

IPO Expected Timetable#

Stock Code	Stock Name	Application lists close	Allotment Date	Listing Date
06688	ANT GROUP	2020/10/30	2020/11/04	2020/11/05

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

Subscription Details via CASH Securities

Offer Period	2020/10/27-2020/10/30
Closing Time for Margin Application	2020/10/29 2:00pm
Subscription Fee	HKD 100
Indicative Interest Rate	0-3.38%
Days For Margin Financing	5 days
*The deadline for margin subscription share will be changed at any time, which is available on a first-come-first-served basis.	

ANT GROUP CO., LTD. (06688.HK)

Share Offer Highlights

Total number of Offer Shares:	1,670,706,000 H Shares (subject to the H Share Over-allotment Option)
- Number of Public Offer Shares:	41,768,000 H Shares (subject to adjustment)
- Number of Placing Shares:	1,628,938,000 H Shares (subject to adjustment and the H Share Over-allotment Option)
Number of Shares per Lot:	50 Shares
Offer Price:	HKD 80.00 per Share
FY2019 Historical P/E ratio:	124.29x
Sponsor:	Citi, J.P. Morgan, Morgan Stanley, CICC

Company

Industry:	Financial services
Business:	The Company has since expanded our service offerings through technology and innovation to enable digital finance for consumers and businesses. It provides digital finance technology, customer reach and risk management solutions to partner financial institutions, enabling them to provide services in consumer credit, SMB credit, investments and insurance.

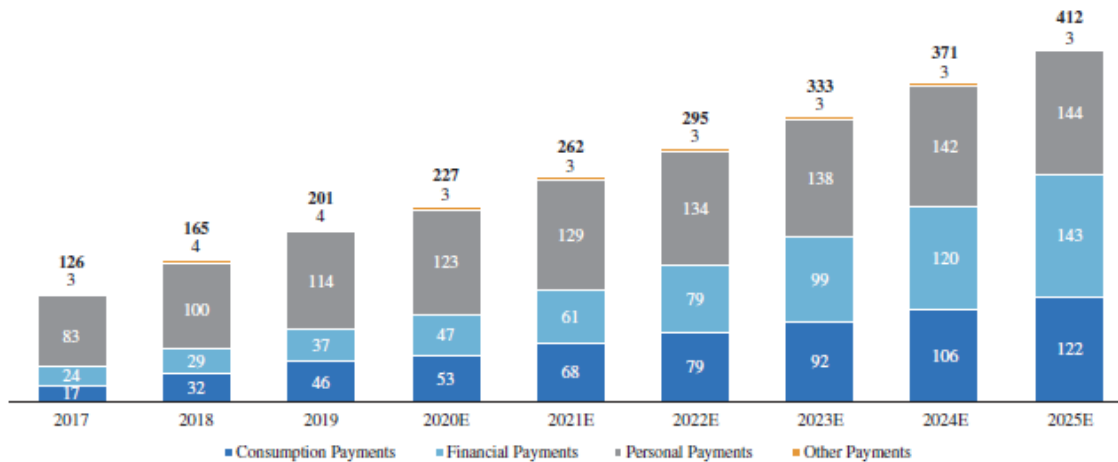
Investment Highlights

➤ Growth in Digital Payments in China

The convenience, efficiency and high penetration of digital and mobile technology are expected to drive the growth of digital payments in China. According to iResearch,

- China's digital payments transaction volume was RMB201 trillion in 2019. Digital payments are defined as payment transactions through e-wallets, and consist of consumption payments, financial payments, personal payments and other payments. China's mobile payments users reached 87.2% of the total mobile Internet population in China in 2019.
- China's digital payments transaction volume is expected to increase to RMB412 trillion in 2025. Consumption payments, which it also refer to as commercial payments, primarily consist of e-commerce and online services payments, and offline consumption payments through e-wallets and others, are expected to grow at a CAGR of 17.5% from 2019 to 2025, primarily driven by the growth of e-commerce and digital payments made at offline businesses. Financial payments, which primarily consist of online purchases of investment products and insurance policies, repayments of loans and others, are expected to grow at a CAGR of 25.0% from 2019 to 2025, primarily driven by the growth of online credit and investment activities. Personal payments primarily consist of credit card repayments, money transfers, red packets and others.

Graph: China Digital Payments Transaction Volume (Trillion RMB)



Source : prospectus, CASH

➤ Its Thriving Alipay Platform and Ant Ecosystem

Its integrated Alipay platform offers digital payment and digital finance services which create significant value for consumers, businesses and partners. It delivers these services through the Alipay super app that draws together over one billion users, 80 million merchants and 2,000 partner financial institutions in China. It facilitates trillions of transactions among our ecosystem participants. It is the leading digital payments provider and leading digital finance platform in China based on total payment volume and transaction volume, respectively, according to iResearch and Oliver Wyman.

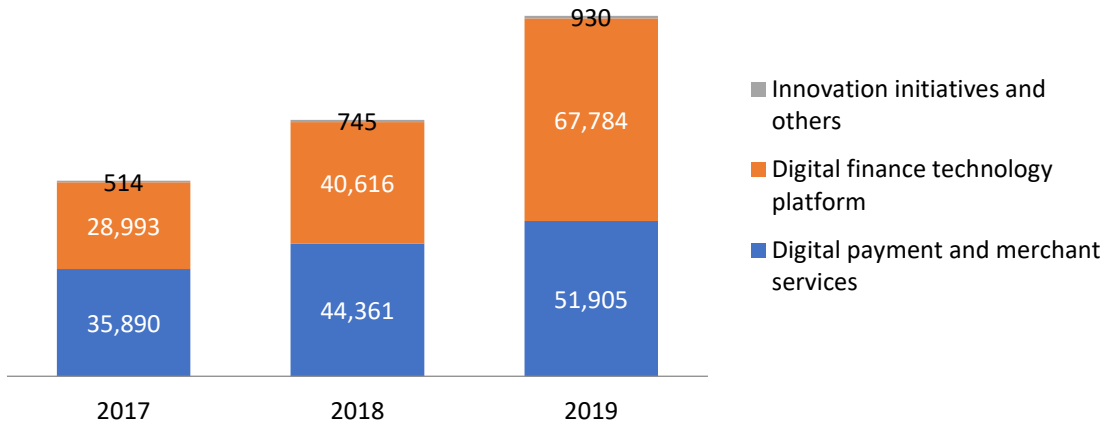
- TPV transacted on our platform in mainland China was RMB118 trillion in the twelve months ended June 30, 2020;
- consumer and SMB credit balances enabled through our platform were RMB1,732 billion and RMB422 billion, respectively, as of June 30, 2020;
- investment AUM enabled through our platform was RMB4,099 billion as of June 30, 2020;
- insurance premiums and contributions enabled through our platform totaled RMB52 billion in the twelve months ended June 30, 2020..

➤ Win-Win Partnership with Financial Institutions

The Company is a technology services company. It provides the platform and tools to allow partner financial institutions to serve underserved consumers and small businesses with inclusive financial services and empower them to better manage risk, efficiently handle underwriting and distribute their products. Its complementary partnership with financial institutions creates a sustainable win-win relationship based on trust.

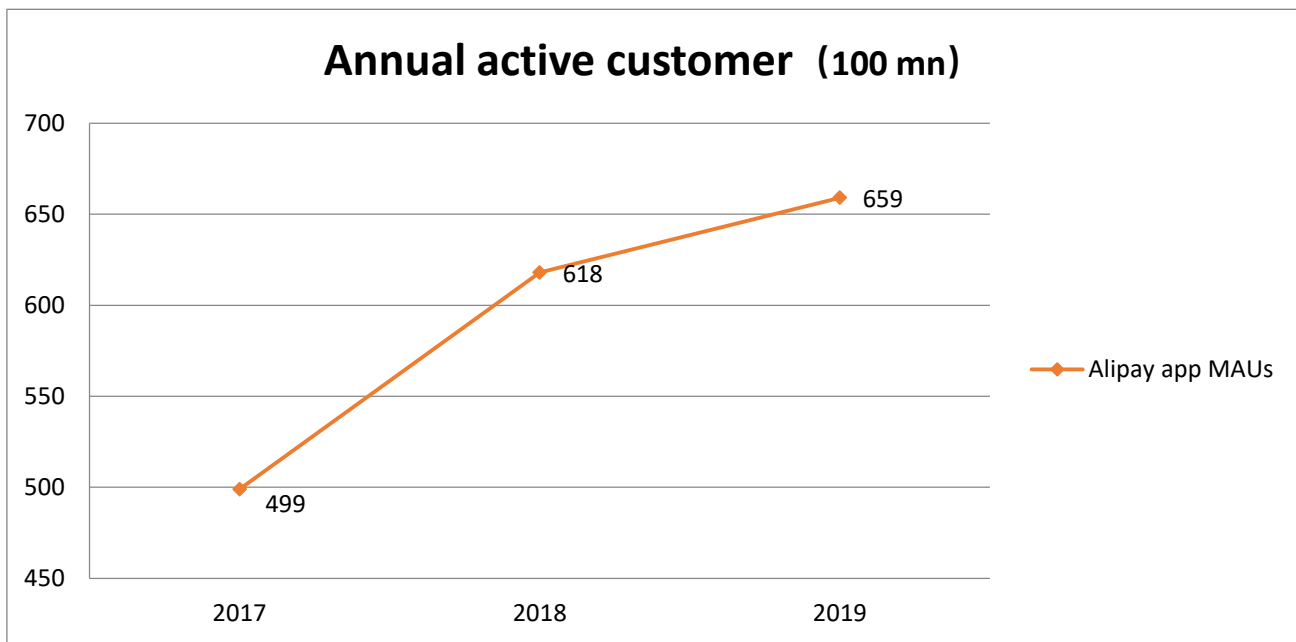
- It is the largest online consumer credit and SMB credit services provider in China in terms of total outstanding credit balance originated, according to Oliver Wyman. As of June 30, 2020, it worked with approximately 100 partner banks, including all policy banks, large national state-owned banks, all national joint stock banks, leading city and rural commercial banks, international banks that operate in China, as well as trust companies. As of June 30, 2020, approximately 98% of credit balance originated through its platform was underwritten by its partner financial institutions or securitized.
- It is the largest online investment services platform in China by AUM matched and distributed, according to Oliver Wyman. As of June 30, 2020, it worked with approximately 170 partner asset managers, including the vast majority of mutual fund companies as well as leading insurers, banks and securities companies in China.
- It is the largest online insurance services platform in China in terms of premiums generated, according to Oliver Wyman. As of June 30, 2020, it worked with approximately 90 partner insurance institutions in China.

Pic : The revenue of different business segment in past three years. (bn RMB)



Source : prospectus, CASH

Graph : The annual active customer in past three years



Source : prospectus, CASH

Risk Factors

- If it cannot continue to innovate, our business, financial condition, results of operations and prospects would be materially and adversely affected.
- Its success depends on our ability to maintain a mutually beneficial partnership with financial institutions..
- The Company may not be able to maintain or may lose market share and customers if it fail to compete effectively.

Basic Financial Data

	For the year ended 31 December 2018		For the year ended 31 December 2019	
	FY2018	%	FY2019	%
Revenue(mn RMB)	85,722.3	+31.08	120,618.4	+40.71
Net Profit/Loss (mn RMB)	667.1	-90.40	16,957.2	+2,442.06

Use Of Proceeds

Assuming the Over-allotment Option is not exercised, with an Offer Price of HKD 80.00, the estimated expenses in relation to the Global Offering payable by the Company will be approximately HKD 131,991 million. The entire net proceeds from the Global Offering will be used:

The entire net proceeds		Use of proceeds
(mn HKD)	(%)	
13,199	10	Further pursue its vision to digitalize the service industry.
52,797	40	Enhance its innovation and research and development capabilities
52,797	40	Expand its crossborder payment and merchant services initiatives.
13,199	10	Working capital and general corporate purposes.
Total: 131,991	100	

Source

IPO Prospectus

Contact Us

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