

**Alibaba founder eyes US listing – and next challenge**  
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The outspoken founder of Chinese e-commerce company Alibaba, Jack Ma (pic), threw down a challenge to the world's global Internet giants as his firm moves towards a huge US stock offer.

In a memo sent to employees yesterday minutes before Alibaba filed documents to the US Securities and Exchange Commission for its initial public offering (IPO), Ma described the listing as a "filling station" on the way to future development.

The listing plans indicate Alibaba will raise at least US\$1 billion (RM3.25 billion), but analysts say the offer could raise around US\$15 billion, putting it on par with Facebook's US\$16 billion IPO in 2012.

Analysts estimate the stock offer could value Alibaba from US\$100 billion to US\$200 billion or even more.

"Fifteen years ago, Alibaba's 18 founders were determined to set up a global Internet company originated by Chinese people, with hopes it would become one of the world's top ten Internet companies, a company which will exist for 102 years," said Ma – a lifespan stretching into three different centuries.

Alibaba declined to confirm the authenticity of the memo, but it was widely quoted by Chinese state media today. Alibaba has more than 20,000 employees.

The group includes Tmall.com for business-to-consumer transactions and Taobao, China's most popular online consumer marketplace with hundreds of millions of products and services listed – estimated to hold more than 90% of the online market for consumer-to-consumer transactions.

A diminutive former English teacher, Ma set up Alibaba in 1999, convincing friends to fund him with US\$60,000 and picking a recognisable name with the aim of helping small firms "search for treasure" – the meaning of "taobao" – by selling through the Internet.

Ma, who holds an 8.9% stake in Alibaba before the listing, stepped down as Alibaba's chief executive officer last year but remains chairman, providing strategic direction.

Alibaba is often described as China's version of Amazon or eBay, since it has elements of both those firms but suited to the domestic market.

This includes putting less emphasis on online auctions – which are shunned by budget-conscious Chinese consumers – and setting up a homegrown online payments system.

It took on eBay in China over a decade ago, essentially forcing the US company to retreat.

Analysts said it remains to be seen if Alibaba can grow its international business – though the very size of the Chinese market, with its more than 600 million Internet users, gives it enormous stature.

"It's a very strong player in China, a little weak on mobile initiatives, very strong in payments," said Trip Chowdhry, an analyst with Global Equities Research. "It may be a little premature to extrapolate the success of Alibaba outside China."

Ma warned there was no room for complacency after the listing.

"Lying behind the massive allure of the capital market, there is unparalleled ruthlessness and pressure," Ma said.

He also delivered an unusual message to future shareholders, underlining his belief that a "customers come first" policy will create value.

"After listing, we will still maintain the principle of 'customers first, employees second and shareholders third'," Ma said.

"We believe no matter how difficult the decision, in the past or still in the future, maintaining principles is the greatest respect and protection for the benefit of all," he added.

Alibaba has engaged in some public clashes in its 15-year history.

Originally exploring a Hong Kong offer instead of the United States, talks between Alibaba and the Hong Kong Stock Exchange for the listing broke down last year, in part because the territory's listing rules prevented Ma and senior management from retaining some control over the board of directors. Ma has made no secret of tensions with major investor Yahoo, a relationship which has foundered as Alibaba has grown.

Yahoo now holds around a 23% share in Alibaba but is expected to sell down that stake through the IPO.

The US firm originally bought 40% of Alibaba in 2005 for US\$1 billion and stands to reap a hefty profit from the investment.

The Alibaba founder dismayed Yahoo and another investor in the company, Japan's SoftBank, when he spun off third-party payments platform Alipay into a company he mostly owns, which Ma said was necessary to conform to Chinese regulations. The dispute was resolved through negotiations in 2011.  
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