

FOR IMMEDIATE RELEASE

Alibaba Turns eWTP into Reality with Creation of First Overseas E-hub

The e-hub as part of Malaysia's Digital Free Trade Zone will be established via public-private partnership

Kuala Lumpur, March 22 2017 - Alibaba Group announced today the establishment of an e-hub under the Electronic World Trade Platform (eWTP) initiative together with the Malaysia Digital Economy Corporation (MDEC), the country's digital economy development agency, and other parties. This marks a key milestone in the realization of the eWTP's vision to lower trade barriers and provide more equitable access to global markets for small and medium enterprises and young people around the world.

The Prime Minister of Malaysia Dato' Sri Mohd Najib Tun Abdul Razak, and Alibaba Group's Executive Chairman, Jack Ma, attended the launch ceremony in Kuala Lumpur and witnessed the exchange of four Memoranda of Understanding covering a host of areas. These include the establishment of an e-fulfilment hub near the Kuala Lumpur International Airport, a one-stop online cross-border trading services platform, cooperation in e-payment and financing, and development of e-talent training that will fit into Malaysia's roadmap of transformation into a digital economy.

Dato' Sri Mohd Najib Tun Abdul Razak, the Prime Minister of Malaysia, said, "We have set out plans to progress Malaysia's economy and place it firmly at the centre of the global marketplace. To do this we need to harness the assets that we have and provide the support for individuals and businesses to be competitive in the new digital landscape. Alibaba Group is at the forefront of private sector development of e-commerce solutions and their ambitions to enable trade, particularly for SMEs, make them the perfect partner in this new initiative. This is an exciting development for the country, and to be an early participant in eWTP will provide a plethora of opportunities for Malaysian organizations."

Alibaba Group Executive Chairman, Jack Ma said, "I laid out the vision for eWTP last year, and we as a company have taken on the responsibility to make this a reality. The first e-hub under the eWTP outside of China will go a long way towards making global trade more inclusive and provide much needed support to a hugely important constituent: SMEs and the younger generation. With innovation throughout the supply chain, support from governments and important private sector collaborations, we will achieve our aim of enabling SMEs and young people to thrive and enjoy in the fruits of the next phase of globalization."

Jack Ma proposed the establishment of digital free trade zones for small businesses while attending the St. Petersburg International Economic Forum in Russia last June, suggesting that such special trading areas can act as ecommerce hubs linking up markets around the world.

As part of Malaysia's DFTZ initiative, the e-hub will provide new commercial opportunities on the established trade route with the country. As more trading routes are covered with new hubs that reflect the needs of the firms participating in the modern economy, a digital global e-road will be created. Alibaba has already played a key role in the establishment of the China (Hangzhou) Cross-Border E-Commerce Comprehensive Pilot Free Trade Area which will be connected to the DFTZ in Kuala Lumpur.

The eWTP's e-hub concept has been incorporated into Malaysia's DFTZ which will see the involvement of Alibaba, its subsidiaries and affiliates such as Lazada and Cainiao Network primarily in four areas:

- **E-fulfilment hub:** A logistics hub situated in close proximity to Kuala Lumpur International Airport that will function as a centralized customs clearance,

- warehousing and fulfilment facility for Malaysia and the region, to deliver faster clearance for imports and exports;
- **E-service platform:** Connected to Alibaba's OneTouch platform, it will link Malaysia directly to the e-commerce pilot area in Hangzhou, China to enable SMEs and businesses to trade conveniently and efficiently between the two countries;
 - **E-payment and financing:** Relevant parties from both sides will explore e-payment and financing opportunities with a particular focus on facilitating B2B trade for Malaysian SMEs;
 - **E-talent development:** The parties will establish training programs to help incubate startups and develop skillsets in individuals in support of Malaysia's digital economy development.

As part of its stated national agenda, the Malaysian Government wishes to create a fulfilment and logistics centre for global marketplaces, increase internet economy-related innovation and boost inward investment. This aligns closely with the commitment of the eWTP and given the strong historical trade ties between China and Malaysia, makes it a natural match for a DFTZ powered by Alibaba Group.

The MOUs signed today respectively between Alibaba Group and MDEC; Alibaba's logistic affiliate Cainiao Network and Malaysia Airports Holdings Berhad (MAHB); and Ant Financial and two of Malaysia's largest banks CIMB and Maybank, show the power of public-private partnerships that can provide effective end-to-end solutions. Taken together these agreements offer a blueprint for expansion of the hub connections as part of the eWTP in the future.

Among the proposed co-operations, Cainiao and Lazada will lead other Alibaba's subsidiaries and affiliates to work with MAHB for the development of a regional e-commerce and logistics hub in the KLIA Aeropolis as part of the DFTZ. The initial phase is currently expected to roll out before the end of 2017 by Alibaba, Cainiao, Lazada and Pos Malaysia, leading to the planned formal launch by the end of 2019.

Alibaba Cloud, the cloud computing arm of Alibaba Group, will also build a cloud platform in Malaysia to help local SMEs to succeed in the digital age through technology such as big data and Internet of Things (IoT). In order to provide support for startups, Alibaba Cloud will provide the Alibaba Cloud Certified Professional ("ACP") certification program to train the local talents and support internet-related ecosystem in Malaysia.

Ant Financial and CIMB and Maybank will explore collaboration opportunities in e-payment and financing services in Malaysia, with an initial focus on inbound Chinese tourism and promoting trade by Malaysian SMEs.

The eWTP initiative was proposed by Jack Ma and accepted as a major policy recommendation of the Business 20 (B20) and officially included in the 2016 G20 Leaders' Communique. It seeks to remove barriers to trade for smaller firms and emerging nations, supporting them in realizing their full economic potential and ensuring that they can also enjoy the benefits of global commerce. eWTP seeks to fundamentally change international trade through cost reductions, shortened supply chains and increased efficiencies, complementing the work of the WTO.

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About Alibaba Group

Alibaba Group's mission is to make it easy to do business anywhere. The company aims to build the future infrastructure of commerce. It envisions that its customers will meet, work and live at Alibaba, and that it will be a company that lasts at least 102 years.

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