

Press Release

Gaw Capital Partners' GREF IV (Gaw Capital Real Estate Fund IV) Enters the China Logistics RE market with Vailog China

Vailog China is a major logistics developer in China

Deals to Include Acquisition, Development and Management of Modern Warehouses in China

June 24, 2015 – Gaw Capital Partners, the Hong Kong–based real estate private equity firm, announced that it has reached an agreement with Vailog China for the acquisition, development and management of modern warehouses in China through its GREF IV.

Vailog China entered the China market in 2006 and has become a major logistics developer in China, working in joint venture with other first class developers such as GLP. As of June 2015, Vailog China boasts a track record of over 1,300,000 sqm of warehouses completed or under construction.

Gaw Capital's investments have been spanning the spectrum of residential development, commercial offices, retail malls, serviced apartments, and hotels. Through this important deal, Gaw Capital's strategic capabilities will broaden to include the acquisition, development and management of industrial real estate in China as well.

GREF IV has committed to several projects in Shanghai, Tianjin, Shenyang and Guangzhou. With further capital injection from co-investment, this joint venture plans to acquire another seven pipeline development projects in the next 12 months in order to build up a high quality, nationwide logistics portfolio of one million square meters of net leasable area.

Kenneth Gaw, President and Managing Principal of Gaw Capital Partners, said, "We are quite pleased to partner with Vailog China for this very meaningful deal. Currently, warehouse stock per capita in the US is 12 times that in China, indicating room for growth. Modern logistics stock in China only takes up about a very small portion of total market stock – and this is a still undersupplied sector versus other asset classes. Demand is driven among others by the rise of consumption and e-commerce, which have grown by respectively 12% and 84% annually over the last 7 years. Our cooperation with Vailog is aiming at this market and will build a high quality Shanghai-centric nation-wide portfolio, mostly on China's tier-one markets."

Christina Gaw, Head of Capital Markets and Managing Principal of Gaw Capital Partners, alludes to the success with the support from a consortium of Asian-based sovereign fund investors to enable an initial platform size of USD 300 million, with a target of USD 1 billion eventually.

Walter Qian, CEO of Vailog China, said "We are delighted to welcome Gaw Capital as



a first class partner for the development of our business. With its long experience and in-depth real estate expertise, Gaw Capital will help Vailog reach important business targets, including offering our customers a wide range of high quality logistics facilities throughout China.

Gateway Real Estate Fund IV, was closed in October 2013 and brought total equity raised for this fund to its hard cap size of US\$ 1.025 billion - Gaw Capital Partners' largest fund ever. Gateway Real Estate Fund IV employed an opportunistic investment strategy - targeting real estate assets that have favorable risk-return profiles in the Greater China and Asia Pacific region. The Fund has so far invested in 11 projects in Beijing, Shanghai, Guangzhou, Tianjin, Shenyang, Hong Kong, Osaka, Tokyo and Seoul. Its acquisition of Beijing Century Place was the largest single-asset property deal by foreign firm in mainland China and was voted as "Asia Deal of the Year 2014" by PERE.

###

About Gaw Capital Partners

Gaw Capital Partners is a uniquely positioned private equity fund management company that focuses in real estate markets in greater China and other high barrier-to-entry markets globally.

Specializing in adding strategic value to under-utilized real estate through redesign and repositioning, the firm's investments span the entire spectrum of real estate sectors, including residential development, commercial offices, retail malls, serviced apartments, and hotels.

Gaw Capital Partners runs an integrated business model with its own in-house asset management operating platforms in retail, hospitality and property development, and affiliates with Downtown Properties to bring in asset management capacity in the US.

Gaw Capital Partners has raised four real estate funds targeting the Greater China and Asia Pacific region, while Gaw Capital Partners USA is providing services for separate account direct investment and fund management in the US and UK markets.

Gaw Capital Partners has raised equity in excess of USD\$4.26 billion since 2005 and currently commands assets of over USD\$ 9.16 billion under management as of first quarter of 2015.

For more details, please view: www.gawcapital.com



For enquiries, please contact:

GAW Capital

Sylvia Lee (Sylvialee@gawcapital.com)

Weber Shandwick

Tom Howard/ Yvonne Fang

Tel: 86-10-8569-9979/9851

Email: thoward@webershandwick.com/yfang@webershandwick.com