

To our shareholders,

When Alibaba was founded, we defined our mission “to make it easy to do business anywhere.” We have remained committed to taking a long-term approach and investing for the future over the last 22 years. This has been the foundation of our growth.

We hope that you and your loved ones have been safe and healthy for the past year and have found a silver lining in the face of challenges. We appreciate your understanding, support, and trust.

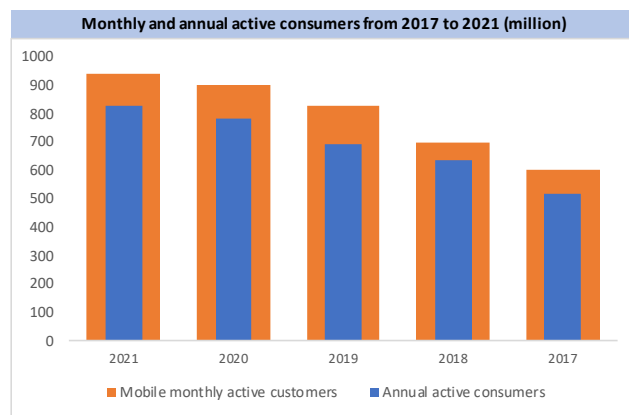
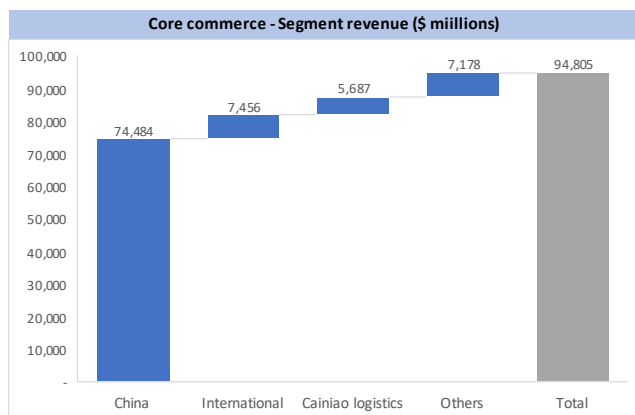
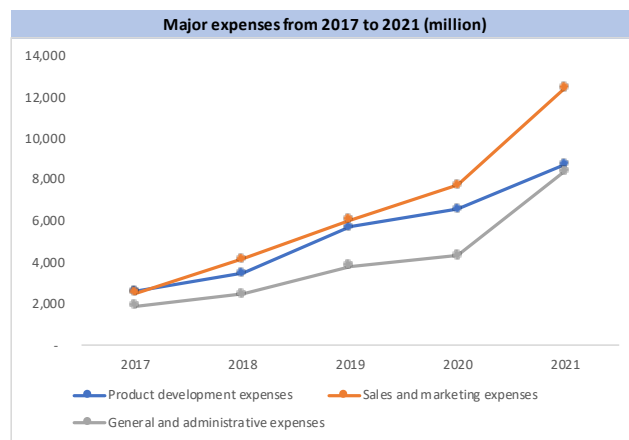
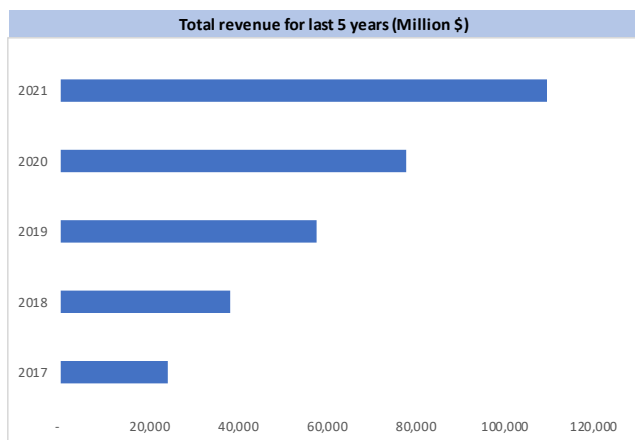
Despite the challenges, we remain committed to our vision and mission, and turn adversity into opportunity. At the end of March 2021, Alibaba Group's annual number of active consumers reached 1.13 billion, of which 240 million were active consumers overseas. Alibaba set a new sales record at its Singles Day business event, with about \$74 billion in revenue. We captured 57% of Chinese retail market share.

In the fiscal year 2021, our total revenue grew 41% to \$109,480 million and our net income increased 2% to \$21,869 million. Most of our revenue is generated from core commerce, which accounts for about 87%, cloud computing, digital media and entertainment, and innovation initiatives, among others. Other activities, accounting for the remaining 13% in 2021.

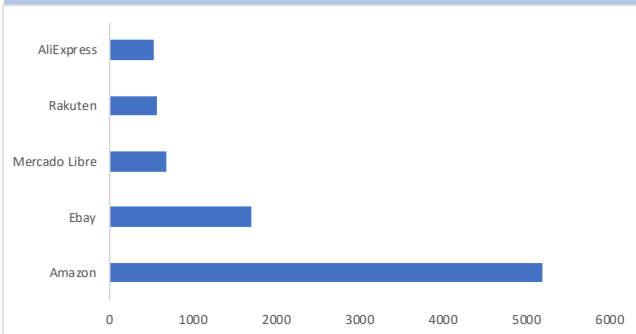
Historically, we have seen the highest levels of revenue in the fourth calendar quarter of each year because of marketing promotions such as the 11.11 Global Shopping Festival, and lower levels of revenue in the first calendar quarter because of merchants' lower level of operating activities early in the calendar year and during the Chinese New Year holiday.

General administrative costs have more than doubled this year due to the decision of administrative sanctions by the state market regulators of the People's Republic of China (SAMR). We accept penalties in good faith and regularly review and update our internal control procedures to avoid these penalties. The increase in sales and marketing costs was caused by attracting and retaining customers in the Chinese retail market.

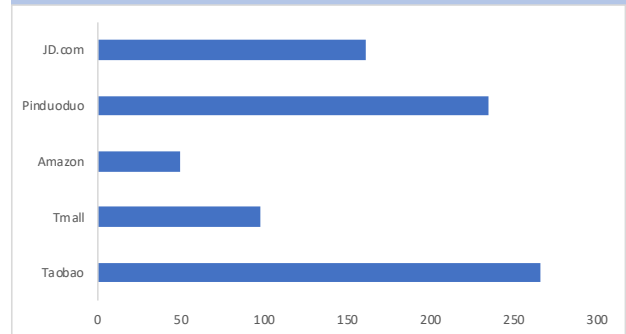
We would like to thank all our employees for their dedication to Alibaba. It is because of their hard work, alignment with our strategy, and dedication that enables keep our promises. We also want to thank you, our shareholders, for your continued support, confidence, and, most importantly, trust.



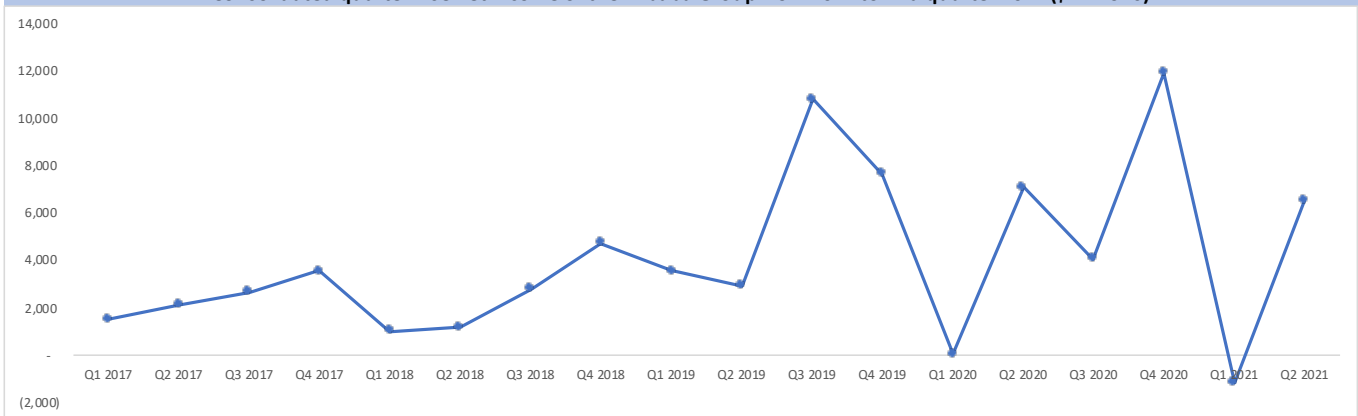
The world's top online marketplaces based on visit per month(Million)



China's top online marketplaces based on visit per month(Million)



Consolidated quarterwise net income of the Alibaba Group from 2017 to 2nd quarter 2021 (\$ millions)



Singles day/ big billion sales in 2020 (\$ Million)



Retail e commerce market share in China

