



China e-Commerce Leader Alibaba Raises US\$82 Million from First-tier Investors

Largest Private Equity Commitment in Chinese Internet Sector

Beijing, 17 February 2004 – Alibaba.com Corporation announced today that it has raised US\$82 million from institutional investors in the largest private equity commitment ever in the Chinese internet sector. The funds will allow Alibaba to continue its rapid expansion and to consolidate its position as China's largest e-commerce company.

The investors are SOFTBANK CORP., the venture arm of Fidelity Investments, Granite Global Ventures and Venture TDF Technology Group. SOFTBANK, Fidelity and TDF have been investors in Alibaba for the past four years. Granite, a Silicon Valley-based firm, joins as a new investor. The financings were led by SOFTBANK, which remains Alibaba's second largest investor, after the management and employee shareholders of the company.

Masayoshi Son, President and CEO of SOFTBANK, said: "Alibaba is the leader in Chinese e-commerce and Internet global trade. We have been extremely pleased with our initial investment in Alibaba four years ago. With this substantial additional investment now, we are excited to have the opportunity to explore synergies between our two businesses."

Mr. Son added: "Alibaba has the potential to become another extraordinary success like Yahoo!"

Alibaba's online business-to-business markets have a registered user base of nearly three million, and over 90 percent of China's small and medium enterprises that use the internet to trade rely on Alibaba. China's rapidly growing manufacturing and trade have fueled Alibaba's exponential growth. In 2003, Alibaba's revenues rose 234 percent to a level more than three times the prior year's. The company also achieved significant profitability last year by generating over US\$12 million in free cash flow.

Jack Ma, Alibaba's founder and Chief Executive Officer, said: "These financings reflect the confidence that institutional investors have in Alibaba's future. This confidence is based on our team's track record of success. The investments

affirm not only our business performance but also our high standards of corporate governance and transparency.?

The fundraising, along with strong operating cash flow, give Alibaba the financial capability to further strengthen its position as the number one e-commerce business in China. Alibaba already operates the world's biggest B2B online marketplaces for exports and for domestic trade. The new funds will also allow Alibaba to aggressively expand Tao Bao, a consumer e-commerce arm launched in China in May 2003. Tao Bao has since become the most popular online marketplace for Chinese retailers and individuals to list their products on the Internet.

Alibaba.com Corporation is the largest e-commerce company in China. The Alibaba group of companies runs three markets 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.

SOFTBANK CORP. (Tokyo Stock Exchange: 9984) is the parent holding company of investment and operating companies comprising the SOFTBANK Group, the No. 1 corporate group in the broadband industry in Japan. SOFTBANK has been one of the world's most influential investors in and operators of Internet content, infrastructure and e-commerce. The company was the early backer of Internet success stories such as Yahoo! and Yahoo! Japan.

Fidelity Investments, one of the world's largest mutual fund investment companies, has maintained a corporate venture investing arm for over 30 years. During this time, Fidelity has consistently invested in early stage companies in the communications technology industry, many of which have gone on to become or have been acquired by industry leaders including: MCI (now Worldcom [Nasdaq: WCOM]), Continental Cablevision (now MediaOne [NYSE: UMG]), Teleport (now part of AT&T [NYSE:T]), Nextel (Nasdaq: NXTL), GeoTel (now part of Cisco [Nasdaq: CSCO]), Nexabit Networks (now part of Lucent [NYSE: LU]), ONI Systems (Nasdaq: ONIS), InterNAP Network Services (Nasdaq: INAP), Nuance Communications (Nasdaq: NUAN), COLT (Nasdaq: COLT) and AsialInfo (Nasdaq: ASIA). For nearly 9 years, Fidelity has been successfully backing early stage, entrepreneurial companies in China, including Alibaba. Fidelity's venture activities have bases in Boston, London, Tokyo, Hong Kong and Shanghai.

Granite Global Ventures is a venture capital firm sponsored by Venrock Associates. With offices in Silicon Valley, Singapore and Shanghai, Granite Global brings an Asian perspective to expansion stage investing. It seeks to help its Chinese portfolio companies to tap into U.S. capital markets, as well as global corporate networks. Granite Global Ventures is invested by Piper Jaffray, a U.S. investment bank with a strong focus on technology and TIF, the venture capital arm of the Economic Development Board of Singapore. Both organizations contribute to the global networks of the firm.

Venture TDF China is a venture capital firm that emphasizes investing in leaders in growing market sectors in China. Recognizing the importance of China as a market and as a source of compelling investment opportunities, Venture TDF China was set up to specifically target these opportunities. Venture TDF China invests in companies at different stages of development and focuses on sectors in China that have strong and sustainable growth. These sectors include information technology, media, telecommunications and financial services. Venture TDF China is a value-add investor and leverages its capabilities, resources and network in Greater China, Singapore and the United States to add value to portfolio companies, including fund raising and accessing public equity markets.

[For more information](#)

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