

DEPOSITARY NOTICE

To Holders of American Depositary Shares (“ADSs”)
of Alibaba Group Holding Limited

Company:	Alibaba Group Holding Limited, a company incorporated and existing under the laws of the Cayman Islands.
ADS CUSIP Nos.:	01609W102 (Freely Transferable ADSs).
Depositary:	Citibank, N.A.
Custodian:	Citibank, N.A. - Hong Kong.
ADS - to - Share Ratio:	Each ADS represents eight (8) Ordinary Shares of the Company (the “ <u>Shares</u> ”).
Deposit Agreement:	Deposit Agreement, dated as of September 24, 2014, by and among the Company, the Depositary and all Holders and Beneficial Owners of ADSs issued thereunder, as amended.

The Company has informed the Depositary of the proposed IPO and listing of its Shares in Hong Kong.

Please see attached a Q&A on the subject of the conversion of ADSs and Shares in connection with the proposed IPO and listing in Hong Kong of the Company’s Shares.

All information with respect to the Hong Kong IPO and listing of the Company’s Shares has been provided to the Depositary by the Company. In connection with the Hong Kong IPO, the Company has filed with the U.S. Securities and Exchange Commission a Registration Statement on Form F-3 (Reg. No. 333 - 234662) that may be viewed and retrieved from the website of the U.S. Securities and Exchange Commission at www.sec.gov.

If you have any questions about the above, please contact:

Email: citiadr@citi.com and drbrokerservices@citi.com.

New York contact: Jason Zoppel Michael O’Leary Scott H. Pollak +1-212-723-5435	London contact: Michael Woods 44-207-500-2030
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Citibank, N.A. as Depositary

Date: November 18, 2019

Alibaba Group – Conversions between the NYSE-traded ADSs and the HK-listed Ordinary Shares

Introduction

Upon completion of the HK IPO, Alibaba Group Holding Limited's ("Alibaba") Hong Kong ordinary shares (HK shares) and NYSE-traded ADSs (ADSs) will be **fully fungible** and will be able to be freely converted in both directions. The conversion process will generally be completed electronically within **2 HK/US business days** under normal circumstances.

In connection with the Alibaba Hong Kong IPO, Alibaba has established a branch share register in Hong Kong in addition to its principal share register in the Cayman Islands.

All ordinary shares offered in the Hong Kong IPO will be registered on the Hong Kong share register in order to be listed and traded on the Hong Kong Stock Exchange. To facilitate ADS-ordinary share conversion and trading between the NYSE and the Hong Kong Stock Exchange, Alibaba also intends to move a portion of its issued ordinary shares from the Cayman share register to the Hong Kong share register and deposit them in CCASS.

As such terms are used herein, Alibaba Group ordinary shares registered on the Cayman share register are referred to as Cayman ordinary shares and Alibaba Group ordinary shares registered on the Hong Kong share register are referred to as Hong Kong ordinary shares.

If you are an investor, please reach out to your broker for further information on procedures and costs for conversion between HK shares and ADSs.

If you are a broker, please refer to Appendix A (Conversion Procedures Between ADSs and HK Shares) for detailed procedures on how to liaise with Citibank depository to effect conversion between ADSs and HK shares.

For further questions, please contact:

Citibank, N.A., depository bank

New York contact:

Jason Zoppel
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Scott H. Pollak
[+1-212-723-5435](tel:+1-212-723-5435)

London contact:

Michael Woods
[44-207-500-2030](tel:44-207-500-2030)

Email: citiadr@citi.com and drbrokerservices@citi.com

Please note: The following discussion assumes the current expected timetable of the HK IPO. The timetable could change based on a number of factors. In this case, the dates mentioned below would also change accordingly.

Summary

Upon completion of the HK listing, the ADSs and the HK shares will be fully fungible and will be able to be converted in both directions.

- The conversion between ADSs and HK shares, in either direction, will generally be completed electronically within **2 HK/US business days** under normal circumstances.
- This mechanism is consistent with the conversion mechanics for other U.S. and HK-listed ADSs and shares.

Summary - conversion from ADS to HK shares

- Investors will need to instruct their brokers to convert their ADSs into HK-listed ordinary shares via Citibank, acting as Depository in NY and Custodian in HK; and investors will need to designate a HK brokerage account for the converted HK shares to be delivered into.
- In essence the process for conversion of ADSs into HK shares will be as follows,
 1. An ADS holder gives its broker a conversion instruction,
 2. The broker liaises with Citibank NY (depository);
 3. Citibank NY cancels the ADSs and instructs its custodian (Citibank HK) to “withdraw” the underlying HK shares;
 4. Citibank HK then delivers the HK-listed ordinary shares into the HK brokerage account that was designated by the investor.

Summary - conversion from HK shares to ADSs

- Process is a reverse of the above.

Section 1: General questions

1. What is the cost to holders for conversions between HK shares and ADSs?

- There will be an ADS cancellation/issuance cost of US\$5 per 100 ADSs charged by the ADS depository to be borne by the ADS holder.
- Brokers may charge additional fees for helping to facilitate the conversion. Investors should check with their respective brokers.
- In addition, fees and taxes may apply to the trading of shares on the HKSE and the settlement of such trading. You should consult with your broker concerning any such potential additional fees.

2. When will be the first day investors can: i) cancel ADSs into HK shares or ii) deposit HK shares for issuance of ADSs?

- November 26, 2019 is the planned listing date of the ordinary shares on the HKEx. Dates specified below are contingent on the listing of ordinary shares on the HKEx occurring on November 26, 2019.
- November 26, 2019 (HKT) will be the first day for depositing HK shares with Citibank HK to receive the corresponding ADSs in NY from Citibank NY on or about the same day (NYT). Daily cut-off for deposits of HK shares with Citibank will be noon (HKT).
- November 26, 2019 (EST) will be the first day for submitting ADS cancellations to Citibank NY to receive the corresponding HK shares from Citibank HK on or about the next HK business day (November 27, 2019, HKT). The daily cut-off for submitting ADS cancellations will be 1:00 pm (NYT).

3. Can we submit cancellation request prior to ADR book closure and queue up for cancellation on November 26th?

- No. Citibank NY, the Depository, will only accept ADS cancellation requests to convert ADSs into HK shares starting at 9:00am (NYT) on November 26, 2019. Citibank NY will not permit queueing up of prior requests. The ADS cancellations on November 26 and afterwards will be on a first come first served basis. Please note November 28, 2019 is a holiday in the US (Thanksgiving Day).

4. Can I withdraw Cayman shares and move these to the Hong Kong share register myself?

- No. If you or your broker submits a request to transfer shares from the Cayman share registry to the HK share registry, any such Cayman share register transfer requires the involvement of the Company and Cayman share registrar as all transfer from the Cayman share register require logistical support and cannot be completed automatically.
- Please note that Cayman shares are not liquid securities and cannot be traded on a securities exchange.

5. How will the HK IPO affect the ADS issuance/cancellation process for existing ADS holders?

- Based on the current timetable, the ADR book is expected to be closed for ADS cancellations from Thursday, November 21, 2019 (open of business) up to and including Monday, November 25, 2019 (COB NY). Based on the current timetable, the ADR book is expected to reopen to ADS cancellations on Tuesday November 26, 2019 (NY time). The closure of the ADS book for purposes of cancellations during this period will be done in order to ensure that the depository may maintain an orderly and predictable process for cancellations and delivery of Hong Kong ordinary shares when the Hong Kong share register is first established.
- The ADR book will not be closed for ADS issuances. Alibaba Cayman shares will continue to be eligible for deposit into the Alibaba ADR program throughout the HK

IPO. The books of Citibank NY, the Depository for the ADSs, will not be closed for ADS transfers in NY during the HK IPO process.

Section 2: Technical mechanics

6. Will there be any limitation (ceiling) on the number of shares that may be converted from HK shares into the ADSs?

- No, but the ability to convert HK shares into ADSs will be subject to sufficiency of headroom under the ADS registration statement and periodic ADS book closures (which would temporarily restrict the issuance of ADSs) if any such action is deemed necessary or advisable by the depository or the Company under law, pursuant to the deposit agreement or as required in connection with a corporate action (e.g. shareholder meeting, ADS ratio change etc.). Alibaba has indicated its intent to maintain the registration of a sufficient number of ADSs with the US SEC to facilitate fungibility between the HK shares and the ADSs.
- If you have any concerns about your ability to convert HK shares into ADSs, please contact Citibank - NY, the ADS depository, prior to presenting your HK shares for deposit.

7. Any limitation (ceiling) on the number of shares that will be able to be converted from ADSs to HK shares?

- No, but the conversion of ADSs into HK shares may be subject to processing delays (e.g. bank holidays / delays in transferring Cayman shares to HK share register) and ADS book closures if any such action is deemed necessary or advisable by the depository or the Company under law, pursuant to the deposit agreement or as required in connection with a corporate action (e.g. shareholder meeting, ADS ratio change, etc.).
- If you have any concerns about how you will be able to convert ADSs into HK shares, please contact the Citibank - NY, the ADS depository, prior to presenting your ADSs for cancellation.

8. Our current ADSs are backed by Cayman Islands shares deposited with Citi HK, will the Company move the Cayman shares to Citi HK's CCASS account after the HK IPO?

- Alibaba has stated that a portion of the Alibaba ordinary shares that are represented by ADSs will be moved from the Cayman register to the Hong Kong share register in connection with the HK IPO.
- Citibank, N.A. - New York, as Depository for the Alibaba ADSs, will together with Alibaba, its Cayman and Hong Kong share registrars, and Citibank, N.A. - Hong Kong (the custodian appointed by the ADS Depository), arrange for the Alibaba ordinary shares moved to the Hong Kong share register to be deposited into CCASS, so that the Alibaba shares that are on the Hong Kong share register and are represented by ADSs, will be eligible for settlement in CCASS.

APPENDIX A – Conversion Procedures Between Ordinary Shares and ADSs

Conversion Procedure between Alibaba Ordinary Shares trading in Hong Kong and Alibaba ADSs trading in New York

i. Converting Alibaba ADSs to Alibaba Ordinary Shares Trading in Hong Kong

An investor who holds Alibaba ADSs and who intends to convert his/her Alibaba ADSs into Alibaba ordinary shares to trade on the Hong Kong Stock Exchange must surrender the ADSs the investor holds and withdraw the ordinary shares from Alibaba ADS program and cause his or her broker or other financial institution to trade such Alibaba ordinary shares on the Hong Kong Stock Exchange.

- An investor that holds Alibaba ADSs indirectly through a broker should follow the broker's procedure and instruct the broker to arrange for cancellation of the ADSs, and transfer of the underlying ordinary shares from Citibank's account on the CCASS system to the investor's Hong Kong stock account.
 1. The Broker, upon receipt instruction from its client, surrenders the ADSs to Citibank NY (DTC 0953) (Citibank NY accepts both DTC transfer and DWAC / DTC transfer is preferred).
 2. The broker sends an instruction by email to Citibank NY (drcerts@citi.com/citiadr@citi.com / drbrokerservices@citi.com) to cancel the ADSs with share delivery instructions in CCASS.
 3. The broker arranges to pay the ADS cancellation fee - up to US\$5.00 per 100 ADSs cancelled, plus a \$15.00 cable fee to Citibank NY

The fee can be settled via Special Payment Order (SPO) in DTC or Fedwire, in the case of the Fedwire option, below is the payment account details:

ABA: 021 000 089
Account No: 36859028
BIC Code: CITIUS33ADR
Beneficiary Bank: Citibank N.A.
Beneficiary Account Name: Citibank N.A.
Attention: Citi Depository Receipt Services
Re: DR Cancellation fee for Alibaba by XXX (Shareholder name)

Address:

480 Washington Blvd. 30TH FLOOR
City: Jersey City
State: NJ
Zip Code: 07310

4. Citibank NY cancels ADSs and instructs its custodian (Citibank HK) to deliver the ordinary shares underlying the canceled ADSs to the CCASS account designated by the broker.
5. Citibank HK receives the swift instruction and delivers the ordinary shares from its CCASS account into the designated CCASS account.

- For investors holding ADSs directly, the following steps must be taken:
 1. To withdraw Alibaba ordinary shares from the Alibaba ADS program, an investor who holds ADSs in its own name may turn in such ADSs at the office of the depositary (and the applicable ADR(s) if the ADSs are held in certificated form), and send an instruction to cancel such ADSs to the depositary.
 2. Upon receipt of payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, the depositary will instruct the custodian to deliver Alibaba ordinary shares underlying the canceled ADSs to the CCASS account designated by the investor.

- If an investor prefers to receive ordinary shares outside CCASS, he or she must receive ordinary shares in CCASS first and then arrange for withdrawal from CCASS. Investors can then obtain a transfer form signed by HKSCC Nominees Limited - the nominee for CCASS (as the transferor) and register ordinary shares in their own names with the Hong Kong share registrar for the Alibaba ordinary shares.

For ordinary shares to be received in CCASS, under normal circumstances, the above steps generally require two NY / HK business days. For ordinary shares to be received outside CCASS in physical form, the above steps may take 14 NY / HK business days, or more, to complete. The investor will be unable to trade the ordinary shares on the Hong Kong Stock Exchange until the procedures are completed.

Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS cancellations in accordance with the requirements of relevant law, pursuant to the deposit agreement and in connection with certain corporate actions. In addition, completion of the above steps and procedures is subject to there being a sufficient number of Alibaba ordinary shares on the Hong Kong share register for Alibaba ordinary shares to facilitate a withdrawal from the ADS program directly into the CCASS system. Neither the depositary nor Alibaba are under any obligation to maintain or increase the number of ordinary shares on the Hong Kong share register to facilitate such withdrawals. In the event an insufficient number of Alibaba ordinary shares is available on the Hong Kong share register of Alibaba ordinary shares, the balance of Alibaba ordinary shares will be delivered to the investor presenting the ADSs for cancellation on the Cayman register of Alibaba ordinary shares.

Depositary Requirements

Before the depositary issues ADSs or permits withdrawal of ordinary shares, the depositary may require:

- Production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- Compliance with procedures it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to deliver, transfer, or register issuances, transfers and cancellations of ADSs generally when the transfer books of the depositary or the Hong Kong share registrar are closed or at any time if the depositary or we determine it advisable to do so.

All costs attributable to the transfer of ordinary shares to effect a withdrawal from or deposit of ordinary shares into the ADS program will be borne by the investor requesting the transfer. In particular, holders of ordinary shares and ADSs should note that the Hong Kong share registrar will charge between HK\$2.50 to HK\$20, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Stock Exchange Listing Rules), for each transfer of ordinary shares from one registered owner to another, each share certificate (not per ordinary share) canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong. In addition, holders of ordinary shares and ADSs must pay up to US\$5.00 per 100 ADSs for each issuance of ADSs and for each cancelation of ADSs, as the case may be, in connection with the deposit of ordinary shares into, or withdrawal of ordinary shares from, the ADS program.

Contact Information for Custodian:

- Citibank, N.A.—Hong Kong Branch, Custodian to depositary bank (Contact: Connie Chang connie.chang@citi.com, Eugene Tang eugene.yue.kan.tang@citi.com, Pierre Ho pierre.ho@citi.com)
Mail Address:
Miss Connie Chang / Mr. Eugene Tang / Mr. Pierre Ho
Securities Services Operations, Citibank Hong Kong
9/F Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon, Hong Kong.

Contact Information for Depositary:

- Citibank, N.A., depositary bank

New York contact:
Jason Zoppel
Michael O’Leary
Scott H. Pollak
+1-212-723-5435

London contact
Michael Woods
44-207-500-2030

Email: citiadr@citi.com and drbrokerservices@citi.com

Citibank, N.A., as depositary
388 Greenwich Street
New York, NY10013

Attn: ADR Department

ii. Converting Alibaba Ordinary Shares Trading in Hong Kong into ADSs

An investor who holds Alibaba ordinary shares registered in Hong Kong and who intends to convert them to ADSs to trade on the NYSE must deposit, or have his or her broker deposit, the HK shares with the depository's Hong Kong custodian, Citibank, N.A., Hong Kong, or the custodian, in exchange for ADSs. The Alibaba Ordinary Shares ratio is: eight (8) Alibaba ordinary shares to one (1) Alibaba ADS. The depository for the Alibaba ADSs is Citibank, N.A. - New York.

A deposit of HK shares in exchange for ADSs involves the following steps:

- If the HK shares have been deposited with CCASS, the investor must have his or her broker transfer the ordinary shares to the depository's account with the custodian within CCASS by following the CCASS procedures for transfer, and submits and delivers a duly completed and signed conversion form to the depository via his or her broker.
 1. The broker (a CCASS participant) completes and delivers a scanned copy of the Letter of Transmittal (Exhibit) executed by the Broker to Citibank HK ('localcustody@citi.com') with ADS delivery instructions.
 2. [In order to facilitate regulatory compliance, each deposit of shares will need to be accompanied by a Deposit Certification posted on Citi's Depository Receipts website. To access the certification form, click \[here\]\(#\).](#)
 3. The broker delivers the HK shares (Free of Payment) to Citibank HK per below details:
Citibank HK's CCASS Information:
Participant ID: C00010
Short Name: CITIBANK
Bank Identifier Code: CITIHKHX
Depository's account no. under C00010: 9111470000
 4. Citibank HK receives ordinary shares in CCASS account and informs Citibank NY of share deposit and ADS issuance instructions.
 5. Citibank NY receives confirmation of deposit from Citibank HK and issues ADSs to the broker. The broker is responsible to receive the ADSs in DTC from Citi ADR (DTC 0953) and pay the ADS issuance fee - up to US\$5.00 per 100 ADSs issued. The fee can be settled via Special Payment Order (SPO) in DTC or Fedwire, in the case of the Fedwire option, below is the payment account details: ABA: 021 000 089
Account No: 36859028
BIC Code: CITIUS33ADR
Beneficiary Bank: Citibank N.A.
Beneficiary Account Name: Citibank N.A.
Attention: Citi Depository Receipt Services
Re: DR Issuance fee for Alibaba by XXX (Shareholder name)

Address:
480 Washington Blvd. 30TH FLOOR
City: Jersey City
State: NJ
Zip Code: 07310

If Alibaba ordinary shares are held outside CCASS, the investor must arrange to deposit his or her ordinary shares into CCASS for delivery to the depositary's account with the custodian within CCASS. The investor or his or her broker should liaise with CCASS and Computershare who acts as company's Hong Kong share registrar for details.

- The investor or the broker will be responsible for the applicable fees and expenses and for any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable.

For HK shares deposited in CCASS, under normal circumstances, the above steps generally require two NY/HK business days. For ordinary shares held outside CCASS in physical form, the above steps may take 14 NY/HK business days, or more, to complete. Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS issuances. The investor will be unable to trade the ADSs until the procedures are completed.

Exhibit: Letter of Transmittal for Conversion from Shares to ADSs

Hong Kong

Date

Letter of Transmittal covering delivery of Ordinary Shares of
Alibaba Group Holding Limited to Custodian and issuance of
American Depositary Shares by Citibank, N.A., New York,
as Depositary

Gentlemen

We deliver herewith _____ ordinary shares (the "Shares") of Alibaba Group Holding Limited (the "Company") for deposit with you as Custodian pursuant to the terms and conditions applicable to the American Depositary Shares (the "ADSs") representing such Shares and to be issued by Citibank, N.A., New York, as Depositary (the "Depositary") and we hereby request that the ADSs for such Shares be registered in the name of: CEDE & CO.,

and be delivered to or upon the written order of:

DTC name: _____
DTC number: _____
Beneficiary Account Name: _____
Beneficiary Account Number: _____
Other information if needed: _____

We request you to so instruct the Depositary by SWIFT, airmail/cable at our expense. In so doing, you will not be liable for mutilation, interruption, omissions, errors, or delays incurred in the mails, or on the part of any telegraph, cable or wireless company, or any employee thereof, or through any cause beyond your control.

We represent that the Shares delivered herewith are genuine, validly issued, fully paid and non-assessable and that we are authorized by the true owner thereof to deposit the said Shares with you and we warrant that when said Shares are presented to the Company or its transfer agent for transfer to the name of your nominee, such transfer will not be refused because of any defect in the form of documentation and the accompanying instruments of transfer received from us or by reason of any defect in the title we are purporting to transfer to you. If any of the above representation prove to be false or incorrect, we will deliver to you ordinary shares and if applicable certificates representing such shares which will satisfy the above representations and warranties or, at your opinion, we will reimburse you for any losses, liabilities or expenses incurred as a result thereof.

We hereby certify that: (1) neither the depositor nor the persons on whose behalf securities are being presented for deposit against the issuance of ADSs is an "issuer" of such securities, is directly or indirectly acting for such "issuer"; (2) neither the depositor nor such other persons has purchased any of such securities from the "issuer" with a view to distribution or is proposing to offer or sell any of such securities for the "issuer" in connection with the distribution of such securities; (3) neither the depositor nor such other persons is participating, or has a direct or indirect participation, in any such undertaking or in the direct or indirect underwriting of any such undertaking; (4) such securities do not constitute the whole or part of an unsold allotment to or subscription by a "dealer", as a participant in the distribution of such securities by the "issuer" or by or through an "underwriter".

For the purposes of this certification the term "issuer" includes not only the Company but also any person directly or indirectly controlling, controlled by or under direct or indirect common control with the Company; the term "dealer" means any person who engages either for all or part of his time, directly or indirectly as agent, broker, or principal, in the business of offering, buying, selling, or otherwise dealing or trading in securities issued by another person; the term "underwriter" means any person who has purchased from the "issuer" the securities presented for deposit with a view to, or offers or sells for the "issuer" in connection with, the distribution of any such securities, or participates or has a direct or indirect participation in any such undertaking or participates or has a participation in the direct or indirect underwriting of any such undertaking, but the term "underwriter" does not include a person whose interest is limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

Very truly yours,

Authorized Signature(s)