



Management Buyout of ESR Australia's Construction Arm

- Ongoing refinement of operations to focus on core strategy of industrial and logistics property development and funds management
- Enables CIP Constructions to seek external contracts, providing a better opportunity for growth
- Management buyout of construction business.

SYDNEY, 1 October 2020

ESR Australia today announced that Mark Hendry, formerly Director of CIP Constructions, has acquired designated CIP Constructions assets and liabilities through a management buyout. Mark has acquired the CIP Constructions brand and will continue to operate the business under that name.

This enables ESR Australia to focus on its core strategy and opens up prospects for the growth of the CIP Constructions business. CIP Constructions will now have broader opportunities to win new projects from other property developers who are currently ESR Australia competitors.

Phil Pearce, CEO of ESR Australia said, "Since the establishment of ESR Australia, we've continued to review and refine our business operations in line with ESR's global growth strategy. This is another move towards that alignment, one that enables ESR Australia to simplify and focus on core competencies of logistics development and management. Australia is currently the only country in which ESR has an inhouse construction business. While this model has provided some clear benefits for our local business, it is not aligned with ESR's longer term business strategy.

I'm delighted for Mark and the CIP Constructions team that we could come to this arrangement."

Mark Hendry, CIP Constructions said, "The benefits of this change to CIP Constructions and ESR Australia are significant as both businesses can concentrate on core strengths. We welcome the opportunity to realise the potential of CIP Constructions by improving the possibility of working with other property developers. This change also reduces the risk to ESR Australia of having an of an integrated construction business. We look forward to continuing to work with Phil and the team."



The new CIP Constructions team will continue to deliver construction projects already underway for ESR Australia. In future, CIP Constructions will be invited to bid on projects as part of ESR Australia's panel of preferred construction partners. This is on top of CIP Constructions' current workbook and strong pipeline.

Employees that transferred to the new business were offered employment on substantially similar and no less favourable terms to their ESR Australia employment agreements.

In 2018, ESR Australia acquired Commercial and Industrial Property (CIP) which gave ESR Australia a leading industrial development capability including an integrated construction business. Upon acquisition, the development component of the business was folded into ESR Australia and the construction arm was renamed CIP Constructions to leverage the strong construction reputation of CIP.

ENDS



About ESR Australia

ESR Australia is a leading manager of industrial and business park real estate with assets under management of more than A\$2.7 billion, and a robust pipeline of developments underway. ESR Australia also has established funds management capabilities with long term relationships with global institutional investors.

Their team has deep expertise across the industrial and office real estate markets. A fully integrated service offering is delivered by this inhouse team, achieving strong customer outcomes through tenant-driven development solutions, active asset management, and a strategic approach to property investment management.

ESR Group is the largest Asia-Pacific logistics real estate group by gross floor area (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages. With over A\$37 billion in assets under management across 18.7 million sqm of real estate, ESR operates across the region in China, Japan, Singapore, South Korea, India and Australia. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

For more information on ESR Australia, please visit au.esr.com.

Assets Under Management @30 June 2020

For ESR Australia media enquiries, please contact:

Australia:

Erica Moloney
Head of PR and Communications
Neue Media
T +61 421 289 036
E erica@neuemediamedia.com.au

Cara Cunningham
Director
Neue Media
T +61 404 522 477
E cara@neuemediamedia.com.au

Asia-Pacific Region:

Antonia Au
Executive Director Group Corporate
Communications
T +852 2376 9617
E antonia.au@esr.com