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



Alibaba Group 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 (HKD Counter) and 89988 (RMB Counter))

VOLUNTARY ANNOUNCEMENT
PRICING OF OFFERING OF
HK\$12.023 BILLION OF ZERO COUPON EXCHANGEABLE BONDS

The board of directors of Alibaba Group Holding Limited (“**Alibaba**”, “**Alibaba Group**”, “**we**” or the “**Company**”) is making this announcement pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Hong Kong Listing Rules**”).

We announced the pricing of our private offering (the “**Bond Offering**”) of HK\$12.023 billion aggregate principal amount of Zero Coupon Exchangeable Bonds due 2032 (the “**Bonds**”) by reference to the ordinary shares of Alibaba Health Information Technology Limited (“**Alibaba Health**”) that are listed on the Hong Kong Stock Exchange (HKEX: 0241) (“**AH Shares**”). The Bonds were offered to certain non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”). The Bond Offering is expected to close on July 9, 2025, subject to customary closing conditions.

When issued, the Bonds will be unsecured and unsubordinated obligations of Alibaba Group. The Bonds will not bear regular interest. The Bonds will mature on July 9, 2032, unless redeemed, exchanged or purchased in accordance with their terms prior to such date.

Holders of the Bonds may exchange all or any portion of the Bonds at their option at any time on or after the 41st day following the issue date of the Bonds to, and including, the close of business on the fifth scheduled trading day immediately preceding the maturity date of the Bonds (the “**Exchange Right**”). Upon exchange, the Company may, at its option, elect to satisfy its exchange obligation by delivering AH Shares, cash, or a combination of cash and AH Shares, each in accordance with the terms set forth in the Bonds.

Alibaba Health is a consolidated subsidiary of Alibaba Group, in which Alibaba Group holds approximately 64% of equity interest. Alibaba Group expects Alibaba Health to remain a flagship healthcare platform and consolidated subsidiary of Alibaba Group upon issuance and following any future exchange of the Bonds into AH Shares, and will continue close collaboration with Alibaba Health and members of Alibaba ecosystem to drive “AI + Healthcare” industry transformation.

Information on the Bonds

The initial exchange ratio of the Bonds will be approximately 160,513.6 AH Shares per HK\$1,000,000 principal amount of Bonds, which is equivalent to an initial exchange price of HK\$6.23 per AH Share. The initial exchange price represents a premium of 48% over the per-share price in the Delta Placement described below, which was HK\$4.21 per AH Share.

Based on the initial exchange price and assuming the Bonds are exchanged in full for AH Shares, the initial exchange property referenced by the Bonds will represent up to approximately 12% of the issued share capital of Alibaba Health as of May 31, 2025. The exchange price, and accordingly the exchange ratio, will be subject to certain customary adjustments on the terms set forth in the Bonds.

In addition, following certain corporate events that occur prior to the fifth scheduled trading day immediately preceding the maturity date or following our delivery of a notice of redemption, we will, in certain circumstances, increase the exchange ratio of the Bonds for a holder who elects to exchange its Bonds in connection with such a corporate event or redemption, as the case may be, as further described below.

Holders of the Bonds may require the Company to redeem all or part of their Bonds for cash on July 9, 2030, or following the occurrence of certain corporate events, subject to certain conditions. The redemption price, in each case, will be equal to 100% of the principal amount of the Bonds to be redeemed.

The Company may redeem all but not part of the Bonds in the event of certain tax law changes (the “**Tax Redemption**”). The Company may also redeem all but not part of the Bonds at any time if less than 10% of the aggregate principal amount of the Bonds originally issued remains outstanding at such time (the “**Cleanup Redemption**”). Except in connection with a Tax Redemption or a Cleanup Redemption, the Company may not redeem the Bonds prior to July 9, 2030. At any time after July 9, 2030, the Company may also redeem for cash all or part of the Bonds if the Closing Price (as defined in the terms of the Bonds) of AH Shares has been at least 130% of the exchange price then in effect on each of at least 20 trading days (whether or not consecutive) out of 30 consecutive trading days, the last of which occurs not more than five trading days prior to the date the Company provides notice of redemption (such redemption, an “**Optional Redemption**”). The redemption price in the case of a Tax Redemption, a Cleanup Redemption or an Optional Redemption will equal to 100% of the principal amount of the Bonds to be redeemed.

Use of Proceeds

Alibaba Group estimates that the net proceeds from the Bond Offering will be approximately HK\$11.9 billion, after deducting the bookrunners' commissions and estimated offering expenses payable by the Company, which expenses are subject to finalization.

Alibaba Group intends to use the net proceeds from the Bond Offering for general corporate purposes, including investments to support the development of our Cloud infrastructure and international commerce businesses.

Investor Hedging Transactions

The Company expects that certain purchasers of the Bonds may employ a convertible arbitrage strategy by short selling AH Shares or by entering into short derivative positions with respect to AH Shares to hedge their exposure to the Bonds. Any such activity could take place concurrently with or shortly after the pricing of the Bonds and could lead to any decline (or offset against any appreciation) of the market price of AH Shares or any securities referencing AH Shares, including the Bonds. Further, such investors may dynamically modify their hedges from time to time while the Bonds are outstanding, by short selling or purchasing AH Shares in secondary market transactions or entering into equivalent derivative positions, which could affect the market price of AH Shares or any securities referencing AH Shares at the time, including the Bonds.

Concurrently with the pricing of the Bonds, certain bookrunners of the Bond Offering facilitated a sale of AH Shares, representing the expected initial delta of such hedging investors' short position, in privately negotiated transactions solely to non-U.S. persons outside of the United States (such sale, a **"Delta Placement"**). In connection with the Delta Placement, a wholly-owned subsidiary of the Company (the **"Lender"**) has entered into a stock borrowing and lending arrangement with an affiliate of one of the bookrunners (the **"Borrower"**), pursuant to which the Lender has committed to lending a certain number of AH Shares (the **"Borrowed Shares"**) to the Borrower (the **"Stock Borrowing Arrangement"**). The Borrower has agreed to on-lend a portion of the Borrowed Shares to the other bookrunners to facilitate hedging activities of certain investors in the Bonds.

Other Matters

The Bonds, the AH Shares deliverable upon exchange of the Bonds, if any, and the Borrowed Shares (collectively, the **"Securities"**), have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and are being offered and sold to certain non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act. The Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act.

The Bonds are expected to be listed on the Vienna MTF operated by the Vienna Stock Exchange within 60 days after closing of the Bond Offering.

This announcement shall not constitute an offer to sell or a solicitation of an offer to purchase any securities, in the United States or elsewhere, and shall not constitute an offer, solicitation or sale of the securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful.

This announcement contains information about the pending Bond Offering and Delta Placement of Borrowed Shares, and there can be no assurance that the Bond Offering and/or the Delta Placement of Borrowed Shares will be completed.

All translations of U.S. dollars, Renminbi and Euros into Hong Kong dollars in this announcement were made at a rate of US\$1.00 to HK\$7.8499, RMB1.00 to HK\$1.0960 and €1.00 to HK\$9.2593, respectively.

Hong Kong Listing Rules Implication

The granting of the Exchange Right under the Bonds and the Stock Borrowing Arrangement constitute transactions under Chapter 14 of the Hong Kong Listing Rules. As the applicable percentage ratios in respect of the Exchange Right under the Bonds and the Stock Borrowing Arrangement are less than 5%, the Bond Offering and the Stock Borrowing Arrangement do not constitute discloseable transactions for the Company under Chapter 14 of the Hong Kong Listing Rules. This announcement is therefore being made by the Company on a voluntary basis.

Information about Alibaba Group

The Company is a company incorporated in the Cayman Islands, with our American depositary shares (each representing eight shares) listed on the New York Stock Exchange (Stock Symbol: BABA), and our shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 9988 (HKD Counter) and 89988 (RMB Counter)).

Alibaba Group's mission is to make it easy to do business anywhere. The Company aims to build the future infrastructure of commerce. It does not pursue size or power. It aspires to be a company that will last for 102 years.

Information about Alibaba Health

Alibaba Health was incorporated in Bermuda and the AH Shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 0241). Alibaba Health is an investment holding company and together with its subsidiaries, staying true to its aspiration in making healthcare services accessible and affordable, by capitalising on its leading digital technology and operation capabilities, is committed to providing affordable, convenient, efficient and reliable medical and healthcare services to hundreds of millions of families. The principal activities of Alibaba Health and its subsidiaries comprise the sale of pharmaceutical and healthcare products and services, the provision of internet-based medical and healthcare services, and digital tracking services and other innovative services.

Safe Harbor Statement

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 the intended use of proceeds, the terms of the Bonds, the Delta Placement and stock lending arrangement, future relationship between Alibaba Group and Alibaba Health, whether the Company will complete the Bond Offering, and the expected listing of the Bonds, 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 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. Further information regarding these 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 announcement is as of the date of this 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.

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

Hong Kong, July 4, 2025

As at the date of this announcement, our board of directors comprises Mr. Joseph C. TSAI as the chairman, Mr. Eddie Yongming WU, 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.