



Alibaba Group and China Post Sign Cooperation Agreement

Cooperation brings China Post's extensive national fulfillment and payment capabilities together with China's largest e-commerce platform

Beijing, China, 22 November 2006 - Alibaba Group, a global e-commerce leader and the largest e-commerce company in China, and China Post, the postal service of the People's Republic of China, today signed a long-term strategic cooperation agreement to further develop China's e-commerce infrastructure and make it easier for Chinese consumers to shop online.

Under the agreement, the two organizations will cooperate in parcel delivery and money remittance services. In the short-term, China Post and Alibaba Group's online payment platform, Alipay, will launch a new economical parcel service for online purchases called "e-Youbao" and allow customers to fund their Alipay account at any of China Post's 66,000 locations across mainland China, without the need for a debit card or bank account. China Post's Green Card debit service will also become a new partner for Alipay's online payment service.

This partnership will leverage China Post's unmatched geographic coverage and strong brand name with Alibaba Group's leading e-commerce platform and online community of more than 40 million businesses and consumers. China Post's Postal Savings Bank also operates China's fifth-largest depository institution after the big four banks, making it an important partner for Alipay.

China is the world's second largest Internet market after the U.S. with more than 123 million Internet users, yet only around 30 million, or 24%, currently shop online. This compares with more than 50% in the U.S.

"Alibaba Group and China Post both recognize the strategic importance of the postal industry to support the long-term, sustained growth of the e-commerce industry," said Jack Ma, CEO of Alibaba Group. "By partnering with China Post, we are ensuring that the right infrastructure is in place to support the rapid growth of e-commerce in China."

He added: "The potential of China's e-commerce market is huge but many Chinese people are still wary of buying goods on the Internet. As one of China's most trusted brands, China Post's role in e-commerce will increase customers' confidence in online purchasing."

China Post and Alipay have already begun to test "e-Youbao" in China. The parcel delivery service, developed specifically for online purchases, is cheaper than China Post's standard mail service. China Post becomes the fourth and largest postal service to be connected to Alipay's payment system

On November 1st, China Post also opened its first online postal shop on Taobao.com selling stamps and books. This agreement paves the way for further cooperation of this sort in the future.