



e-Shang and the Redwood Group announce strategic merger

Shanghai, Singapore and Tokyo, 22 January 2016 – Two of the leading developers, owners and operators of logistics real estate in Asia, e-Shang Cayman Ltd (“e-Shang”) and the Redwood Group Asia, Pte. Ltd. (“Redwood”), announced today that the two companies have completed an all-stock merger. Upon completion of the merger, the combined group will be renamed e-Shang Redwood (“ESR”) and will represent one of the largest logistics real estate platforms in Asia with over 3.5 million sqm of projects owned and under development across China, Japan and South Korea, and capital and funds management offices in Hong Kong and Singapore.

On a combined basis, ESR will also immediately have (i) one of the largest development pipelines in each of its markets of operation (totaling approximately 8 million sqm), (ii) leading MNC tenants including Amazon, JD.com, 1haodian, H&M, Carrefour, DB Schenker, Daimler, Askul, and others and (iii) a well-diversified, blue-chip institutional capital partner base including but not limited to APG, PGGM, CPPIB, Morgan Stanley and Goldman Sachs.

e-Shang, founded in 2011 by global private equity firm Warburg Pincus and two highly successful Chinese real estate entrepreneurs, develops institutional-quality warehouses in China and South Korea. Since its inception, e-Shang has grown rapidly and currently has over 2 million sqm of modern logistics warehouses in operation and under development that cater to third-party logistics providers, retailers and e-commerce companies in China. Today, e-Shang is the largest third-party landlord for the leading ecommerce companies as well as for cold-chain logistics, and it has emerged as one of the top owners of modern warehouses across China.

To fund its growth, e-Shang has previously raised capital from its co-founder Warburg Pincus and other world-class investors including Goldman Sachs, APG and CPPIB. In 2014, e-Shang entered the South Korean market, partnering with two experienced local entrepreneurs to build out Kendall Square Logistics Properties and currently has over 600,000 sqm of projects under development and a pipeline of over 1.0 million sqm. In November, e-Shang announced the creation of a US\$500 million joint venture with APG and CPPIB to build out its large pipeline in the Korean market.

Founded in 2006 by Stuart Gibson and Charles de Portes, Redwood is a specialized logistics real estate firm with recognized knowledge and experience that includes in-house development, leasing and asset management with 1.2 million sqm in operation and under development and a large pipeline in the most prime locations across China and Japan.

Redwood’s founders are considered pioneers in the development of institutional-quality warehouses in Asia, having founded both Prologis and AMB platforms in Japan in 1999 and 2003, respectively, and have executed more than US\$4 billion of logistics real estate investments in the region since the late 1990s.

With acceleration of the growth in Redwood’s business, the founders took on Equity International (EI) as a strategic partner in 2013. EI is a leading emerging markets real estate fund chaired and sponsored

by Sam Zell. Redwood also secured other large fund and project-level investment partners including PGGM, Morgan Stanley, PAG and CBRE.

Jeffrey Shen, co-founder and CEO of e-Shang, and Stuart Gibson, co-founder and CEO of Redwood, will serve as co-CEOs of the combined company. In addition to the co-CEOs, Sun Dongping (co-founder and Chairman of e-Shang) and Charles de Portes (co-founder of Redwood who will serve as President of ESR) will comprise a 4-member executive committee that will focus on developing ESR's large pipeline and business initiatives across Asia while continuing to grow its broader team and global capital relationships.

The respective best-in-class senior management teams in each country will remain in place to execute the day-to-day operations from offices in Shanghai, Guangzhou, Hong Kong, Tokyo, Osaka, Seoul and Singapore.

Mr. Shen commented: "The long-term demand for modern warehousing is significant and our vision is to be a "client-first" platform with the goal of identifying and delivering integrated logistics warehousing solutions across Asia Pacific for our clients. The partnership with Redwood will add significant AUM, pipeline and equity relations as well as management and operational expertise to the team and I look forward to working closely with the Redwood founders to take the merged company to the next level as the leading real estate logistics player in the region."

Mr. Sun added: "Both e-Shang and Redwood have built best-in-class platforms in their respective markets and we believe strongly in the potential for the combined company. I would like to personally welcome Stuart, Charles and the larger Redwood family."

Upon completion of the merger, e-Shang and Redwood will have complementary and differentiated geographic footprints to cater to the needs of leading e-commerce players, modern retailers and third party logistics players in China, Japan and South Korea. The merger will provide enhanced operational capabilities and business relationships resulting in better service and added value to clients and investors.

Mr. Gibson and Mr. de Portes made a joint statement: "We are excited to partner with the teams at e-Shang, securing a market-leading position from which to offer our clients high-quality service across Asia and a strong platform for future growth."

Jeffrey Perlman, Managing Director at Warburg Pincus, added: "We continue to strive to build the preeminent logistics platform in Asia and the merger will yield significant benefits for the combined group with enhanced integrated capabilities, deeper capital relationships and greater scale in advance of a targeted IPO."

The rapid growth in e-commerce, greater supply chain efficiencies and consolidation by third-party logistics providers are the major drivers for the growing demand of modern logistics real estate players such as e-Shang and Redwood. The industry estimates that the online retailing sector alone will grow at a CAGR of 31% from 2015 to 2018 in China, 11.3% for Japan and 9.2% in South Korea.

About e-Shang

e-Shang, headquartered in Shanghai, China, is a fully integrated development and investment management business with expertise in a wide real estate spectrum in Asia. e-Shang was co-founded by global private equity firm Warburg Pincus and two Chinese entrepreneurs in 2011, and was invested by the Dutch pension fund asset manager APG Asset Management N.V. in May 2014. Since inception, e-Shang has grown rapidly and currently has 20 e-commerce, retail, cold distribution centers and projects totaling over 2.3 million sqm in operation and under development in China and South Korea. For more information on e-Shang, please visit <http://en.e-shang.com.cn/>

About The Redwood Group

Redwood, founded in 2006 by Charles de Portes and Stuart Gibson, is operated by senior local professionals in Singapore, Japan and China. Redwood, along with its preeminent global institutional investor partners, invests in, develops and manages logistics real estate in the largest metropolitan areas of Asia most tied to and growing fastest with global trade. Additional information about Redwood may be found at: www.redwoodgroup.com. platform represents one of the largest in the Asia-Pacific region, spanning across Mainland China, Japan, Singapore, South Korea, Australia and India. The company also runs capital and fund management offices in Hong Kong and Singapore. As at 30 June 2018, the company's assets under management (AUM) reached approximately US\$13 billion, and the gross floor area (GFA) of projects owned and under development stood at over 10 million sqm.

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