

Interim Report 2009

Alibaba.com Limited

阿里巴巴網絡有限公司

Incorporated in the Cayman Islands with limited liability

Stock Code: 1688



 **Alibaba.com**
阿里巴巴®

GLOBAL TRADE STARTS HERE



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Mission • To Make It Easy To Do Business Anywhere

Values • Customer First • Teamwork • Embrace Change
• Integrity • Passion • Commitment



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Financial and Operational Highlights

FINANCIAL HIGHLIGHTS (UNAUDITED)	Six months ended June 30,		Change
	2009	2008	
	RMB million	RMB million	
Revenue	1,714.9	1,415.2	+21.2%
Profit from operations	564.4	651.0	-13.3%
Profit attributable to equity owners	514.1	697.2	-26.3%
Share-based compensation expense	88.4	94.1	-6.1%
Deferred revenue and customer advances	2,718.8	1,987.8	+36.8%
Recurring free cash flow	769.6	549.6	+40.0%
Earnings per share, basic (HK\$)	11.57 cents	15.24 cents	-24.1%
Earnings per share, diluted (HK\$)	11.51 cents	15.23 cents	-24.4%

OPERATIONAL HIGHLIGHTS	June 30, 2009	June 30, 2008	Change	March 31, 2009	Change
Registered users	42,781,218	32,523,290	+31.5%	40,250,413	+6.3%
International marketplace	9,462,705	5,614,887	+68.5%	8,623,701	+9.7%
China marketplace	33,318,513	26,908,403	+23.8%	31,626,712	+5.3%
Storefronts	5,509,260	3,770,614	+46.1%	5,041,063	+9.3%
International marketplace	1,126,645	802,286	+40.4%	1,042,926	+8.0%
China marketplace	4,382,615	2,968,328	+47.6%	3,998,137	+9.6%
Paying members ⁽¹⁾	531,471	368,006	+44.4%	481,575	+10.4%
Gold Supplier	70,453	29,766	+136.7%	55,810	+26.2%
International TrustPass	19,219	13,912	+38.1%	17,580	+9.3%
China TrustPass	441,799	324,328	+36.2%	408,185	+8.2%

⁽¹⁾ Includes paying members with active storefront listings on our international and China marketplaces as well as paying members who have paid membership package subscription fees but whose storefronts have not been activated.

Management Discussion and Analysis

BUSINESS REVIEW

Recent indicators from China pointed to further acceleration in overall economic growth, suggesting that green shoots in the economy have taken root. In the second quarter, the market in general took a more positive view of the economy as the latest data showed robust expansion in domestic demand and gradual improvement in exports. It is too soon to say whether a recovery is on solid ground as global demand remains weak, but evidence over the past few months has reinforced our view that Alibaba.com is delivering significant value to buyers and suppliers worldwide by providing a highly efficient B2B e-commerce platform to strengthen their resilience and competitiveness during the market downturn.

Our prediction that the economic crisis would be a catalyst for greater penetration of e-commerce marketplaces proved to be prescient, and the strategic moves taken since late 2008 to prepare our customers and ourselves for further growth are paying off. Our actions and ongoing investments to help small businesses weather the economic downturn are continuing to drive demand for our products and services. During the first half of 2009, we achieved sustained momentum in terms of healthy user and member growth on our both marketplaces, and we continue to deliver solid financial results.

In the first six months of 2009, around 4.7 million registered users, 895,010 storefronts and more than 99,400 paying members

were added to our marketplaces. This growth, well ahead of the performances by our industry peers during the same period, is solid proof that our goal of expanded market leadership is being steadily realized. Our paying membership base expanded by 44% compared with a year ago and our total paying members has exceeded half a million. As of June 30, 2009, our combined marketplaces had an aggregate of 42.8 million registered users, 5.5 million storefronts and 531,471 paying members.

We continue to maintain an exceptionally strong financial position. Driven by strong growth in paying members, our deferred revenue increased substantially to RMB2.7 billion as of June 30, 2009, representing a 20.5% growth from the preceding year end balance and a 36.8% year-on-year growth. On a quarterly basis, we are pleased to see that deferred revenue grew at an increasing rate, indicating the pace at which our business is growing. We continue to generate a significant amount of recurring free cash flow amidst our plan to make voluntary investments for our future growth.

International marketplace

As of June 30, 2009, there were 9,462,705 registered users on our international marketplace and 1,126,645 storefronts. In the second quarter, registered users increased by 839,004 and storefronts grew by 83,719. The gathering momentum is a reflection that more buyers and sellers understand the benefits of e-commerce and are willing to try our services. This can be attributed to a greater brand awareness generated from our increased investment in marketing campaigns.

International marketplace operating data

	2006	As of December 31,			As of June 30,	
		2007	2008	2008	2009	
Registered users	3,115,153	4,405,557	7,914,630	5,614,887	9,462,705	
Storefronts	514,891	697,563	965,747	802,286	1,126,645	
Paying members ⁽¹⁾	29,525	39,536	59,164	43,678	89,672	
Gold Supplier members	18,682	27,384	43,028	29,766	70,453	
International TrustPass members	10,843	12,152	16,136	13,912	19,219	

⁽¹⁾ Includes paying members with active storefront listings, as well as paying members who have paid membership package subscription fees but whose storefronts have not been activated.

Management Discussion and Analysis

Geographic distribution of registered users (other than China) of our international marketplace as of June 30, 2009

Country or region	Number of registered users in country or region	Percentage of total registered users of our international marketplace
1 United States	1,498,498	15.8%
2 India	1,045,251	11.0%
3 European Union ⁽¹⁾	922,654	9.8%
4 United Kingdom	453,962	4.8%
5 Indonesia	249,368	2.6%

⁽¹⁾ Excludes the United Kingdom.

Gold Supplier

We are pleased to see that Gold Supplier membership grew at a sustainable pace and the momentum continued into the second quarter of 2009. We posted record high quarterly net addition of 14,643 Gold Supplier members in the second quarter, bringing the total number of Gold Supplier members to 70,453 as of June 30, 2009. We believe that Gold Supplier Starter Pack not only addresses the needs of our existing export customers, but also opens up an untapped market of small exporters in China. As impact of the new product launch tapers off, it will be reasonable to expect Gold Supplier customer net addition to normalize and settle into more moderate levels in the second half of the year, with an expectation for membership renewals of the first batch of Starter Pack members in the fourth quarter.

Since launching the Gold Supplier Starter Pack in the fourth quarter in 2008, our paying membership has more than doubled. New members normally require a few quarters to acclimate to basic functions and e-commerce operations before investing in additional services, and we expect value-added services (“VAS”) revenue to grow over time. We are not aggressively selling the VAS since our primary focus in the near term is to accelerate membership acquisition and improve customer satisfaction.

International TrustPass and overseas expansion

In the second quarter, International TrustPass members increased by 1,639 to reach 19,219. In May 2009, we announced the offering of the Gold Supplier membership package to small businesses outside Greater China. Starting from July 1, 2009,

the Gold Supplier international edition replaced the existing International TrustPass. Priced at US\$2,999 per year, similar to the Starter Pack, Gold Supplier international edition offers similar product features and same level of exposure as the Gold Supplier members in Greater China. The launch of Gold Supplier international edition enhanced user experience and addressed the increasingly sophisticated requirement from suppliers. We expect this initiative to diversify our concentration in China, and drive paying membership and revenue growth globally in the long term.

In India and Japan, we continued to make good progress in growing registered users and paying members. In the second quarter, our total registered users in India exceeded 1 million, making us one of the top B2B e-commerce marketplaces in India. In Japan, our associated company, Alibaba.com Japan Co., Ltd. (“Alibaba Japan”), started to monetize in the second quarter of 2009 by introducing “Japan Link” to the Chinese suppliers, which provides access to Japanese buyers through our Japanese-language website. Meanwhile, Japanese suppliers who would like to leverage on our platform to sell to the rest of the world can also become Gold Supplier international edition members. We continue to pursue the overseas expansion strategy step by step. As of the end of June 2009, we have signed up either strategic or channel partners in countries including India, Japan, Malaysia, Indonesia, Korea, Vietnam and Turkey. We believe suppliers beyond China present an enormous opportunity to our business development in the long run, and we will continue to identify key regions with promising growth potential for further development.

China marketplace

Our China marketplace continued to enjoy healthy growth in the first six months. Registered users rose by 3,157,808 to 33,318,513 as of June 30, 2009. During the same period, storefronts grew by 734,112 to 4,382,615. In the second quarter, we achieved 33,614 net addition of China TrustPass paying members, bringing the total to 441,799 as of June 30, 2009.

Paying member growth was well on track. In July 2009, after the launch of the "China TrustPass for Individuals" for one year, we upgraded this product to make it on par with the "China TrustPass corporate membership". At the same time, the price was revised to RMB2,800 from RMB2,300. We decided on the service upgrade as feedback from individual edition members clearly indicated that they value the service and results provided by our marketplace and request the same level of exposure and services as the China TrustPass corporate membership.

In line with our initiatives to provide more VAS that meet customers' demand, we launched as previously announced a series of new VAS for China TrustPass members. The new VAS

offerings, including "Mobile China TrustPass", "Winport 2.0", and "Traffic Analyzer™", aim to provide additional functionalities. In addition to these VAS, we launched "Ali-ADvance™" in March 2009 and the progress so far has been on track. We expect moderate growth in user adoption in the near term as we optimize its operation and as customers become familiar with this new product. Ali-ADvance™ will help improve the efficiency of suppliers' marketing efforts while allowing for better monetization of the ever-increasing user traffic on our China Marketplace.

Seeing the need for business people to develop, manage and leverage on the business network that they established on our platform, we launched a Business Network Service (BNS, or "Renmaitong") on our China marketplace in the second quarter. Renmaitong assists users to conveniently manage existing business relationships. More importantly, it helps to identify, capture and refer potential business opportunities to users through analyzing visitor's clicks and behavior on our marketplace, allowing buyers and suppliers to realize the power of the community and the network effect on our marketplace for further expansion of their business network.

China marketplace operating data

	As of December 31,			As of June 30,	
	2006	2007	2008	2008	2009
Registered users	16,649,073	23,194,402	30,160,705	26,908,403	33,318,513
Storefronts	1,557,874	2,259,283	3,648,503	2,968,328	4,382,615
Paying members ⁽¹⁾	189,573	266,009	372,867	324,328	441,799

⁽¹⁾ Includes paying members with active storefront listings, as well as paying members who have paid membership package subscription fees but whose storefronts have not been activated.

Management Discussion and Analysis

Alibaba.com's small business loan-assistance program ("Ali-loan"), which is exclusively offered to our paying members, continued to gain traction. In 2009, we rolled out the program to Zhejiang and Shanghai and extended the number of partnering banks. As of June 30, 2009, around 1,400 of our customers benefited from this program and the partner banks have issued more than RMB2.6 billion in loans. The Ali-loan program will expand to more cities and provinces later in the year. In the current economic climate, our Ali-loan program increasingly demonstrated its value in helping business development and highlighted the value of Alibaba.com membership.

As e-commerce became more widely adopted, we saw increasing synergies between Alibaba.com and Taobao. Since April 2009, we have launched the wholesale platform on our China marketplace, allowing small businesses such as Taobao retailers to source products at low price in small quantity and transact on the platform. In May 2009, we hosted our first Net Products Trade Fair in Guangzhou, connecting wholesalers and retailers on Alibaba.com and Taobao in an effort to advance their businesses through cross-platform relationships.

Overall, the customer base expanded quickly and the increased diversity in VAS helped steer us towards a more performance-driven revenue model.

Sales and customer services

As of June 30, 2009, we had more than 3,500 field sales people for Gold Supplier, around 1,400 telephone sales people for China TrustPass and around 1,100 customer service staff. We have strengthened our sales team, in terms of both productivity and quality of services provided to achieve our goal of expanding market leadership as well as enhancing customer satisfaction.

New corporate campus in Hangzhou

We have recently moved all operations to our new corporate campus in Binjiang, which was completed on time and below our original budget due to effective cost control. From now on, all of our business units work together in this new campus and we believe this will further enhance our operational efficiency.

Employees

As of June 30, 2009, the total number of employees of our group was 9,289 (June 30, 2008: 5,925) and the related staff costs, including directors' emoluments, for the first half of 2009 was RMB711.2 million (first half of 2008: RMB463.4 million). We normally review performance of our employees on a quarterly basis and adjust their compensation with reference to the performance and the market annually.

FINANCIAL REVIEW

We continued to report a significant increase in the number of paying members of our combined marketplaces. As of June 30, 2009, we had 531,471 **paying members**, representing a 44.4% increase from June 30, 2008. As a result of this increase, **total revenue** was RMB1,714.9 million in the first half of 2009, representing a 21.2% increase from the same period in 2008.

Revenue from our international marketplace increased to RMB1,080.3 million in the first half of 2009, representing a 15.7% increase from the same period in 2008. The growth was primarily due to the increase in the number of Gold Supplier Starter Pack members as well as the growth in our International TrustPass membership.

Revenue from our China marketplace increased to RMB634.6 million in the first half of 2009, representing a 31.8% increase from the same period in 2008. The growth was mainly attributable to the increase in paying members as well as the increase in VAS. The newly launched pay-for-performance keyword bidding service Ali-ADvance™ continued to perform as expected in the second quarter of 2009.

Gross profit increased to RMB1,475.1 million, up 18.5% from RMB1,244.6 million in the first half of 2008. **Gross margin** declined slightly from 87.9% in the same period last year to 86.0%. The margin reduction has been an ongoing result since the launch of the entry-level product Gold Supplier Starter Pack in November 2008, and the upgrade of our Gold Supplier service which led to higher staff costs, production expenses and customer training as a percentage of revenue.

Total operating expenses were RMB982.8 million in the first half of 2009, representing a 47.6% increase from RMB665.7 million in the same period last year due to increased investments in customers, people and technology to achieve our previously announced strategy of expanding our market leadership by growing paying member base and enhancing technology. As a result, we increased hiring and performance-based incentive compensation to drive these initiatives. In addition, we also invested more in marketing during the first half of 2009 to enhance our brand awareness and to acquire buyers and sellers. As planned, we expect the investment in marketing to steadily increase in the second half of the year.

Profit from operations (which represents profit from operations after deducting share-based compensation expense) was RMB564.4 million for the first six months of 2009, representing a 13.3% decrease from the same period last year. Our **operating profit margin** was 32.9% in the period, a decrease from 46.0% in the first half of 2008, mainly due to the investments in customers, people and technology which resulted in higher customer acquisition cost and product development expenses as a percentage of revenue.

Profit from operations before share-based compensation expense (non-GAAP) was RMB652.8 million for the first six months of 2009, down 12.4% from the same period last year. **Operating margin excluding share-based compensation expense (non-GAAP)** was 38.1%, a decrease from 52.7% in the same period in 2008 due to the reasons stated above.

Net finance income was RMB74.7 million, a decrease of RMB88.9 million from RMB163.6 million in the first half of last year due to lower interest income and exchange gain. Affected by the global economic downturn, interest rates on bank deposits were lower in current period, resulting in a much lower interest income despite a higher average cash balance during the period. In addition, exchange gains of RMB36.1 million were reported in the first half of 2008 mainly from the revaluation gain of Australian dollars term deposits then held.

Share of losses of associated companies, net of tax was RMB20.8 million for the first six months of 2009. The loss represented our share of the pre-operating expenses incurred by Alibaba Japan. No such loss was recorded in the same period last year as Alibaba Japan became our associated company in May 2008 and we record our share of the results of Alibaba Japan one quarter in arrears in our consolidated income statement.

Income tax charges decreased by 11.3% from RMB117.4 million in the same period in 2008 to RMB104.1 million. Our effective tax rate was 16.8% for the first six months of 2009, compared to 14.4% in the same period in 2008. This was higher than the income tax rate of 15% applicable to Alibaba (China) Technology Co., Ltd. ("Alibaba China"), our major operating subsidiary, primarily because the share-based compensation expense that we incurred was not tax deductible. Excluding the effect of the share-based compensation expense, our effective tax rate would have been 14.7% for the period. Excluding the one-time capital gain of the deemed disposal of our Japan operation and the share-based compensation expense, our effective tax rate would have been 13.5% for the same period in 2008.

Net income (Profit attributable to equity owners) for the six months ended June 30, 2009 was RMB514.1 million, a decrease of 26.3% from the same period in 2008. The decrease was a result of our ongoing investments in customers, people and technology innovation to expand our market leadership position and to position ourselves for future growth. Net income decrease was also affected by lower exchange gains and the one-time

Management Discussion and Analysis

deemed disposal gain from dilution of Alibaba Japan recorded in the first half of 2008. Excluding the effect of such, the decrease of net income would have been 17.1% from the same period last year.

Earnings per share, basic and diluted were 11.57 Hong Kong cents and 11.51 Hong Kong cents respectively, compared to 15.24 Hong Kong cents and 15.23 Hong Kong cents, for basic and diluted, respectively in the first half of 2008.

Deferred revenue and customer advances were RMB2,718.8 million as of June 30, 2009, representing a 36.8% increase from RMB1,987.8 million as of June 30, 2008. The increase was mainly due to the strong growth in the total number of paying members as a result of the successful launch of Gold Supplier Starter Pack and the upgrade of our existing Gold Supplier service in November 2008 as well as the continued healthy growth of our China marketplace.

Recurring free cash flow (non-GAAP) for the six months ended June 30, 2009 was RMB769.6 million, representing a 40.0% increase from the same period in 2008. The increase was mainly due to the strong increase of paying members, who pre-pay for their full-year memberships, as reflected in the increase in our deferred revenue and customer advances.

Cash and bank balances as of June 30, 2009 were RMB7,101.0 million, representing a 7.4% increase from December 31, 2008 and a 23.0% increase from June 30, 2008. As of June 30, 2009, 78.6% (December 31, 2008: 75.2%) of our cash and bank balances was denominated in Renminbi.

LIQUIDITY AND CAPITAL RESOURCES

Treasury management

Our treasury department, which reports to our chief financial officer, monitors our current and expected liquidity requirements in accordance with the policies and procedures approved by our board of directors. We have adopted prudent treasury management objectives, which include maintaining sufficient liquidity to meet our various funding requirements in accordance with our strategic plans while aiming to achieve a better return on our cash and to hedge against any foreign currency exchange risk. It is our group's policy not to invest our liquidity in financial products with significant underlying leverage or derivative exposure.

Foreign currency exchange exposure

Foreign currency exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Although we operate our businesses in different countries, substantially all of our revenue-generating and expense-related transactions are denominated in Renminbi which is our functional currency and that of most of our subsidiaries. Renminbi is not freely convertible into other foreign currencies. All foreign currency exchange transactions in China must be effected through the State Administration of Foreign Exchange to buy and sell foreign currencies. We hold a considerable amount of our cash and bank balances in currencies other than Renminbi. Such foreign currency-denominated cash and bank balances are exposed to fluctuations in the value of Renminbi against the currencies in which these cash and bank balances are denominated. Any significant appreciation of Renminbi against these foreign currencies may result in significant exchange loss which would be recorded in our income statement. We prudently managed our foreign exchange risk and recorded an exchange gain of RMB0.3 million for the six months ended June 30, 2009.

Interest rate exposure

We have no interest-bearing borrowings. Our exposure to changes in interest rates is mainly attributable to our interest-bearing assets including term deposits with original maturities of over three months and cash and cash equivalents.

Credit risk exposure

We consider our credit risk to be minimal as a substantial part of our income is prepaid by a diversified group of customers. The extent of our credit risk exposure is mainly represented by the aggregate of cash and other investments we hold at banks and at other financial institutions. All of our cash and other investments are placed with financial institutions of sound credit quality and most of which bears maximum original maturities of less than 12 months.

Capital structure

We continue to maintain a strong financial position from healthy growth in recurring free cash flow from operations. In addition, as mentioned previously, we have been cautiously managing our cash to maintain a favorable return and to minimize any foreign exchange risk. As of June 30, 2009, we had cash and bank balances of RMB7,101.0 million, which was RMB488.7 million or 7.4% higher than that as of December 31, 2008. As of June 30, 2009, our cash and bank balances comprised 78.6% (December 31, 2008: 75.2%) Renminbi; 21.2% (December 31, 2008: 24.3%) United States dollars; 0.2% (December 31, 2008: 0.4%) Hong Kong dollars; and an insignificant amount of other currencies (December 31, 2008: 0.1%). The weighted average annual return on our cash and bank balances was 2.2% in the first half of 2009 (first half of 2008: 4.7%).

As of June 30, 2009, our total assets were RMB8,944.0 million (December 31, 2008: RMB7,892.9 million), which were financed by shareholders' funds of RMB5,501.7 million (December 31, 2008: RMB4,968.4 million), current liabilities of RMB3,313.1 million (December 31, 2008: RMB2,818.2 million) and non-current liabilities of RMB129.2 million (December 31, 2008: RMB106.3 million). Of the total liabilities, RMB2,718.8 million (December 31, 2008: RMB2,256.9 million) represented deferred revenue and customer advances that we collected upfront from our customers.

These upfront payments are included as liabilities because we have not yet provided services to earn the related revenue. Therefore, instead of imposing any obligations on us to pay customers, these liabilities provide an assured base for our future reported revenue. As of June 30, 2009, our deferred revenue and customer advances amounted to RMB2,718.8 million which was RMB461.9 million or 20.5% more than that as of December 31, 2008.

As of June 30, 2009, our company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, amounted to RMB3,129.8 million (December 31, 2008: RMB3,165.5 million).

Cash flow

Net cash generated from operating activities

Net cash generated from operating activities was RMB830.0 million in the first half of 2009, representing a 40.5% increase from RMB590.9 million in the same period last year. The increase proved the successful launch of the Gold Supplier Starter Pack and the upgrade of our existing Gold Supplier service in November 2008 as well as the continued healthy growth of our China marketplace.

Net cash used in investing activities

Net cash used in investing activities was RMB2,215.3 million in the first half of 2009 compared to RMB2,664.5 million in the same period in 2008. Net cash used in investing activities during the period primarily represented an increased placement of cash in term deposits with original maturities of over three months of RMB1,944.4 million (first half of 2008: RMB2,637.6 million).

Net cash used in financing activities

Net cash used in financing activities was RMB69.8 million in the first half of 2009, compared to RMB63.0 million in the first half of 2008. The outflow in 2009 mainly represented payments for the buy-back of our ordinary shares. In November 2008, we announced a share buy-back plan of up to HK\$2 billion of our ordinary shares through the end of 2009, subject to market conditions and at the discretion of our directors. During the first half of 2009, RMB69.8 million was paid for buying back our shares in the market (first half of 2008: Nil).

Management Discussion and Analysis

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As of June 30, 2009, none of our assets were pledged and we did not have any material contingent liabilities or guarantees.

OUTLOOK

We continue to take a cautious view on the global economy in the near term. Although the China economy has seen some encouraging recovery, we have yet to see a solid rebound of global consumption. Amidst the challenging macro environment, we are optimistic about the outlook of e-commerce and our company. We are glad to see that more and more buyers and suppliers around the world are realizing the irreversible e-commerce trend, especially in economic downturn and a more challenging and competitive business environment.

Our strategic decision to upgrade our business model by making voluntary investments in customers, people and technology innovation this year started to deliver results. In the second half of the year, we will continue to pursue our path as planned. Compared to the first half of 2009, marketing efforts will be stepped up in the third and fourth quarter sequentially.

The September of this year is the 10th anniversary of Alibaba.com. Our past 10 years have proved the power of e-commerce to generate business opportunities for small businesses and entrepreneurs. In the coming 10 years, we believe e-commerce can achieve much beyond serving the sales and marketing function for suppliers. Our vision is to solve the challenges of small businesses in procurement, sales and marketing, management and financing through technology. To ensure the realization of this vision in the coming decade, we will rearrange our existing initiatives into four business units, namely International Core Business Unit (“ICBU”), China Core Business Unit (“CCBU”), Information Technology Business Unit (“ITBU”) and Ali-Institute. Of these, ITBU and Ali-Institute are new divisions that will help small businesses get simpler access to technology to upgrade their operations, as well as train personnel in these small businesses to better use the technology. We will also continue to work with

partners to solve the financing issues of small businesses through the Ali-loan program. Our new ten-year vision, our strategic deployment, our new company structure and our new campus in Binjiang give us both operational hardware and structure to make Alibaba.com a platform that truly addresses small businesses’ daily business needs, and to develop the business from “Meet at Alibaba” to “Work at Alibaba”.

On behalf of the Board

WEI Zhe, David

Chief Executive Officer

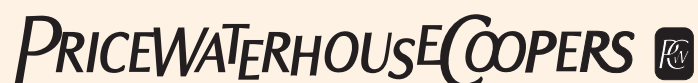
Hong Kong, August 13, 2009

Passion

DESIRE
FOR THE BEST



Report on Review of Interim Financial Information



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

TO THE BOARD OF DIRECTORS OF ALIBABA.COM LIMITED

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 13 to 37, which comprises the condensed consolidated balance sheet of Alibaba.com Limited (the "Company") and its subsidiaries (together, the "Group") as of June 30, 2009 and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, August 13, 2009

Condensed Consolidated Income Statement (Unaudited)

For the six months ended June 30, 2009

	Notes	Six months ended June 30,	
		2009	2008
		RMB'000	RMB'000
Revenue			
International marketplace	4	1,080,325	933,522
China marketplace	4	634,577	481,643
Total revenue		1,714,902	1,415,165
Cost of revenue		(239,760)	(170,564)
Gross profit		1,475,142	1,244,601
Sales and marketing expenses		(667,044)	(442,505)
Product development expenses		(136,432)	(74,049)
General and administrative expenses		(179,309)	(149,119)
Other operating income, net	5	72,076	72,074
Profit from operations	6	564,433	651,002
Finance income, net	7	74,672	163,621
Share of losses of associated companies, net of tax	13	(20,827)	–
Profit before income taxes		618,278	814,623
Income tax charges	9	(104,138)	(117,444)
Profit attributable to equity owners of the Company		514,140	697,179
Special cash dividends	10	888,512	–
Earnings per share, basic (RMB)	11	RMB10.20 cents	RMB13.80 cents
Earnings per share, diluted (RMB)	11	RMB10.14 cents	RMB13.79 cents
Earnings per share, basic (HK\$ equivalent)	11	HK\$11.57 cents	HK\$15.24 cents
Earnings per share, diluted (HK\$ equivalent)	11	HK\$11.51 cents	HK\$15.23 cents

The notes on pages 19 to 37 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Balance Sheet (Unaudited)

As of June 30, 2009

	Notes	June 30, 2009	December 31, 2008
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Lease prepayment		28,209	28,502
Property and equipment	12	616,356	375,975
Interests in associated companies	13	12,666	31,719
Deferred tax assets	21	343,046	310,025
Available-for-sale investments	14	20,002	–
Prepayments, deposits and other receivables	15	6,253	10,768
Direct selling costs	16	21,228	15,288
Total non-current assets		1,047,760	772,277
Current assets			
Amounts due from related companies	23	23,327	12,678
Prepayments, deposits and other receivables	15	136,414	186,476
Direct selling costs	16	425,451	309,175
Available-for-sale investments	14	210,000	–
Term deposits with original maturities of over three months	17	5,867,003	3,923,373
Cash and cash equivalents	17	1,234,040	2,688,951
Total current assets		7,896,235	7,120,653
Total assets		8,943,995	7,892,930
EQUITY			
Capital and reserves			
Share capital		485	486
Reserves			
Special cash dividends	10	888,512	–
Others		4,612,658	4,967,923
Total equity		5,501,655	4,968,409

	Notes	June 30, 2009	December 31, 2008
		RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Deferred revenue	18	129,207	106,340
Current liabilities			
Deferred revenue and customer advances	18	2,589,566	2,150,531
Trade payables	19	4,641	15,576
Amounts due to related companies	23	39,385	69,503
Other payables and accruals	20	559,610	425,848
Current income tax liabilities		119,931	156,723
Total current liabilities		3,313,133	2,818,181
Total liabilities		3,442,340	2,924,521
Total equity and liabilities		8,943,995	7,892,930
Net current assets		4,583,102	4,302,472
Total assets less current liabilities		5,630,862	5,074,749

WEI Zhe, David

Director

WU Wei, Maggie

Director

Hong Kong, August 13, 2009

The notes on pages 19 to 37 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended June 30, 2009

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000
Profit attributable to equity owners of the Company	514,140	697,179
Other comprehensive income:		
Currency translation differences	522	(21,969)
Net fair value gains on available-for-sale investments	2	–
Total comprehensive income attributable to equity owners of the Company	514,664	675,210

The notes on pages 19 to 37 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 2009

	Attributable to equity owners of the Company						
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserves	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as of January 1, 2008	486	2,893,132	(55,787)	20,357	119,615	635,278	3,613,081
Total comprehensive income	-	-	-	(21,969)	-	697,179	675,210
Appropriation to statutory reserves	-	-	-	-	57,489	(57,489)	-
Value of employee services under equity award plans	-	102,477	-	-	-	-	102,477
Balance as of June 30, 2008	486	2,995,609	(55,787)	(1,612)	177,104	1,274,968	4,390,768

	Attributable to equity owners of the Company								
	Share capital	Share premium	Capital reserve	Capital redemption reserve	Exchange reserve	Statutory reserves	Investment revaluation reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as of January 1, 2009	486	3,067,924	(55,787)	-	(4,293)	250,128	-	1,709,951	4,968,409
Total comprehensive income	-	-	-	-	522	-	2	514,140	514,664
Appropriation to statutory reserves	-	-	-	-	-	61,617	-	(61,617)	-
Repurchase of issued ordinary shares	(1)	(69,803)	-	1	-	-	-	(1)	(69,804)
Issue of ordinary shares under employee equity award plans	-	12	-	-	-	-	-	-	12
Value of employee services under equity award plans	-	88,374	-	-	-	-	-	-	88,374
Balance as of June 30, 2009	485	3,086,507	(55,787)	1	(3,771)	311,745	2	2,162,473	5,501,655

Representing:

Special cash dividends (Note 10)	888,512
Others	1,273,961
	2,162,473

The notes on pages 19 to 37 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Cash Flow Statement (Unaudited)

For the six months ended June 30, 2009

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000
Net cash generated from operating activities	830,006	590,926
Net cash used in investing activities	(2,215,250)	(2,664,522)
Net cash used in financing activities	(69,792)	(63,021)
Net decrease in cash and cash equivalents	(1,455,036)	(2,136,617)
Cash and cash equivalents at beginning of period	2,688,951	4,321,170
Effect of exchange rate for the period	125	(2,073)
Cash and cash equivalents at end of period	1,234,040	2,182,480

	June 30,	
	2009	2008
	RMB'000	RMB'000
Analysis of cash and bank balances (Note 17)		
Cash and cash equivalents	1,234,040	2,182,480
Term deposits with original maturities of over three months	5,867,003	3,590,000
	7,101,043	5,772,480

The notes on pages 19 to 37 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1 GENERAL INFORMATION

Alibaba.com Limited (the "Company") was incorporated and registered as an exempted company with limited liability in the Cayman Islands on September 20, 2006 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and reissued) of the Cayman Islands. The Company is an investment holding company and is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered address of the Company is Fourth Floor, One Capital Place, P.O. Box 847GT, Grand Cayman, Cayman Islands. As of the date of this report, the ultimate holding company of the Company is Alibaba Group Holding Limited, a company incorporated in the Cayman Islands.

The Company and its subsidiaries (the "Group") are principally engaged in the provision of software, technology and other services on the online business-to-business ("B2B") marketplaces with the uniform resource locators www.alibaba.com and www.alibaba.com.cn and under the trade name "Alibaba" (the "B2B services").

This condensed consolidated interim financial information (the "Interim Financial Statements") has been approved for issue by the board of directors on August 13, 2009.

2 BASIS OF PREPARATION

The Interim Financial Statements of the Group were prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Statements" issued by the International Accounting Standards Board.

The Interim Financial Statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2008 (the "2008 Financial Statements") as set out in the 2008 annual report of the Company dated March 19, 2009. The 2008 Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS").

Except as described below in Notes 2.1 and 2.2, the accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those set out in the 2008 Financial Statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Those areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group's consolidated financial statements, were detailed in the 2008 Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

2 BASIS OF PREPARATION (Continued)

The Group has adopted the following new/revised IFRS standards and interpretations for accounting periods commencing January 1, 2009:

		Effective for annual periods beginning on or after
IFRIC 13	Customer Loyalty Programmes	July 1, 2008
IAS 1 (Revised)	Presentation of Financial Statements	January 1, 2009
IFRS 8	Operating Segments	January 1, 2009
IFRSs (Amendments)	Improvements to IFRSs	January 1, 2009
Amendments to IFRS 1 and IAS 27	Amendments to IFRS 1 First-time Adoption of IFRSs and IAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	January 1, 2009
Amendment to IFRS 2	Share-based Payment Vesting Conditions and Cancellations	January 1, 2009
Amendments to IFRS 7	Amendments to IFRS 7 Financial Instruments: Disclosure	January 1, 2009

The adoption of the above new/revised IFRS standards and interpretations did not have any material impact on the Group's Interim Financial Statements except for disclosure and has not led to any changes in the Group's accounting policies except elsewhere disclosed.

The following new standards, interpretations and amendments to the existing standards have been published but have not come into effect for the financial year beginning January 1, 2009:

		Effective for annual periods beginning on or after
Amendments to IFRIC 9 and IAS 39	Embedded Derivatives	June 30, 2009
IAS 27 (Revised)	Consolidated and Separate Financial Statements	July 1, 2009
IFRS 3 (Revised)	Business Combination	July 1, 2009
Amendment to IAS 39	Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items	July 1, 2009
IFRIC 17	Distribution of Non-cash Assets to Owners	July 1, 2009
IFRIC 18	Transfer of Assets from Customers	July 1, 2009

The Group has not early adopted any of the above new standards, interpretations and amendments to the existing standards. Management is in the process of making an assessment of their impact and is not yet in a position to state what impact they would have on the Group's results of operations and financial positions.

2 BASIS OF PREPARATION (Continued)

2.1 Operating segments

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the executive management committee that makes strategic decisions.

2.2 Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. These investments are initially recognized in the balance sheet at fair value plus transaction costs and measured at each subsequent reporting date at fair value. Changes in fair value are dealt with as movements in the investment revaluation reserve except for impairment losses which are charged to the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in income statement. Dividends from available-for-sale investments are recognized when the right to receive payment is established. When available-for-sale investments are sold, the cumulative fair value gains or losses previously recognized in the investment revaluation reserve are recognized in the income statement.

Changes in fair value of a monetary investment denominated in a foreign currency and classified as an available-for-sale investment are analyzed between translation differences resulting from changes in amortized cost of the investment and other changes in the carrying amount of the investment. The translation differences on monetary investments are recognized in the income statement; translation differences on non-monetary investments are recognized in equity.

3 SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions, assess performance and allocate resources. In the respective periods presented, the Group had one single operating segment, namely the provision of the B2B services. Although the B2B services consist of the operations of the international marketplace and the China marketplace, the chief operating decision-maker considers that these underlying marketplaces are subject to similar risks and returns. Therefore, it has only relied on the reported revenue associated from these underlying marketplaces in making financial decisions and allocating resources. Significant costs incurred associated with the revenue generated are not separately identified by marketplaces for the review of the chief operating decision-maker.

Notes to the Condensed Consolidated Interim Financial Statements

4 REVENUE

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000
International marketplace		
Gold Supplier	1,052,454	900,159
International TrustPass	27,871	18,276
Other revenue ⁽ⁱ⁾	–	15,087
	1,080,325	933,522
China marketplace		
China TrustPass	605,779	454,576
Other revenue ⁽ⁱⁱ⁾	28,798	27,067
	634,577	481,643
	1,714,902	1,415,165

⁽ⁱ⁾ Other revenue earned with respect to the international marketplace in 2008 mainly represented commission income from a subsidiary of the Company's controlling shareholder, for cross-selling certain software products to the customers of the Group. In November 2008, this re-selling function was handed back to the subsidiary of the Company's controlling shareholder.

⁽ⁱⁱ⁾ Other revenue earned with respect to the China marketplace mainly represents advertising fees paid by third party advertisers, some of which were earned through an agency arrangement with a subsidiary of the Company's controlling shareholder.

5 OTHER OPERATING INCOME, NET

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000
Government grants ⁽ⁱ⁾	56,638	16,570
Reimbursement from fellow subsidiaries ⁽ⁱⁱ⁾	8,954	7,984
Others	6,484	6,239
Gain on disposal of the Japan operation ⁽ⁱⁱⁱ⁾	—	41,281
	72,076	72,074

⁽ⁱ⁾ Alibaba (China) Technology Co., Ltd. ("Alibaba China"), a wholly-owned subsidiary of the Company, received grants from government authorities in the PRC in relation to technology development in the PRC.

⁽ⁱⁱ⁾ Reimbursement from fellow subsidiaries represented amounts received for the provision of administrative and technology services, and sharing of office space. The reimbursement charges were calculated based on actual cost incurred or actual cost incurred plus a certain margin.

⁽ⁱⁱⁱ⁾ Alibaba.com Japan Co., Ltd. ("Alibaba Japan"), a wholly-owned subsidiary of the Company before the transaction mentioned below, engages in the provision of Japanese language B2B services on a site with the uniform resource locator www.alibaba.co.jp. On May 30, 2008, the Group entered into an agreement with SOFTBANK CORP. ("SOFTBANK") under which SOFTBANK made a cash investment into Alibaba Japan for a 64.7% interest. As a result of the disposal of the Japanese business, a gain, net of related expenses, of RMB41,281,000 was recognized in the "other operating income, net" for the six months ended June 30, 2008.

Notes to the Condensed Consolidated Interim Financial Statements

6 PROFIT FROM OPERATIONS

Profit from operations was stated after crediting/charging the following:

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000 (Note 24)
Crediting:		
Gain on disposal of the Japan operation (Note 5(iii))	–	41,281
Gains on disposals of property and equipment	–	662
Charging:		
Staff costs (Note 8)	711,206	463,399
Depreciation expense of property and equipment (Note 12)	49,319	37,468
Operating lease rentals	37,094	25,335
Auditors' remuneration	2,787	1,179
Amortization of lease prepayment	293	293
Losses on disposals of property and equipment	43	–

7 FINANCE INCOME, NET

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000
Interest income	74,348	127,514
Exchange gains	324	36,107
	74,672	163,621

8 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000 (Note 24)
Salaries, bonuses and sales commission	517,632	301,571
Contributions to defined contribution plans	81,223	50,955
Discretionary employee benefits	23,977	16,775
Share-based compensation expense	88,374	94,098
	711,206	463,399

Share-based compensation expense by function was analyzed as follows:

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000
Cost of revenue	4,900	2,759
Sales and marketing expenses	27,837	24,698
Product development expenses	8,982	6,715
General and administrative expenses	46,655	59,926
	88,374	94,098

	As of June 30,	
	2009	2008
Number of employees	9,289	5,925

Notes to the Condensed Consolidated Interim Financial Statements

9 INCOME TAX CHARGES

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000
PRC current tax charge	137,159	120,585
Deferred tax credit (Note 21)	(33,021)	(3,141)
	104,138	117,444

Income tax expense was recognized based on management's best estimate of the projected full year annual effective income tax rate.

Current income tax charge primarily represents the provision for the PRC Enterprise Income Tax ("EIT") for subsidiaries operating in the PRC. These subsidiaries are subject to EIT on their taxable income as reported in their respective statutory financial statements adjusted in accordance with the relevant tax laws and regulations in the PRC.

On March 16, 2007, the National People's Congress approved the PRC Enterprise Income Tax Law (the "New EIT Law"). The New EIT Law, which became effective from January 1, 2008, unifies the corporate income tax rate for domestic enterprises and foreign invested enterprises to 25%. In addition, the New EIT Law provides for, among others, a preferential tax rate of 15% for enterprises qualified as High and New Technology Enterprises ("HNTE"). In 2008, Alibaba China, the principal operating entity of the Group, was formally designated as a HNTE under the New EIT Law. As a result, Alibaba China is subject to EIT at 15% in 2008 and 2009.

In addition, Alibaba China Software Co., Ltd. (阿里巴巴(中國)軟件有限公司) ("Alibaba Software"), another major PRC operating subsidiary of the Group, was recognized as a "Software Enterprise" pursuant to Caishui [2008] No.1 under the New EIT Law in 2008. Under such tax circular, a "Software Enterprise" can enjoy a tax holiday of full exemption from EIT for the first two years and fifty percent reduction in EIT thereafter for three years, starting from the company's first profit-making year. Since 2008 was the first profit-making year of Alibaba Software, it enjoys full exemption from EIT in 2008 and 2009.

All other PRC entities of the Group are subject to EIT at 25% in 2008 and 2009 in accordance with the New EIT Law.

10 SPECIAL CASH DIVIDENDS

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000
Special cash dividends	888,512	–

On August 13, 2009, the Company declared a special cash dividend of 20 Hong Kong cents per ordinary share, or approximately HK\$1,010,000,000 (RMB888,512,000 equivalent) in aggregate (2008: Nil).

11 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended June 30,	
	2009	2008
Profit for the period attributable to equity owners of the Company (RMB'000)	514,140	697,179
Weighted average number of ordinary shares in issue (thousand shares)	5,041,865	5,052,357
Earnings per share, basic (RMB)	RMB10.20 cents	RMB13.80 cents
Earnings per share, basic (HK\$ equivalent) ⁽ⁱ⁾	HK\$11.57 cents	HK\$15.24 cents

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue during the period on the assumption that potentially dilutive share options and restricted share units ("RSUs") granted by the Company (collectively forming the denominator for computing the diluted earnings per share) are converted into ordinary shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) based on the monetary value of the subscription rights attached to the outstanding share options and RSUs. The number of shares so calculated is compared against the number of shares that would have been issued assuming the exercise of the share options and RSUs. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings (the numerator).

	Six months ended June 30,	
	2009	2008
Profit for the period attributable to equity owners of the Company (RMB'000)	514,140	697,179
Weighted average number of ordinary shares in issue (thousand shares)	5,041,865	5,052,357
Adjustments for share options and RSUs (thousand shares)	29,605	3,793
Weighted average number of ordinary shares for the calculation of diluted earnings per share (thousand shares)	5,071,470	5,056,150
Earnings per share, diluted (RMB)	RMB10.14 cents	RMB13.79 cents
Earnings per share, diluted (HK\$ equivalent) ⁽ⁱ⁾	HK\$11.51 cents	HK\$15.23 cents

⁽ⁱ⁾ The translation of Renminbi amounts into Hong Kong dollars has been made at the rate of RMB0.8813 to HK\$1.0000 for the six months ended June 30, 2009 (six months ended June 30, 2008: RMB0.9056 to HK\$1.0000). No representation is made that the Renminbi amounts have been, could have been or could be converted into Hong Kong dollars or vice versa, at that rate, or at any rates or at all.

Notes to the Condensed Consolidated Interim Financial Statements

12 PROPERTY AND EQUIPMENT

	Computer equipment	Furniture and office equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended June 30, 2008					
As of January 1, 2008	93,596	12,446	14,437	38,513	158,992
Additions	45,079	4,211	3,091	63,347	115,728
Disposals	(3,296)	(194)	(447)	–	(3,937)
Depreciation	(27,969)	(4,325)	(5,174)	–	(37,468)
Exchange differences	(1,197)	(27)	(89)	–	(1,313)
Closing net book amount	106,213	12,111	11,818	101,860	232,002
As of June 30, 2008					
Cost	224,120	37,977	38,019	101,860	401,976
Accumulated depreciation	(117,907)	(25,866)	(26,201)	–	(169,974)
Closing net book amount	106,213	12,111	11,818	101,860	232,002
Six months ended June 30, 2009					
As of January 1, 2009	126,804	26,850	13,108	209,213	375,975
Additions	67,534	4,258	9,398	209,171	290,361
Disposals	(392)	(3)	(322)	–	(717)
Depreciation	(34,749)	(6,113)	(8,457)	–	(49,319)
Exchange differences	7	17	32	–	56
Closing net book amount	159,204	25,009	13,759	418,384	616,356
As of June 30, 2009					
Cost	334,813	60,334	52,360	418,384	865,891
Accumulated depreciation	(175,609)	(35,325)	(38,601)	–	(249,535)
Closing net book amount	159,204	25,009	13,759	418,384	616,356

13 INTERESTS IN ASSOCIATED COMPANIES

	RMB'000
As of January 1, 2009	31,719
Share of losses, net of tax	(20,827)
Exchange difference	1,774
As of June 30, 2009	12,666

On May 11, 2009, Hikari Tsushin, Inc. ("Hikari") made a cash investment into Alibaba Japan for a 10.0% interest. As a result, the Group's interest in Alibaba Japan has been diluted from 35.30% to 31.77% and the Group will derive a deemed disposal gain of approximately RMB6,980,000 resulted from the transaction. Since the Group records the share of the results of associated companies one quarter in arrears, this gain will be recognized in the "other operating income, net" on the consolidated income statement in the third quarter of 2009.

As of June 30, 2009, there were no capital commitments or contingent liabilities relating to the Group's interests in its associated companies (December 31, 2008: Nil).

Details of the Group's associated companies as of June 30, 2009 were set out below:

Name	Place and date of incorporation/establishment and kind of legal entity	Principal activities	Particulars of issued share/ registered capital	Effective interest held
Directly held:				
Alibaba.com Japan Co., Ltd.	Japan November 30, 2007 Limited liability company	Provision of Internet content and advertising services	Japanese Yen 1,221,840,434	31.77%
Indirectly held:				
Ahead Concord Limited	Hong Kong November 15, 2007 Limited liability company	Investment holding	HK\$1	31.77%
Zhejiang Ayeda Network Technology Company Limited [#] 浙江阿曁達網絡技術有限公司	PRC May 23, 2008 Limited liability company	Provision of software and technology services	RMB 25,000,000	31.77%

[#] The English name of this associated company represents management's translation of its Chinese name only, as no official English name has been registered by this PRC company.

Notes to the Condensed Consolidated Interim Financial Statements

13 INTERESTS IN ASSOCIATED COMPANIES (Continued)

The investment in associated companies is being accounted for using the equity method. The total investment, including net tangible assets and identifiable intangible assets, is classified as part of the interests in associated companies on the Group's consolidated balance sheet. The Group records its share of the results of associated companies, one quarter in arrears, in the share of profits/losses from associated companies, net of tax on the consolidated income statement.

The aggregate amounts of revenues, results, assets and liabilities of the Group's associated companies were as follows:

	From October 1, 2008 to March 31, 2009
	RMB'000
Revenue	–
Loss attributable to equity owners	(59,803)

	As of March 31, 2009
	RMB'000
Total assets	46,946
Total liabilities	(11,868)

14 AVAILABLE-FOR-SALE INVESTMENTS

	June 30, 2009	December 31, 2008
	RMB'000	RMB'000
Non-current portion		
Unlisted debt securities in the PRC, at fair value	20,002	–
Current portion		
Unlisted debt securities in the PRC, at fair value	210,000	–
	230,002	–

15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	June 30, 2009	December 31, 2008
	RMB'000	RMB'000
Non-current portion		
Loans to employees ⁽ⁱ⁾	6,253	10,768
Current portion		
Interest income receivables	48,028	122,865
Prepaid rentals, rentals deposits and other deposits	29,814	39,857
Prepaid expenses and others	58,572	23,754
	136,414	186,476
Total	142,667	197,244

⁽ⁱ⁾ The fair value of loans to employees was determined using discounted cash flows at a market rate of 5.67% (December 31, 2008: 5.67%), which was equivalent to the effective interest rate on the loans.

16 DIRECT SELLING COSTS

Upon the receipt of service fees from paying members, the Group is obligated to pay certain costs related to the receipt of such service fees which primarily comprise sales commissions. The service fees are initially deferred and recognized in the income statement in the period in which the services are rendered (Note 18). As such, the related costs are also initially deferred and recognized in the income statement in the same period as the related service fees are recognized.

17 CASH AND BANK BALANCES

	June 30, 2009	December 31, 2008
	RMB'000	RMB'000
Cash at banks and on hand	228,553	341,027
Term deposits and short-term highly liquid investments with original maturities of three months or less	1,005,487	2,347,924
Cash and cash equivalents	1,234,040	2,688,951
Term deposits with original maturities of over three months	5,867,003	3,923,373
	7,101,043	6,612,324

Notes to the Condensed Consolidated Interim Financial Statements

18 DEFERRED REVENUE AND CUSTOMER ADVANCES

Deferred revenue and customer advances represent service fees prepaid by paying members for which the relevant services have not been rendered. The respective balances were as follows:

	June 30, 2009	December 31, 2008
	RMB'000	RMB'000
Customer advances	533,633	470,392
Deferred revenue	2,185,140	1,786,479
	2,718,773	2,256,871
Less: Current portion	(2,589,566)	(2,150,531)
Non-current portion	129,207	106,340

All service fees received in advance are initially recorded as customer advances. These amounts are transferred to deferred revenue upon commencement of the rendering of services by the Group and are recognized in the income statement in the period in which the services are rendered. In general, service fees received in advance are non-refundable after such amounts are transferred to deferred revenue.

19 TRADE PAYABLES

The aging analysis of trade payables was as follows:

	June 30, 2009	December 31, 2008
	RMB'000	RMB'000
0 – 30 days	4,371	11,691
31 days – 60 days	46	1,785
61 days – 90 days	36	753
Over 90 days	188	1,347
	4,641	15,576

20 OTHER PAYABLES AND ACCRUALS

	June 30, 2009	December 31, 2008
	RMB'000	RMB'000 (Note 24)
Accrued salaries, bonuses, sales commissions and staff benefits	214,287	218,976
Accrued advertising and promotion expenses, professional fees and others	142,370	93,340
Accrued purchases of property and equipment	163,797	77,151
Other taxes payable	39,156	36,381
	559,610	425,848

21 DEFERRED TAX ASSETS

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The offset amounts were as follows:

	June 30, 2009	December 31, 2008
	RMB'000	RMB'000
Deferred tax assets:		
– Deferred tax assets to be recovered after more than 12 months	28,975	25,487
– Deferred tax assets to be recovered within 12 months	393,680	345,192
	422,655	370,679
Deferred tax liabilities:		
– Deferred tax liabilities to be settled after more than 12 months	(3,210)	(1,615)
– Deferred tax liabilities to be settled within 12 months	(76,399)	(59,039)
	(79,609)	(60,654)
Deferred tax assets, net	343,046	310,025

The movement of deferred tax assets, net was as follows:

	RMB'000
As of January 1, 2009	310,025
Credited to the income statement (Note 9)	33,021
As of June 30, 2009	343,046

Notes to the Condensed Consolidated Interim Financial Statements

21 DEFERRED TAX ASSETS (Continued)

The movement in deferred tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, was as follows:

Deferred tax assets

	Deferred revenue and customer advances	Depreciation	Others ⁽ⁱ⁾	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2009	318,345	9,842	42,492	370,679
Credited/(Charged) to the income statement	54,305	177	(2,506)	51,976
As of June 30, 2009	372,650	10,019	39,986	422,655

⁽ⁱ⁾ Others primarily represent accrued expenses which are not deductible until paid under PRC tax laws.

Deferred tax liabilities

	Direct selling costs
	RMB'000
As of January 1, 2009	(60,654)
Charged to the income statement	(18,955)
As of June 30, 2009	(79,609)

22 CAPITAL COMMITMENTS

Capital expenditures contracted for were analyzed as follows:

	June 30, 2009	December 31, 2008
	RMB'000	RMB'000
Contracted but not provided for:		
Purchase of property and equipment	19,478	2,825
Construction of a corporate campus	42,429	120,788
	61,907	123,613

23 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

The following significant related party transactions were carried out during the period:

(a) Recurring transactions

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000
Expenses paid or payable to the ultimate holding company for certain technology, intellectual property and related know-how (Note i)	(32,586)	(27,052)
House brand head license fee paid or payable to the ultimate holding company (Note ii)	(1,000)	(1,000)
Purchase of advertising, promotion and technology services from (Note iii):		
– fellow subsidiaries	(3,000)	(929)
– subsidiaries of a substantial shareholder of the ultimate holding company	(2,655)	(205)
	(5,655)	(1,134)
Cross-selling of promotion and related services with a fellow subsidiary (Note iv)	9,999	23,785
Cross-selling of promotion and related services with an associate (Note v)	3,221	–
Commission income received from a fellow subsidiary (Note vi)	–	15,087
Reimbursement from fellow subsidiaries for the provision of administrative services (Note vii)	5,883	5,785
Reimbursement from fellow subsidiaries for the provision of technology services (Note viii)	6,936	1,991

Notes to the Condensed Consolidated Interim Financial Statements

23 RELATED PARTY TRANSACTIONS (Continued)

(b) Non-recurring transactions

	Six months ended June 30,	
	2009	2008
	RMB'000	RMB'000
Purchase of other technology and related services from a fellow subsidiary (Note ix)	(2,550)	–
Sale of property and equipment to fellow subsidiaries (Note x)	353	2,429
Purchase of property and equipment from fellow subsidiaries (Note xi)	(2,005)	(79)

- (i) During the period, expense of approximately RMB32,586,000 (2008: RMB27,052,000) was paid or payable by the Group for the use of certain technology, intellectual property and related know-how provided by the ultimate holding company. The expense was calculated based on a mutually agreed basis.
- (ii) This represented license fee paid or payable by the Group to the ultimate holding company at a fixed fee of RMB2 million per annum.
- (iii) These represented charges paid or payable by the Group to various fellow subsidiaries and related companies in relation to the purchase of keywords on websites operated by various fellow subsidiaries and related companies as well as certain technology and related services from a fellow subsidiary. These charges were calculated based on market rates of the related services.
- (iv) This represented charges received or receivable by the Group from a fellow subsidiary for the cross-selling of the Group's website inventory. The charge was calculated based on a pre-determined percentage of the underlying transaction amount.
- (v) This represented charges received or receivable by the Group from an associated company for the cross-selling of the Group's website inventory. The charge was calculated based on a pre-determined percentage of the underlying transaction amount.
- (vi) This represented commission income received or receivable by the Group for cross-selling certain software products developed by a fellow subsidiary to the Group's paying members. The commission income for such services was determined based on a pre-determined percentage of the underlying transaction amount. No commission income was received starting from November 2008 upon the termination of such cross-selling arrangement.

23 RELATED PARTY TRANSACTIONS (Continued)

- (vii) This represented charge received or receivable by the Group for the provision of administrative services to fellow subsidiaries. The charge was determined on a cost basis.
- (viii) This represented charge received or receivable by the Group for the provision of technology services to fellow subsidiaries. The charge was calculated based on actual cost incurred in providing such services plus a margin of 15%.
- (ix) These represented amounts paid or payable by the Group for the purchase of other technology and related services from a fellow subsidiary. These charges were determined on a cost basis.
- (x) These represented amounts received by the Group for sale of certain property and equipment to fellow subsidiaries. These charges were based on the net book value of the property and equipment transferred.
- (xi) These represented amounts paid by the Group for purchase of certain property and equipment from fellow subsidiaries. These charges were based on the net book value of the property and equipment transferred.

The Group also exchanged certain advertising, promotion and related services, such as hyperlinks on respective websites, with fellow subsidiaries. As such reciprocal services provided by the Group and such fellow subsidiaries to each other are considered to be of a similar nature and have a similar value, such transactions are not regarded as revenue-generating transactions and thus no revenue or expense were recognized.

The directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

The amounts due from/(to) related companies are unsecured, interest-free and expected to be recovered within one year. The carrying amounts of the balances approximate to their fair values due to short-term maturity.

No transactions have been entered into with the key management personnel (being the directors) of the Company during the period other than the emoluments paid to them (being the directors' emoluments).

24 COMPARATIVES

Certain comparative figures have been reclassified to conform to the presentation of the current period.

Supplementary Quarterly Financial Information

	Q2 2009	Q1 2009	Q2 2009	Q2 2008
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue				
International marketplace	574,766	505,559	574,766	469,358
China marketplace	333,503	301,074	333,503	265,726
Total revenue	908,269	806,633	908,269	735,084
Cost of revenue	(130,936)	(108,824)	(130,936)	(91,638)
Gross profit	777,333	697,809	777,333	643,446
Sales and marketing expenses	(378,081)	(288,963)	(378,081)	(240,762)
Product development expenses	(75,893)	(60,539)	(75,893)	(37,457)
General and administrative expenses	(95,424)	(83,885)	(95,424)	(76,909)
Other operating income, net	59,751	12,325	59,751	50,819
Profit from operations	287,686	276,747	287,686	339,137
Finance income, net	35,694	38,978	35,694	115,073
Share of losses of associated companies, net of tax	(9,800)	(11,027)	(9,800)	–
Profit before income taxes	313,580	304,698	313,580	454,210
Income tax charges	(52,842)	(51,296)	(52,842)	(57,746)
Profit attributable to equity owners of the Company	260,738	253,402	260,738	396,464
Special cash dividends	888,512	–	888,512	–
Earnings per share, basic (RMB)	RMB5.18 cents	RMB5.02 cents	RMB5.18 cents	RMB7.85 cents
Earnings per share, diluted (RMB)	RMB5.13 cents	RMB5.01 cents	RMB5.13 cents	RMB7.84 cents
Earnings per share, basic (HK\$ equivalent)⁽ⁱ⁾	HK\$5.88 cents	HK\$5.69 cents	HK\$5.88 cents	HK\$8.77 cents
Earnings per share, diluted (HK\$ equivalent)⁽ⁱ⁾	HK\$5.83 cents	HK\$5.68 cents	HK\$5.83 cents	HK\$8.76 cents

⁽ⁱ⁾ The translation of Renminbi amounts into Hong Kong dollars has been made at the rate of RMB0.8815 and RMB0.8812 to HK\$1.0000 for the first and second quarter of 2009 (second quarter of 2008: RMB0.8920 to HK\$1.0000). No representation is made that the Renminbi amounts have been, could have been or could be converted into Hong Kong dollars or vice versa, at that rate, or at any rate or at all.

	Q2 2009	Q1 2009	Q2 2009	Q2 2008
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue				
International marketplace				
Gold Supplier	559,771	492,683	559,771	452,529
International TrustPass	14,995	12,876	14,995	9,282
Other revenue	–	–	–	7,547
	574,766	505,559	574,766	469,358
China marketplace				
China TrustPass	317,311	288,468	317,311	248,449
Other revenue	16,192	12,606	16,192	17,277
	333,503	301,074	333,503	265,726
Total	908,269	806,633	908,269	735,084
Recurring free cash flow (Non-GAAP)				
Net cash generated from operating activities	464,300	365,706	464,300	303,672
Purchase of property and equipment, excluding payment for land use rights and construction costs of corporate campus project	(37,643)	(22,793)	(37,643)	(27,475)
Total	426,657	342,913	426,657	276,197
Share-based compensation expense	49,198	39,176	49,198	49,225
Cash and bank balances	7,101,043	6,948,025	7,101,043	5,772,480
Deferred revenue and customer advances	2,718,773	2,447,401	2,718,773	1,987,830

Other Information

SPECIAL DIVIDEND

In celebration of our 10th anniversary, the board of directors of Alibaba.com Limited (“Company”, together with its subsidiaries, “Group”) has resolved to pay a special dividend of 20 Hong Kong cents per share to shareholders whose names appear on the register of members of our Company as of the close of business on August 31, 2009. This special dividend is expected to be paid to our shareholders on or around September 9, 2009. Going forward, our board of directors will regularly review our dividend policy having given due consideration to our cash position, distributable reserves and alternative investment opportunities in businesses that may further enhance shareholders’ return in the long run.

CLOSURE OF REGISTER OF MEMBERS

The register of members of our Company will be closed from Thursday, August 27, 2009 to Monday, August 31, 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the special dividend, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with our branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, August 26, 2009.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of June 30, 2009, the interests and short positions of our directors and chief executives in the shares, underlying shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), as recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO, or as otherwise notified to our Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code for Securities Transactions”) set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

(1) Long positions in ordinary shares of HK\$0.0001 each of our Company (“Shares”):

Name of Director	Capacity/ nature of interest	Number of Shares/ underlying Shares held		Notes	Approximate percentage of our Company's issued share capital
			Total		
DENG Kangming	Beneficial owner	3,660,000			
	Interest of controlled corporation	3,485,500	7,145,500	(1)	0.14%
KWAN Ming Sang, Savio	Interest of controlled corporation	9,600,000	9,600,000	(2)	0.19%
KWAUK Teh Ming, Walter	Beneficial owner	100,000	100,000		0.00%
LEE Shi-Huei, Elvis	Beneficial owner	10,948,900	10,948,900	(3)	0.22%
MA Yun, Jack	Beneficial owner	28,369,053	28,369,053		0.56%
NIU Gen Sheng	Beneficial owner	100,000	100,000		0.00%
	Beneficial owner	4,125,000			
PENG Yi Jie, Sabrina	Interest of controlled corporation	1,000,000	5,125,000	(4)	0.10%
	Interest of spouse	120,000			
TSAI Chung, Joseph	Interest of controlled corporation	11,401,560	11,521,560	(5)	0.23%
	Beneficial owner	94,000	94,000		0.00%
TSOU Kai-Lien, Rose	Beneficial owner	740,000	740,000		0.01%
TSUEI, Andrew Tien Yuan	Beneficial owner	512,000			
WEI Zhe, David	Interest of controlled corporation	48,250,000	48,762,000	(6)	0.97%
	Beneficial owner	148,000			
WU Wei, Maggie	Interest of controlled corporation	9,650,000	9,798,000	(7)	0.19%

Notes:

- (1) These securities represent (a) share options and RSUs (as defined at page 46) in respect of 3,560,000 and 100,000 underlying Shares respectively granted by our Company to Mr. Deng; (b) 2,635,500 Shares held through Infogrand Technology Limited (a company owned by a trust established by Mr. Deng for the benefit of his family); and (c) relevant interests in respect of 850,000 underlying Shares held by Direct Solutions Management Limited, which were owned by Infogrand Technology Limited for the benefit of Mr. Deng pursuant to the pre-IPO share incentive scheme of Alibaba Group Holding Limited (“Alibaba Group”), our ultimate holding company.
- (2) These securities represent 9,600,000 Shares held by CSS Development Limited (a company controlled by Mr. Kwan and ultimately owned by a trust established by Mr. Kwan for the benefit of his family).
- (3) These securities represent (a) 1,948,900 Shares held by Mr. Lee and (b) share options in respect of 9,000,000 underlying Shares granted by our Company to Mr. Lee.
- (4) These securities represent (a) 1,175,000 Shares held by Ms. Peng; (b) relevant interests in respect of 1,000,000 underlying Shares held by Direct Solutions Management Limited, which were owned by Netyan Enterprises Ltd. for the benefit of Ms. Peng pursuant to the pre-IPO share incentive scheme of Alibaba Group; and (c) share options in respect of 2,950,000 underlying Shares granted by our Company to Ms. Peng.

Other Information

- (5) These securities represent 120,000 Shares held by Clara Wu Ming-Hua (Mr. Tsai's spouse), 3,000,000 Shares held by Parufam Limited (a company ultimately owned by a trust established by a family member of Mr. Tsai in which Mr. Tsai is a beneficiary), 3,140,802 Shares held by MFG Limited (a company ultimately owned by a trust established by Mr. Tsai for the benefit of his family) and 5,260,758 Shares held by MFG II Ltd. (a company ultimately owned by Mr. Tsai).
- (6) These securities represent (a) relevant interests in respect of 48,250,000 underlying Shares held by Direct Solutions Management Limited, which were owned by Maimex Company Limited for the benefit of Mr. Wei pursuant to the pre-IPO share incentive scheme of Alibaba Group; and (b) share options in respect of 512,000 underlying Shares granted by our Company to Mr. Wei.
- (7) These securities represent (a) relevant interests in respect of 9,650,000 underlying Shares held by Direct Solutions Management Limited, which were owned by Sheenson Development Limited for the benefit of Ms. Wu pursuant to the pre-IPO share incentive scheme of Alibaba Group; and (b) share options in respect of 148,000 underlying Shares granted by our Company to Ms. Wu.

(2) Long positions in shares and underlying shares of associated corporations:

(a) Alibaba Group

Name of Director	Interests in shares/ underlying shares	Capacity/ nature of interest	Number of shares/ underlying shares held	Approximate percentage of Alibaba Group's issued share capital		
				Total	Note	
DENG Kangming	Ordinary shares	Beneficial owner	33,916	1,031,000	(1)	0.04%
	Share options	Beneficial owner	997,084			
KWAN Ming Sang, Savio	Ordinary shares	Interest of controlled corporation	5,600,000	12,800,000	(2)	0.54%
	Share options	Interest of controlled corporation	7,200,000			
LEE Shi-Huei, Elvis	Ordinary shares	Beneficial owner	610,583	1,301,800	(3)	0.06%
	Share options	Beneficial owner	691,217			
MA Yun, Jack	Ordinary shares	Beneficial owner	34,726,510	180,870,673	(4)	7.63%
	Share options	Interest of spouse	144,028,496			
		Beneficial owner	2,046,667			
PENG Yi Jie, Sabrina	Ordinary shares	Interest of controlled corporation	52,249	475,000	(5)	0.02%
	Share options	Beneficial owner	422,751			
TSAI Chung, Joseph	Ordinary shares	Beneficial owner	2,522,964	75,329,896	(6)	3.18%
		Interest of spouse	160,000			
	Share options	Beneficial owner	69,426,932			
TSUEI, Andrew Tien Yuan	Ordinary shares	Beneficial owner	320,000	1,120,000	(7)	0.05%
	Share options	Beneficial owner	800,000			
WEI Zhe, David	Share options	Beneficial owner	3,400,000	3,620,000	(8)	0.15%
	Restricted share units	Beneficial owner	220,000			
WU Wei, Maggie	Share options	Beneficial owner	600,000	645,000	(9)	0.03%
	Restricted share units	Beneficial owner	45,000			

Notes:

- (1) These securities represent: (a) 33,916 issued shares of Alibaba Group directly owned by Mr. Deng; and (b) 997,084 outstanding options to purchase shares of Alibaba Group directly issued to Mr. Deng.
- (2) These securities represent (a) 5,600,000 shares of Alibaba Group; and (b) 7,200,000 outstanding options to purchase shares of Alibaba Group, all held by CSS Development Limited (a company controlled by Mr. Kwan and ultimately owned by a trust established by Mr. Kwan for the benefit of his family).
- (3) These securities represent: (a) 610,583 issued shares of Alibaba Group directly owned by Mr. Lee; and (b) 691,217 outstanding options to purchase shares of Alibaba Group directly issued to Mr. Lee.
- (4) These securities represent: (a) 34,726,510 issued shares of Alibaba Group directly owned by Mr. Ma; (b) 2,046,667 outstanding options to purchase shares of Alibaba Group directly issued to Mr. Ma; (c) 91,250,136 issued shares of Alibaba Group held by JC Properties Limited (a company controlled by Zhang Ying, Mr. Ma's spouse and ultimately owned by a trust established for the benefit of certain family members of Mr. Ma); (d) 52,778,360 issued shares of Alibaba Group held by JSP Investment Limited (a company ultimately owned by a trust established for the benefit of certain family members of Zhang Ying); and (e) 69,000 outstanding options to purchase shares of Alibaba Group issued to JSP Investment Limited.
- (5) These securities represent: (a) 422,751 outstanding options to purchase shares of Alibaba Group directly owned by Ms. Peng; and (b) 52,249 issued shares of Alibaba Group held by Netyan Enterprises Ltd. (a company ultimately owned by Ms. Peng).
- (6) These securities represent: (a) 2,522,964 issued shares of Alibaba Group directly owned by Mr. Tsai; (b) 3,220,000 outstanding options to purchase shares of Alibaba Group directly issued to Mr. Tsai; (c) 160,000 issued shares of Alibaba Group directly owned by Clara Wu Ming-Hua, Mr. Tsai's spouse; (d) 17,560,780 issued shares of Alibaba Group held by MFG Limited (a company ultimately owned by a trust established by Mr. Tsai for the benefit of his family); (e) 22,905,952 issued shares of Alibaba Group held by Parufam Limited (a company ultimately owned by a trust established by a family member of Mr. Tsai in which Mr. Tsai is a beneficiary); and (f) 28,960,200 issued shares of Alibaba Group held by PMH Holding Limited (a company ultimately owned by a trust established by Mr. Tsai for the benefit of his family).
- (7) These securities represent (a) 320,000 shares of Alibaba Group directly held by Mr. Tsuei; and (b) 800,000 outstanding options to purchase shares of Alibaba Group directly issued to Mr. Tsuei.
- (8) These securities represent options and restricted share units in respects of 3,400,000 and 220,000 underlying shares of Alibaba Group respectively granted by Alibaba Group to Mr. Wei.
- (9) These securities represent options and restricted share units in respects of 600,000 and 45,000 underlying shares of Alibaba Group respectively granted by Alibaba Group to Ms. Wu.

Other Information

(b) 杭州阿里巴巴廣告有限公司

Name of Director	Interests in shares/ underlying shares/ amount of registered capital	Capacity/ nature of interest	Number of shares/ underlying shares/ amount of registered capital held	Approximate percentage of our associated corporation's issued share capital/total registered capital
MA Yun, Jack	Registered capital	Beneficial owner	RMB8,000,000 (Note)	80%

Note: The total registered capital is RMB10,000,000.

(c) 北京阿里巴巴信息技術有限公司

Name of Director	Interests in shares/ underlying shares/ amount of registered capital	Capacity/ nature of interest	Number of shares/ underlying shares/ amount of registered capital held	Approximate percentage of our associated corporation's issued share capital/total registered capital
MA Yun, Jack	Registered capital	Beneficial owner	RMB8,000,000 (Note)	80%

Note: The total registered capital is RMB10,000,000.

(d) 杭州口口相傳網絡技術有限公司

Name of Director	Interests in shares/ underlying shares/ amount of registered capital	Capacity/ nature of interest	Number of shares/ underlying shares/ amount of registered capital held	Approximate percentage of our associated corporation's issued share capital/total registered capital
MA Yun, Jack	Registered capital	Beneficial owner	RMB800,000 (Note)	80%

Note: The total registered capital is RMB1,000,000.

(e) 杭州阿里科技有限公司

Name of Director	Interests in shares/ underlying shares/ amount of registered capital	Capacity/ nature of interest	Number of shares/ underlying shares/ amount of registered capital held	Approximate percentage of our associated corporation's issued share capital/total registered capital
MA Yun, Jack	Registered capital	Beneficial owner	RMB1,480,000 (Note)	80%

Note: The total registered capital is RMB1,850,000.

(f) 杭州阿里創業投資有限公司

Name of Director	Interests in shares/ underlying shares/ amount of registered capital	Capacity/ nature of interest	Number of shares/ underlying shares/ amount of registered capital held	Approximate percentage of our associated corporation's issued share capital/total registered capital
MA Yun, Jack	Registered capital	Beneficial owner	RMB40,000,000 (Note)	80%

Note: The total registered capital is RMB50,000,000.

(g) 杭州阿里信息服務有限公司

Name of Director	Interests in shares/ underlying shares/ amount of registered capital	Capacity/ nature of interest	Number of shares/ underlying shares/ amount of registered capital held	Approximate percentage of our associated corporation's issued share capital/total registered capital
MA Yun, Jack	Registered capital	Beneficial owner	RMB8,000,000 (Note)	80%

Note: The total registered capital is RMB10,000,000.

Save as disclosed above, as of June 30, 2009, none of our directors or chief executives had registered any interest or short position in the shares, underlying shares or debentures of our Company or any of our associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions.

Other Information

SHARE-BASED INCENTIVE SCHEMES

1. Restricted share unit scheme

We adopted a restricted share unit scheme (the "RSU Scheme") by a resolution of our then sole shareholder and a resolution of our board, both on October 12, 2007. The RSU Scheme was amended by a resolution of our shareholders at our annual general meeting held on May 5, 2008. Details of these amendments were set out in our circular to shareholders dated April 10, 2008. The purpose of the RSU Scheme is to attract and retain the best available personnel by providing additional incentives to employees, consultants or advisors to our Group, third party suppliers or providers of goods and/or services to any member of our Group, customers of our Group, any third party that promotes the sales and marketing of the goods or services of, or provides any promotional support to, our Group, or any other third party group or class of persons or entities from time to time determined by our directors as having contributed or may contribute by way of joint venture or co-operation to the development and growth of our Group. The RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

Pursuant to the listing approval issued by the Stock Exchange on November 5, 2007, the total number of Shares that may be the subject of grant under the Share Option Scheme (as defined at page 48) and the RSU Scheme must not, in aggregate, exceed 135,100,000 Shares, representing approximately 2.67% of the issued share capital of our Company at the time of our listing. At the annual general meeting held on May 8, 2008, our shareholders approved a scheme mandate for the RSU Scheme of 125,292,527 Shares, representing approximately 2.48% of the issued share capital of our Company as at the date of the said 2008 annual general meeting. Pursuant to our shareholders' resolution passed at the annual general meeting on May 7, 2009, the total number of Shares that may be the subject of grant under the Share Option Scheme and the RSU Scheme must not, in aggregate, exceed 75,002,995 Shares, representing approximately 1.49% of the issued share capital of our Company as of the date of the said 2009 annual general meeting and June 30, 2009.

Particulars and movements of the restricted share units ("RSUs") under the RSU Scheme during the six months ended June 30, 2009 are as follows:

Name or category of participant	Number of RSUs				Outstanding as of 30/06/2009	Date of grant (DD/MM/YYYY)	Vesting schedule (Note)
	Outstanding as of 01/01/2009	Granted during the period	Vested during the period	Cancelled during the period			
Directors							
DENG Kangming (Note 1)	-	100,000	-	-	100,000	23/01/2009	(2)(b)
Sub-total	-	100,000	-	-	100,000		
Others							
Employees	3,600,409	-	(897,554)	(137,995)	2,564,860	01/02/2008	(2)(b)
	233,136	-	(58,278)	(14,529)	160,329	20/06/2008	(2)(b)
	230,000	-	-	-	230,000	17/12/2008	(2)(a)
	-	5,675,000	(2,800)	(248,100)	5,424,100	23/01/2009	(2)(b)
	-	5,371,456	-	(123,260)	5,248,196	06/02/2009	(2)(b)
	-	2,907,240	-	(168,500)	2,738,740	01/04/2009	(2)(a)&(b)
Sub-total	4,063,545	13,953,696	(958,632)	(692,384)	16,366,225		
Total	4,063,545	14,053,696	(958,632)	(692,384)	16,466,225		

Notes:

(1) These RSUs were granted to Deng Kangming on January 23, 2009 prior to his becoming a director of our Company on May 7, 2009.

(2) (a) **On-hire grant**

The vesting period for all on-hire grant to employees commences on the hiring date of the relevant employee, and the first vesting date is two years after the hiring date.

Date	Percentage to become vested	
	For the period	Cumulative
First vesting date	50%	50%
One year after the first vesting date	25%	75%
Two years after the first vesting date	25%	100%

(b) **Performance grant and special grant**

The vesting period of the performance grant and special grant of RSUs commences on the date of grant, and the first vesting date is one year after such commencement date.

Date	Percentage to become vested	
	For the period	Cumulative
First vesting date	25%	25%
One year after the first vesting date	25%	50%
Two years after the first vesting date	25%	75%
Three years after the first vesting date	25%	100%

Other Information

2. Share option scheme

We also adopted a share option scheme (the "Share Option Scheme") by a resolution of our then sole shareholder and a resolution of our board (both on October 12, 2007) effective on the date of our listing. The purpose of the Share Option Scheme is to attract skilled and experienced personnel, to incentivize them to remain with our Company and to give effect to our customer-focused corporate culture, and to motivate them to strive for our future development and expansion by providing them with the opportunity to acquire our equity interests.

Particulars and movements of share options under the Share Option Scheme during the six months ended June 30, 2009 are as follows:

Name or category of participant	Number of share options						Date of grant (DD/MM/YYYY)	Exercise period (DD/MM/YYYY)	Vesting period (Note)	Subscription price per Share (HK\$)	Price	Price
	Outstanding as of 01/01/2009	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as of 30/06/2009					immediately preceding the grant date of share options (Note 2) (HK\$)	immediately preceding the exercise date of share options (Note 3) (HK\$)
Directors												
DENG Kangming (Note 4)	360,000	–	–	–	–	360,000	01/02/2008	01/02/2009–01/02/2014	(1)(b)(i)	19.86	18.46	N/A
	–	200,000	–	–	–	200,000	23/01/2009	23/01/2010–23/01/2015	(1)(b)(i)	5.71	5.61	N/A
	–	3,000,000	–	–	–	3,000,000	01/04/2009	01/04/2010–01/04/2015	(1)(c)	7.25	7.12	N/A
LEE Shi-Huei, Elvis (Note 4)	–	9,000,000	–	–	–	9,000,000	01/04/2009	01/04/2010–01/04/2015	(1)(c)	7.25	7.12	N/A
PENG Yi Jie, Sabrina	225,000	–	–	–	–	225,000	01/02/2008	01/02/2009–01/02/2014	(1)(b)(i)	19.86	18.46	N/A
	–	225,000	–	–	–	225,000	23/01/2009	23/01/2010–23/01/2015	(1)(b)(i)	5.71	5.61	N/A
	–	2,500,000	–	–	–	2,500,000	01/04/2009	01/04/2010–01/04/2015	(1)(c)	7.25	7.12	N/A
WEI Zhe, David	512,000	–	–	–	–	512,000	01/02/2008	01/02/2009–01/02/2014	(1)(b)(i)	19.86	18.46	N/A
WU Wei, Maggie	74,000	–	–	–	–	74,000	01/02/2008	01/02/2009–01/02/2014	(1)(b)(i)	19.86	18.46	N/A
	–	74,000	–	–	–	74,000	23/01/2009	23/01/2010–23/01/2015	(1)(b)(i)	5.71	5.61	N/A
Sub-total	1,171,000	14,999,000	–	–	–	16,170,000						
Others												
Employees	4,269,500	–	–	(298,750)	–	3,970,750	01/02/2008	12/11/2009–01/02/2014	(1)(a)(i)	19.86	18.46	N/A
								01/02/2009–01/02/2014	(1)(b)(i)			
	2,360,000	–	–	(220,000)	–	2,140,000	20/06/2008	28/01/2010–20/06/2014	(1)(a)(i)	12.74	12.00	N/A
	7,007,000	–	(2,437)	(444,938)	(82,000)	6,477,625	17/12/2008	02/10/2008–17/12/2014	(1)(a)(ii)	5.54	5.50	14.74
								12/11/2009–17/12/2014	(1)(a)(i)			
	–	3,494,700	–	(140,000)	–	3,354,700	23/01/2009	23/01/2010–23/01/2015	(1)(b)(i)	5.71	5.61	N/A
	–	7,796,000	–	(85,000)	(20,000)	7,691,000	01/04/2009	19/12/2010–01/04/2015	(1)(a)(i)	7.25	7.12	N/A
								06/02/2010–01/04/2015	(1)(b)(ii)			
								01/04/2010–01/04/2015	(1)(c)			
Sub-total	13,636,500	11,290,700	(2,437)	(1,188,688)	(102,000)	23,634,075						
Total	14,807,500	26,289,700	(2,437)	(1,188,688)	(102,000)	39,804,075						

Notes:

- (1) All share options granted are subject to a vesting schedule depending on the nature of the grant:

(a) On-hire grant

- (i) The vesting period for all on-hire grant to employees joining our Group after our initial public offering commences on the hiring date of the relevant employee, and the first vesting date is two years after the hiring date.

Date	Percentage that can be exercised	
	For the period	Cumulative
First vesting date	50%	50%
One year after the first vesting date	25%	75%
Two years after the first vesting date	25%	100%

- (ii) The vesting period for all on-hire grant to employees joining our Group before our initial public offering commences on the hiring date of the relevant employees, and the first vesting date is one year after the hiring date.

Date	Percentage that can be exercised	
	For the period	Cumulative
First vesting date	25%	25%
One year after the first vesting date	25%	50%
Two years after the first vesting date	25%	75%
Three years after the first vesting date	25%	100%

(b) Performance grant

- (i) The vesting period of this performance grant of share options commences on the date of grant, and the first vesting date is one year after such commencement date.

Date	Percentage that can be exercised	
	For the period	Cumulative
First vesting date	25%	25%
One year after the first vesting date	25%	50%
Two years after the first vesting date	25%	75%
Three years after the first vesting date	25%	100%

Other Information

- (ii) The vesting period of this performance grant commences on February 6, 2009, and the first vesting date is one year after such commencement date.

Date	Percentage that can be exercised	
	For the period	Cumulative
First vesting date	25%	25%
One year after the first vesting date	25%	50%
Two years after the first vesting date	25%	75%
Three years after the first vesting date	25%	100%

(c) Special grant

The vesting period of all special grant (i.e. any grant made other than for hiring or rewarding performance) of share options commences on the date of grant, and the first vesting date is one year after the date of grant.

Date	Percentage that can be exercised	
	For the period	Cumulative
First vesting date	25%	25%
One year after the first vesting date	25%	50%
Two years after the first vesting date	25%	75%
Three years after the first vesting date	25%	100%

Any share options not exercised at the end of each exercise period shall lapse automatically.

- (2) This represents the closing price of the Shares quoted on the Stock Exchange on the trading day immediately prior to the date of grant of the share options.
- (3) This represents the weighted average closing price of the Shares immediately before the date on which the options were exercised.
- (4) Both DENG Kangming and LEE Shi-Huei, Elvis were appointed directors of our Company with effect from May 7, 2009.

- (5) The weighted average fair value of share options granted under the Share Options Scheme on February 1, 2008, June 20, 2008, December 17, 2008, January 23, 2009 and April 1, 2009 measured as of the date of grant, were approximately HK\$6.43, HK\$5.14, HK\$2.33, HK\$2.44 and HK\$3.08 respectively. The following significant assumptions were used to derive the fair values, using the Black-Scholes option pricing model:

Date of grant	01/02/2008		20/06/2008	17/12/2008	23/01/2009		01/04/2009	
	On-hire grant	Performance grant	On-hire grant	On-hire grant	Performance grant	On-hire grant	Performance grant	Special grant
Type of grant								
Expected volatility (%)	45.86	45.91	50.80	50.92-50.94	52.59	52.12	51.75	51.75
Expected life (in years)	4.38	4.25	4.38	4.25-4.38	4.25	4.38	4.25	4.25
Risk-free interest rate (%)	1.96	1.94	3.50	1.20-1.21	1.17	1.49	1.47	1.47
Expected dividend yield (%)	0	0	0	0	0	0	0	0

In total, share-based compensation expense of RMB88.4 million was included in the consolidated income statement for the six months ended June 30, 2009 (six months ended June 30, 2008: RMB94.1 million). These expenses included the amortization of the fair value of certain share-based awards in the form of share options and RSUs granted to our Company's employees under the share incentive schemes and pre-IPO share incentive scheme maintained by Alibaba Group.

Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2009, the following are the persons, other than the directors or chief executives of our Company, who had interests or short positions in the Shares and underlying Shares as recorded in the register of interests required to be kept by our Company pursuant to Section 336 of Part XV of the SFO:

Name	Capacity	Long position/ short position	No. and description of Shares or debentures	Total	Approximate percentage of our Company's issued share capital (Note 6)
Alibaba Group	Beneficial owner	Long position	3,729,094,460 Shares (Note 1)	3,729,094,460 Shares	74.00%
	Beneficial owner	Short position	111,026,485 Shares (Note 2)	111,026,485 Shares	2.20%
Yahoo! Inc.	Beneficial owner	Long position	57,481,000 Shares		
	Interest of controlled corporation	Long position	3,729,094,460 Shares (Note 3)	3,786,575,460 Shares	75.14%
	Interest of controlled corporation	Short position	111,026,485 Shares (Note 4)	111,026,485 Shares	2.20%
SOFTBANK CORP.	Interest of controlled corporation	Long position	3,729,094,460 Shares (Note 5)	3,729,094,460 Shares	74.00%
	Interest of controlled corporation	Short position	111,026,485 Shares (Note 4)	111,026,485 Shares	2.20%

Notes:

- (1) These include 111,026,485 Shares held by Alibaba Group which will be transferred to employees pursuant to the Employee Equity Exchange, the pre-IPO share incentive scheme and other share award schemes of Alibaba Group.
- (2) These represent Shares subject to the Employee Equity Exchange, the pre-IPO share incentive scheme and other share award schemes of Alibaba Group.
- (3) These 3,729,094,460 Shares were beneficially owned by Alibaba Group. As Yahoo! Inc., directly or indirectly through its wholly-owned subsidiaries, owns more than one-third of the shares in Alibaba Group, it was deemed to be interested in all Shares held by Alibaba Group under the SFO.
- (4) These represent the same 111,026,485 Shares subject to the Employee Equity Exchange, the pre-IPO share incentive scheme and other share award schemes of Alibaba Group as set out in Note (2) above.
- (5) These 3,729,094,460 Shares were beneficially owned by Alibaba Group. As SOFTBANK CORP., directly or indirectly through its wholly-owned subsidiaries, owns more than one-third of the shares in Alibaba Group, it was deemed to be interested in all Shares held by Alibaba Group under the SFO.
- (6) Our Company's total issued shares as of June 30, 2009 was 5,039,317,569.

Save as disclosed above, as of June 30, 2009, no person, other than our directors whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had registered an interest or short positions in the Shares or underlying Shares that were required to be recorded pursuant to Section 336 of Part XV of the SFO.

CODE ON CORPORATE GOVERNANCE PRACTICES

We are committed to maintaining and upholding good corporate governance in order to protect the interests of our customers, employees and shareholders. Our board of directors sets high standards for our employees, senior management and directors. We abide strictly by the laws and regulations of the PRC and the other jurisdictions where we operate, and we observe the guidelines and rules issued by regulatory authorities relevant to our business and our Company, including those issued by the PRC Ministry of Information Industry, the Hong Kong Securities and Futures Commission and the Stock Exchange.

Throughout the six months ended June 30, 2009, we have applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

We have adopted our own Guidelines on Dealing in Securities on terms no less exacting than the required standard set out in the Model Code for Securities Transactions as set out in Appendix 10 of the Listing Rules in respect of dealings by our directors and relevant employees in the securities of our Company.

According to our specific enquiry, all directors have confirmed their compliance with the required standard set out in our Guidelines and the Model Code for Securities Transactions throughout the six months ended June 30, 2009.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended June 30, 2009, our Company purchased 11,000,000 Shares at prices ranging from HK\$5.47 to HK\$7.50 per Share on the Stock Exchange. The repurchases were made by our directors with a view to enhancing shareholder value in the long term.

Particulars of the repurchases were as follows:

Date (MM/YYYY)	Number of Shares repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Aggregate consideration paid (excluding expenses) (HK\$)
01/2009	1,000,000	5.50	5.47	5,497,830
02/2009	10,000,000	7.50	6.94	73,424,875
Total	11,000,000			78,922,705

The repurchased Shares were cancelled and accordingly, the issued share capital of our Company was diminished by the nominal value thereof. The premium payable on repurchase was charged against the share premium account of our Company.

Save as disclosed above, neither our Company nor any of our subsidiaries purchased, sold or redeemed any of the listed securities of our Company during the six months ended June 30, 2009.

Other Information

REVIEW OF FINANCIAL STATEMENTS

We have established an audit committee with written terms of reference. The principal duties of our audit committee include the review of our audit plan and process with the auditors, the independence of auditors, our financial statements and our system of internal control. Our audit committee has three non-executive directors (two out of three are independent non-executive directors), namely KWAUK Teh Ming, Walter (committee chairman), TSAI Chung, Joseph and KWAN Ming Sang, Savio.

Our interim results for the six months ended June 30, 2009 were reviewed by our audit committee, which was of the opinion that the preparation of the interim results complied with the applicable accounting standards and requirements and that adequate disclosures were made. Our interim financial statements have not been audited but have been reviewed by our external auditors.

Corporate Information

BOARD OF DIRECTORS

Chairman and Non-executive Director

MA Yun, Jack

Executive Directors

WEI Zhe, David (*Chief Executive Officer*)

WU Wei, Maggie (*Chief Financial Officer*)

LEE Shi-Huei, Elvis (*Chief Operating Officer*)

DENG Kangming

PENG Yi Jie, Sabrina

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

BOARD COMMITTEES

Audit Committee

KWAUK Teh Ming, Walter (*Chairman*)

TSAI Chung, Joseph

KWAN Ming Sang, Savio

Remuneration Committee

NIU Gen Sheng (*Chairman*)

KWAUK Teh Ming, Walter

TSAI Chung, Joseph

Nomination Committee

MA Yun, Jack (*Chairman*)

NIU Gen Sheng

KWAN Ming Sang, Savio

Investment Management Committee

TSAI Chung, Joseph (*Chairman*)

MA Yun, Jack

WEI Zhe, David

WU Wei, Maggie

TSUEI, Andrew Tien Yuan

AUTHORIZED REPRESENTATIVES

WU Wei, Maggie

CHOW LOK Mei Ki, Cindy

QUALIFIED ACCOUNTANT

CHOW LOK Mei Ki, Cindy *CPA (Hong Kong), CPA (USA)*

COMPANY SECRETARY

WONG Lai Kin, Elsa *Solicitor (Hong Kong)*

AUDITORS

PricewaterhouseCoopers

Certified Public Accountants

LEGAL ADVISERS

Freshfields Bruckhaus Deringer (*as to Hong Kong law*)

Fangda Partners (*as to PRC law*)

Maples and Calder (*as to Cayman Islands law*)

Corporate Information

PRINCIPAL BANKERS IN CHINA (IN ALPHABETICAL ORDER)

Bank of China Limited
China Merchants Bank
Industrial and Commercial Bank of China Ltd.

PRINCIPAL BANKER IN HONG KONG

The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Trident Trust Company (Cayman) Limited
Fourth Floor, One Capital Place
P.O. Box 847GT Grand Cayman
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

20th Floor, Jubilee Centre
18 Fenwick Street
Wanchai
Hong Kong

PRINCIPAL PLACE OF BUSINESS OF MAJOR SUBSIDIARIES IN CHINA

No. 699, Wangshang Road
Binjiang District
Hangzhou 310052
China

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Trustee (Cayman) Limited
PO Box 484, HSBC House
68 West Bay Road
Grand Cayman, KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

WEBSITE ADDRESS

www.alibaba.com (*international marketplace*)
www.alibaba.com.cn (*China marketplace*)
www.alibaba.co.jp (*Japan marketplace*)

STOCK CODE

Hong Kong Stock Exchange	1688
Bloomberg	1688 HK
Reuters	1688.HK



