The information and statistics set forth in this section and elsewhere in this prospectus have been derived from various official and government publications, publicly available market research sources and from the market research report prepared by DTZ C&W, which was commissioned by us, unless otherwise indicated. We believe that the sources of such information are appropriate and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information has not been independently verified by our Company, the Joint Sponsors, any other party involved in the Global Offering or any of our or their respective directors, officers, employees, representatives, agents, affiliates or advisers and no representation is given as to its correctness, accuracy and completeness. Certain information and statistics included, including those excerpted from official and government publications and sources in China, may not be consistent with other information and statistics compiled within or outside China by third parties. Our Directors confirm that, after taking reasonable care, there is no adverse change in the market information since the date of the DTZ C&W Report, which may qualify, contradict or have an impact on the information as disclosed in this section.

SOURCES OF INFORMATION

In connection with the Global Offering, we commissioned the DTZ C&W Report from DTZ C&W for use in this prospectus to provide prospective investors with information relating to the PRC economy and the logistics facilities market, in which we operate. We have agreed to pay DTZ C&W a fee of RMB520,000 for the preparation of the DTZ C&W Report, which we believe is in-line with the market rate for such a report. As of the Latest Practicable Date, we have paid RMB208,000 of this fee. The balance of the fee is not contingent upon the completion of the Global Offering.

DTZ C&W is the market consulting division of DTZ Worldwide Limited, a global real estate adviser, which offers a range of services including investment agency, leasing agency, property and facilities management, project and building consultancy, investment and asset management, market research and forecasting, and valuation. DTZ Worldwide Limited has 208 offices in 52 countries.

The DTZ C&W Report was prepared by DTZ C&W based on data from the PRC Government, renowned research institutions and the proprietary databases of DTZ C&W. In the course of its research, DTZ C&W conducted interviews with local marketing agents and market observers in the logistics and warehousing sector.

DTZ C&W adopted the above sources of information and considered them reliable primarily because (i) it is general market practice to adopt official data and announcements from various Chinese government agencies; and (ii) the information obtained from the interviews is for reference only and the findings in the DTZ C&W Report are not based on the results of these interviews. Nevertheless, DTZ C&W has proven track records in providing market research studies to government and private clients in the regions where the DTZ C&W Report covers.

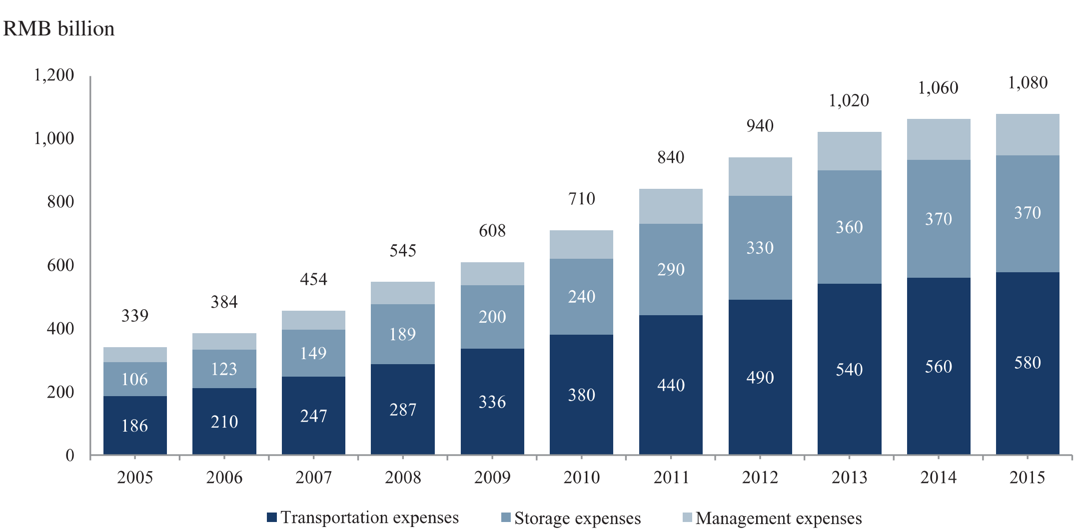
While preparing the DTZ C&W Report, DTZ C&W has relied on the assumptions that (i) all data published by statistics bureaus of the PRC Government are true and correct; and (ii) all collected information relating to the logistics facilities market from the relevant administrative bureaus is true and correct.

CHINA LOGISTICS MARKET OVERVIEW

The general logistics market value chain is comprised of two core parts: (i) transportation, which includes different means of transporting goods; and (ii) storage, which includes warehousing, delivery, processing and packing, freight forwarding and information service.

Driven by rising domestic consumption and continued economic growth, particularly in the e-commerce industry, the logistics market in China has expanded quickly in recent years. According to the DTZ C&W Report, China's logistics market grew at a CAGR of 8.8% between 2010 and 2015. Storage spending, which accounted for approximately 34.3% of total logistics costs in 2015, increased at a CAGR of 9.0% between 2010 and 2015, outpacing other key segments of the logistics industry, according to the same report.

Generally, logistics expenditure include transportation expenses, storage expenses and management expenses. The chart below sets forth China's logistics expenditures for the years indicated:



Data Source: China National Bureau of Statistics, China Warehouse Association.

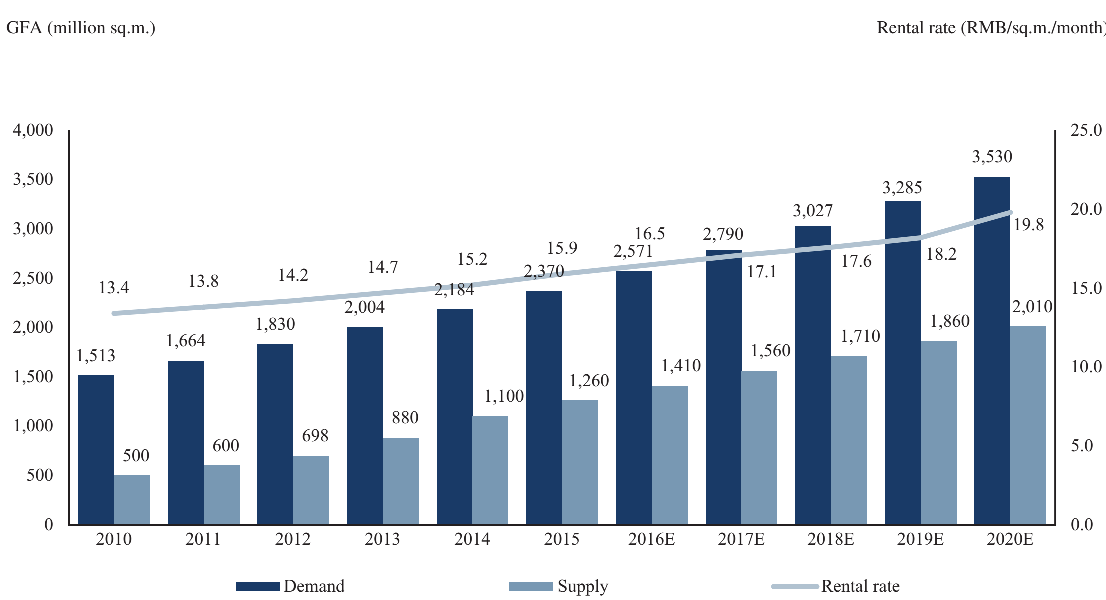
CHINA LOGISTICS FACILITIES MARKET OVERVIEW

In recent years, logistics facilities have proliferated in China, buoyed by demand for increasingly advanced logistics services. According to data from the China Association of Warehouse and Storage, the GFA of logistics facilities in China reached 1,260 million sq.m. at the end of 2015, reflecting a CAGR of 20.3% between 2010 and 2015. According to the DTZ C&W Report, the GFA of logistics facilities in China will continue to increase between 2016 and 2020, albeit at a more moderate CAGR of 9.8%, due to tempered government policy and scarcity of land for logistics facilities.

Despite rapid growth in the logistics facilities market over the past decade, China still ranks below its peers with respect to both quantity and quality of logistics facilities. As of December 31, 2015, China's logistics facilities space per capita was 0.9 sq.m., according to the DTZ C&W Report. This is significantly lower than that of economically developed markets. For example, as of December 31, 2015, logistics facilities space per capita in the U.S. and Japan was 5.4 sq.m. and 4.4 sq.m., respectively, according to the DTZ C&W Report. China's existing logistics facilities supply is also aging and of limited use for modern logistics demands. According to the DTZ C&W Report, approximately 70% of existing logistics facilities were built before 1990 and three-quarters of these pre-1990 facilities are not the premium logistics facilities that many modern companies such as E-commerce companies and 3PLs require.

Demand for logistics facilities from manufacturing enterprises has been held back by the low construction standards to which most logistics facilities in China have been constructed, according to the DTZ C&W Report. Demand for logistics facilities, for which there is no corresponding supply, has been absorbed by spare areas in manufacturing plants and other non-logistics facilities. The low construction standards of existing logistics facilities has led to a significant shortage of logistics facilities historically, which is expected to continue in the near future, according to the DTZ C&W Report.

The chart below sets forth the recent and projected demand and supply for logistics facilities in China for the years indicated:



Data Source: China Association of Warehouse and Storage, DTZ C&W.

CHINA'S PREMIUM LOGISTICS FACILITIES MARKET OVERVIEW

Premium logistics facilities are built in accordance with modern logistics standards. The below chart describes the distinguishing features of premium and non-premium logistics facilities:

Feature	Premium logistics facilities	Non-premium logistics facilities
Structure	Single-storey: High quality steel structure Multi-storey: Concrete/steel structure with ramp/elevator	Non-standard concrete/steel structure Multi-storey without ramp
Gross floor area	≥ 8,000 sq.m.	Various sizes (~4,000 sq.m.)
Net ceiling height	≥ 8m	4m - 7m
Loading capacity	1st floor: ≥3ton/sq.m., 2nd floor: ≥2ton/sq.m.	1st floor: <3ton/sq.m., other floor: <2ton/sq.m.
Column span	≥ 8m	5m - 7m
Fire protection	Hydrant, sprinkle, fire alarm installation	Hydrant
Floor coating	Epoxy/concrete floor coating construction for wear-resistance	Non-standard, e.g. cement ground or plain fill
Monitoring System	24-hour security and centralized guard service	Public guardhouse or none
Day lighting roofing	Roof with lighting strip	Non-standard
Centralized heating (optional)	Installation for office and warehouse (optional)	Not available
Ventilation (optional)	Twice per hour (optional)	Manual ventilation or none

Source: DTZ C&W and China Warehouse Association, a non-government industrial organization that advises relevant industry standards. The standards and defining features of premium and non-premium logistics facilities listed above are generally accepted in China's logistics facilities market. These standard and defining features are based on national standard (GB/T 21072-2007 Grades for General Warehouse) promulgated by the PRC government, as well as a number of industry-wide and legal requirements, including fire protection and floor coating.

Total GFA of premium logistics facilities in China at the end of 2015 reached 19.5 million sq.m., representing only 1.5% of China's total logistics facilities GFA, according to the DTZ C&W Report. According to the same source, the existing supply of premium logistics facilities meets only half of the demand in China's tier I and tier II cities. Due to such supply shortage, some of the demand for premium logistics facilities in tier I cities has been diverted to non-premium logistics facilities, while in tier II and tier III cities, more demand for premium logistics facilities has been diverted to non-logistics facilities, as compared with tier I cities. Providers of non-premium logistics facilities in general do not compete with providers of premium logistics facilities. Non-premium logistics facilities are unqualified buildings used for storage, and are typically a lesser alternative for prospective tenants where premium logistics facilities are not available. Furthermore, there is no large scale developer specializing in providing non-premium logistics facilities. Non-premium facilities cannot meet the modern logistics requirements, especially for modern 3PLs and E-commerce companies. Demand for premium logistics facilities constantly outpaces supply, and has led to a steady increase in rental prices over the past few years that will continue, according to the DTZ C&W Report.

Key Success Factors

The market structure of logistics facilities providers is fragmented. At present, several key players supply most of China's logistics facilities, but compete with one another for market share. There are several key factors essential to growing market share in the logistics facilities market:

- ***First mover advantage***. Entering the market early allows logistics facilities providers to select geographic niches and begin accumulating land for future development in those areas before competitors. Land prices in top tier cities are increasingly expensive, creating a barrier for new entrants, and the government controls the supply of land available for different uses. Entering the market early also provides more time to develop one's brand and reputation among tenants, hence seizing market share.

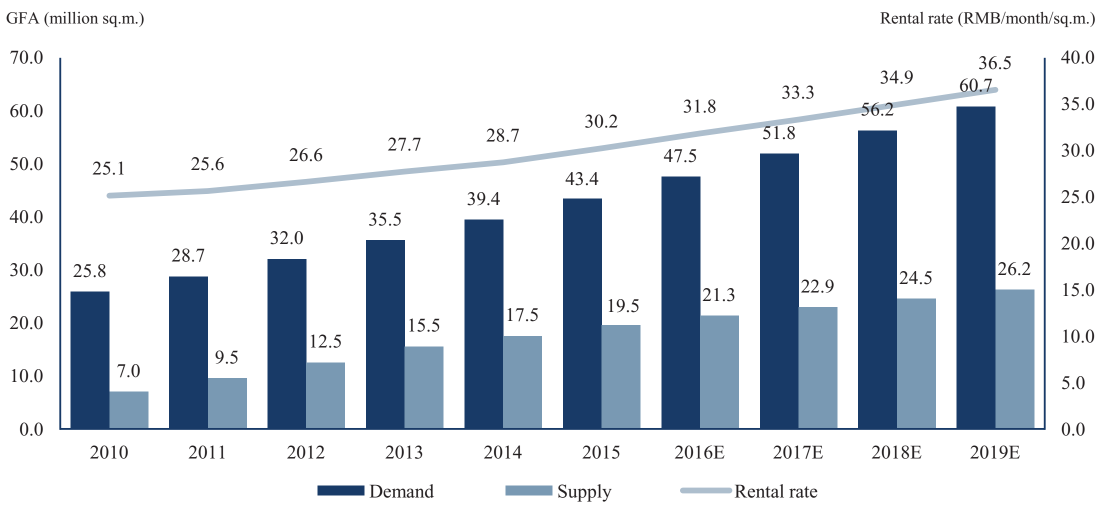
- ***Nationwide coverage***. Covering more cities presents opportunities to find areas for growth that competitors may be unable to access. Certain tier III cities have more potential for growth than tier I or II cities. By avoiding competition with other logistics facilities providers in these smaller and less saturated markets, logistics facilities providers who invest in tier III cities can continue to develop their business despite competition from new entrants in tier I and II cities.

- ***Quality tenant portfolio***. Long-term partnerships with established and widely recognized tenants enhance consumer recognition of logistics facilities providers' brand while providing long-term recurring rental income. Further, consumer recognition of widely recognized tenants significantly increases marketability of logistics facilities to prospective tenants and contributes to the success rate of new projects from an early stage.

- ***Attracting, retaining and developing talent***. It is increasingly difficult for logistics companies to find, attract and retain qualified employees. Only in recent years, have domestic institutions developed courses to train employees in the logistics industry. Currently, logistics companies must themselves provide extensive trainings to new employees.

- ***Capital***. As a result of the aforementioned competitive factors, the startup costs for any logistics services are substantial, rendering the market particularly challenging for smaller players and newer entrants.

The chart below sets forth the recent and projected demand and supply for premium logistics facilities in China for the years indicated:



Source: DTZ C&W and public information.

GROWTH DRIVERS OF CHINA'S PREMIUM LOGISTICS FACILITIES MARKET

Greater Disposable Income and Increasing Urbanization

A major supply shortage of logistics facilities has emerged and continues to increase as the economic growth in China is expected to be driven by increasing consumption in the future, as compared with government and private sector investments in the past. Greater disposable income, urbanization and e-commerce have emerged as dominant economic growth drivers. Greater disposable income drives increased contribution of consumption to the overall economy. As consumers' incomes increase, so does their ability to spend. Between 2010 and 2015, per capita disposable income of urban households increased at a CAGR of 10.3%, according to the DTZ C&W Report.

Urbanization also increases consumption, as the tighter-knit urban environment increases opportunities for exchange of goods and services, thereby lifting incomes. Although China's urbanization rate reached 56.1% in 2015, China is still "under-urbanized." According to the DTZ C&W Report, the average urbanization rate for developed and developing countries is approximately 80% and 60% in 2015, respectively.

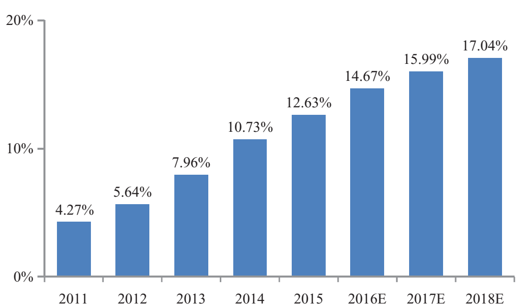
China's consumption growth directly drives online and offline retail sales, which increased at a CAGR of 13.9% between 2010 and 2015 and today, China is the world's second largest retail market, trailing only the U.S., according to the DTZ C&W Report. Retailers are competing to satisfy the strong consumption growth. They need increasingly larger and more sophisticated logistics networks, including storage facilities and transportation capabilities, in order to provide tenants with the right products at the right time.

Growing E-commerce Market in China

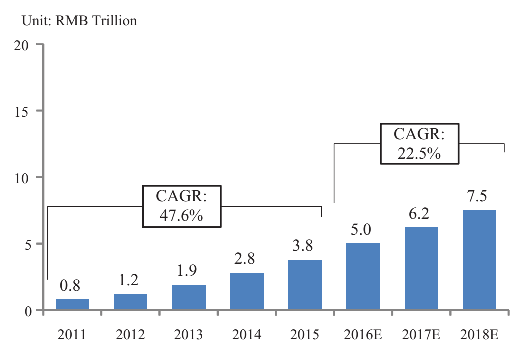
By the end of 2014, China had approximately 361 million online shoppers, reflecting a CAGR of approximately 22.5% since 2010, according to the DTZ C&W Report. China's online retail shopping growth demonstrates a phenomenon in global retail markets. Whereas in most developed countries, e-commerce emerged after brick-and-mortar retail stores had already proliferated, e-commerce is emerging in China at a time when brick-and-mortar retail chains have not penetrated into smaller cities and towns. In these areas, consumers are generally served by local merchants and stores, and as a result, product selection is limited. Consumers seeking products that are unavailable locally turn to online shopping, indirectly driving demand for logistics facilities. In addition, China's growing rate of internet usage also drives the e-commerce market.

The chart below sets forth the recent and forecasted growth of the online shopping market, as measured by sales transacted online as a percentage of overall sales for the years indicated:

Online retail sales penetration in China(1)



Online shopping market, by GMV(2)



Data Source: iResearch, National Statistics Bureau

(1) Online retail sales among total retail sales in China

(2) Online retail GMV includes transaction volume of B2C and C2C

Data Source: iResearch.

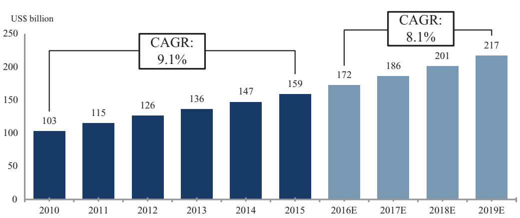
Logistics facilities are critical to the e-commerce industry. In the e-commerce retail logistics chain, purchased items are typically distributed via a postal, parcel or freight network and delivered directly from retailers to customers. This has led to a wave of demand for at least three distinctive types of logistics facilities: (i) large e-fulfillment centers where merchandise is stocked and picked; (ii) parcel sortation centers where orders are sorted so that they can be delivered to the relevant parcel delivery center for final delivery to the customer's home or designated collection point; and (iii) parcel delivery centers that handle "last mile" delivery to the customers. Major e-commerce companies typically undertake the construction and operation of large e-fulfillment centers for their own use and rely on third-party providers for parcel sortation centers and parcel delivery centers.

According to the DTZ C&W Report, China's top ten e-commerce companies by area accounted for over 20% of all premium logistics facilities' related GFA as of the end of 2014. As e-commerce players have penetrated into smaller cities and towns, they have also expanded product and service offerings, further driving demand for a broader network of logistics facilities.

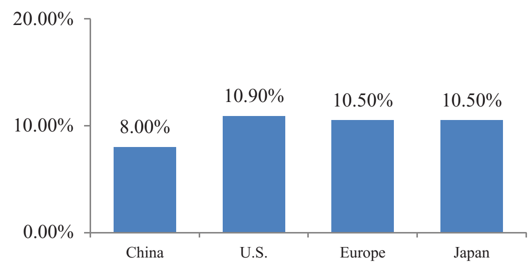
Growing 3PL Market

The 3PL industry has enjoyed steady growth. The revenue of 3PL companies reached US$159 billion by the end of 2015, representing a CAGR of 9.1% between 2010 and 2015, according to the DTZ C&W Report. Key drivers for this growth have been the demand for more efficient logistics services, rapid development in transportation infrastructure, and the trend for an increasing number of retailers, manufacturers and others choosing to outsource logistics for cost saving and efficiency. In 2014, the 3PL revenue represents only 8.0% of total logistics costs in China, suggesting significant potential for 3PLs to grow in relation to other types of logistics companies.

The chart below sets forth recent and projected revenue of 3PLs in China for the years indicated and expenditure on 3PLs as a percentage of total logistics expenditure in 2014 in the countries indicated:



Data Source: The Statistics Portal, DTZ C&W.



Source: Armstrong & Associates, Inc.

Favorable Government Policy

Numerous government publications have highlighted the importance of logistics to China's economic growth. In 2008, the MOFCOM issued Guiding Opinions on Accelerating the Development of Modern Logistics Nationwide (《關於促進我國現代物流業發展的意見》). Later, the central government released the Top Ten Industry Promotion Plan (《十大產業振興規劃》) which included logistics as one of ten featured industries. The central government's Twelfth Five Year Plan generally promotes large scale retail development and a 2015 report specifically stated a need to improve the trade of agricultural products by upgrading storage and cold chain logistics facilities, and reducing distribution costs.

KEY REGIONS AND CITIES OVERVIEW

Overview and Map of Key Logistic Regions in China

The most economically developed areas in China are clustered along the country's east coast, near the lower Yangtze River, Pearl River Delta and Bohai Sea. Through a series of infrastructure initiatives, the central government has sought to balance development by focusing more on central and western regions, but only to varying effects.

The below map illustrates key logistics facilities markets in key regions as well as CNLP's projects in those areas:

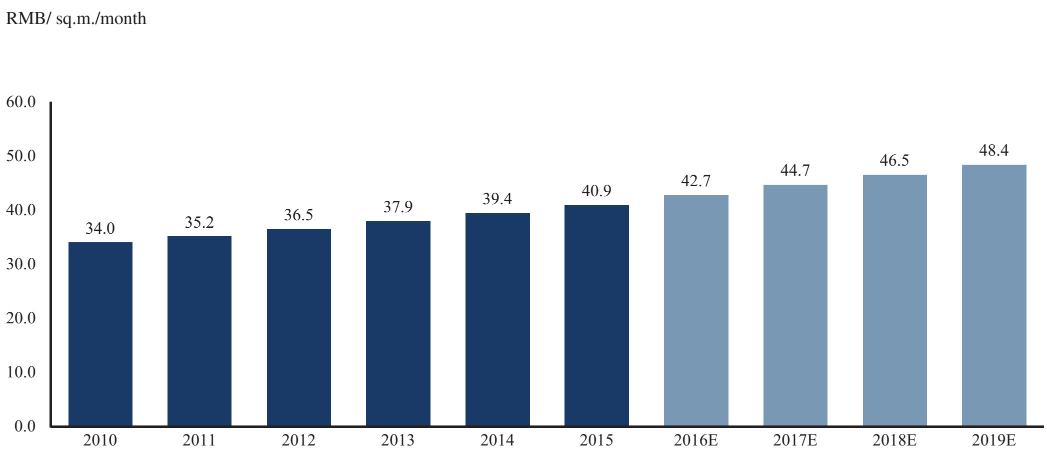
Source: DTZ C&W.

Eastern China

Greater Shanghai Metropolitan Region

Shanghai is the largest city in eastern China and has the most mature and active logistics facilities market in the region. According to the DTZ C&W Report, rental rates of Shanghai's premium logistics facilities have continually increased since 2010, and the average rental rate of a premium logistics facilities in Shanghai reached RMB40.9/sq.m./month in the fourth quarter of 2015. According to the DTZ C&W Report, Shanghai will experience lower rental growth rates in coming years due to new logistics facilities supply, but in the long-term, annual increases of approximately 4.0% to 5.0%.

The chart below sets forth recent and projected premium logistics facilities rental rates in Shanghai in the fourth quarter of each year:



Source: DTZ C&W and public information.

Cities in the greater Shanghai metropolitan area, including Kunshan, Jiaxing, Suzhou, Wuxi, Changzhou and Nantong, have benefitted from Shanghai's spillover effect. These cities have also experienced strong growth in premium logistics facilities demand. Among these cities, those closer to Shanghai enjoy higher rental rates. For example, in the fourth quarter of 2015, the average rental rates of premium logistics facilities in Kunshan and Jiaxing were RMB35/sq.m./month and RMB33/sq.m./month, respectively, while cities further away such as Nantong and Changzhou both recorded rental rates of RMB26/sq.m./month during the same period.

As of December 31, 2015, total completed premium logistics facilities in Shanghai had an aggregate GFA of approximately 5,991 thousand sq.m., while total premium logistics facilities under construction and expected to be completed in 2016 to 2018 in Shanghai had an aggregate GFA of approximately 1,220 thousand sq.m. As of the same date, our Group had completed premium logistics facilities in greater Shanghai metropolitan area with an aggregate GFA of 324,804 sq.m., while our Group's premium logistics facilities under construction in greater Shanghai metropolitan area had an aggregate GFA of 497,463 sq.m.

Other Key Cities and Economic Centers

Other key cities and economic centers in eastern China include Nanjing, Hangzhou, Hefei and Jinan:

City	GDP and Population (2015)	Average Premium Rental Rate and Vacancy Rate (Q4 2015)	Additional Information
Nanjing	• RMB972.1 billion • 8.2 million	• RMB28/sq.m./month • 10.5%	Capital of Jiangsu province. Smaller cities benefitting from Nanjing's spillover effect include Chuzhou, Wuhu and Huai'an.
Hangzhou	• RMB1,005.4 billion • 9.0 million	• RMB33/sq.m./month • 16.0%	Capital of Zhejiang province. Smaller cities benefitting from Hangzhou's spillover effect include Ningbo.
Hefei	• RMB566.0 billion • 7.8 million	• RMB26/sq.m./month • 15.0%	Capital of Anhui province.
Jinan	• RMB610.0 billion • 7.1 million	• RMB26/sq.m./month • 14.5%	Capital of Shandong province.

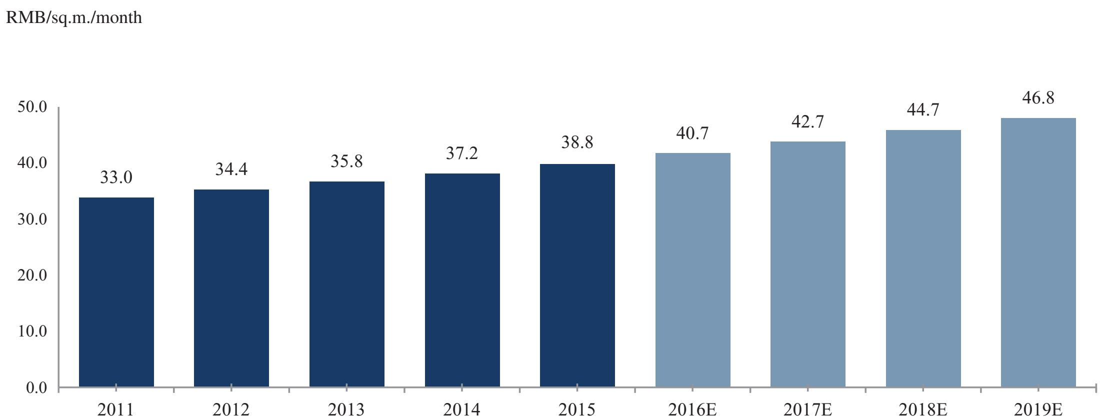
As of December 31, 2015, our Group had completed premium logistics facilities in or surrounding other key cities and economic centers in eastern China with an aggregate GFA of 153,872 sq.m., while our Group's premium logistics facilities under construction in or surrounding other key cities and economic centers in eastern China had an aggregate GFA of 114,641 sq.m.

Northern China

Greater Beijing Metropolitan Region

Beijing is the largest city in northern China and its economy affects numerous other cities in the region. Logistics facilities rental rates have steadily increased in recent years. According to the DTZ C&W Report, in the fourth quarter of 2015, the average rental rate of a premium logistics facility in Beijing reached RMB38.8/sq.m./month and the city's average vacancy rate was 4.5%.

The chart below sets forth recent and projected premium logistics facilities average rental rates in Beijing in the fourth quarter of each year:



Source: DTZ C&W and public information.

Tianjin and Langfang, which are situated in the greater Beijing metropolitan area, benefit from Beijing's spillover effect. In the fourth quarter of 2015, average premium logistics facilities rental rate in Tianjin and Langfang was RMB29.6/sq.m./month and RMB25.5/sq.m./month, respectively, according to the DTZ C&W Report.

As of December 31, 2015, total completed premium logistics facilities in Beijing had an aggregate GFA of approximately 1,823 thousand sq.m., while total premium logistics facilities under construction and expected to be completed in 2016 to 2018 in Beijing had an aggregate GFA of approximately 1,148 thousand sq.m. As of the same date, our Group had completed premium logistics facilities in greater Beijing metropolitan area with an aggregate GFA of 84,927 sq.m., while our Group's premium logistics facilities under construction in greater Beijing metropolitan area had an aggregate GFA of 96,395 sq.m.

Northeastern Region

Shenyang is the capital of Liaoning Province and the most populous city in northeastern China. In recent years, Shenyang has developed into the region's most active logistics facilities market. Since 2010, the rental rates of Shenyang's premium logistics facilities have consistently increased. In the fourth quarter of 2015, the average rental rate of Shenyang's premium logistics facilities reached RMB26.1/sq.m./month and the average vacancy rate was 35.0%, according to the DTZ C&W Report. Vacancy rates in other northeastern cities generally range from 10.0% to 25.0%, according to the DTZ C&W Report. Therefore, Shenyang's vacancy rate is unusually high. The DTZ C&W Report cites the large amount of new supply in Shenyang in recent years as the primary reason for this unusually high average vacancy rate.

Other key cities in the northeastern region include Dalian, Changchun and Harbin. According to the DTZ C&W Report, the rental rates in these cities are similar to Shenyang.

As of December 31, 2015, our Group had completed premium logistics facilities in northeastern China with an aggregate GFA of 188,355 sq.m., while our Group's premium logistics facilities under construction in northeastern China had an aggregate GFA of 78,675 sq.m.

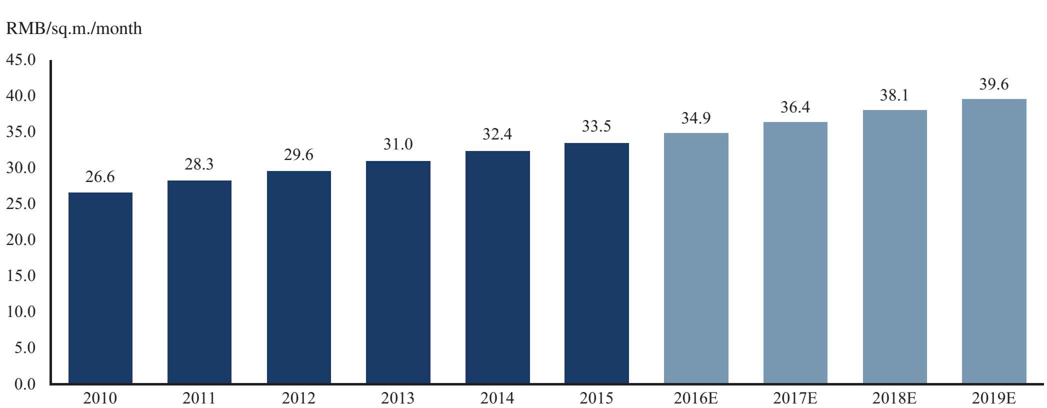
Southern China

Greater Guangzhou Metropolitan Region

Guangzhou, located at the core of the Pearl River Delta, is a key city in southern China. It has the most mature and active logistics facilities market in the region and influences the economies of numerous other cities in the region. The city's rental rates have steadily risen. In the fourth quarter of 2015, the average rental rate of premium logistics facilities in Guangzhou reached RMB33.5/sq.m./month, according to the DTZ C&W Report. Guangzhou rental levels will maintain annual growth of approximately 4.0% to 5.0% in the long-term due to growing demand from cross-border e-commerce, traditional retailers and 3PLs, according to the DTZ C&W Report.

Over the past five years, the vacancy rate of Guangzhou's premium logistics facilities has remained at low levels. As of the fourth quarter of 2015, the city's average vacancy rate was 3.7%, according to the DTZ C&W Report. New supply of logistics facilities has been limited these past two years, and yet demand for high-end logistics remains buoyant, resulting from 3PL and cross-border e-commerce activities, according to the DTZ C&W Report. Therefore, Guangzhou's vacancy rates will remain at a low level for the foreseeable future, according to the DTZ C&W Report.

The chart below sets forth recent and projected premium logistics facilities average rental rate in Guangzhou in the fourth quarter of each year:



Data Source: DTZ C&W and public information.

Other cities in the greater Guangzhou metropolitan area include Jiangmen, Zhaoqing, Huizhou and Foshan, all of which enjoy a spillover effect from Guangzhou. In the fourth quarter of 2015, the average rental rates of premium logistics facilities in these cities ranged from approximately RMB23.1/sq.m./month to RMB28.5/sq.m./month according to the DTZ C&W Report.

As of December 31, 2015, total completed premium logistics facilities in Guangzhou had an aggregate GFA of approximately 1,686 thousand sq.m., while total premium logistics facilities under construction and expected to be completed in 2016 to 2018 in Guangzhou had an aggregate GFA of approximately 583 thousand sq.m. As of the same date, our Group's premium logistics facilities under construction in greater Guangzhou metropolitan area had an aggregate GFA of 224,302 sq.m.

Other Key Cities

The other key city in southern China is Nanning, which is the capital of Guangxi province. Nanning's GDP reached RMB341.0 billion in 2015 with a population of 7.0 million, according to municipal statistics. In the fourth quarter of 2015, the average premium logistics facilities rental rate in Nanning was approximately RMB25.0/sq.m./month and the average vacancy rate was approximately 10.0%, according to the DTZ C&W Report.

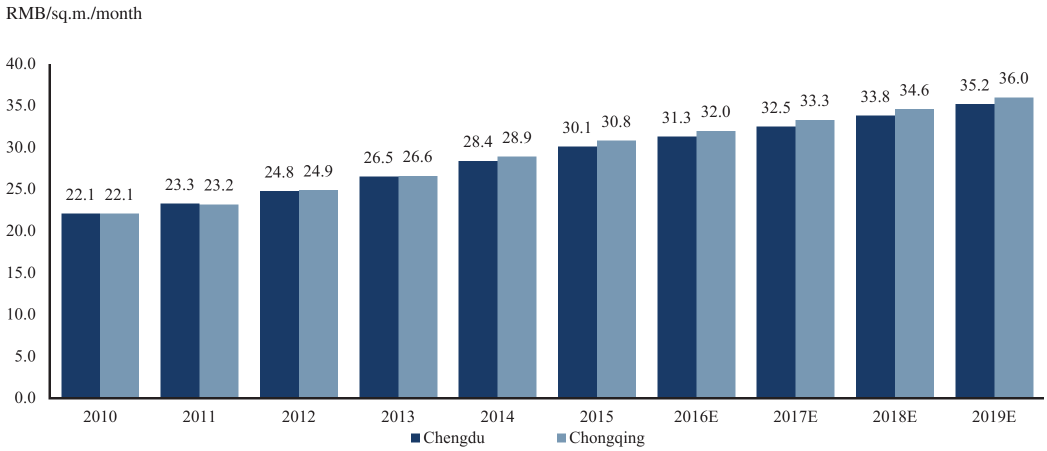
Central and Western China

Chengdu-Chongqing Metropolitan Region

The Chengdu-Chongqing metropolitan area is the most active logistics facilities market in central and western China, with Chengdu's market being slightly more mature than Chongqing's. Average rental rates of Chengdu's premium logistics facilities have increased in recent years. According to the DTZ C&W Report, in the fourth quarter of 2015, premium rental rate in Chengdu reached RMB30.1/sq.m./month. Due to abundant new supply in 2014 and 2015, rental growth rate will be lower for the next two years, but that in the long-term, rental rates will grow approximately 4.0% annually, according to the DTZ C&W Report.

Vacancy rates of premium logistics facilities in Chengdu have increased over the past 18 months, due partially to significant new supply from international premium logistics facilities providers in 2014. In the fourth quarter of 2015, the average vacancy rate of Chengdu's premium logistics facilities was 32.0%, according to the DTZ C&W Report. Strong underlying demand will lower vacancy rates in Chengdu in the long-term, according to the DTZ C&W Report.

The chart below sets forth recent and projected premium logistics facilities average rental rate in Chengdu and Chongqing in the fourth quarter of each year:



Source: DTZ C&W and public information.

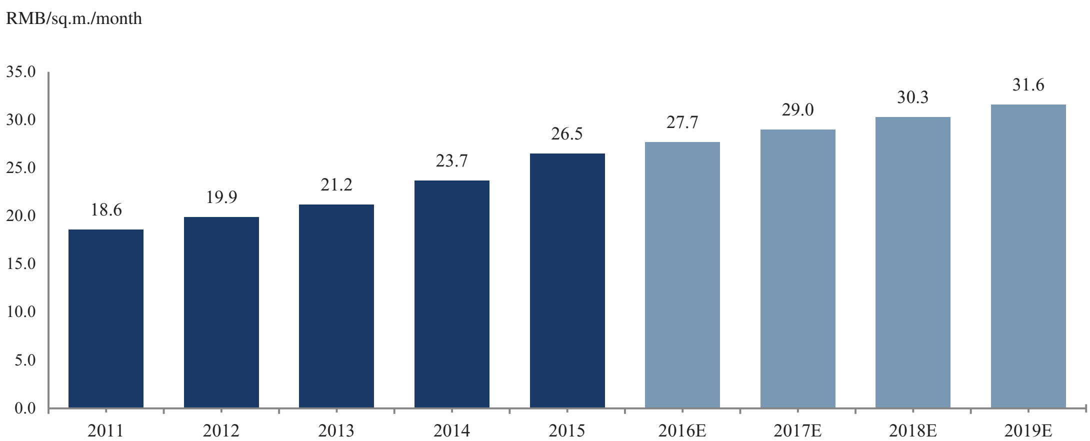
As of December 31, 2015, total completed premium logistics facilities in Chengdu had an aggregate GFA of approximately 1,150 thousand sq.m., while total premium logistics facilities under construction and expected to be completed in 2016 to 2018 in Chengdu had an aggregate GFA of approximately 392 thousand sq.m. As of the same date, our Group's premium logistics facilities under construction in Chengdu had an aggregate GFA of 113,133 sq.m.

Yangtze River Mid-Reaches Region

Wuhan, located where the Yangtze and Han rivers intersect, is recognized as a political, economic, financial, cultural, educational and transportation hub of central China. In the fourth quarter of 2015, the average rental rate of premium logistics facilities in Wuhan reached RMB26.5/sq.m./month, according to the DTZ C&W Report. Rental growth rates will decrease due to abundant new supply, stabilizing at approximately 4.0% to 5.0% annually in the long-term, according to the DTZ C&W Report.

In the fourth quarter of 2015, the average premium logistics facilities vacancy rate in Wuhan was 35.3%, according to the DTZ C&W Report. While high, this vacancy rate reflects a reduction of around 7.0% between the first and second quarters of 2015. With the absorption of new logistics facilities developed over the past two years, vacancy rates will slowly decrease over the next five years, according to the DTZ C&W Report.

The chart below sets forth recent and projected premium logistics facilities average rental rate in Wuhan in the fourth quarter of each year:



Data: DTZ C&W and public information.

As of December 31, 2015, total completed premium logistics facilities in Wuhan had an aggregate GFA of approximately 786 thousand sq.m., while total premium logistics facilities under construction and expected to be completed in 2016 to 2018 in Wuhan had an aggregate GFA of approximately 460 thousand sq.m. As of the same date, our Group had completed premium logistics facilities in Wuhan with an aggregate GFA of 73,098 sq.m.

Other major cities in the Yangtze River Mid-Reaches region include Changsha, Zhengzhou and Nanchang. The rental rates in these cities are at levels similar to Wuhan.

As of December 31, 2015, our Group had completed premium logistics facilities in Zhengzhou with an aggregate GFA of 143,248 sq.m.

Other Key Cities

The other key city in the central and western China region is Xi'an, which is the capital of Shaanxi province. Xi'an's GDP reached RMB581.0 billion in 2015 with a population of 8.7 million, according to municipal statistics. In the fourth quarter of 2015, the average premium logistics facilities rental rate in Xi'an was approximately RMB26.8/sq.m./month and the average vacancy rate was approximately 15.0%, according to the DTZ C&W Report.

COMPETITIVE LANDSCAPE

The table below sets forth the market share of top ten premium logistics facilities providers in terms of the total GFA for both completed and under development projects in China as of December 31, 2015:

	Total GFA				Effective Interest GFA		
Logistics Facilities Providers	**Completed[(1)]**	**Under Development[(2)]**	**Total[(3)]**	**Market Share[(4)]**	**Completed[(1)]**	**Under Development[(2)]**	**Total**
	(thousand sq.m.)			(%)	(thousand sq.m.)		
Global Logistics Properties	12,800	5,700	18,500	58.6%	6,607	2,865	9,472
Goodman	1,900	700	2,600	8.2%	380	140	520
Our Group	968	1,125	2,093	6.6%	968[(6)]	1,125[(6)]	2,093[(6)]
Blogis	1,420	451	1,871	5.9%	1,137	361	1,498
e-Shang[(5)]	830	473[(5)]	1,606[(5)]	5.1%	n/a	n/a	n/a
Prologis	914	389	1,303	4.1%	137	58	195
Mapletree	680	574	1,255	4.0%	583	574	1,157
Pingan	161	848	1,009	3.2%	n/a	n/a	n/a
Vailog	537	470	1,007	3.2%	n/a	n/a	n/a
IDI Gazeley	224	85	309	1.0%	n/a	n/a	n/a

Source: DTZ C&W.

(1) Completed GFA as of December 31, 2015.

(2) GFA under development as of December 31, 2015 and expected to be completed by December 31, 2016.

(3) Sum of completed GFA and GFA under development, which includes primarily GFA for premium logistics facilities. It also includes a small amount of GFA for non-premium logistics facilities.

(4) Market share based on total GFA.

(5) e-Shang Cayman Ltd merged with Redwood Group Asia, Pte. Ltd. on January 22, 2016. GFA under development and Total GFA for Shanghai E-Shang Storage Service Co., Ltd. included portfolio of Redwood Group Asia, Pte. Ltd.

(6) After taking into account the equity interest in the logistics parks assuming the completion of the Reorganization upon which our Company would hold a 100% equity interest in the project companies holding the relevant logistics parks.

Our Group ranks third in terms of total GFA expected to be completed by December 31, 2016 and second in terms of effective interest GFA expected to be completed by December 31, 2016.

In 2016, our Group expects to complete GFA of 1,124,609 sq.m., which is expected to represent the second largest year-over-year growth among all premium logistics facilities providers. As China's premium logistics facilities market is currently dominated by large international players, our Group is expected to be the only domestic company among the top three premium logistics facilities providers in China (with Global Logistics Properties being based in Singapore and Goodman being based in Australia), as measured by total GFA by the end of 2016.