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CapitaLand marks strategic collaboration with Alibaba Group with agreement to manage Alibaba's Shanghai headquarters and launch of online mall on Lazada Singapore

Alliances underscore the Group's omni-channel strategy to enhance O&O offerings of its real estate business

Singapore, 23 August 2017 – CapitaLand is advancing its omni-channel strategy by forging alliances with two leading e-commerce players in its core markets. In China, CapitaLand has inked an agreement to manage Alibaba Shanghai Center, the e-commerce conglomerate's new Shanghai headquarters comprising four office towers and a retail podium. This marks the start of strategic collaboration between CapitaLand, one of Asia's leading real estate companies; and Alibaba Group, Asia's largest e-commerce company, to reinvent modern retail through the seamless integration of offline and online (O&O) channels.

In Singapore, CapitaLand has signed an agreement to launch an exclusive online mall on Lazada Singapore, which is part of Lazada Group, Southeast Asia's largest e-commerce platform. The shop-in-shop on Lazada.SG will position CapitaLand as Singapore's first omni-channel retail landlord that connects retailers to shoppers both offline and online, complemented by a unique in-mall collection service for shoppers.

Mr Lim Ming Yan, President & Group CEO of CapitaLand Limited, said: "Even as new technologies disrupt traditional business models, real estate remains an important part of a holistic customer journey, as affirmed by leading digital players who are seeking to gain a foothold in the physical space. CapitaLand is excited to collaborate with leading digital economy players like Alibaba and Lazada on this transformational journey and we look forward to creating win-win outcomes for all parties. We will continue to work with our business partners and forge new strategic alliances to future-enable our properties and support our retailers in embracing an omni-channel business model that meets the needs of consumers.

"The key to unlocking the next stage of growth lies in blending physical and digital channels to create a seamless O&O experience that is sought after by consumers. We will continue to leverage digital tools and partner disruptors to strengthen our customer engagement, embrace smart building technologies to uplift the quality of our built environment, and harness data to enhance customer experience at our properties. Neither an offline-only nor online-only business model will work; it is in the combination of O&O where long-term success can be found."

Reinventing physical space to create new O&O experiences

Under the contract with Alibaba, CapitaLand will oversee the pre-opening and management of the shopping podium and one of the four office towers in Alibaba Shanghai Center, which has a total Gross Floor Area (GFA), excluding car park, of about 80,000 square metres (sq m). The four office towers occupy about 60,000 sq m, while the four-storey shopping podium – three levels above ground and one basement level – takes up about 20,000 sq m.

Alibaba Shanghai Center is strategically located in the northern core of Shanghai's Hongqiao Central Business District, less than two kilometres away from Hongqiao Transportation Hub. Slated to open next year, the retail component serves working professionals, and residents living in mid- and high-end housing zones in the vicinity.

Mr Jason Leow, CEO of CapitaLand Mall Asia, said: "CapitaLand is a firm advocate of retail innovation and we champion the reinvention of retail space to keep abreast of changing consumer habits. For example, we are taking the opportunity of redeveloping Funan in Singapore to leapfrog into the future and envision how a shopping mall of the future will look like. In Qingdao, China, we have launched the Group's first smart mall, CapitaMall Xinduxin, which offers integrated O&O experiences through CapitaStar, the Group's digital platform. Now, we are pleased to partner e-commerce powerhouse Alibaba to jointly explore the possibilities in combining bricks with clicks – starting with Alibaba Shanghai Center – and creating new and exciting O&O experiences."

Mr Wang Tao, Head of Intelligent Building at Alibaba Group, said: "Shanghai is one of the important platforms to Alibaba and our new headquarters here will serve as our strategic nerve centre for rolling out our New Retail strategy. We are delighted to partner with CapitaLand on this project, as they are a leading property developer and manager in Asia with industry-leading physical retail capabilities. We believe our collaboration will chart new frontiers in integrating online, offline, logistics and data across a single value chain to meet the needs of consumers. We look forward to deepening our collaboration with CapitaLand in the future."

Connecting retailers to shoppers both offline and online

In line with Singapore's Smart Nation push to reinvent retail, CapitaLand will launch a shop-in-shop aggregating the offerings of retailers in its Singapore malls on Lazada.SG by the end of this year. To facilitate an O&O experience, shoppers who patronise the CapitaLand official store on Lazada.SG will have the option to collect their purchases in CapitaLand malls. In doing so, they will be rewarded with STAR\$[®], the membership points of the CapitaStar programme.

As a start, CapitaLand will roll out two unmanned click-and-collect lounges at Plaza Singapura and Bugis+ for shoppers to collect and return their parcels. In addition to collection lockers, the lounges will feature fitting rooms and a product-testing bench to enhance the overall shopping experience.

Mr Leow said: “As more and more shoppers make purchases both offline and online, we recognise that omni-channel retailing is the way to go for our retailers to maximise their reach and market share. As the owner and manager of Singapore’s largest network of shopping malls, we have thus embarked on creating a digital channel that supports our mall tenants in tapping the growth potential of e-commerce. By leveraging our extensive physical network as a competitive advantage, shoppers will enjoy an additional option of collecting their online purchases in our malls. This unique feature will draw shoppers to our malls and reduce last-mile delivery costs for retailers in the long run.

“We are delighted to partner with Lazada to create an online option for our retailers. By combining our in-mall and digital marketing capability with Lazada’s online assets, our retailers will enjoy comprehensive marketing support in the physical and digital space and get a leg-up in their e-commerce operations.”

Mr Alexis Lanternier, CEO of Lazada Singapore, said: “Lazada entered Singapore just three years ago and today the country is one of our fastest-growing markets in Southeast Asia. Our collaboration with CapitaLand offers shoppers in Singapore the ease of accessing their favourite shops online and enjoying an integrated shopping experience. Shoppers not only have the option of click-and-collect but benefit from free delivery and have 14 days to return their products. This partnership is an important step for Lazada to expand our network of partners as we evolve the e-commerce ecosystem in Singapore.”

Both CapitaLand and Lazada will allocate resources to onboard retailers and promote the platform to shoppers, with the intention of rapidly scaling up the initiative in the next two years.

About CapitaLand Mall Asia

CapitaLand Mall Asia, a wholly owned subsidiary of CapitaLand Limited, is one of the largest shopping mall developers, owners and managers in Asia by total property value of assets and geographic reach. CapitaLand Mall Asia has an integrated shopping mall business model encompassing retail real estate investment, development, mall operations, asset management and fund management capabilities. As at 30 June 2017, it manages a pan-Asian portfolio of 109 shopping malls across 54 cities in Singapore, China, Malaysia, Japan and India, with a gross floor area of approximately 102.4 million sq ft.

Shopping malls in the portfolio include ION Orchard and Plaza Singapura – which are located in one of the world’s most famous shopping streets, Orchard Road – Raffles City Singapore and Clarke Quay in Singapore. Its landmark shopping malls in China are CapitaMall Crystal in Beijing; Hongkou Plaza in Shanghai and Raffles City Shanghai; CapitaMall SKY+ in Guangzhou; and CapitaMall Jinniu in Chengdu. The portfolio also includes Gurney Plaza in Penang, Malaysia; Olinas Mall in Tokyo, Japan; as well as The Forum Sujana Mall in Hyderabad, India.

CapitaLand Mall Asia’s principal business strategy is to invest in, develop and manage a diversified portfolio of real estate used primarily for retail purposes in Asia, and to strengthen its market position as a leading developer, owner and manager of shopping malls in Asia.

About CapitaLand Limited (www.capitaland.com)

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth over S\$80 billion as at 30 June 2017, comprising integrated developments, shopping malls, serviced residences, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 150 cities in over 30 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

CapitaLand's competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

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