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ALIBABA GROUP HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)



ALIBABA.COM LIMITED

阿里巴巴網絡有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1688)

JOINT ANNOUNCEMENT

PROPOSED PRIVATIZATION OF ALIBABA.COM LIMITED BY ALIBABA GROUP HOLDING LIMITED BY WAY OF A SCHEME OF ARRANGEMENT (UNDER SECTION 86 OF THE CAYMAN ISLANDS COMPANIES LAW)

(1) RESULTS OF COURT MEETING AND EXTRAORDINARY GENERAL MEETING

(2) RESUMPTION OF TRADING IN THE SHARES OF ALIBABA.COM LIMITED

(3) CLOSURE OF REGISTER OF MEMBERS OF ALIBABA.COM LIMITED

Joint Financial Advisors to the Offeror



Financial Advisor to the Company

**Independent Financial Advisor to the
Independent Board Committee**



RESULTS OF COURT MEETING AND EXTRAORDINARY GENERAL MEETING

On Friday, May 25, 2012, the resolution proposed at the Court Meeting to approve the Scheme was duly passed.

The special resolution proposed at the Extraordinary General Meeting to approve and give effect to, among other things, the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and immediately restoring the issued share capital of the Company to its former amount by the issue of the same number of Shares as the number of Scheme Shares cancelled and extinguished, credited as fully paid, to the Offeror, was also duly passed.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Hong Kong Stock Exchange was suspended with effect from 9:00 a.m. on Friday, May 25, 2012, pending the release of this announcement. An application has been submitted to the Hong Kong Stock Exchange requesting the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, May 28, 2012.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the register of members of the Company will be closed from Thursday, June 14, 2012 onwards. During such period, no transfer of Shares will be effected.

INTRODUCTION

This announcement is made further to the scheme document jointly issued by the Offeror and Company on April 24, 2012 in relation to the proposed privatization of Alibaba.com Limited by Alibaba Group Holding Limited by way of a scheme of arrangement under Section 86 of the Cayman Islands Companies Law (the “**Scheme Document**”). Terms defined in the Scheme Document shall have the same meanings when used in this announcement unless the context otherwise requires.

RESULTS OF THE COURT MEETING

The Court Meeting was held at 9:00 a.m. on Friday, May 25, 2012 at Grand Ballroom, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong. Scheme Shareholders who were present and voting either in person or by proxy were entitled to vote in respect of all of their Scheme Shares. In compliance with both Section 86 of the Cayman Islands Companies Law and Rule 2.10 of the Hong Kong Takeovers Code, the approval required to be obtained at the Court Meeting in respect of the Scheme would be regarded as obtained if: (1) the Scheme is approved (by way of poll) by a majority in number of the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting; (2) the Scheme is approved (by way of poll) by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and (3) the number of votes cast (by way of poll) by Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Independent Shareholders.

At the Court Meeting:

1. a total number of 155 Scheme Shareholders (representing approximately 83.78% of the total number of Scheme Shareholders who attended and voted either in person or by proxy at the Court Meeting) representing 588,947,151 Scheme Shares (representing approximately 95.46% in value of the Scheme Shares held by the Scheme Shareholders who were present and voting either in person or by proxy at the Court Meeting) voted in favor of the resolution to approve the Scheme, and a total number of 30 Scheme Shareholders (representing approximately 16.22% of the total number of Scheme Shareholders who attended and voted either in person or by proxy at the Court Meeting) representing 28,014,500 Scheme Shares (representing approximately 4.54% in value of the Scheme Shares held by the Scheme Shareholders who were present and voting either in person or by proxy at the Court Meeting) voted against the resolution to approve the Scheme;
2. Independent Shareholders representing 588,947,151 Scheme Shares (representing approximately 95.46% of the votes attaching to the Scheme Shares held by Independent Shareholders that were voted either in person or by proxy at the Court Meeting) voted in favor of the resolution to approve the Scheme, and Independent Shareholders representing 28,014,500 Scheme Shares (representing approximately 4.54% of the votes attaching to the Scheme Shares held by Independent Shareholders that were voted either in person or by proxy at the Court Meeting) voted against the resolution to approve the Scheme; and
3. Independent Shareholders representing 588,947,151 Scheme Shares (representing approximately 44.11% of the votes attaching to all Scheme Shares held by all Independent Shareholders) voted in favor of the resolution to approve the Scheme, and Independent Shareholders representing 28,014,500 Scheme Shares (representing approximately 2.10% of the votes attaching to all Scheme Shares held by all Independent Shareholders) voted against the resolution to approve the Scheme.

Accordingly, the resolution proposed at the Court Meeting to approve the Scheme was duly passed in accordance with the requirements of both Section 86 of the Cayman Islands Companies Law and Rule 2.10 of the Hong Kong Takeovers Code.

The total number of Scheme Shares entitling the holders to attend and vote for or against the Scheme at the Court Meeting was 1,366,475,821 Scheme Shares. In accordance with the Scheme Document, Scheme Shareholders that are Offeror Concert Parties abstained from voting at the Court Meeting. Other than as disclosed above, no holder of Scheme Shares was required to abstain from voting on the Scheme at the Court Meeting.

HKSCC Nominees Limited casts its votes in accordance with the instructions of CCASS participants in compliance with the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time. With respect to the underlying votes of the CCASS participants, 31 CCASS participants voted in favor of the Scheme and 21 CCASS participants voted against the Scheme.

HKSCC Nominees Limited was counted above as one Scheme Shareholder voting in favor of the Scheme and one Scheme Shareholder voting against the Scheme, on the basis that certain Scheme Shares registered in the name of HKSCC Nominees Limited were voted in favor of the Scheme and certain Scheme Shares so registered were voted against the Scheme.

In addition, the Scheme would also have been approved by a majority in number of Scheme Shareholders present and voting either in person or by proxy at the Court Meeting if, based on the number of CCASS participants who voted in favor of the Scheme and the number of CCASS participants who voted against the Scheme, HKSCC Nominees Limited was counted as 31 Scheme Shareholders voting in favor of the Scheme and 21 Scheme Shareholders voting against the Scheme.

Computershare Hong Kong Investor Services Limited acted as scrutineers for the vote-taking at the Court Meeting.

RESULTS OF THE EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting was held after the conclusion of the Court Meeting on Friday, May 25, 2012 at Grand Ballroom, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong for the purpose of considering, and if thought fit, passing the special resolution set out in the notice of the Extraordinary General Meeting dated April 24, 2012.

At the Extraordinary General Meeting:

In respect of the special resolution proposed at the meeting to approve and give effect to, among other things, the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and immediately restoring the issued share capital of the Company to its former amount by the issue of the same number of Shares as the number of Scheme Shares cancelled and extinguished, credited as fully paid, to the Offeror, a total of 4,167,343,798 Shares (representing approximately 83.25% of the total number of Shares) were voted in person or by proxy on a poll, of which:

(a) 4,135,898,348 Shares (representing approximately 99.25% of the Shares voted in respect of the special resolution) were voted in favor of the special resolution; and

(b) 31,445,450 Shares (representing approximately 0.75% of the Shares voted in respect of the special resolution) were voted against the special resolution.

Accordingly, the special resolution proposed at the Extraordinary General Meeting was duly passed by a majority of not less than 75% of the votes cast by the Shareholders present and voting (either in person or by proxy) at the Extraordinary General Meeting.

The total number of Shares entitling the holders to attend and vote for or against the special resolution at the Extraordinary General Meeting described above was 5,005,802,170 Shares. No holder of Shares was required to abstain from voting on the special resolution at the Extraordinary General Meeting.

Computershare Hong Kong Investor Services Limited acted as scrutineers for the vote-taking at the Extraordinary General Meeting.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of Company, trading in the Shares on the Hong Kong Stock Exchange was suspended with effect from 9:00 a.m. on Friday, May 25, 2012, pending the release of this announcement. An application has been submitted to the Hong Kong Stock Exchange requesting the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, May 28, 2012.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the registers of members of the Company will be closed from Thursday, June 14, 2012 onwards. During such period no transfer of Shares will be effected.

CURRENT STATUS OF THE CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will become effective subject to the fulfilment or waiver (as applicable) of conditions (c) to (k) set out in the section headed “3. Conditions of the Proposal and the Scheme” in the Part VII – Explanatory Statement of the Scheme Document. Assuming that the above conditions are duly fulfilled (or, as applicable, waived in whole or in part), the Offeror and the Company expect that the Scheme will become effective on Tuesday, June 19, 2012 (Cayman Islands time). The Offeror and the Company will make a further announcement of the exact date on which the Scheme becomes effective. The Scheme will lapse if it does not become effective on or before June 20, 2012 (or, subject to applicable laws and regulations, such later date as the Offeror and the Company may agree or as the Cayman Islands Grand Court may allow), and in such event the Offeror and the Company will make a further announcement.

CURRENT STATUS OF THE SHARE INCENTIVES OFFER

As at 5 p.m. on May 24, 2012, valid acceptances of the Share Incentives Offer had been received in respect of 5,120 of the 6,913 Share Incentive Holders and no valid rejections of the Share Incentives Offer had been received, subject to final verification.

This represents acceptances in respect of each type of Share Incentive as set out below:

	Share Options	RSUs	Share Awards	Offeror Share Options	Offeror RSUs
Number in respect of which acceptances have been received	20,135,450	30,139,228	886,500	4,562,862	5,822,349

The Share Incentives Offer remains conditional on the Scheme becoming effective and binding.

WITHDRAWAL OF THE LISTING OF THE SHARES

If the Proposal becomes unconditional and the Scheme becomes effective, the Company expects to withdraw the listing of the Shares on the Hong Kong Stock Exchange at 4:00 p.m. on Wednesday, June 20, 2012.

EXPECTED TIMETABLE

The expected timetable for completing the remaining steps of the Proposal, including the withdrawal of the listing of Shares, is as follows:

Resumption of trading in the Shares on the Hong Kong
Stock Exchange..... 9:00 a.m. on Monday, May 28, 2012

Court hearing of the Company’s application to dispense with settling a list of creditors and for directions concerning the capital reduction (unless such orders are made on the paper)	9:30 a.m. on Tuesday, May 29, 2012 (Cayman Islands time)
Expected last day for trading in the Shares on the Hong Kong Stock Exchange	Friday, June 8, 2012
Latest time for holders to lodge notices of exercise (accompanied by full payment) of their Share Options and Offeror Share Options in order to qualify as Scheme Shareholders for entitlements under the Scheme (“Latest Options Exercise Date”) (<i>Note 2 and Note 7</i>)	4:30 p.m. on Friday, June 8, 2012
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme.....	4:30 p.m. on Wednesday, June 13, 2012
Register of members of the Company closed for determining entitlements to qualify under the Scheme (<i>Note 1 and Note 2</i>).....	from Thursday, June 14, 2012
Court hearing of the petition to sanction the Scheme and to confirm the capital reduction	Friday, June 15, 2012 (Cayman Islands time)
Announcement of the result of the court hearing to sanction the Scheme and to confirm the capital reduction	Monday, June 18, 2012
Record Date	4:30 p.m. on Tuesday, June 19, 2012
Share Incentives Record Date (<i>Note 2 and Note 3</i>)	4:30 p.m. on Tuesday, June 19, 2012
Effective Date (<i>Note 4</i>)	Tuesday, June 19, 2012 (Cayman Islands time)
Announcement of the Effective Date and the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange.	Tuesday, June 19, 2012
Lapse/cancellation of RSUs and any obligations to deliver Shares thereunder (<i>Note 8</i>).....	Tuesday, June 19, 2012
Expected withdrawal of the listing of Shares on the Hong Kong Stock Exchange becoming effective (<i>Note 5</i>)	4:00 p.m. on Wednesday, June 20, 2012
Latest time to dispatch checks for cash payment under the Scheme	on or before Thursday, June 28, 2012
Latest time to accept the Share Incentives Offer and closing date of the Share Incentives Offer (<i>Note 3</i>)	4:30 p.m. on Tuesday, July 3, 2012
Announcement of the results of the Share Incentives Offer, or as to whether the Share Incentives Offer has been revised or extended, on the website of the Securities and Futures Commission	not later than 7:00 p.m. on Tuesday, July 3, 2012

Latest time to dispatch checks or effect bank transfer for cash payment under the Share Incentives Offer, in respect of Share Incentives that have vested before the Share Incentives Record Date but in respect of which the underlying Shares have not been registered in the name of the relevant holder or its nominee as at the Record Date

(Note 6) on or before Thursday, July 12, 2012

Shareholders and Share Incentive Holders should note that the above timetable is subject to change. Further announcement(s) will be made in the event that there is any change.

Notes:

- (1) The register of members of the Company will be closed as from such time and on such date for the purpose of determining which Scheme Shareholders are qualified for entitlements under the Scheme.
- (2) Please note that for holders of RSUs, Offeror RSUs and Share Awards, the latest time for RSUs, Offeror RSUs and Share Awards to vest in order to qualify for entitlements under the Scheme is the same as the latest time for RSUs, Offeror RSUs and Share Awards to vest in order for holders to become entitled to vote at the Court Meeting and the Extraordinary General Meeting. If holders of vested Share Options or vested Offeror Share Options wish to qualify as Scheme Shareholders for entitlements under the Scheme, they must exercise their Share Options or Offeror Share Options and, subject to the customary process for allotment or transfer of Shares by the Offeror or the Company (as the case may be), become registered holders of Shares by the Record Date. Holders of RSUs, Offeror RSUs and Share Awards will only qualify as Scheme Shareholders for entitlements under the Scheme if their RSUs, Offeror RSUs or Share Awards, as applicable, vest and, subject to the customary process for allotment or transfer of Shares by the Offeror or the Company (as the case may be), such holders become registered holders of Shares by the time of the Record Date. Holders of (i) unvested Share Incentives as at the Share Incentives Record Date, or (ii) vested Share Incentives as at the Share Incentives Record Date in respect of which the underlying Shares have not been registered in the name of the relevant holder or its nominee before the Record Date will be entitled to the Share Incentives Offer. The above takes into account an administrative time lag between the vesting and/or exercise of Share Incentives and the issue or transfer of Shares underlying such Share Incentives. This time lag derives from withholding individual income tax obligations imposed on certain subsidiaries of the Offeror and the Company upon vesting of the Share Incentives, which require the Offeror or the Company to, among other things, wait until the relevant month end before the aggregate amount of staff compensation for that month can be determined and individual income tax can be calculated.
- (3) Forms of Acceptance, duly completed and executed in accordance with the instructions on them, must be lodged with the Offeror, care of Alibaba Group Services Limited at 26/F Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong not later than 4:30 p.m. on July 3, 2012 (or such later date as may be notified by Rothschild, Credit Suisse, Deutsche Bank or the Offeror).
- (4) The Scheme shall become effective upon all the Conditions set out in the paragraph headed “3. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Statement of the Scheme Document having been fulfilled or (to the extent permitted) waived (as the case may be).
- (5) If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Hong Kong Stock Exchange will be withdrawn at or before 4:00 p.m. on June 20, 2012, being the next day after the Effective Date.
- (6) Payment (by check or bank transfer) in respect of validly completed and executed Forms of Acceptance received after the Share Incentives Record Date but before 4:30 p.m. on Tuesday, July 3, 2012 will be dispatched within seven Business Days following receipt of such validly completed and executed Forms of Acceptance. In respect of Share Incentives that have not vested as at the Share Incentives Record Date, as set out in the Share Incentives Offer Letter, payment in respect of each unvested Share Incentive will be made by the Offeror within 60 days of the vesting date of the relevant Share Incentive. The Executive has granted a waiver from strict compliance with Rule 20.1 of the Hong Kong Takeovers Code.

- (7) These denote the recommended latest dates, which are based on the latest time at which the Offeror or the Company can be certain that it can complete all required processes to issue or transfer the underlying Shares before the Record Date. For holders of RSUs, Offeror RSUs and/or Share Awards that have vested in April 2012, the Offeror and/or the Company has ascertained the aggregate amount of staff compensation including salary, commission and other allowances for the month of April 2012 on or before April 30, 2012, calculated the relevant amount of their individual income tax on or before May 4, 2012, and fulfilled the withholding tax obligations in the PRC that the Offeror and/or the Company are subject to on or before May 10, 2012. The Company issued new Shares to the account under the Company's name with the broker who helps to handle the Share Incentives on April 30, 2012 and distributed the relevant amount of Shares to the account of each RSU holder and/or Share Award holder with the same broker on or before May 10, 2012. The Offeror also transferred the relevant amount of Shares to the account of each Offeror RSU holder with the same broker on or before May 10, 2012 (the latest time for lodging transfers of Shares in order to become entitled to vote at the Court Meeting and the Extraordinary General Meeting). For holders of RSUs, Offeror RSUs and Share Awards that vest after April 30, 2012 who, as a result of the above processes, are not able to register the underlying Shares in their name (or the name of their nominee) in time to qualify as Scheme Shareholders for entitlement under the Scheme or to vote on the Court Meeting and the Extraordinary General Meeting, will remain eligible for the Share Incentives Offer.
- (8) Pursuant to the terms of the RSU Scheme, all unvested RSUs shall be cancelled automatically upon the Record Date.

GENERAL

As at February 17, 2012 (the Latest Practicable Date as defined in the joint announcement issued by the Offeror and the Company on February 21, 2012), the total number of Shares held, controlled or directed by the Offeror and parties acting in concert with it was 3,673,985,314, representing 73.45% of the total number of Share in issue at the time. As at April 20, 2012 (the Latest Practicable Date), the total number of Shares held, controlled or directed by the Offeror and parties acting in concert with it was 3,674,130,376 Shares, representing 73.41% of the total number of Shares in issue at the time. As at the Meeting Record Date, the total number of Shares held, controlled or directed by the Offeror and parties acting in concert with it was 3,670,507,892 Shares, representing 73.33% of the total number of Shares in issue at the time. None of the Offeror or parties acting in concert with it had acquired or agreed to acquire any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares since the Latest Practicable Date up to the Meeting Record Date. As at the Meeting Record Date, none of the Offeror or parties acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Hong Kong Takeovers Code) of the Company.

Warnings:

Shareholders, Share Incentive Holders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, Share Incentive Holders and potential investors should therefore exercise caution when dealing in the securities of the Company. If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional advisors. The Share Incentives Offer is subject to and conditional on the Scheme becoming effective.

The Offeror and the Offeror Concert Parties hereby remind their associates of the dealing restrictions under the Hong Kong Takeovers Code and to disclose their permitted dealings, if any, in any securities of the Company.

On behalf of the Board of
Alibaba Group Holding Limited
MA Yun, Jack
Chairman

By Order of the Board of
Alibaba.com Limited
WONG Lai Kin, Elsa
Company Secretary

Hong Kong, May 25, 2012

As at the date of this announcement, the directors of the Offeror are:

MA Yun, Jack TSAI Chung, Joseph MORSE, Timothy R SON, Masayoshi

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the directors of the Company are:

***Chairman and
Non-executive Director***
MA Yun, Jack

Non-executive Directors

TSAI Chung, Joseph
TSOU Kai-Lien, Rose
OKADA, Satoshi
PENG Yi Jie, Sabrina

Executive Directors
LU Zhaoxi, Jonathan
WU Wei, Maggie
YE Peng

Independent Non-executive Directors

NIU Gen Sheng
KWAIK Teh Ming, Walter
TSUEI, Andrew Tien-Yuan
KWAN Ming Sang, Savio

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