



Chinese Online Marketplace Taobao.com Receives US\$42 Million in New Funding

Quadrupling of capital base aimed at consolidating dominance of C2C online sector

Backgrounds:

Alibaba.com Corporation is the world's largest online marketplace for global trade. Alibaba.com ranks first in terms of traffic among e-commerce and trading web sites, according to Alexa.com, the authoritative independent company that tracks web site usage. The Alibaba group of companies runs three marketplaces on the Internet: www.alibaba.com, the largest import/export web site in the world matching foreign buyers with exporters in China and other manufacturing countries; china.alibaba.com, China's largest online platform for domestic B2B trade; and www.taobao.com, a leading online platform for C2C and B2C transactions within China. Alibaba was founded in 1999 and is privately held. The company is based in Hangzhou, eastern China, and has 1,300 employees worldwide.

Taobao.com is a leading online platform for C2C trading in China and was founded by Alibaba.com in May 2003. In the one year after its founding, Taobao.com has risen to become a market leader in China's C2C online transaction market.

Hangzhou, China, 19 July 2004 - Alibaba.com Corporation announced today that it will inject RMB350 million (US\$42 million) in new funding into its C2C online market site, Taobao.com. The investment more than quadruples Taobao.com's capital from the RMB100 million originally invested one year ago to start the web site.

"We're strong believers in the potential of China's C2C online market, and our objective is to lead the sector," Jack Ma, Alibaba's founder and chief executive officer, said. In one year, Taobao.com has become the most popular online marketplace for Chinese retailers and individuals to list their products on the Internet. Taobao.com has surpassed its main competitor in the number of products listed by site users and in site usage.

The new funds will be used to upgrade and expand the site, including further improving security, introducing a new cutting-edge payment system, and enhancing customer service, the company said.

"Our aim is to provide a safe, convenient and enjoyable online experience. Taobao.com's security and payment systems are already second to none, and we are committed to remaining global pioneers in developing and implementing new technology," Mr Ma said.

Thomas Ng, partner at Granite Global Ventures, a strategic investor in Alibaba.com, said: "We fully support Alibaba.com's further investment in Taobao.com. Backed by Alibaba.com's leadership in the global online B2B market and intimate understanding of the China market, Taobao.com is well positioned to build further on its position as the leader in its sector."

Mr Ng, who is also a member of Alibaba.com's board of directors, said: "Taobao.com has delivered remarkable results in its one short year of competition against a strong international competitor. We are confident that the site will continue to drive change in the industry to the benefit of Chinese Internet users."