

Alibaba Announces Proposal to Privatize Intime Retail

Transaction will transform conventional retail

Hangzhou, China, January 10, 2017 – Alibaba Investment Limited (“Alibaba”), a wholly owned subsidiary of Alibaba Group Holding Limited (NYSE: BABA) (“Alibaba Group”) announced today that Alibaba, together with an entity wholly-owned by Mr. Shen Guo Jun, founder of Intime Retail (Group) Company Limited (HKSE: 1833) (“Intime”) (together, the “Joint Offerors”), have requested the board of directors of Intime to put forward to shareholders a proposal to privatize the department store operator by way of a scheme of arrangement.

Shares in Intime will be cancelled in exchange for a payment by the Joint Offerors at HK\$10.00 per share, representing a premium of approximately 53.59 percent over the average closing price of Intime shares over the last 60 days, and 42.25 percent over the closing price of HK\$7.03 before trading was suspended on December 28, 2016.

Intime is a leading department store chain in China operating 29 department stores and 17 shopping malls, mainly in first- and second-tier cities in China. It has a particularly strong footprint in Zhejiang Province, where Alibaba Group is headquartered. Alibaba currently owns approximately 28% of the equity interests in Intime pursuant to an initial investment in July 2014 and a conversion into equity of convertible debt securities in June 2016. Under the proposed transaction, Alibaba would become the controlling shareholder of Intime and it is expected that its shareholding in the company would increase to approximately 74%.

The proposed transaction reflects Alibaba Group’s strategy to transform conventional retail by leveraging its substantial consumer reach, rich data and technology. With the advent of the mobile phone, the distinction between online and offline consumer shopping experience has become obsolete. “E-commerce” is no longer about shopping in front of a computer at home. Today’s consumers in China engage in commerce activities from anywhere, anytime, with the help of a mobile phone. This dynamic shift to mobile has enabled Alibaba Group to work with brick and mortar retailers to integrate online and offline customer data, enhance consumers’ in-store experience as well as achieve improvements in inventory efficiency and sales turnover. As of the quarter ended September 2016, 78% of the gross merchandise volume on Alibaba Group’s China retail marketplaces was generated from mobile, and mobile monthly active users reached 450 million in the month of September.

“China’s total retail sector is a US\$4.5 trillion economy and is growing at 10.7% a year. Alibaba is working with offline retailers to transform conventional approach, create new consumer shopping experience and use actions to embrace future opportunities under the new retail model,” said Daniel Zhang, Alibaba Group Chief Executive Officer. “We don’t divide the world into real or virtual economies, only the old and the new. Those who cling on to the old ways of retailing will be disrupted, and brick and mortar businesses will be able to create value for consumers if they are integrated with the power of mobile reach, real-time consumer insights, and technology capability to improve operating efficiency. Our combination with Intime will enable us to tap into the long-term growth potential of a new form of retail in China powered by Internet technology and data.”

The maximum amount of cash required for the proposal is expected to be approximately HK\$19.8 billion (US\$2.6 billion). The Joint Offerors are financing the transaction through internal cash resources and/or external debt financing.

The proposed transaction is subject to customary closing conditions, including approval from Intime’s independent shareholders and the sanction of the Grand Court of the Cayman Islands. Please refer to the joint announcement filed with the Hong Kong Stock Exchange for details of the proposal to Intime shareholders.

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The directors of Alibaba Investment Limited jointly and severally accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this document have been arrived at after due and careful consideration and there are no other facts not contained in this document, the omission of which would make any statement in this document misleading.