

## Alibaba buys NetEase's import e-commerce unit for \$2bn

September 6 2019

---



Alibaba will pay \$2 billion for Kaola and invest \$700 million in NetEase Cloud Music

Alibaba Group has bought the e-commerce platform of NetEase for about \$2 billion and will participate in a \$700 million investment in

NetEase's music streaming service, the two Chinese firms said on Friday.

The move will see e-commerce titan Alibaba take control of Kaola, one of China's top online shopping platforms for foreign brands.

The two US-listed internet giants said Kaola would continue to operate independently under its current brand but Alvin Liu, an executive with Alibaba's Tmall platform, would take over as chief executive.

Alibaba and NetEase also have reached an agreement under which Alibaba—along with co-founder Jack Ma's private equity firm Yunfeng Capital—would invest approximately \$700 million in NetEase Cloud Music in its latest round of financing.

The deal is expected to boost Alibaba in its battle against Chinese rivals such as JD.com and Pinduoduo to remain the country's top [brand](#) for e-shopping.

Alibaba and Kaola account for more than half of transactions involving foreign brands.

"Alibaba is confident about the future of China's import [e-commerce](#) market, which we believe remains in its infancy with great growth potential," said Alibaba CEO Daniel Zhang.

The deal comes just days ahead of Ma's planned departure as Alibaba chairman next week, when he plans to pursue private education initiatives.

© 2019 AFP

Citation: Alibaba buys NetEase's import e-commerce unit for \$2bn (2019, September 6)

retrieved 20 April 2024 from

<https://techxplore.com/news/2019-09-alibaba-netease-import-e-commerce-2bn.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.