

For Immediate Release

## **GLP ANNOUNCES STRATEGIC PARTNERSHIP WITH CHINA'S LARGEST STATE-OWNED WAREHOUSE LOGISTICS PROVIDER**

- ***GLP establishes strategic partnership with CMSTD, China's largest state-owned warehouse logistics provider***
  - ***Both companies have agreed to form a JV to be the exclusive developer of modern logistics facilities on land sourced by CMSTD in China***
  - ***GLP to invest RMB 2 billion (US\$324 million<sup>1</sup>) for a 15.3% stake in CMSTD, becoming its 2nd largest shareholder***
- ***GLP to drive value creation from CMSTD's land resources which total more than 9 million sqm (100 million sq ft)***
- ***Transaction boosts GLP's development pace in China and enhances its "Network Effect"***

**Singapore, 4 August 2014** – Global Logistic Properties Limited ("GLP"), the leading provider of modern logistics facilities in China, Japan and Brazil, has entered into a strategic partnership with China Materials Storage and Transportation Development Company ("CMSTD"). As the largest Chinese state-owned warehouse logistics provider in the country, CMSTD has an extensive portfolio of logistics assets and land holdings in premium locations across China.

GLP and CMSTD have agreed to cooperate in several ways, including:

- A development joint venture ("JV") - This is expected to be CMSTD's exclusive vehicle for modern logistics development projects in China.

<sup>1</sup> Unless stated, all exchange rates are reported as 1 USD = 6.18 RMB, the closing exchange rate as of 1 August 2014

- Strategic equity investment - GLP will acquire a 15.3% stake in CMSTD to become its second largest shareholder.

Mr. Jeffrey H. Schwartz, Co-Founder of GLP and Chairman of the Executive Committee said: “We are excited by the accelerating growth momentum in our China business. With the support and facilitation of the Chinese investor consortium, we are pleased to establish this strategic partnership with CMSTD, which will greatly strengthen our market-leadership position and boost our development pace across China.”

### **Joint Venture to Develop Modern Logistics Facilities in China**

CMSTD and GLP have agreed to form a JV to develop logistics facilities in China. Under the agreement, GLP will hold a 49% equity stake in the JV, with the remaining 51% to be held by CMSTD. GLP has the option to increase its ownership in the JV to 50%.

Leveraging CMSTD’s network and land sourcing capabilities, the JV is expected to invest over RMB 3.6 billion (US\$583 million) to develop an initial pipeline of up to 1.3 million square meters (“sqm”) (14 million square feet (“sq ft”)) of buildable area across China on 2.7 million sqm of land area (29 million sq ft) which CMSTD currently holds in its land reserve. The JV will have the right of first look for all future logistics land sourced by CMSTD to develop modern logistic facilities. Additionally, GLP has the priority right to partner with CMSTD to redevelop CMSTD’s existing land and facilities.

### **Strategic Equity Investment**

Under the strategic partnership, GLP will invest RMB 2 billion (US\$324 million) to acquire a

15.3% stake in CMSTD through a private share placement. CMSTD is listed on the Shanghai Stock Exchange (SH: 600787) and the price of RMB\$11.82 per share represents a 10% discount to the last transacted price of CMSTD shares on the Shanghai Stock Exchange on 25 July 2014. The consideration will be satisfied in cash. GLP will receive three of 11 seats on CMSTD's Board of Directors as part of the agreement. Following this transaction, GLP would be the second largest shareholder of CMSTD after China National Materials Storage and Transportation Corporation ("CMST") which is 100% owned by China Chengtong Holdings, supervised by State-owned Assets Supervision and Administration Commission of the State Council ("SASAC").

CMSTD's property portfolio comprises 3.5 million sqm (38 million sq ft) of logistics facilities on 4.9 million sqm (53 million sq ft) of land. A significant part of the portfolio includes legacy assets in prime locations which could potentially be re-zoned for commercial or residential development. Part of the proceeds from the private share placement will be used to acquire 0.9 million sqm (10 million sq ft) of land for the development of 0.5 million sqm (5 million sq ft) of modern logistics facilities. Combined with the joint venture land reserves, GLP will get access to CMSTD's total land resources which total more than 9 million sqm (100 million sq ft).

Mr. Ming Z. Mei, Co-Founder and Chief Executive Officer of GLP, said: "This transaction is highly strategic and mutually beneficial, with GLP being able to leverage CMSTD's strong land sourcing capabilities and CMSTD having the opportunity to tap into GLP's expertise in developing and managing modern logistics facilities. In addition, access to CMSTD's portfolio of strategically-located logistics assets will further enhance our "Network Effect",

enabling us to better serve our customers across China.”

Mr. Han Tielin, Chairman of CMSTD, said: “We are pleased to sign this strategic agreement. With their strong domestic network and proven track record, GLP is our preferred partner to grow CMSTD’s development platform. We are confident that the complementary strengths of both companies will serve as a strategic competitive advantage for the venture to seize significant growth opportunities in China’s emerging logistics industry.”

The transaction is subject to approval by CMSTD shareholders at their shareholder meeting to be held in September 2014 and approval by regulatory authorities including SASAC, Ministry of Commerce of the People’s Republic of China (“MOFCOM”) and China Securities Regulatory Commission (“CSRC”). The transaction is expected to close in early 2015 and will be funded entirely from the proceeds of GLP’s landmark agreement in China, announced in February 2014. The first tranche of GLP’s landmark agreement was completed on 6 June 2014, with the second tranche expected to be completed by December 2014.

---

**About Global Logistic Properties ([www.glprop.com](http://www.glprop.com))**

*Global Logistic Properties Limited (“GLP”) is the leading provider of modern logistics facilities in China, Japan and Brazil. Our property portfolio of 27 million square meters (290 million square feet) is strategically located across 76 cities, forming an efficient logistics network serving almost 800 customers. We are dedicated to improving supply chain infrastructure for the world’s most dynamic manufacturers, retailers and third party logistics companies. Domestic consumption is a key driver of demand for GLP.*

*The Group is listed on the Mainboard of Singapore Exchange Securities Trading Limited (SGX stock code: MC0.SI; Reuters ticker: GLPL.SI; Bloomberg ticker: GLP SP).*

**GLP Investor Relations & Media Contact:**

**Ambika Goel, CFA**

**SVP- Capital Markets and Investor Relations**

**Tel: +65 6643 6372**

**Email: [agoel@glprop.com](mailto:agoel@glprop.com)**

**## END ##**

*This press release is not an offer of securities for sale or a solicitation of an offer to purchase securities. The information in this press release may not contain, and you may not rely on this press release as providing, all material information concerning the condition (financial or other), earnings, business affairs, business prospects, properties or results of operations of GLP or its subsidiaries. Please refer to our unaudited financial statements for a complete report of our financial performance and position. This release may contain forward-looking statements that involve risks and uncertainties. Forward-looking statements include statements regarding the intent, belief and current expectations of GLP or its officers with respect to various matters. When used in this press release, the words "expects," "believes," "anticipates," "plans," "may," "will," "should," "intends," "foresees," "estimates," "projects," and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Similarly, statements that describe objectives, plans or goals also are forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes, and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events and speak only as of the date of this press release. GLP does not undertake to revise forward-looking statements to reflect future events or circumstances. No assurance can be given that future events will occur, that projections will be achieved, or that GLP's assumptions are correct.*