictures, other content and distribution platforms and online games business. Innovation Initiatives and Others segment include Damo Academy, Tmall Genie and others.

The information set out in the Appendix to this document relates to the unaudited financial results of the Company and its subsidiaries for the three months and the fiscal year ended 31 March 2023 and has been extracted and reproduced from an announcement by the Company dated 18 May 2023 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 (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 108 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 2022 or the Guarantor since 31 March 2023, 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 reports of the Auditors of the Issuer and the Guarantor were 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 Base Listing Document;

   (e) this document; and

   (f) 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 2001 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 (EU) 2016/97 (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 has not been and 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 is not a U.S. Person, (ii) 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 (iii) it is not purchasing any Certificates, directly or indirectly, in the United States or 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 THREE MONTHS AND THE FISCAL YEAR ENDED 31 MARCH 2023 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 three months and the fiscal year ended 31 March 2023 and has been extracted and reproduced from an announcement by the Company dated 18 May 2023 in relation to the same.

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

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 2023 AND FISCAL YEAR 2023 RESULTS

We hereby announce our unaudited results for the three months ended March 31, 2023 ("**March Quarter 2023**") and the fiscal year ended March 31, 2023 ("**Fiscal Year 2023**"). The March Quarter 2023 and Fiscal Year 2023 unaudited results announcement is available for viewing on the website 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 18, 2023

As at the date of this announcement, our board of directors comprises Mr. Daniel Yong ZHANG as the chairman, Mr. Joseph C. TSAI, Mr. J. Michael EVANS and Ms. Maggie Wei WU as directors, and Mr. Jerry YANG, Ms. Wan Ling MARTELLO, Mr. Weijian SHAN, Ms. Irene Yun-Lien LEE, Mr. Albert Kong Ping NG and Mr. Kabir MISRA as independent directors.

Alibaba Group Announces March Quarter and Full Fiscal Year 2023 Results

Hangzhou, China, May 18, 2023 – 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, 2023.

"In an increasingly complex world, we have proactively transformed our organization to strengthen the competitiveness of our businesses through greater independence to address the evolving needs of different customers and capture new opportunities," said Daniel Zhang, Chairman and Chief Executive Officer of Alibaba Group. "We are taking concrete steps towards unlocking value from our businesses and are pleased to announce that our board has approved a full spin-off of the Cloud Intelligence Group via a stock dividend distribution to shareholders, with intention for it to become an independent publicly listed company."

"We have established a capital management committee at the Alibaba board level to undertake a comprehensive capital management plan to enhance shareholder value. Alibaba is committed to improving shareholders' return through the implementation of a robust capital allocation framework," said Toby Xu, Chief Financial Officer of Alibaba Group. "We are delighted to share that our board has approved the process to start external financing for Alibaba International Digital Commerce Business Group; exploration of IPO for Cainiao Smart Logistics Group; and execution of IPO for Freshippo."

BUSINESS HIGHLIGHTS

<u>In the quarter ended March 31, 2023:</u>

- **Revenue** was RMB208,200 million (US$30,316 million), an increase of 2% year-over-year.

- **Income from operations** was RMB15,240 million (US$2,219 million), a decrease of 9% year-over-year. Excluding the impact of an item discussed in "March Quarter Other Financial Results — Income from operations and operating margin" below, income from operations would have increased by RMB11,569 million year-over-year. **Adjusted EBITA**, a non-GAAP measurement, increased by 60% or RMB9,469 million year-over-year to RMB25,280 million (US$3,681 million), primarily due to an increase in China commerce adjusted EBITA, as well as narrowed adjusted EBITA losses of Local consumer services and Digital media and entertainment.

- **Net income attributable to ordinary shareholders** was RMB23,516 million (US$3,424 million). **Net income** was RMB21,996 million (US$3,203 million), compared to net loss of RMB18,357 million in the same quarter last year, primarily due to net gains arising from the increases in the market prices of our equity investments in publicly-traded companies, compared to net losses from these investments in the same quarter last year, partly offset by the decrease in share of profit of equity method investees, the increase in impairment of investments and the decrease in income from operations as mentioned above. Except for the share of profit of equity method investees, we excluded these investment related net gains or losses from our non-GAAP measures. **Non-GAAP net income** was RMB27,375 million (US$3,986 million), an increase of 38% year-over-year.

- **Diluted earnings per ADS** was RMB9.00 (US$1.31) and **diluted earnings per share** was RMB1.12 (US$0.16 or HK$1.28). **Non-GAAP diluted earnings per ADS** was RMB10.71 (US$1.56), an increase of 35% year-over-year and **non-GAAP diluted earnings per share** was RMB1.34 (US$0.20 or HK$1.53), an increase of 35% year-over-year.

- **Net cash provided by operating activities** was RMB31,401 million (US$4,572 million). **Free cash flow**, a non-GAAP measurement of liquidity, was RMB32,267 million (US$4,698 million).

In the fiscal year ended March 31, 2023:

- **Revenue** was RMB868,687 million (US$126,491 million), an increase of 2% year-over-year.

- **Income from operations** was RMB100,351 million (US$14,612 million), an increase of 44% year-over-year. Excluding the impact of certain items discussed in "Full Fiscal Year Other Financial Results — Income from operations and operating margin" below, income from operations would have increased by RMB24,143 million year-over-year. **Adjusted EBITA**, a non-GAAP measurement, increased 13% or RMB17,514 million year-over-year to RMB147,911 million (US$21,538 million), primarily due to narrowed adjusted EBITA losses of Local consumer services, International commerce and Digital media and entertainment, as well as an increase in China commerce adjusted EBITA.

- **Net income attributable to ordinary shareholders** was RMB72,509 million (US$10,558 million) and **net income** was RMB65,573 million (US$9,548 million), showing year-over-year increases of 17% and 39%, respectively, primarily due to the increase in income from operations and the decrease in net losses arising from changes in the fair values of our equity investments, partly offset by the decrease in share of profit of equity method investees and the increase in impairment of investments. We excluded net gains or losses arising from the changes in fair value and impairment of our investments from our non-GAAP measures. **Non-GAAP net income** was RMB141,379 million (US$20,586 million), an increase of 4% year-over-year.

- **Diluted earnings per ADS** was RMB27.46 (US$4.00) and **diluted earnings per share** was RMB3.43 (US$0.50 or HK$3.92). **Non-GAAP diluted earnings per ADS** was RMB54.56 (US$7.94), an increase of 4% year-over-year and **non-GAAP diluted earnings per share** was RMB6.82 (US$0.99 or HK$7.79), an increase of 4% year-over-year.

- **Net cash provided by operating activities** was RMB199,752 million (US$29,086 million). **Free cash flow**, a non-GAAP measurement of liquidity, was RMB171,663 million (US$24,996 million).

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

BUSINESS AND STRATEGIC UPDATES

China Commerce

China commerce segment mainly includes our China commerce retail businesses such as Taobao, Tmall, Taobao Deals, Taocaicai, Freshippo, Tmall Supermarket, Sun Art, Tmall Global and Alibaba Health, as well as wholesale businesses including 1688.com.

For the quarter ended March 31, 2023, online physical goods GMV on Taobao and Tmall, excluding unpaid orders, declined mid-single-digit year-over-year. China's consumption gradually recovered throughout the quarter ended March 31, 2023. In the month of March, online physical goods GMV growth on Taobao and Tmall, excluding unpaid orders, turned positive, driven by strong growth of fashion & accessories and healthcare categories.

We remain focused on improving the customer value proposition of our Taobao app by (i) increasing media content that strengthens consumer engagement, (ii) being more price competitive through more effective targeting and introduction of new marketing features and (iii) catering to consumers' time-sensitive needs for high-frequency everyday necessities through our neighborhood retail businesses. In April, we started testing a new interface for Taobao app that aims at increasing front page exposure for livestreaming, channels for price competitive products and neighborhood shopping categories.

Taobao Deals, our value-for-money platform, continues to enrich product supply and enhance digital consumption experience for price sensitive consumers. For the quarter ended March 31, 2023, paid GMV of M2C products grew 26% year-over-year on Taobao and Taobao Deals. Taocaicai continues to drive category penetration in high purchase frequency categories of groceries and fresh produce on our China retail marketplaces. For the twelve months ended March 31, 2023, 62% of Taocaicai's annual active consumers were first-time fresh produce buyers on our various platforms. During the quarter, both Taobao Deals and Taocaicai continued to narrow losses year-over-year.

For the quarter ended March 31, 2023, our direct sales and others revenue was RMB71,788 million (US$ 10,453 million), decreasing slightly by 1% year-over-year, mainly due to decrease in offline store sales, which was negatively affected by COVID-19 disruption in January and seasonal volatility from an earlier Chinese New Year, as well as normalizing grocery demand due to decrease in consumer hoarding behavior post-COVID-19. During the quarter, Freshippo continued to strengthen its merchandising capabilities and improve its operating efficiency that resulted in positive operating results.

International Commerce

Our International commerce retail businesses include Lazada, AliExpress, Trendyol and Daraz platforms. The combined order volume of these businesses grew 15% year-over-year for the quarter ended March 31, 2023.

During the quarter, AliExpress launched *Choice*, a new service to global consumers. *Choice* offers consumers a curation of great value products across an extensive range of categories. Consumers in selected countries enjoy free shipping, free returns and quality delivery guarantees when placing orders on *Choice*. By leveraging chartered flights and utilizing overseas warehouses, AliExpress has been able to offer these value-added services with shortened delivery time in key strategic countries. As a result, in the March quarter, *Choice*'s daily orders ramped up rapidly and contributed to double-digit order growth for AliExpress during the quarter.

In Southeast Asia, Lazada recorded double-digit order growth year-over-year during the quarter ended March 31, 2023. Through continuous improvement of user engagement program to most of the markets, Lazada continued to increase its buyer base. Lazada also continued to improve its monetization rate by offering more value-added services that resulted in improving revenue growth.

During the quarter, Trendyol mobilized its resources to provide aid and support for those affected by the major earthquakes that struck Türkiye in February. Year-over-year order growth rate in the quarter remained resilient, driven by the normalization of the Turkish business from March onwards as well as the strong order growth in new businesses.

Local Consumer Services

For the quarter ended March 31, 2023, order growth of Local consumer services exceeded 20%. Segment losses continued to narrow driven by improving overall business efficiency.

To-Home

Starting in February, Ele.me's GMV growth and order growth substantially increased due to improving consumer demand, increasing number of active merchants and effective scaling of our delivery capacity. For the quarter ended March 31, 2023, Ele.me's unit economics per order continued to be positive and improved year-over-year due to increased average order value and reduced delivery cost per order.

To-Destination

For the quarter ended March 31, 2023, year-over-year order growth of "To-Destination" businesses, which included Amap and Fliggy, increased rapidly due to the strong recovery in commuting and travel demand. In March, the number of average daily active users of Amap reached a new record high of 150 million, driven by increasing intra-city commute and inter-city travel demand. In March, Fliggy's domestic hotel booking value grew over 70% compared to the same period in 2019 driven by a surge in business and recreational travel demand.

Cainiao

For the quarter ended March 31, 2023, revenue from Cainiao, before inter-segment elimination, grew 15% year-over-year to RMB18,915 million (US$2,754 million). In the quarter ended March 31, 2023, 72% of Cainiao's total revenue was generated from external customers. Revenue from Cainiao, after inter-segment elimination, grew 18% year-over-year to RMB13,619 million (US$1,983 million), primarily driven by increasing revenue per order from international fulfillment solution services as well as increasing demand for consumer logistics services.

Cainiao continues to expand its international logistics network by strengthening its end-to-end logistics capabilities. With the aim of providing merchants with stable and cost-effective services, Cainiao continues to upgrade its overseas warehouse network and offers a wide range of logistics solutions, including cargo collection in China, international line-haul, overseas feeder services, as well as overseas last-mile delivery services. These capabilities have successfully supported our internal and external customers. For AliExpress *Choice*, Cainiao has upgraded its warehouse network to improve its parcel bundling and direct shipping capabilities, enabling merchants to achieve full-scale global logistics management for worldwide shipping. In March, Cainiao became the first China logistics partner of the United Nations World Food Programme (WFP) , and through the partnership Cainiao will help WFP shorten delivery time of critical supplies during global emergency situations.

In China, Cainiao continues to expand its Cainiao Post network that offers a variety of value-added services. During the quarter ended March 31, 2023, Cainiao Post further increased its penetration of door-step parcel delivery service to customers, with door-step delivery parcels increasing by approximately 85% year-over-year.

Cloud

Our Cloud segment comprises Alibaba Cloud and DingTalk. For the quarter ended March 31, 2023, total revenue from our Cloud segment before inter-segment elimination, which includes revenue from services provided to other Alibaba businesses, was RMB24,559 million (US$3,576 million), a decline of 3% year-over-year. In the quarter ended March 31, 2023, revenue from our Cloud segment, after inter-segment elimination, was RMB18,582 million (US$2,706 million), a decline of 2% year-over-year. The year-over-year decrease in revenue of our Cloud segment reflected delays in delivery of hybrid cloud projects given the COVID-19 resurgence in January, normalization of CDN demand compared to the same period last year, as well as the impact from a top customer phasing out using our overseas cloud services for its international business due to non-product related reasons.

Our Cloud segment revenue is becoming more diversified with revenue contribution from non-Internet industries steadily increasing. During the quarter, after inter-segment elimination, revenue from non-internet industries grew healthily, driven by financial services, retail, media and automobile industries. For the quarter ended March 31, 2023, after inter-segment elimination, revenue contribution from non-Internet industries to Cloud segment revenue was 55%.

Alibaba Cloud

As a cloud computing product company, Alibaba Cloud has been committed to the research and development of core technologies of cloud computing, big data and AI as well as the promotion of computing power and AI. Through a series of initiatives we launched recently, we aim to further expand our public cloud customer base and increase cloud utilization, and to leverage the historic opportunity in generative AI to drive the growth of high-quality computing power for machine learning and services. We believe these initiatives will drive healthy and sustainable growth of Alibaba Cloud.

- **Generative AI:** In April, Alibaba Cloud unveiled its latest large language model (LLM), Tongyi Qianwen (通义千问). We plan to integrate new LLM into all business applications across Alibaba's ecosystem in the near future to further enhance user experience. To enable enterprise customers to reap the benefits of AI-driven innovation, Alibaba Cloud will offer its clients access to Tongyi Qianwen on cloud and enable them to develop customized LLMs for their business scenarios. Since the announcement of the model, we have received over 200,000 beta testing requests from enterprise users across a broad range of sectors.
- **Product Pricing:** Recently, Alibaba Cloud has endorsed multiple actions to make computing more accessible and affordable. We announced a new instance family that provides the same level of stability and offers up to 40% cost savings. For existing products, we reduced the prices of some of our core utility products, including computing, storage, networking and security products, by up to 50%. We believe these moves will help our customers increase public cloud adoption in China as well as unlock emerging opportunities to leverage AI technology for enterprises.
- **Partnership:** At the 2023 Alibaba Cloud Partner Conference, Alibaba Cloud unveiled several initiatives to our partners, including the promotion of commission to our ecosystem partners, in order to further integrate our proprietary technology and products into our partners' solutions to create value for our enterprise customers.

DingTalk

DingTalk, our intelligent collaboration workplace and application development platform, offers new ways of working, sharing and collaboration for modern enterprises and organizations. During the 2023 DingTalk Spring Summit on April 18, 2023, DingTalk unveiled the integration of intelligent capabilities based on Alibaba's Tongyi Qianwen LLM into its product. Users can activate multiple AI capabilities by typing the slash symbol (/), including article creation, meeting notes summary, image generation, DingTalk mini-app building and robot training. As a PaaS platform, DingTalk will further help customers and ecosystem partners to unlock the potential of AI capabilities.

Digital Media and Entertainment

For the quarter ended March 31, 2023, Youku's total subscription revenue grew 13% year-over-year, primarily driven by increasing ARPU as well as benefiting from high-quality original content such as Who Is He (他是谁) and The Blood of Youth (少年歌行). In the March quarter, demand for offline ticketing services normalized, resulting in strong growth in businesses such as Damai and Taopiaopiao.

Updates on ESG Initiatives

Progress in decarbonization

We have been committed to promoting decarbonization across our platform ecosystem. In the past quarter, we cooperated with the China National Institute of Standardization and other professional institutions to release four low-carbon related standards. On April 22 Earth Day, we launched "88 Decarbonization Day" to promote the importance and environmental benefits of low-carbon products to customers.

Supporting the building of socioeconomic resilience

In the past quarter, we helped small and medium enterprises and underdeveloped regions build resilience for better development.

- **Taobao and Tmall:** Taobao and Tmall helped new merchants improve their operations by offering them various operational assistance, including providing logistics support, business decision support, and development funding.
- **1688.com:** 1688.com launched the "Warm Spring Recovery" campaign to help manufacturers attract new customers and provide marketing, financial and logistics support.
- **Cainiao:** Cainiao opened rural medical emergency warehouses in six key cities across China and continued to increase investment in warehousing and transport capacity in rural areas to improve overall emergency logistics capabilities for rural areas.

Share Repurchases

During the quarter ended March 31, 2023, we repurchased 21.5 million ADSs (the equivalent of 172.4 million ordinary shares) for approximately US$1.9 billion under our share repurchase program. As of March 31, 2023, we had 20.5 billion ordinary shares (the equivalent of approximately 2.6 billion ADSs) outstanding, and approximately US$19.4 billion remaining under the current authorization, effective through March 2025.

THE RESTRUCTURING

On March 28, 2023, we announced a new organizational and governance structure to empower all our businesses to become more agile, enhance decision making, enable faster responses to market changes and promote innovation to capture opportunities, thereby unlocking shareholder value.

Business Group Directors and CEOs

Under our new structure, Alibaba Group is the holding company of the six major business groups and various other businesses. Each of the six major business groups is independently managed by its own chief executive officer and board of directors (or equivalent governing body). The director and CEO candidates of these major business groups are subject to the approval and appointment of Alibaba Group's board of directors.

The directors and CEOs of the six major business groups approved by Alibaba Group's board of directors are:

Business Group	Board of Directors
Cloud Intelligence Group (including cloud, AI, DingTalk and other businesses)	• Daniel Yong ZHANG, Chairman and Chief Executive Officer (Chairman and Chief Executive Officer, Alibaba Group) • Jian WANG, Director (Chairman, Group Technology Steering Committee) • Jessie Junfang ZHENG, Director (Chief Risk Officer, Cloud Intelligence Group) • Jane Fang JIANG, Director (Group Chief People Officer) • Zeming WU, Director (Group Chief Technology Officer)
Taobao & Tmall Group (including Taobao, Tmall, Taobao Deals, Taocaicai, 1688.com	• Eddie Yongming WU, Chairman (Partner, Alibaba Partnership) • Trudy Shan DAI, Director and Chief Executive Officer • Joseph C. TSAI, Director (Executive Vice Chairman, Alibaba Group) • Fan JIANG, Director (CEO, Alibaba International Digital Commerce Group) • Zeming WU, Director (Group Chief Technology Officer)

Business Group	Board of Directors
and other businesses)	
Local Services Group (including Amap, Ele.me and other businesses)	• Yongfu YU, Chairman and Chief Executive Officer • Lucy Lei PENG, Director (Partner, Alibaba Partnership) • Eddie Yongming WU, Director (Partner, Alibaba Partnership) • Zeming WU, Director (Group Chief Technology Officer) • Shunyan ZHU, Director (Chairman and Chief Executive Officer, Alibaba Health)
Alibaba International Digital Commerce Group (including Lazada, AliExpress, Trendyol, Daraz, Alibaba.com and other businesses)	• J. Michael EVANS, Chairman (Director and President, Alibaba Group) • Fan JIANG, Director and Chief Executive Officer • Lucy Lei PENG, Director (Partner, Alibaba Partnership) • Trudy Shan DAI, Director (Chief Executive Officer, Taobao & Tmall Group) • Eddie Yongming WU, Director (Partner, Alibaba Partnership)
Cainiao Smart Logistics Network Limited(1)	• Joseph C. TSAI, Chairman (Executive Vice Chairman, Alibaba Group) • Lin WAN, Director and Chief Executive Officer • Trudy Shan DAI, Director (Chief Executive Officer, Taobao & Tmall Group) • Fan JIANG, Director (Chief Executive Officer, Alibaba International Digital Commerce Group) • Jane Fang JIANG, Director (Group Chief People Officer)
Digital Media and Entertainment Group (including Youku, Alibaba Pictures and other businesses)	• Luyuan FAN, Chairman and Chief Executive Officer • Maggie Wei WU, Director (Director, Alibaba Group) • Judy Wenhong TONG, Director (Partner, Alibaba Partnership) • Sara Siying YU, Director (Group General Counsel) • Winnie Jia WEN, Director (President, Group Public Affairs)

(1) Cainiao Smart Logistics' board of directors also includes directors appointed by its external investors not shown in this table.

Capital Management Committee

Our board of directors has formed a new capital management committee to undertake a comprehensive capital management plan to enhance shareholder value. This committee will review and decide important matters relating to Alibaba Group's activities as a holding company, including capital market transactions, shareholder return initiatives, subsidiary equity incentive plans, fundraisings, initial public offerings and spin-offs. The committee is chaired by Mr. Daniel Zhang, Chairman and Chief Executive Officer, and the members are Mr. Joseph C. Tsai, Director and Executive Vice Chairman, Mr. J. Michael Evans, Director and President, and Ms. Maggie Wu, Director and former Chief Financial Officer.

Business Group Spin-offs and Capital Raisings

As previously announced, five of our major business groups will have the flexibility to raise external capital and potentially to seek its own initial public offering, with the exception of Taobao & Tmall Group, which will remain wholly-owned by Alibaba Group.

Our board of directors approved the following transactions as the initial phase of our capital management planning:

Cloud Intelligence Group Spin-Off

Our board of directors approved a full spin-off of the Cloud Intelligence Group via a stock dividend distribution to our shareholders. Prior to the spin-off, we plan to include external strategic investors in Cloud Intelligence Group through private financings. In connection with the spin-off, Cloud Intelligence Group intends to become an independent publicly listed company. The spin-off will be subject to restructuring of certain assets, liabilities and contracts, implementation of employee equity incentive plans, market conditions, as well as regulatory reviews and approvals in relevant jurisdictions. We intend to structure the spin-off in the most tax-efficient way for our shareholders. Subject to the transactions, conditions and approvals described above, we target to complete the spin-off in the next 12 months.

External Capital Raising for Alibaba International Digital Commerce Group

Our board of directors approved the commencement of a process to explore raising external capital for the Alibaba International Digital Commerce Group to support its development and growth. The capital raising will assist the business group to expand into new geographic markets, invest in new technologies, grow its consumer and supplier base, strengthen its management team and develop and enhance its products and services to its customers globally.

Initial Public Offering Plan of Cainiao Smart Logistics

Our board of directors approved the commencement of a process to explore an initial public offering of Cainiao Smart Logistics. The group provides supply chain, logistics and delivery services to consumers and merchants that are customers of Taobao & Tmall Group and Alibaba International Digital Commerce Group, as well as third party customers. Alibaba Group holds a 67% equity interest in Cainiao Smart Logistics. Other shareholders in the business group include strategic investors in the logistics industry and global institutional investors. We target to complete the initial public offering in the next 12 to 18 months.

Initial Public Offering Plan of Freshippo (Hema)

Our board of directors approved the commencement of a process to execute an initial public offering of Freshippo (Hema), our new retail business. We expect the initial public offering will be completed in the next 6 to 12 months.

The successful execution of the above transactions is subject to various factors, many of which are out of our control, including without limitation, successful restructurings of assets, liabilities and contracts, implementation of equity incentive plans, market conditions and regulatory reviews and approvals.

Compliance and Risk Committee

Our board of directors has established a compliance and risk committee to oversee Alibaba Group's overall regulatory compliance and risks in key areas other than financial reporting (financial reporting will continue to be overseen by the audit committee), such as cybersecurity, data privacy and security, IP protection and other regulatory compliance matters. A majority of the compliance and risk committee members are independent directors. The committee is chaired by Ms. Irene Lee, and the members are Mr. Albert Ng, Mr. Kabir Misra, Mr. Daniel Zhang and Mr. J. Michael Evans.

MARCH QUARTER SUMMARY FINANCIAL RESULTS

	Three months ended March 31,			
	2022	2023		
	RMB	RMB	US$	YoY % Change
	(in millions, except percentages and per share amounts)			
Revenue	204,052	208,200	30,316	2%
Income from operations	16,717	15,240	2,219	(9)%[(2)]
Operating margin	8%	7%		
Adjusted EBITDA[(1)]	23,373	32,123	4,677	37%[(3)]
Adjusted EBITDA margin[(1)]	11%	15%		
Adjusted EBITA[(1)]	15,811	25,280	3,681	60%[(3)]
Adjusted EBITA margin[(1)]	8%	12%		
Net (loss) income	(18,357)[(4)]	21,996[(4)]	3,203	N/A
Net (loss) income attributable to ordinary shareholders	(16,241)[(4)]	23,516[(4)]	3,424	N/A
Non-GAAP net income[(1)]	19,799	27,375	3,986	38%[(3)]
Diluted (loss) earnings per share[(5)]	(0.76)[(4)]	1.12 [(4)]	0.16	N/A
Diluted (loss) earnings per ADS[(5)]	(6.07)[(4)]	9.00 [(4)]	1.31	N/A
Non-GAAP diluted earnings per share[(1) (5)]	0.99	1.34	0.20	35% [(3) (6)]
Non-GAAP diluted earnings per ADS[(1) (5)]	7.95	10.71	1.56	35% [(3) (6)]

(1) See "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 in this results announcement.

(2) Excluding the impact of an item discussed in "March Quarter Other Financial Results — Income from operations and operating margin," income from operations would have increased by RMB11,569 million year-over-year.

(3) The year-over-year increases were primarily due to an increase in China commerce adjusted EBITA, as well as narrowed adjusted EBITA losses of Local consumer services and Digital media and entertainment.

(4) The year-over-year changes were primarily due to net gains arising from the increases in the market prices of our equity investments in publicly-traded companies, compared to net losses from these investments in the same quarter last year, partly offset by the decrease in share of profit of equity method investees, the increase in impairment of investments and the decrease in income from operations.

(5) Each ADS represents eight ordinary shares.

(6) The year-over-year percentages as stated are calculated based on the exact amount and there may be minor differences from the year-over-year percentages calculated based on the RMB amounts after rounding.

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, 2023									
	China commerce(1)	International commerce	Local consumer services(1)	Cainiao	Cloud	Digital media and entertainment	Innovation initiatives and others	Unallocated(2)	Consolidated	
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	US$
	(in millions, except percentages)									
Revenue	**136,073**	**18,541**	**12,549**	**13,619**	**18,582**	**8,273**	**563**	**—**	**208,200**	**30,316**
YoY% change	(3)%	29%	17%	18%	(2)%	3%	47%	N/A	2%	
Income (Loss) from operations	**36,529**	**(2,974)**	**(6,599)**	**(1,167)**	**(910)**	**(1,702)**	**(2,437)**	**(5,500)**	**15,240**	**2,219**
Add: Share-based compensation expense	1,544	620	1,063	596	1,292	441	396	1,594	7,546	1,099
Add: Amortization of intangible assets	414	24	1,383	252	3	159	211	48	2,494	363
Adjusted EBITA	**38,487**	**(2,330)**	**(4,153)**	**(319)**	**385**	**(1,102)**	**(1,830)**	**(3,858)**	**25,280**	**3,681**
Adjusted EBITA YoY% change(3)	**19%**	**9%**	**25%**	**65%**	**39%**	**44%**	**25%**	**(19)%**	**60%**	
Adjusted EBITA margin	**28%**	**(13)%**	**(33)%**	**(2)%**	**2%**	**(13)%**	**(325)%**	**N/A**	**12%**	

	Three months ended March 31, 2022								
	China commerce(1)	International commerce	Local consumer services(1)	Cainiao	Cloud	Digital media and entertainment	Innovation initiatives and others	Unallocated(2)	Consolidated
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
	(in millions, except percentages)								
Revenue	**140,079**	**14,335**	**10,696**	**11,582**	**18,971**	**8,005**	**384**	**—**	**204,052**
Income (Loss) from operations	**32,556**	**(1,918)**	**(6,588)**	**(1,081)**	**598**	**(2,170)**	**(2,727)**	**(1,953)**	**16,717**
Add: Share-based compensation expense	(902)	(664)	(479)	(85)	(326)	5	64	(1,350)	(3,737)
Add: Amortization of intangible assets	580	19	1,499	254	4	199	211	65	2,831
Adjusted EBITA	**32,234**	**(2,563)**	**(5,568)**	**(912)**	**276**	**(1,966)**	**(2,452)**	**(3,238)**	**15,811**
Adjusted EBITA margin	**23%**	**(18)%**	**(52)%**	**(8)%**	**1%**	**(25)%**	**(639)%**	**N/A**	**8%**

(1) Beginning on October 1, 2022, we reclassified the results of our Instant Supermarket Delivery (全能超市) business, which was previously reported under China commerce segment, to Local consumer services segment following the strategy refinement of Instant Supermarket Delivery business to focus on building customer mindshare for grocery delivery services through Ele.me platform. 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) For a more intuitive presentation, widening of loss in YoY% is shown in terms of negative growth rate, and narrowing of loss in YoY% is shown in terms of positive growth rate.

(4) Following the implementation of the new organizational structure as mentioned in "The Restructuring" above, we will also update our segment reporting to reflect the new reporting structure that will be reviewed by our chief operating decision maker.

MARCH QUARTER SEGMENT RESULTS

Revenue

Revenue for the quarter ended March 31, 2023 was RMB208,200 million (US$30,316 million), an increase of 2% compared to RMB204,052 million in the same quarter of 2022.

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

	Three months ended March 31,					
	2022		2023			
	RMB	% of Revenue	RMB	US$	% of Revenue	YoY % Change
	(in millions, except percentages)					
China commerce:						
China commerce retail						
- Customer management	63,421	31%	60,274	8,777	29%	(5)%
- Direct sales and others(1) (2)	72,275	36%	71,788	10,453	34%	(1)%
	135,696	67%	132,062	19,230	63%	(3)%
China commerce wholesale	4,383	2%	4,011	584	2%	(8)%
Total China commerce	140,079	69%	136,073	19,814	65%	(3)%
International commerce:						
International commerce retail	9,887	5%	13,967	2,034	7%	41%
International commerce wholesale	4,448	2%	4,574	666	2%	3%
Total International commerce	14,335	7%	18,541	2,700	9%	29%
Local consumer services(1)	10,696	5%	12,549	1,827	6%	17%
Cainiao	11,582	6%	13,619	1,983	7%	18%
Cloud	18,971	9%	18,582	2,706	9%	(2)%
Digital media and entertainment	8,005	4%	8,273	1,204	4%	3%
Innovation initiatives and others	384	0%	563	82	0%	47%
Total	204,052	100%	208,200	30,316	100%	2%

(1) Beginning on October 1, 2022, we reclassified the revenue of our Instant Supermarket Delivery (全能超市) business, which was previously reported under China commerce segment, as revenue from Local consumer services segment following the strategy refinement of Instant Supermarket Delivery business to focus on building customer mindshare for grocery delivery services through Ele.me platform. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

(2) Direct sales and others revenue under China commerce retail primarily represents our direct sales businesses, comprising mainly Sun Art, Freshippo, Tmall Supermarket and Alibaba Health's direct sales businesses, where revenue and the cost of inventory are recorded on a gross basis.

China Commerce

(i) Segment revenue

- ***China Commerce Retail Business***

Revenue from our China commerce retail business in the quarter ended March 31, 2023 was RMB132,062 million (US$19,230 million), a decrease of 3% compared to RMB135,696 million in the same quarter of 2022.

Customer management revenue decreased by 5% year-over-year, primarily due to the mid-single-digit decline of online physical goods GMV generated on Taobao and Tmall, excluding unpaid orders year-over-year.

Direct sales and others revenue under China commerce retail business in the quarter ended March 31, 2023 was RMB71,788 million (US$10,453 million), decreasing slightly by 1% year-over-year, compared to RMB72,275 million in the same quarter of 2022, mainly due to decrease in offline store sales, which was negatively affected by the COVID-19 disruption in January and seasonal volatility from an earlier Chinese New Year, as well as normalizing grocery demand due to decrease in consumer hoarding behavior post-COVID-19.

- ***China Commerce Wholesale Business***

Revenue from our China commerce wholesale business in the quarter ended March 31, 2023 was RMB4,011 million (US$584 million), a decrease of 8% compared to RMB4,383 million in the same quarter of 2022.

(ii) Segment adjusted EBITA

China commerce adjusted EBITA increased by 19% to RMB38,487 million (US$5,604 million) in the quarter ended March 31, 2023, compared to RMB32,234 million in the same quarter of 2022. The increase was primarily due to reduced loss of Taobao Deals, Taocaicai and Freshippo. Adjusted EBITA margin increased from 23% in the quarter ended March 31, 2022 to 28% in the quarter ended March 31, 2023. During the quarter ended March 31, 2023, Taobao Deals and Taocaicai significantly narrowed losses year-over-year, mainly driven by optimized spending in user acquisition and improving overall operating efficiency. Freshippo continued to strengthen its merchandising capabilities and improve its operating efficiency that resulted in positive operating results that resulted in positive operating results.

<u>International Commerce</u>

(i) Segment revenue

- ***International Commerce Retail Business***

Revenue from our International commerce retail business in the quarter ended March 31, 2023 was RMB13,967 million (US$2,034 million), an increase of 41% compared to RMB9,887 million in the same quarter of 2022. The increase was primarily due to the growth in revenue generated by Trendyol, Lazada and AliExpress. The increase in revenue from Trendyol resulted from more efficient use of subsidies and robust year-over-year order growth. The increase in revenue from Lazada is driven by the continuous improvement in monetization rate by offering more value-added services and the robust year-over-year order growth. The increase in revenue from AliExpress was driven by the double-digit order growth of AliExpress, accelerated by the direct sales and fulfillment services, with the launch of a new service *Choice* to global consumers.

- ***International Commerce Wholesale Business***

Revenue from our International commerce wholesale business in the quarter ended March 31, 2023 was RMB4,574 million (US$666 million), an increase of 3% compared to RMB4,448 million in the same quarter of 2022.

(ii) Segment adjusted EBITA

International commerce adjusted EBITA was a loss of RMB2,330 million (US$339 million) in the quarter ended March 31, 2023, compared to a loss of RMB2,563 million in the same quarter of 2022. The decrease in loss year-over-year was primarily due to the reduced loss from Trendyol, partly offset by the increased loss from Lazada. The reduced loss from Trendyol is primarily due to revenue growth and enhanced operating efficiency. The increased loss from Lazada is primarily due to a oneoff early termination expense in connection with renegotiating new service contracts to reduce future operating costs, which was partly offset by the continuous improvement in monetization rate by offering more value-added services as well as enhanced operating efficiency.

Local Consumer Services

(i) Segment revenue

Revenue from Local consumer services, which includes "To-Home" and "To-Destination" businesses such as Ele.me, Amap and Fliggy, was RMB12,549 million (US$1,827 million) in the quarter ended March 31, 2023, an increase of 17% compared to RMB10,696 million in the same quarter of 2022, primarily due to GMV growth of Ele.me driven by order growth and higher average order value.

(ii) Segment adjusted EBITA

Local consumer services adjusted EBITA was a loss of RMB4,153 million (US$605 million) in the quarter ended March 31, 2023, compared to a loss of RMB5,568 million in the same quarter of 2022, primarily due to the continued narrowing of loss from our "To-Home" business driven by Ele.me's improved unit economics per order, which was due to increased average order value and reduced delivery cost per order year-over-year.

Cainiao

(i) Segment revenue

Revenue from Cainiao, which represents revenue from its domestic and international one-stop-shop logistics services and supply chain management solutions, after inter-segment elimination, was RMB13,619 million (US$1,983 million) in the quarter ended March 31, 2023, an increase of 18% compared to RMB11,582 million in the same quarter of 2022, primarily driven by increasing revenue per order from international fulfillment solution services as well as increasing demand for consumer logistics services.

Total revenue generated by Cainiao, before inter-segment elimination, which includes revenue from services provided to other Alibaba businesses, was RMB18,915 million (US$2,754 million), an increase of 15% compared to RMB16,451 million in the same quarter of 2022.

(ii) Segment adjusted EBITA

Cainiao adjusted EBITA was a loss of RMB319 million (US$46 million) in the quarter ended March 31, 2023, compared to a loss of RMB912 million in the same quarter of 2022.

Cloud

(i) Segment revenue

Revenue from our Cloud segment, after inter-segment elimination, was RMB18,582 million (US$2,706 million) in the quarter ended March 31, 2023, a decline of 2% compared to RMB18,971 million in the same quarter of 2022. The year-over-year decrease in revenue of our Cloud segment reflected delays in delivery of hybrid cloud projects given the COVID-19 resurgence in January and normalization of CDN demand compared to the same period last year, as well as the impact from a top customer phasing out using our overseas cloud services for its international business due to non-product related reasons.

Total revenue from our Cloud business, before inter-segment elimination, which includes revenue from services provided to other Alibaba businesses, was RMB24,559 million (US$3,576 million), decrease of 3% compared to RMB25,230 million in the same quarter of 2022.

(ii) Segment adjusted EBITA

Cloud adjusted EBITA was RMB385 million (US$56 million) in the quarter ended March 31, 2023, compared to RMB276 million in the same quarter of 2022.

Digital Media and Entertainment

(i) Segment revenue

Revenue from our Digital media and entertainment segment in the quarter ended March 31, 2023 was RMB8,273 million (US$1,204 million), an increase of 3%, compared to RMB8,005 million in the same quarter of 2022.

(ii) Segment adjusted EBITA

Digital media and entertainment adjusted EBITA in the quarter ended March 31, 2023 was a loss of RMB1,102 million (US$160 million), compared to a loss of RMB1,966 million in the same quarter of 2022, primarily due to the narrowing of loss from Youku driven by disciplined investment in content and production capability.

Innovation Initiatives and Others

(i) Segment revenue

Revenue from Innovation initiatives and others was RMB563 million (US$82 million) in the quarter ended March 31, 2023, an increase of 47% compared to RMB384 million in the same quarter of 2022.

(ii) Segment adjusted EBITA

Innovation initiatives and others adjusted EBITA in the quarter ended March 31, 2023 was a loss of RMB1,830 million (US$267 million), compared to a loss of RMB2,452 million in the same quarter of 2022.

MARCH QUARTER OTHER FINANCIAL RESULTS

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
	2022		2023			
	RMB	% of Revenue	RMB	US$	% of Revenue	
	(in millions, except percentages)					
Costs and expenses:						
Cost of revenue	138,945	68%	138,823	20,214	67%	(1)%
Product development expenses	10,944	5%	13,880	2,021	7%	2%
Sales and marketing expenses	27,200	13%	24,931	3,630	12%	(1)%
General and administrative expenses	7,415	4%	12,832	1,869	6%	2%
Amortization of intangible assets	2,831	2%	2,494	363	1%	(1)%
Total costs and expenses	187,335	92%	192,960	28,097	93%	1%
Share-based compensation expense:						
Cost of revenue	(692)	0%	1,235	180	1%	1%
Product development expenses	(1,407)	(1)%	2,938	428	2%	3%
Sales and marketing expenses	(199)	0%	858	125	0%	0%
General and administrative expenses	(1,439)	(1)%	2,515	366	1%	2%
Total share-based compensation expense	(3,737)	(2)%	7,546	1,099	4%	6%
Costs and expenses excluding share-based compensation expense:						
Cost of revenue	139,637	68%	137,588	20,034	66%	(2)%
Product development expenses	12,351	6%	10,942	1,593	5%	(1)%
Sales and marketing expenses	27,399	13%	24,073	3,505	12%	(1)%
General and administrative expenses	8,854	5%	10,317	1,503	5%	0%
Amortization of intangible assets	2,831	2%	2,494	363	1%	(1)%
Total costs and expenses excluding share-based compensation expense	191,072	94%	185,414	26,998	89%	(5)%

Cost of revenue – Cost of revenue in the quarter ended March 31, 2023 was RMB138,823 million (US$20,214 million), or 67% of revenue, compared to RMB138,945 million, or 68% of revenue, in the same quarter of 2022. Without the effect of share-based compensation expense, cost of revenue as a percentage of revenue would have decreased from 68% in the quarter ended March 31, 2022 to 66% in the quarter ended March 31, 2023.

Product development expenses – Product development expenses in the quarter ended March 31, 2023 were RMB13,880 million (US$2,021 million), or 7% of revenue, compared to RMB10,944 million, or 5% of revenue, in the same quarter of 2022. 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, 2022 to 5% in the quarter ended March 31, 2023.

Sales and marketing expenses – Sales and marketing expenses in the quarter ended March 31, 2023 were RMB24,931 million (US$3,630 million), or 12% of revenue, compared to RMB27,200 million, or 13% of revenue, in the same quarter of 2022. Without the effect of share-based compensation expense, sales and marketing expenses as a percentage of revenue would have decreased from 13% in the quarter ended March 31, 2022 to 12% in the quarter ended March 31, 2023.

General and administrative expenses – General and administrative expenses in the quarter ended March 31, 2023 were RMB12,832 million (US$1,869 million), or 6% of revenue, compared to RMB7,415 million, or 4% of revenue, in the same quarter of 2022. Without the effect of share-based compensation expense, general and administrative expenses as a percentage of revenue would have remained stable at 5% in the quarter ended March 31, 2023 compared to the quarter ended March 31, 2022.

Share-based compensation expense – Total share-based compensation expense included in the cost and expense items above in the quarter ended March 31, 2023 was RMB7,546 million (US$1,099 million), compared to a net reversal of RMB3,737 million in the same quarter of 2022.

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

	Three months ended March 31,					
	2022		2023			% Change
	RMB	% of Revenue	RMB	US$	% of Revenue	YoY
	(in millions, except percentages)					
By type of awards:						
Alibaba Group share-based awards[(1)]	7,597	4%	5,972	870	3%	(21)%
Ant Group share-based awards[(2)]	(12,683)	(6)%	126	18	0%	N/A
Others[(3)]	1,349	0%	1,448	211	1%	7%
Total share-based compensation expense	(3,737)	(2)%	7,546	1,099	4%	N/A

(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) This represents share-based awards of our subsidiaries.

Share-based compensation expense related to Alibaba Group share-based awards decreased in the quarter ended March 31, 2023 compared to the same quarter of 2022. This decrease was primarily due to the general decrease in the average fair market value of the awards granted.

Share-based compensation expense related to Ant Group share-based awards was a net reversal for the quarter ended March 31, 2022 because we recognized a decrease in the value of such awards.

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 of intangible assets – Amortization of intangible assets in the quarter ended March 31, 2023 was RMB2,494 million (US$363 million), a decrease of 12% from RMB2,831 million in the same quarter of 2022.

Income from operations and operating margin

Income from operations in the quarter ended March 31, 2023 was RMB15,240 million (US$2,219 million), or 7% of revenue, compared to RMB16,717 million, or 8% of revenue, in the same quarter of 2022. The year-over-year decrease was primarily due to a reversal of share-based compensation expense of RMB13,046 million related to the mark-to-market adjustment of Ant Group share-based awards granted to our employees in the same quarter last year, partly offset by an increase in adjusted EBITA. We excluded share-based compensation expense from our non-GAAP measurements. Excluding the impact of the reversal of share-based compensation expense, our income from operations would have increased by RMB11,569 million year-over-year, from RMB3,671 million in the quarter ended March 31, 2022 to RMB15,240 million (US$2,219 million) in the quarter ended March 31, 2023.

Adjusted EBITDA and Adjusted EBITA

Adjusted EBITDA increased 37% year-over-year to RMB32,123 million (US$4,677 million) in the quarter ended March 31, 2023, compared to RMB23,373 million in the same quarter of 2022. Adjusted EBITA increased 60% or RMB9,469 million year-over-year to RMB25,280 million (US$3,681 million) in the quarter ended March 31, 2023, compared to RMB15,811 million in the same quarter of 2022. The year-over-year increases were primarily due to an increase in China commerce adjusted EBITA, as well as narrowed adjusted EBITA losses of Local consumer services and Digital media and entertainment. 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 as well as a reconciliation of income from operations to adjusted EBITA are set forth in "March Quarter Information by Segments" above.

Interest and investment income, net

Interest and investment income, net in the quarter ended March 31, 2023 was a gain of RMB10,496 million (US$1,528 million), compared to a loss of RMB36,708 million in the quarter ended March 31, 2022, primarily due to net gains arising from the increases in the market prices of our equity investments in publicly-traded companies, compared to net losses from these investments in the same quarter last year, which is generally consistent with the market trend.

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

Other income, net

Other income, net in the quarter ended March 31, 2023 was RMB1,308 million (US$191 million), compared to RMB1,620 million in the same quarter of 2022.

Income tax expenses

Income tax expenses in the quarter ended March 31, 2023 were RMB3,758 million (US$547 million), compared to RMB2,079 million in the same quarter of 2022.

Excluding 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 equity method investees, our effective tax rate would have been 17% in the quarter ended March 31, 2023.

Share of results of equity method investees

Share of results of equity method investees in the quarter ended March 31, 2023 was RMB446 million (US$65 million), compared to RMB3,282 million in the same quarter of 2022. The following table sets forth a breakdown of share of results of equity method investees for the periods indicated.

	Three months ended March 31,		
	2022	2023	
	RMB	RMB	US$
		(in millions)	
Share of profit (loss) of equity method investees			
- Ant Group	7,275	3,180	463
- Others	(973)	(183)	(27)
Impairment loss	(2,624)	(989)	(144)
Others[1]	(396)	(1,562)	(227)
Total	3,282	446	65

(1) "Others" mainly include basis differences arising from equity method investees, share-based compensation expense related to share-based awards granted to employees of our equity method investees, as well as gain or loss arising from the dilution of our investments in equity method investees.

We record our share of results of all equity method investees one quarter in arrears. The year-over-year decrease in share of profit of Ant Group was mainly due to decrease in net investment gains from the investments of Ant Group previously made.

Net income and Non-GAAP net income

Our net income in the quarter ended March 31, 2023 was RMB21,996 million (US$3,203 million), compared to net loss of RMB18,357 million in the same quarter of 2022, primarily attributable to net gains arising from the increases in the market prices of our equity investments in publicly-traded companies, compared to net losses from these investments in the same quarter last year, partly offset by the decrease in share of profit of equity method investees, the increase in impairment of investments and the decrease in income from operations.

Excluding the share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments and certain other items, non-GAAP net income in the quarter ended March 31, 2023 was RMB27,375 million (US$3,986 million), an increase of 38% compared to RMB19,799 million in the same quarter of 2022. 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 the quarter ended March 31, 2023 was RMB23,516 million (US$3,424 million), compared to net loss of RMB16,241 million in the same quarter of 2022. The year-over-year increase was primarily attributable to net gains arising from the increases in the market prices of our equity investments in publicly-traded companies, compared to net losses from these investments in the same quarter last year, partly offset by the decrease in share of profit of equity method investees, the increase in impairment of investments and the decrease in income from operations.

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

Diluted earnings per ADS in the quarter ended March 31, 2023 was RMB9.00 (US$1.31), compared to diluted loss per ADS of RMB6.07 in the same quarter in 2022. Excluding the share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments and certain other items, non-GAAP diluted earnings per ADS in the quarter ended March 31, 2023 was RMB10.71 (US$1.56), an increase of 35% compared to RMB7.95 in the same quarter of 2022.

Diluted earnings per share in the quarter ended March 31, 2023 was RMB1.12 (US$0.16 or HK$1.28), compared to diluted loss per share of RMB0.76 in the same quarter of 2022. Excluding the share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments and certain other items, non-GAAP diluted earnings per share in the quarter ended March 31, 2023 was RMB1.34 (US$0.20 or HK$1.53), an increase of 35% compared to RMB0.99 in the same quarter of 2022.

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.

Net cash provided by operating activities and free cash flow

Net cash from operating activities in the quarter ended March 31, 2023 was an inflow of RMB31,401 million (US$4,572 million), compared to an outflow of RMB7,040 million in the same quarter of 2022. Free cash flow, a non-GAAP measurement of liquidity, was an inflow of RMB32,267 million (US$4,698 million) in the quarter ended March, 2023, compared to an outflow of RMB15,070 million in the same quarter of 2022, during which we made a payment of the final installment in the amount of RMB9,114 million of the RMB18,228 million Anti-monopoly Fine. The year-over-year increase also reflected the dividend received from Ant Group of RMB10,519 million (US$1,532 million) in the quarter ended March 31, 2023, narrowing losses of certain businesses driven by improving operating efficiency, as well as the decrease in capital expenditure. 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, 2023, net cash used in investing activities of RMB26,808 million (US$3,904 million) primarily reflected (i) an increase in other treasury investments by RMB12,803 million (US$1,864 million), (ii) an increase in short-term investments by RMB11,863 million (US$1,727 million), (iii) cash outflow of RMB7,492 million (US$1,091 million) for investment and acquisition activities, and (iv) capital expenditures of RMB3,478 million (US$506 million). These cash outflows were partially offset by cash inflow of RMB8,970 million (US$1,306 million) from disposal of investments.

Net cash used in financing activities

During the quarter ended March 31, 2023, net cash used in financing activities of RMB9,319 million (US$1,357 million) primarily reflected cash used in repurchase of ordinary shares of RMB12,611 million (US$1,836 million), partially offset by net proceeds from bank borrowings of RMB3,294 million (US$480million).

Employees

As of March 31, 2023, we had a total of 235,216 employees, compared to 239,740 as of December 31, 2022.

FULL FISCAL YEAR SUMMARY FINANCIAL RESULTS

	Year ended March 31,			
	2022	2023		
	RMB	RMB	US$	YoY % Change
	(in millions, except percentages and per share amounts)			
Revenue	853,062	868,687	126,491	2%
Income from operations	69,638	100,351	14,612	44% [2]
Operating margin	8%	12%		
Adjusted EBITDA[1]	158,205	175,710	25,585	11%[3]
Adjusted EBITDA margin[1]	19%	20%		
Adjusted EBITA[1]	130,397	147,911	21,538	13%[3]
Adjusted EBITA margin[1]	15%	17%		
Net income	47,079	65,573	9,548	39% [4]
Net income attributable to ordinary shareholders	61,959	72,509	10,558	17%[4]
Non-GAAP net income[1]	136,388	141,379	20,586	4%[3]
Diluted earnings per share[5]	2.84	3.43	0.50	21%[4] [6]
Diluted earnings per ADS[5]	22.74	27.46	4.00	21%[4] [6]
Non-GAAP diluted earnings per share[1] [5]	6.59	6.82	0.99	4% [3] [6]
Non-GAAP diluted earnings per ADS[1] [5]	52.69	54.56	7.94	4% [3] [6]

(1) See "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 in this results announcement.

(2) Excluding the impact of certain items, income from operations would have increased by RMB24,143 million year-over-year. Please refer to "Full Fiscal Year Other Financial Results — Income from operations and operating margin" below for details.

(3) The year-over-year increases were primarily due to narrowed adjusted EBITA losses of Local consumer services, International commerce and Digital media and entertainment, as well as an increase in China commerce adjusted EBITA.

(4) The year-over-year increases were primarily due to the increase in income from operations and the decrease in net losses arising from changes in the fair values of our equity investments, partly offset by the decrease in share of profit of equity method investees and the increase in impairment of investments.

(5) Each ADS represents eight ordinary shares.

(6) The year-over-year percentages as stated are calculated based on the exact amount and there may be minor differences from the year-over-year percentages calculated based on the RMB amounts after rounding.

FULL FISCAL YEAR INFORMATION BY SEGMENTS

The table below sets forth selected financial information of our operating segments for fiscal year 2023:

	Year ended March 31, 2023									
	China commerce[1]	International commerce	Local consumer services[1]	Cainiao	Cloud	Digital media and entertainment	Innovation initiatives and others	Unallocated[2]	Consolidated	
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	US$
	(in millions, except percentages)									
Revenue	**582,731**	**69,204**	**50,112**	**55,681**	**77,203**	**31,482**	**2,274**	**—**	**868,687**	**126,491**
YoY% change	(1)%	13%	12%	21%	4%	(2)%	(20)%	N/A	2%	
Income (Loss) from operations	**172,191**	**(8,429)**	**(23,302)**	**(3,622)**	**(5,151)**	**(4,638)**	**(9,409)**	**(17,289)**	**100,351**	**14,612**
Add: Share-based compensation expense	7,969	2,716	3,672	2,218	6,561	1,756	1,658	4,281	30,831	4,489
Add: Amortization and impairment of intangible assets	4,702	93	5,609	1,013	12	1,008	844	223	13,504	1,967
Add: Impairment of goodwill	—	—	—	—	—	—	—	2,714	2,714	395
Add: Equity-settled donation expense	—	—	—	—	—	—	—	511	511	75
Adjusted EBITA	**184,862**	**(5,620)**	**(14,021)**	**(391)**	**1,422**	**(1,874)**	**(6,907)**	**(9,560)**	**147,911**	**21,538**
Adjusted EBITA YoY% change[3]	**1%**	**37%**	**37%**	**73%**	**24%**	**60%**	**3%**	**(8)%**	**13%**	
Adjusted EBITA margin	**32%**	**(8)%**	**(28)%**	**(1)%**	**2%**	**(6)%**	**(304)%**	**N/A**	**17%**	

	Year ended March 31, 2022								
	China commerce[1]	International commerce	Local consumer services[1]	Cainiao	Cloud	Digital media and entertainment	Innovation initiatives and others	Unallocated[2]	Consolidated
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
	(in millions, except percentages)								
Revenue	**591,580**	**61,078**	**44,616**	**46,107**	**74,568**	**32,272**	**2,841**	**—**	**853,062**
Income (Loss) from operations	**172,536**	**(10,655)**	**(30,802)**	**(3,920)**	**(5,167)**	**(7,019)**	**(9,424)**	**(35,911)**	**69,638**
Add: Share-based compensation expense	7,078	1,569	2,556	1,396	6,297	1,520	1,839	1,716	23,971
Add: Amortization of intangible assets	2,817	95	6,154	1,059	16	809	456	241	11,647
Add: Impairment of goodwill	—	—	—	—	—	—	—	25,141	25,141
Adjusted EBITA	**182,431**	**(8,991)**	**(22,092)**	**(1,465)**	**1,146**	**(4,690)**	**(7,129)**	**(8,813)**	**130,397**
Adjusted EBITA margin	**31%**	**(15)%**	**(50)%**	**(3)%**	**2%**	**(15)%**	**(251)%**	**N/A**	**15%**

(1) Beginning on October 1, 2022, we reclassified the results of our Instant Supermarket Delivery (全能超市) business, which was previously reported under China commerce segment, to Local consumer services segment following the strategy refinement of Instant Supermarket Delivery business to focus on building customer mindshare for grocery delivery services through Ele.me platform. 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. The goodwill impairment, and the equity-settled donation expense related to the allotment of shares to a charitable trust, are presented as unallocated items in the segment information because our management does not consider these as part of the segment operating performance measure.

(3) For a more intuitive presentation, widening of loss in YoY% is shown in terms of negative growth rate, and narrowing of loss in YoY% is shown in terms of positive growth rate.

(4) Following the implementation of the new organizational structure as mentioned in "The Restructuring" above, we will also update our segment reporting to reflect the new reporting structure that will be reviewed by our chief operating decision maker.

FULL FISCAL YEAR SEGMENT RESULTS

Revenue

Revenue in fiscal year 2023 was RMB868,687 million (US$126,491 million), an increase of 2% compared to RMB853,062 million in fiscal year 2022.

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

	Year ended March 31,					
	2022		2023			
	RMB	% of Revenue	RMB	US$	% of Revenue	YoY % Change
	(in millions, except percentages)					
China commerce:						
China commerce retail						
- Customer management	315,038	37%	290,378	42,282	33%	(8)%
- Direct sales and others(1) (2)	259,830	30%	274,954	40,037	32%	6%
	574,868	67%	565,332	82,319	65%	(2)%
China commerce wholesale	16,712	2%	17,399	2,533	2%	4%
Total China commerce	591,580	69%	582,731	84,852	67%	(1)%
International commerce:						
International commerce retail	42,668	5%	49,873	7,262	6%	17%
International commerce wholesale	18,410	2%	19,331	2,815	2%	5%
Total International commerce	61,078	7%	69,204	10,077	8%	13%
Local consumer services(1)	44,616	5%	50,112	7,297	6%	12%
Cainiao	46,107	5%	55,681	8,108	6%	21%
Cloud	74,568	9%	77,203	11,242	9%	4%
Digital media and entertainment	32,272	4%	31,482	4,584	4%	(2)%
Innovation initiatives and others	2,841	1%	2,274	331	0%	(20)%
Total	853,062	100%	868,687	126,491	100%	2%

(1) Beginning on October 1, 2022, we reclassified the revenue of our Instant Supermarket Delivery (全能超市) business, which was previously reported under China commerce segment, as revenue from Local consumer services segment following the strategy refinement of Instant Supermarket Delivery business to focus on building customer mindshare for grocery delivery services through Ele.me platform. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

(2) Direct sales and others revenue under China commerce retail primarily represents our direct sales businesses, comprising mainly Sun Art, Tmall Supermarket, Freshippo, and Alibaba Health's direct sales businesses where revenue and the cost of inventory are recorded on a gross basis.

China Commerce

(i) Segment revenue

- ***China Commerce Retail Business***

Revenue from our China commerce retail business in fiscal year 2023 was RMB565,332 million (US$82,319 million), a decrease of 2% compared to RMB574,868 million in fiscal year 2022. Customer management revenue decreased by 8% year-over-year, primarily due to mid-single-digit decline of online physical goods GMV generated on Taobao and Tmall, excluding unpaid orders year-over-year, which was mainly due to soft consumption demand and ongoing competition as well as supply chain and logistics disruptions due to COVID-19.

Direct sales and others revenue under China commerce retail business in fiscal year 2023 was RMB274,954 million (US$40,037 million), an increase of 6% compared to RMB259,830 million in fiscal year 2022, primarily due to the revenue growth contributed by our Freshippo and Alibaba Health's direct sales businesses.

- ***China Commerce Wholesale Business***

Revenue from our China commerce wholesale business in fiscal year 2023 was RMB17,399 million (US$2,533 million), an increase of 4% compared to RMB16,712 million in fiscal year 2022. The increase was primarily due to the increase in revenue from value-added services to paying members.

(ii) Segment adjusted EBITA

China commerce adjusted EBITA increased by 1% to RMB184,862 million (US$26,918 million) in fiscal year 2023, compared to RMB182,431 million in fiscal year 2022. The increase was primarily due to reduced losses of Taobao Deals, Freshippo and Taocaicai, partly offset by a decrease in profit from customer management services. Adjusted EBITA margin increased from 31% in fiscal year 2022 to 32% in fiscal year 2023. During fiscal year 2023, Taobao Deals significantly narrowed losses year-over-year, driven by optimized spending in user acquisition. Freshippo significantly narrowed losses year-over-year, as Freshippo continued to strengthen its merchandising capabilities and improve its operating efficiency. Taocaicai significantly narrowed losses year-over-year, driven by improving overall operating efficiency.

International Commerce

(i) Segment revenue

- ***International Commerce Retail Business***

Revenue from our International commerce retail business in fiscal year 2023 was RMB49,873 million (US$7,262 million), an increase of 17% compared to RMB42,668 million in fiscal year 2022. The increase was mainly attributable to the growth in revenue generated by Trendyol and Lazada. The increase in revenue from Trendyol resulted from more efficient use of subsidies and robust year-over-year order growth. Increase in revenue contributed by Lazada was the result of continuous improvement in monetization rate by offering more value-added services.

- ***International Commerce Wholesale Business***

Revenue from our International commerce wholesale business in fiscal year 2023 was RMB19,331 million (US$2,815 million), an increase of 5% compared to RMB18,410 million in fiscal year 2022. The increase was primarily due to increases in revenue generated by cross-border related value-added services.

(ii) Segment adjusted EBITA

International commerce adjusted EBITA was a loss of RMB5,620 million (US$818 million) in fiscal year 2023, compared to a loss of RMB8,991 million in fiscal year 2022. The decrease in loss year-over-year was primarily due to the reduced losses from Trendyol and Lazada. The reduced loss from Trendyol is primarily due to revenue growth and enhanced operating efficiency. Narrowing of loss from Lazada was a result of continuous improvement in monetization rate by offering more value-added services as well as enhanced operating efficiency.

Local Consumer Services

(i) Segment revenue

Revenue from Local consumer services was RMB50,112 million (US$7,297 million) in fiscal year 2023, an increase of 12% compared to RMB44,616 million in fiscal year 2022, primarily driven by higher average order value of Ele.me and strong order growth of Amap.

(ii) Segment adjusted EBITA

Local consumer services adjusted EBITA was a loss of RMB14,021 million (US$2,041 million) in fiscal year 2023, compared to a loss of RMB22,092 million in fiscal year 2022, primarily due to the continued narrowing of loss from our "To-Home" business. Narrowing of loss from our "To-Home" business was driven by Ele.me's improved unit economics per order, which was due to increased average order value and reduced delivery cost per order year-over-year.

Cainiao

(i) Segment revenue

Revenue from Cainiao, which represents revenue from its domestic and international one-stop-shop logistics services and supply chain management solutions, after inter-segment elimination, was RMB55,681 million (US$8,108 million) in fiscal year 2023, an increase of 21% compared to RMB46,107 million in fiscal year 2022, primarily contributed by the increase in revenue from domestic consumer logistics services as a result of service model upgrade since late 2021 whereby Cainiao took on more responsibilities throughout the logistics process to better serve customers and enhance customer experience, as well as the increase in revenue from international fulfillment solution services.

Total revenue generated by Cainiao, before inter-segment elimination, which includes revenue from services provided to other Alibaba businesses, was RMB77,512 million (US$11,287 million), an increase of 16% compared to RMB66,808 million in fiscal year 2022.

(ii) Segment adjusted EBITA

Cainiao adjusted EBITA was a loss of RMB391 million (US$57 million) in fiscal year 2023, compared to a loss of RMB1,465 million in fiscal year 2022, mainly due to improved operating results from International fulfillment solution service and improved operating efficiency in consumer logistics services and domestic fulfillment solution services.

Cloud

(i) Segment revenue

Revenue from our Cloud segment, after inter-segment elimination, was RMB77,203 million (US$11,242 million) in fiscal year 2023, an increase of 4% year-over-year compared to RMB74,568 million in fiscal year 2022. Year-over-year revenue growth of our Cloud segment reflected the revenue growth from non-Internet industries driven by solid growth of revenue from financial services, automobile and retail industries, which was partially offset by the decline in revenue from customers in the Internet industry mainly driven by declining revenue from a top customer in the

Internet industry phasing out using our overseas cloud services for its international business due to non-product related reasons.

Total revenue from our Cloud business, before inter-segment elimination, which includes revenue from services provided to other Alibaba businesses, was RMB101,950 million (US$14,845 million), an increase of 2% compared to RMB100,180 million in fiscal year 2022.

(ii) Segment adjusted EBITA

Cloud adjusted EBITA was RMB1,422 million (US$207 million) in fiscal year 2023, compared to RMB1,146 million in fiscal year 2022.

Digital Media and Entertainment

(i) Segment revenue

Revenue from our Digital media and entertainment segment in fiscal year 2023 was RMB31,482 million (US$4,584 million), a decrease of 2%, compared to RMB32,272 million in fiscal year 2022.

(ii) Segment adjusted EBITA

Digital media and entertainment adjusted EBITA in fiscal year 2023 was a loss of RMB1,874 million (US$273 million), compared to a loss of RMB4,690 million in fiscal year 2022, primarily due to the narrowing of loss from Youku driven by disciplined investment in content and production capability.

Innovation Initiatives and Others

(i) Segment revenue

Revenue from Innovation initiatives and others was RMB2,274 million (US$331 million) in fiscal year 2023, a decrease of 20% compared to RMB2,841 million in fiscal year 2022.

(ii) Segment adjusted EBITA

Innovation initiatives and others adjusted EBITA in fiscal year 2023 was a loss of RMB6,907 million (US$1,006 million), compared to a loss of RMB7,129 million in fiscal year 2022.

FULL FISCAL YEAR OTHER FINANCIAL RESULTS

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,					% of Revenue YoY change
	2022		2023			
	RMB	% of Revenue	RMB	US$	% of Revenue	
	(in millions, except percentages)					
Costs and expenses:						
Cost of revenue	539,450	63%	549,695	80,042	63%	0%
Product development expenses	55,465	7%	56,744	8,263	7%	0%
Sales and marketing expenses	119,799	14%	103,496	15,070	12%	(2)%
General and administrative expenses	31,922	4%	42,183	6,142	5%	1%
Amortization and impairment of intangible assets	11,647	1%	13,504	1,967	1%	0%
Impairment of goodwill	25,141	3%	2,714	395	0%	(3)%
Total costs and expenses	783,424	92%	768,336	111,879	88%	(4)%
Share-based compensation expense:						
Cost of revenue	5,725	1%	5,710	831	1%	0%
Product development expenses	11,035	1%	13,514	1,968	2%	1%
Sales and marketing expenses	3,050	0%	3,710	540	0%	0%
General and administrative expenses	4,161	1%	7,897	1,150	1%	0%
Total share-based compensation expense	23,971	3%	30,831	4,489	4%	1%
Costs and expenses excluding share-based compensation expense:						
Cost of revenue	533,725	62%	543,985	79,211	62%	0%
Product development expenses	44,430	6%	43,230	6,295	5%	(1)%
Sales and marketing expenses	116,749	14%	99,786	14,530	12%	(2)%
General and administrative expenses	27,761	3%	34,286	4,992	4%	1%
Amortization and impairment of intangible assets	11,647	1%	13,504	1,967	1%	0%
Impairment of goodwill	25,141	3%	2,714	395	0%	(3)%
Total costs and expenses excluding share-based compensation expense	759,453	89%	737,505	107,390	84%	(5)%

Cost of revenue – Cost of revenue in fiscal year 2023 was RMB549,695 million (US$80,042 million), or 63% of revenue, compared to RMB539,450 million, or 63% of revenue, in fiscal year 2022. Without the effect of share-based compensation expense, cost of revenue as a percentage of revenue would have remained stable at 62% in fiscal year 2023 compared to fiscal year 2022.

Product development expenses – Product development expenses in fiscal year 2023 were RMB56,744 million (US$8,263 million), or 7% of revenue, compared to RMB55,465 million, or 7% of revenue, in fiscal year 2022. Without the effect of share-based compensation expense, product development expenses as a percentage of revenue would have decreased from 6% in fiscal year 2022 to 5% in fiscal year 2023.

Sales and marketing expenses – Sales and marketing expenses in fiscal year 2023 were RMB103,496 million (US$15,070 million), or 12% of revenue, compared to RMB119,799 million, or 14% of revenue, in fiscal year 2022. Without the effect of share-based compensation expense, sales and marketing expenses as a percentage of revenue would have decreased from 14% in fiscal year 2022 to 12% in fiscal year 2023.

General and administrative expenses – General and administrative expenses in fiscal year 2023 were RMB42,183 million (US$6,142 million), or 5% of revenue, compared to RMB31,922 million, or 4% of revenue. Without the effect of share-based compensation expense, general and administrative expenses as a percentage of revenue would have increased from 3% in fiscal year 2022 to 4% in fiscal year 2023.

Share-based compensation expense – Total share-based compensation expense included in the cost and expense items above in fiscal year 2023 was RMB30,831 million (US$4,489 million), an increase of 29% compared to RMB23,971 million in fiscal year 2022. Share-based compensation expense as a percentage of revenue increased to 4% in fiscal year 2023, as compared to 3% in fiscal year 2022.

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,					% Change
	2022		2023			
	RMB	% of Revenue	RMB	US$	% of Revenue	YoY
	(in millions, except percentages)					
By type of awards:						
Alibaba Group share-based awards(1)	30,576	4%	24,900	3,626	3%	(19)%
Ant Group share-based awards(2)	(11,585)	(1)%	668	97	0%	N/A
Others(3)	4,980	0%	5,263	766	1%	6%
Total share-based compensation expense	23,971	3%	30,831	4,489	4%	29%

(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) This represents share-based awards of our subsidiaries.

Share-based compensation expense related to Alibaba Group share-based awards decreased in fiscal year 2023 compared to fiscal year 2022. This decrease was primarily due to the general decrease in the average fair market value of the awards granted.

Share-based compensation expense related to Ant Group share-based awards was a net reversal in fiscal year 2022 because we recognized a decrease in the value of such awards.

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 2023 was RMB13,504 million (US$1,967 million), an increase of 16% from RMB11,647 million in fiscal year 2022, primarily due to impairment losses of intangible assets recorded in fiscal year 2023.

Impairment of goodwill – Impairment of goodwill in fiscal year 2023 was RMB2,714 million (US$395 million), a decrease of 89% or RMB22,427 million from RMB25,141 million in fiscal year 2022.

Impairment recorded in both years represents the amount by which the carrying value of certain reporting units within Digital media and entertainment segment exceeds their fair value, based on an annual goodwill impairment assessment.

Income from operations and operating margin

Income from operations in fiscal year 2023 was RMB100,351 million (US$14,612 million), or 12% of revenue, an increase of 44% compared to RMB69,638 million, or 8% of revenue, in fiscal year 2022. During fiscal year 2023, we recorded a RMB2,714 million (US$395 million) impairment of goodwill in relation to Digital media and entertainment segment, and a RMB2,811 million (US$409 million) impairment of intangible assets. During fiscal year 2022, we recorded a RMB25,141 million impairment of goodwill in relation to Digital media and entertainment segment and a RMB13,046 million reversal of share-based compensation expense related to the mark-to-market adjustment of Ant Group share-based awards granted to our employees.

All of these impacts were excluded from our non-GAAP measures of profitability. Excluding these impacts, income from operations would have increased by RMB24,143 million year-over-year, from RMB81,733 million in fiscal year 2022 to RMB105,876 million (US$15,417 million) in fiscal year 2023, primarily due to the narrowed adjusted EBITA losses of Local consumer services, International commerce and Digital media and entertainment, as well as an increase in China commerce adjusted EBITA.

Adjusted EBITDA and Adjusted EBITA

Adjusted EBITDA increased 11% year-over-year to RMB175,710 million (US$25,585 million) in fiscal year 2023, compared to RMB158,205 million in fiscal year 2022. Adjusted EBITA increased 13% or RMB17,514 million year-over-year to RMB147,911 million (US$21,538 million) in fiscal year 2023, compared to RMB130,397 million in fiscal year 2022. The year-over-year increases were primarily due to the narrowed adjusted EBITA losses of Local consumer services, International commerce and Digital media and entertainment, as well as an increase in China commerce adjusted EBITA. 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 as well as a reconciliation of income from operations to adjusted EBITA are set forth in “Full Fiscal Year Information by Segments” above.

Interest and investment income, net

Interest and investment income, net in fiscal year 2023 was a loss of RMB11,071 million (US$1,612 million), compared to a loss of RMB15,702 million in fiscal year 2022. The year-over-year decrease in loss was primarily due to the decrease in net losses arising from the changes in fair value of our equity investments.

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

Other income, net

Other income, net in fiscal year 2023 was RMB5,823 million (US$848 million), compared to RMB10,523 million in fiscal year 2022. The year-over-year decrease was primarily due to the net exchange losses in fiscal year 2023, compared to net exchange gains in fiscal year 2022.

Income tax expenses

Income tax expenses in fiscal year 2023 were RMB15,549 million (US$2,264 million), compared to RMB26,815 million in fiscal year 2022.

Excluding share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of goodwill and investments, as well as the deferred tax effects on basis differences arising from equity method investees, our effective tax rate would have been 17% in fiscal year 2023.

Share of results of equity method investees

Share of results of equity method investees in fiscal year 2023 was a loss of RMB8,063 million (US$1,174 million), compared to a profit of RMB14,344 million in fiscal year 2022. The following table sets forth a breakdown of share of results of equity method investees for the periods indicated.

	Year ended March 31,		
	2022	2023	
	RMB	RMB	US$
		(in millions)	
Share of profit (loss) of equity method investees			
- Ant Group	24,084	10,294	1,499
- Others	(89)	(5,481)	(798)
Impairment loss	(6,201)	(8,310)	(1,210)
Others[(1)]	(3,450)	(4,566)	(665)
Total	14,344	(8,063)	(1,174)

(1) "Others" mainly include basis differences arising from equity method investees, share-based compensation expense related to share-based awards granted to employees of our equity method investees, as well as gain or loss arising from the dilution of our investment in equity method investees.

We record our share of results of all equity method investees one quarter in arrears. In connection with our share of profit of Ant Group, the year-over-year decrease was mainly due to decrease in net investment gains from the investments held by Ant Group and decrease in Ant Group's operating profit. The decrease in share of results of other equity method investments was mainly due to the general decline in financial performance of our equity method investees.

Net income and Non-GAAP net income

Our net income in fiscal year 2023 was RMB65,573 million (US$9,548 million), an increase of 39% or RMB18,494 million, compared to RMB47,079 million in fiscal year 2022. The year-over-year increase was primarily due to the increase in income from operations and the decrease in net losses arising from changes in the fair values of our equity investments, partly offset by the decrease in share of profit of equity method investees and the increase in impairment of investments.

Excluding the share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of goodwill and investments and certain other items, non-GAAP net income in fiscal year 2023 was RMB141,379 million (US$20,586 million), an increase of 4% compared to RMB136,388 million in fiscal year 2022. 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 2023 was RMB72,509 million (US$10,558 million), compared to RMB61,959 million in fiscal year 2022. The year-over-year increase was primarily due to the increase in income from operations and the decrease in net losses arising from changes in the fair values of our equity investments, partly offset by the decrease in share of profit of equity method investees and the increase in impairment of investments.

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

Diluted earnings per ADS in fiscal year 2023 was RMB27.46 (US$4.00), an increase of 21% compared to RMB22.74 in fiscal year 2022. Excluding the share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of goodwill and investments and certain other items, non-GAAP diluted earnings per ADS in fiscal year 2023 was RMB54.56 (US$7.94), an increase of 4% compared to RMB52.69 in fiscal year 2022.

Diluted earnings per share in fiscal year 2023 was RMB3.43 (US$0.50 or HK$3.92), an increase of 21% compared to RMB2.84 in fiscal year 2022. Excluding the share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of goodwill and investments and certain other items, non-GAAP diluted earnings per share in fiscal year 2023 was RMB6.82 (US$0.99 or HK$7.79), an increase of 4%, compared to RMB6.59 in fiscal year 2022.

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 and cash equivalents, short-term investments and other treasury investments

As of March 31, 2023, cash and cash equivalents, short-term investments and other treasury investments included in equity securities and other investments on the consolidated balance sheets, were RMB560,314 million (US$81,588 million), compared to RMB446,412 million as of March 31, 2022. Other treasury investments consist of fixed deposits and certificate of deposits with original maturities over one year. The increase in cash and cash equivalents, short-term investments and other treasury investments during the fiscal year ended March 31, 2023 was primarily due to free cash flow generated from operations of RMB171,663 million (US$24,996 million), and effect of exchange rate changes of RMB12,332 million (US$1,796 million) mainly due to the appreciation of the U.S. dollar against Renminbi, partly offset by cash used in repurchase of ordinary shares of RMB74,746 million (US$10,884 million).

Net cash provided by operating activities and free cash flow

Net cash provided by operating activities in fiscal year 2023 was RMB199,752 million (US$29,086 million), an increase of 40% compared to RMB142,759 million in fiscal year 2022. Free cash flow increased by 74% in fiscal year 2023 to RMB171,663 million (US$24,996 million), from RMB98,874 million in fiscal year 2022, during which we made the full payment of the Anti-monopoly Fine in the amount of RMB18,228 million. The year-over-year increase also reflected narrowing losses of certain businesses driven by improving operating efficiency, dividend received from Ant Group of RMB14,464 million (US$2,106 million), as well as the decrease in capital expenditure. 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 2023, net cash used in investing activities of RMB135,506 million (US$19,731 million) primarily reflected (i) an increase in short-term investments by RMB61,086 million (US$8,895 million), (ii) an increase in other treasury investments by RMB40,794 million (US$5,940 million), (iii) capital expenditures of RMB34,330 million (US$4,999 million), as well as (iv) cash outflow of RMB23,574 million (US$3,433 million) for investment and acquisition activities. These cash outflows were partially offset by cash inflow of RMB22,734 million (US$3,310 million) from disposal of investments.

Net cash used in financing activities

During fiscal year 2023, net cash used in financing activities of RMB65,619 million (US$9,555 million) primarily reflected cash used in repurchase of ordinary shares of RMB74,746 million (US$10,884 million), partially offset by the net proceeds from bank borrowings and other borrowings of RMB11,342 million (US$1,652 million).

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 18, 2023.

All participants must pre-register to join this conference call using the Participant Registration link below:
English: https://s1.c-conf.com/diamondpass/10030391-nl9h5r.html
Chinese: https://s1.c-conf.com/diamondpass/10030392-8esjhx.html

Upon registration, each participant will receive details for the conference call, including dial-in numbers, conference call passcode and a unique access PIN. To join the conference, please dial the number provided, enter the passcode followed by your PIN, and you will join the conference.

A live webcast of the earnings conference call can be accessed at https://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 from the date of the conference (Dial-in number: +1 855 883 1031; English conference PIN 10030391; Chinese conference PIN 10030392).

Please visit Alibaba Group's Investor Relations website at https://www.alibabagroup.com/en/ir/home on May 18, 2023 to view the earnings release and accompanying slides prior to the conference call.

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.

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EXCHANGE RATE INFORMATION

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 RMB6.8676 to US$1.00, the exchange rate on March 31, 2023 as set forth in the H.10 statistical release of the Federal Reserve Board, and all translations of RMB into HK$ were made at RMB0.87541 to HK$1.00, the middle rate on March 31, 2023 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.

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 "may," "will," "expect," "anticipate," "future," "aim," "estimate," "intend," "seek," "plan," "believe," "potential," "continue," "ongoing," "target," "guidance," "is/are likely to" and similar statements. In addition, statements that are not historical facts, including statements about Alibaba Group's new organizational and governance structure, strategic benefits of this new structure and future spin-off or capital raising plans, 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. These factors include but are not limited to the following: Alibaba's corporate structure, including the VIE structure it uses to operate certain businesses in the PRC, Alibaba's ability to maintain the trusted status of its ecosystem; risks associated with sustained investments in Alibaba's businesses; Alibaba's ability to maintain or grow its revenue or business, including expanding its international and cross border businesses and operations; risks associated with Alibaba's acquisitions, investments and alliances; uncertainties arising from competition among countries and geopolitical tensions, including protectionist or national security policies; uncertainties and risks associated with a broad range of complex laws and regulations (including in the areas of anti-monopoly and anti-unfair competition, consumer protection, data security and privacy protection and regulation of Internet platforms) in the PRC and globally; cybersecurity risks; fluctuations in general economic and business conditions in China and globally; impacts of the COVID-19 pandemic and assumptions underlying or related to any of the foregoing. In particular, the timing and implementation details of Alibaba Group's new structure, whether the new structure will yield the expected strategic benefits, and the successful execution of spin-off or capital raising plans are subject to uncertainties and factors that may be beyond our control, including without limitation, successful restructurings of assets, liabilities and contracts, implementation of equity incentive plans, market conditions and regulatory reviews and approvals. 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), 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 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, 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 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, 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, 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 and impairment of property and equipment, operating lease cost relating to land use rights and impairment of goodwill, as well as equity-settled donation expense, 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, as well as equity-settled donation expense, which we do not believe are reflective of our core operating performance during the periods presented.

Non-GAAP net income represents net income before share-based compensation expense, amortization and impairment of intangible assets, impairment of goodwill and investments, gain or loss on deemed disposals/disposals/revaluation of investments, equity-settled donation expense and others, as adjusted for the tax effects.

Non-GAAP diluted earnings per share represents non-GAAP net income attributable to ordinary shareholders divided by the weighted average number of shares for computing non-GAAP diluted earnings per share, on a diluted basis. **Non-GAAP diluted earnings per ADS** represents non-GAAP diluted earnings per share after adjusting for 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 intangible assets (excluding those acquired through acquisitions), as well as adjustments to exclude from net cash provided by operating activities the consumer protection fund deposits from merchants on our marketplaces. 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 marketplaces because these deposits are restricted for the purpose of compensating consumers for claims against merchants.

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,		
	2022	2023		2022	2023	
	RMB	RMB	US$	RMB	RMB	US$
	(in millions, except per share data)			(in millions, except per share data)		
Revenue	204,052	208,200	30,316	853,062	868,687	126,491
Cost of revenue	(138,945)	(138,823)	(20,214)	(539,450)	(549,695)	(80,042)
Product development expenses	(10,944)	(13,880)	(2,021)	(55,465)	(56,744)	(8,263)
Sales and marketing expenses	(27,200)	(24,931)	(3,630)	(119,799)	(103,496)	(15,070)
General and administrative expenses	(7,415)	(12,832)	(1,869)	(31,922)	(42,183)	(6,142)
Amortization and impairment of intangible assets	(2,831)	(2,494)	(363)	(11,647)	(13,504)	(1,967)
Impairment of goodwill	—	—	—	(25,141)	(2,714)	(395)
Income from operations	16,717	15,240	2,219	69,638	100,351	14,612
Interest and investment income, net	(36,708)	10,496	1,528	(15,702)	(11,071)	(1,612)
Interest expense	(1,189)	(1,736)	(253)	(4,909)	(5,918)	(862)
Other income, net	1,620	1,308	191	10,523	5,823	848
(Loss) Income before income tax and share of results of equity method investees	(19,560)	25,308	3,685	59,550	89,185	12,986
Income tax expenses	(2,079)	(3,758)	(547)	(26,815)	(15,549)	(2,264)
Share of results of equity method investees	3,282	446	65	14,344	(8,063)	(1,174)
Net (loss) income	(18,357)	21,996	3,203	47,079	65,573	9,548
Net loss attributable to noncontrolling interests	2,241	1,648	240	15,170	7,210	1,050
Net (loss) income attributable to Alibaba Group Holding Limited	(16,116)	23,644	3,443	62,249	72,783	10,598
Accretion of mezzanine equity	(125)	(128)	(19)	(290)	(274)	(40)
Net (loss) income attributable to ordinary shareholders	(16,241)	23,516	3,424	61,959	72,509	10,558
(Loss) Earnings per share attributable to ordinary shareholders[(1)]						
Basic	(0.76)	1.14	0.17	2.87	3.46	0.50
Diluted	(0.76)	1.12	0.16	2.84	3.43	0.50
(Loss) Earnings per ADS attributable to ordinary shareholders[(1)]						
Basic	(6.07)	9.11	1.33	22.99	27.65	4.03
Diluted	(6.07)	9.00	1.31	22.74	27.46	4.00
Weighted average number of shares used in calculating earnings per ordinary share (million shares)[(1)]						
Basic	21,401	20,651		21,558	20,980	
Diluted	21,401	20,882		21,787	21,114	

(1) Each ADS represents eight ordinary shares.

ALIBABA GROUP HOLDING LIMITED
UNAUDITED CONSOLIDATED BALANCE SHEETS

	As of March 31,	As of March 31,	
	2022	2023	
	RMB	RMB	US$
		(in millions)	
Assets			
Current assets:			
Cash and cash equivalents	189,898	193,086	28,115
Short-term investments	256,514	326,492	47,541
Restricted cash and escrow receivables	37,455	36,424	5,304
Equity securities and other investments	8,673	4,892	712
Prepayments, receivables and other assets[(1)]	145,995	137,072	19,960
Total current assets	638,535	697,966	101,632
Equity securities and other investments	223,611	245,737	35,782
Prepayments, receivables and other assets	113,147	110,926	16,152
Investment in equity method investees	219,642	207,380	30,197
Property and equipment, net	171,806	176,031	25,632
Intangible assets, net	59,231	46,913	6,831
Goodwill	269,581	268,091	39,037
Total assets	1,695,553	1,753,044	255,263
Liabilities, Mezzanine Equity and Shareholders' Equity			
Current liabilities:			
Current bank borrowings	8,841	7,466	1,087
Current unsecured senior notes	—	4,800	699
Income tax payable	21,753	12,543	1,826
Accrued expenses, accounts payable and other liabilities	271,460	275,950	40,182
Merchant deposits	14,747	13,297	1,936
Deferred revenue and customer advances	66,983	71,295	10,381
Total current liabilities	383,784	385,351	56,111

ALIBABA GROUP HOLDING LIMITED
UNAUDITED CONSOLIDATED BALANCE SHEETS (CONTINUED)

	As of March 31, 2022	As of March 31, 2023	
	RMB	RMB	US$
		(in millions)	
Deferred revenue	3,490	3,560	518
Deferred tax liabilities	61,706	61,745	8,991
Non-current bank borrowings	38,244	52,023	7,575
Non-current unsecured senior notes	94,259	97,065	14,134
Other liabilities	31,877	30,379	4,424
Total liabilities	613,360	630,123	91,753
Commitments and contingencies			
Mezzanine equity	9,655	9,858	1,435
Shareholders' equity:			
Ordinary shares	1	1	—
Additional paid-in capital	410,506	416,880	60,702
Treasury shares at cost	(2,221)	(28,763)	(4,188)
Subscription receivables	(46)	(49)	(7)
Statutory reserves	9,839	12,977	1,890
Accumulated other comprehensive loss	(33,157)	(10,417)	(1,517)
Retained earnings	563,557	599,028	87,225
Total shareholders' equity	948,479	989,657	144,105
Noncontrolling interests	124,059	123,406	17,970
Total equity	1,072,538	1,113,063	162,075
Total liabilities, mezzanine equity and equity	1,695,553	1,753,044	255,263

(1) Includes dividend from Ant Group in the amount of RMB3,945 million as of March 31, 2022. Ant Group declared a dividend to its shareholders in March 2022 following shareholder approval.

ALIBABA GROUP HOLDING LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,			Year ended March 31,		
	2022	2023		2022	2023	
	RMB	RMB	US$	RMB	RMB	US$
		(in millions)			(in millions)	
Net cash (used in) provided by operating activities	(7,040)	31,401	4,572	142,759	199,752	29,086
Net cash used in investing activities	(87,254)	(26,808)	(3,904)	(198,592)	(135,506)	(19,731)
Net cash used in financing activities	(10,614)	(9,319)	(1,357)	(64,449)	(65,619)	(9,555)
Effect of exchange rate changes on cash and cash equivalents, restricted cash and escrow receivables	(913)	(1,201)	(174)	(8,834)	3,530	514
(Decrease) Increase in cash and cash equivalents, restricted cash and escrow receivables	(105,821)	(5,927)	(863)	(129,116)	2,157	314
Cash and cash equivalents, restricted cash and escrow receivables at beginning of period	333,174	235,437	34,282	356,469	227,353	33,105
Cash and cash equivalents, restricted cash and escrow receivables at end of period	227,353	229,510	33,419	227,353	229,510	33,419

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 (loss) income to adjusted EBITA and adjusted EBITDA for the periods indicated:

	Three months ended March 31,			Year ended March 31,		
	2022	2023		2022	2023	
	RMB	RMB	US$	RMB	RMB	US$
		(in millions)			(in millions)	
Net (loss) income	**(18,357)**	**21,996**	**3,203**	**47,079**	**65,573**	**9,548**
Adjustments to reconcile net (loss) income to adjusted EBITA and adjusted EBITDA:						
Interest and investment income, net	36,708	(10,496)	(1,528)	15,702	11,071	1,612
Interest expense	1,189	1,736	253	4,909	5,918	862
Other income, net	(1,620)	(1,308)	(191)	(10,523)	(5,823)	(848)
Income tax expenses	2,079	3,758	547	26,815	15,549	2,264
Share of results of equity method investees	(3,282)	(446)	(65)	(14,344)	8,063	1,174
Income from operations	**16,717**	**15,240**	**2,219**	**69,638**	**100,351**	**14,612**
Share-based compensation expense	(3,737)	7,546	1,099	23,971	30,831	4,489
Amortization and impairment of intangible assets	2,831	2,494	363	11,647	13,504	1,967
Impairment of goodwill	—	—	—	25,141	2,714	395
Equity-settled donation expense	—	—	—	—	511	75
Adjusted EBITA	**15,811**	**25,280**	**3,681**	**130,397**	**147,911**	**21,538**
Depreciation and impairment of property and equipment, and operating lease cost relating to land use rights	7,562	6,843	996	27,808	27,799	4,047
Adjusted EBITDA	**23,373**	**32,123**	**4,677**	**158,205**	**175,710**	**25,585**

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 (loss) income to non-GAAP net income for the periods indicated:

	Three months ended March 31,			Year ended March 31,		
	2022	2023		2022	2023	
	RMB	RMB	US$	RMB	RMB	US$
		(in millions)			(in millions)	
Net (loss) income	**(18,357)**	**21,996**	**3,203**	**47,079**	**65,573**	**9,548**
Adjustments to reconcile net (loss) income to non-GAAP net income:						
Share-based compensation expense	(3,737)	7,546	1,099	23,971	30,831	4,489
Amortization and impairment of intangible assets	2,831	2,494	363	11,647	13,504	1,967
Impairment of goodwill and investments	5,303	7,290	1,061	40,264	24,351	3,546
Loss (Gain) on deemed disposals/disposals/ revaluation of investments and others	37,845	(11,804)	(1,719)	21,671	13,857	2,017
Equity-settled donation expense	-	-	-	-	511	75
Tax effects [(1)]	(4,086)	(147)	(21)	(8,244)	(7,248)	(1,056)
Non-GAAP net income	**19,799**	**27,375**	**3,986**	**136,388**	**141,379**	**20,586**

(1) Tax effects primarily comprises tax effects relating to share-based compensation expense, amortization and impairment of intangible assets and certain gains and losses from investments, and others.

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 (loss) earnings per share/ADS to non-GAAP diluted earnings per share/ADS for the periods indicated:

	Three months ended March 31,			Year ended March 31,		
	2022	2023		2022	2023	
	RMB	RMB	US$	RMB	RMB	US$
	(in millions, except per share data)			(in millions, except per share data)		
Net (loss) income attributable to ordinary shareholders – basic	**(16,241)**	**23,516**	**3,424**	**61,959**	**72,509**	**10,558**
Dilution effect on earnings arising from share-based awards operated by equity method investees and subsidiaries	(8)	(29)	(4)	(37)	(38)	(5)
Net (loss) income attributable to ordinary shareholders – diluted	(16,249)	23,487	3,420	61,922	72,471	10,553
Non-GAAP adjustments to net income attributable to ordinary shareholders[1]	37,703	4,469	651	81,593	71,520	10,414
Non-GAAP net income attributable to ordinary shareholders for computing non-GAAP diluted earnings per share/ADS	**21,454**	**27,956**	**4,071**	**143,515**	**143,991**	**20,967**
Weighted average number of shares on a diluted basis for computing non-GAAP diluted earnings per share/ADS (million shares)[4]	**21,599**	**20,882**		**21,787**	**21,114**	
Diluted (loss) earnings per share[2][4]	**(0.76)**	**1.12**	**0.16**	**2.84**	**3.43**	**0.50**
Non-GAAP diluted earnings per share[3][4]	**0.99**	**1.34**	**0.20**	**6.59**	**6.82**	**0.99**
Diluted (loss) earnings per ADS[2][4]	**(6.07)**	**9.00**	**1.31**	**22.74**	**27.46**	**4.00**
Non-GAAP diluted earnings per ADS[3][4]	**7.95**	**10.71**	**1.56**	**52.69**	**54.56**	**7.94**

(1) See the table above for the reconciliation of net (loss) income to non-GAAP net income for more information of these non-GAAP adjustments.

(2) Diluted (loss) earnings per share is derived from dividing net (loss) income attributable to ordinary shareholders by the weighted average number of shares, on a diluted basis. Diluted (loss) earnings per ADS is derived from the diluted (loss) earnings per share after adjusting for the ordinary share-to-ADS ratio.

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

(4) 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 (used in) provided by operating activities to free cash flow for the periods indicated:

	Three months ended March 31,			Year ended March 31,		
	2022	2023		2022	2023	
	RMB	RMB	US$	RMB	RMB	US$
		(in millions)			(in millions)	
Net cash (used in) provided by operating activities	**(7,040)**	**31,401**	**4,572**	**142,759**	**199,752**	**29,086**
Less: Purchase of property and equipment (excluding land use rights and construction in progress relating to office campuses)	(9,201)	(2,513)	(366)	(42,028)	(30,373)	(4,423)
Less: Purchase of intangible assets (excluding those acquired through acquisitions)	—	—	—	(15)	(22)	(3)
Less: Changes in the consumer protection fund deposits	1,171	3,379	492	(1,842)	2,306	336
Free cash flow	**(15,070)**	**32,267**	**4,698**	**98,874**	**171,663**	**24,996**

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