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ALIBABA.COM LIMITED

阿里巴巴網絡有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1688)

Resignation of Executive Directors Appointment of New Chief Executive Officer

Our Board announces the following changes to our Board and management effective February 21, 2011:

- the resignation of Mr. WEI Zhe, David as the chief executive officer and executive director of our Company;
- the appointment of Mr. LU Zhaoxi, Jonathan as the new chief executive officer of our Company in place of Mr. Wei; and
- the resignation of Mr. LEE Shi-Huei, Elvis as the chief operating officer and executive director of our Company.

Board and Management Changes

The board of directors ("Board") of Alibaba.com Limited ("Company") announces the following changes to our Board and management effective February 21, 2011:

- Mr. WEI Zhe, David has tendered his resignation as the chief executive officer and executive director of our Company and our Board has accepted his resignation;
- our Board has appointed Mr. LU Zhaoxi, Jonathan as the new chief executive officer of our Company in place of Mr. Wei; and
- Mr. LEE Shi-Huei, Elvis has tendered his resignation as the chief operating officer and executive director of the Company and our Board has accepted his resignation.

Our Company's New Chief Executive Officer

Mr. LU Zhaoxi, Jonathan, aged 41 years, joined Alibaba Group in 2000. He is also chief executive officer of Tao Bao Holding Limited, an unlisted sister company in the Alibaba Group, and an executive vice president of Alibaba Group, and he will continue to concurrently serve in these capacities during his tenure as chief executive officer of our Company. Alibaba Group comprises our Company and a number of unlisted businesses under Alibaba Group Holding Limited, our parent company. From 2000 to 2004, Mr. Lu served in several leadership roles at our Company and managed our South China sales region. In September 2004, he led a dedicated team to establish Alipay, another unlisted sister company in the Alibaba Group, and served as Alipay's president before moving to Taobao in January 2008. Before joining Alibaba Group, Mr. Lu was co-founder of a network communication company. He holds a master's degree in business administration from China Europe International Business School. Mr. Lu has confirmed that he will dedicate as much time as necessary to perform his duties as chief executive officer of our Company.

Preliminary Results of our Company's Internal Investigation

The resignations from our Board and changes to our management follow the presentation to our Board at a Board meeting on February 21, 2010 of the preliminary results of an internal investigation led by independent non-executive director Mr. Savio Kwan. These results are summarized below:

- Members of our Company's senior management knew of a noticeable increase of fraud claims by global buyers against China Gold Supplier customers on the international marketplace that began in late 2009 and persisted through much of 2010. Although management of our Company began to terminate the China Gold Supplier customers involved and to take other steps to address the problem beginning in the third quarter of 2010 (as our Company reported in the third quarter 2010 results announcement), with the level of new fraudulent accounts declining significantly, our Board considered that the systemic nature of the problem required a recommitment to our Company's core values.
- Our Company has determined that 1,219 of our Company's China Gold Supplier customers who signed up in 2009 and 1,107 China Gold Suppliers who signed up in 2010 engaged in fraud against our buyers. These suppliers represent approximately 1.1% and 0.8% of the total number of our Company's Gold Suppliers as of December 31, 2009 and December 31, 2010, respectively. Our Company has terminated all of the storefronts of these suppliers. Further, our Company will take action against any other suppliers who exhibit a high risk of fraud based on our Company's fraud detection model.

- Our Company has determined that the vast majority of these storefronts were set up to intentionally defraud global buyers. The methods of the perpetrators suggest that they have engineered an organized and systemic attack on the integrity of the Alibaba.com platform for illegal gains. In general, the sites offered high-demand consumer electronics at very attractive prices, a low minimum order quantity and less reliable payment transfer methods. The average value per claim by buyers against fraudulent suppliers was less than US\$1,200.
- The investigation has determined that about 100 sales people, out of a field sales force of about 5,000, as well as a number of supervisors and sales managers, are directly responsible in either intentionally or negligently allowing the fraudsters to evade our Company's authentication and verification measures and systematically establish fraudulent storefronts on the international marketplace. The investigation concluded that the pursuit of short-term financial gain at all cost had tainted parts of our sales organization, risking serious damage to our Company's core values.
- The investigation confirmed that Mr. Wei and Mr. Lee and other members of senior management were not involved in any of the activities that led to the claims by buyers against fraudulent suppliers and that management made good faith efforts to address the problem. However, our Board has accepted Mr. Wei and Mr. Lee's wish that they take responsibility for the systemic break-down in our Company's culture of integrity.

Our Board has re-confirmed that the fraudulent activities by a relatively small number of our China Gold Suppliers have not had a material financial impact on our Company during the period involved as these activities and our reaction to them have been appropriately provided for in previously reported financial periods. Our Board will continue to monitor the situation and will report any material impact to the future business prospects of our Company.

"One of our most important values is Integrity. That means integrity of our employees and integrity of our online marketplaces as trusted and safe places for our small business customers," said Mr. Jack Ma, non-executive Chairman of our Company. "We must send a strong message that it is unacceptable to compromise our culture and values. It saddens me to see talented people leave the Company, but David and Elvis are doing the honorable thing to accept full responsibility for this, and I want to thank them for their tireless service to the Company."

Our Company's investigation is ongoing, and our Company is in the process of taking action in this matter to both identify deficiencies in policies, structures, procedures and systems and to prevent a recurrence. Our Board has requested the audit committee to oversee the continuing investigation and has instructed Mr. Lu to take effective measures to further strengthen trust and safety on the Alibaba.com marketplace.

General Information

As a result of the changes described, the total number of directors on our Board has been reduced to 11. The Nomination Committee of our Board will consider whether to nominate one or more replacements for the departing directors in due course and, if it determines to recommend replacements, the Nomination Committee will identify suitable candidates for nomination and appointment by our Company.

Save as disclosed above, our Board considers that there are no other matters that need to be brought to the attention of our Company's shareholders. Each of Mr. Wei and Mr. Lee has confirmed that he has no disagreement with our Board and that he is not aware of any matters relating to his resignation that need to be brought to the attention of our Company's shareholders.

Our Board takes this opportunity to express its gratitude to Mr. Wei and Mr. Lee for their valuable contributions to our Company during their service, and our Board wishes them every success in their future endeavors.

On behalf of the Board
MA Yun, Jack
Chairman

Hong Kong, February 21, 2011

As at the date of this announcement, and after giving effect to the above-mentioned changes, the composition of our Board is as follows:

Chairman and Non-executive Director

MA Yun, Jack

Executive Directors

WU Wei, Maggie

PENG Yi Jie, Sabrina

SHAO Xiaofeng

Non-executive Directors

TSAI Chung, Joseph

TSOU Kai-Lien, Rose

OKADA, Satoshi

Independent Non-executive Directors

NIU Gen Sheng

KWAUK Teh Ming, Walter

TSUEI, Andrew Tien Yuan

KWAN Ming Sang, Savio