



Cainiao Launches First Supermarket Distribution Center in Southwest China ***Next-Day Delivery to Reach 50 Cities by Year End***

Hangzhou, China, May 22, 2015 – Cainiao, the logistics affiliate of Alibaba Group Holding Limited (NYSE: BABA), announced today the establishment of its first supermarket distribution center in Chengdu, China, that will let users in southwestern China enjoy next-day delivery services for Tmall supermarket products. Cainiao also revealed plans to increase the number of supermarket distribution centers to seven, allowing grocery products ordered on Tmall Supermarkets to be delivered to more than 250 cities in 25 Chinese provinces. Residents in 50 of those cities will be able to enjoy same or next-day delivery service by the end of 2015.

The Chengdu supermarket distribution center will initially provide next-day grocery deliveries to Tmall Supermarket users in Chengdu and Chongqing, and will gradually expand delivery services to other regions in southwestern China. The Tmall supermarket vertical sells groceries, pantry items and other non-perishable fast-moving-consumer goods.

Cainiao plans to add one more centre in Wuhan to cover the provinces of Hubei, Henan and Hunan, as well as rural areas, allowing next-day deliveries to more than 250 cities in 25 Chinese provinces covering a customer base of more than 100 million. The Chengdu centre is the sixth supermarket distribution center. Cainiao has five existing distribution centers in Tianjin, Shanghai, Suzhou, Guangzhou and Jinyi.

“As Chinese consumers increasingly embrace the idea of buying groceries online, Cainiao aims to give consumers a convenient and smooth logistics experience by having their orders delivered within a day or even within hours,” said Duan Zhiguo, head of supermarket logistics department at Cainiao. “Cainiao attaches great importance to the development of a strong and flexible logistics network in China, in order to support the growing demands of our consumers.”

Cainiao operates an open platform and works with other players in the logistics industry. By partnering up with local and international logistics and delivery firms, Cainiao is able to develop a comprehensive warehouse and logistics network and provide customers with more efficient delivery services.

According to a Nielsen Corporation report in April 2015, online grocery shopping has become the preferred retailing option in the region, with high usage in China. About 46% of China respondents said they deliver online groceries straight to their homes.

About Cainiao

Cainiao (formerly known as China Smart Logistics), the logistics affiliate of Alibaba Group, is dedicated to meeting the current and future logistics demands of China’s online and mobile commerce sector. It operates a logistics information platform which provides real-time access to information for both buyers and sellers, as well as information that allows delivery service providers to improve the efficiency and effectiveness of their services.

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