

Ping An Real Estate commits over USD 300 million to ESR for co-investment in Japan logistics development projects

Tokyo/Shanghai/Hong Kong/Singapore, 4 July 2016 – e-Shang Redwood (“ESR”), one of the leading logistics developers and fund managers in Asia, announced that Ping An Real Estate (“PARE”) has committed over USD300 million to a programmatic co-investment JV with ESR.

The Ping An Real Estate JV will allow PARE to co-invest up to 50% in logistics development projects from ESR’s Japan pipeline currently estimated to totalling well over USD 1 billion worth of construction starts within the next 12-18 months. PARE has already committed to 4 co-investments with ESR located in Tokyo and Nagoya.

By partnering with ESR, PARE is pursuing the significant value creation opportunities afforded by development of state-of-the-art logistics facilities today in Japan. The main Japanese logistics markets of Tokyo, Osaka and Nagoya are currently experiencing low single-digit vacancy levels and are poised to experience significant growth to meet the demand for high throughput facilities from 3rd-party logistics providers and e-commerce companies.

Charles de Portes, President of ESR stated: “We are honoured by PARE’s commitment to ESR and proud to add Ping An Real Estate to our strategic investor relationships. Recent structural changes to the retail and logistics industries globally and within Asia have arguably put logistics real estate on a secular growth trend. Continued demand coupled with constrained supply of modern stock in Japan are predicted to lead to enduring returns for PARE and others invested in the product in the country’s largest metropolitan areas witnessing both urbanization and globalization of trade.”

Pierre-Alexandre Humblot, ESR Capital Officer added: “Logistics is a stable real estate asset class offering institutional investors predictability and resilience of cash flow. The timing is particularly auspicious for those forward-looking investors wanting to achieve lasting exposure and access to the asset class.”

About ESR

e-Shang Redwood (“ESR”) brings together two of the leading developers, owners and operators of logistics real estate in Asia and represents one of the largest logistics real estate platforms in the region 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.

Founded in 2006 and 2011, respectively, Redwood and e-Shang merged in 2016 to form ESR and are backed by some of the worlds’ preeminent investors including APG, Warburg Pincus, Equity International, PGGM, CPPIB and Goldman Sachs. Today, ESR has one of the largest development pipelines in Asia focused on the key metropolitan areas most closely tied with consumption and trade. ESR is also the largest third-party landlord for the leading e-commerce companies in China, as well as for cold-chain logistics.

About Ping An Real Estate

PARE is the real estate investment and asset management platform of Ping An Insurance (Group) Company of China, Limited (“Ping An Group”), a Fortune Global 100 enterprise. PARE primarily focuses on investing in the development of commercials, logistics, mixed-use projects, senior housing as well as strategic and outbound investments.

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