

## **Cainiao-led Joint Venture to Build New Logistics Hub at HK International Airport**

- ***US\$1.5 billion investment another milestone in its smart logistics network***
- ***Supports global SMEs in cross-border e-commerce***

**Hangzhou, China, June 6, 2018** – Cainiao Network (“Cainiao”), the logistics arm of Alibaba Group, announced today that it will lead a joint venture to invest approximately US\$1.5 billion (approximately HK\$12 billion) to build a world-class digital logistics center at Hong Kong International Airport, the world’s busiest cargo airport.

Cainiao will lead the project through its controlling joint venture with China National Aviation Corporation (Group) Limited and YTO Express. The companies hold a 51%, 35% and 14% stake in the joint venture respectively.

With advanced environmental protection standards and state-of-the-art technologies, such as automated warehousing and temperature-control solutions, the center will be put into operation in 2023 with an estimated gross floor area of 380,000 square meters. It will include air cargo processing center, sorting center and order fulfilment center, among other functions. The center will handle tens of millions of parcels every year to meet the surging cross-border e-commerce needs of global SMEs, bringing an incremental cargo volume of approximately 1.7 million tonnes per annum to the Hong Kong International Airport when the center operates in full capacity, and reinforcing the city’s position as a key gateway in the global logistics chain.

The move forms part of Cainiao’s broader effort to expand and strengthen its global logistics network. Just last week, Cainiao unveiled plans to open five hubs in five cities around the world – Dubai, Hangzhou, Kuala Lumpur, Liège (Belgium) and Moscow. The new Hong Kong hub will mark another enhancement to this network. It is also part of Alibaba’s commitment to invest more than 100 billion yuan in an efficient smart logistics network that drives 24-hour delivery in China and 72-hour delivery to the rest of the world.

“The Hong Kong hub will be yet another milestone on our way to achieving our goal of 72-hour global delivery, and will further empower SMEs locally and globally to more readily tap the benefits of more inclusive globalization through cross-border e-commerce,” said Wan Lin, President of Cainiao Network. “The Hong Kong International Airport has been the world’s busiest cargo airport for many years. As an important gateway for global goods to enter the mainland China market and vice versa, Hong Kong is of strategic importance to Cainiao and we have a strong commitment to help the city address the surging needs of the future.”

Cainiao already has three Global Fulfillment Centers in Hong Kong which are operated by its partners. As well, Cainiao opened an airfreight route between Hong Kong and Belgium last month. This is its second such international airfreight route specially for e-commerce parcels following the opening of its Hangzhou-Moscow route earlier this year.

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### **About Cainiao Network**

Cainiao Network is dedicated to meeting the current and future logistics demands of China's online and mobile commerce sector. It operates a logistics data platform that leverages the capacity and capabilities of logistics partners to fulfill transactions between merchants and consumers at a large scale. It also uses data insights and technology to improve efficiency across the logistics value chain. Cainiao Network is a business of Alibaba Group.

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