



ESR establishes A\$350 million logistics mandate in Australia

SYDNEY and HONG KONG, 11 November 2019

ESR Cayman Limited (ESR or the Group; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, announces it has established a new mandate with China Merchants Capital Investment Co. Ltd (China Merchants Capital). The new mandate – to be known as ESR Australia Logistics Trust (EALT) – will be seeded with A\$175 million (equivalent to approximately US\$120 million) of ESR's balance sheet assets in Australia and has a target to grow its total assets to A\$350 million (equivalent to approximately US\$240 million) over the next 12 months.

EALT was seeded by the sell-down of 11 of ESR's wholly-owned assets with a value of A\$175 million. This is in line with ESR's capital recycling strategy to transfer assets into funds and investment vehicles it manages to realise capital to be used for future projects.

With a dedicated team of in-house asset and property professionals, ESR will continue to manage the properties within EALT.

Phil Pearce, CEO of ESR Australia, said, "The establishment of this mandate is the first step in a strategy of releasing capital from our balance sheet to fund and accelerate our future developments. ESR has been on an impressive growth trajectory in the 12 months since entering the Australian market. We have a robust development pipeline here in Australia, with a number of other opportunities we are pursuing. Partnerships like the one with China Merchants Capital means we can continue to improve on the substantial growth we have already achieved in this market while delivering strong results for our investors."

Vincent Yu, Managing Director and CEO of China Merchants Capital's real estate investment platform, China Merchants Frontier Capital, commented, "We are pleased to have joined forces with ESR and look forward to partnering with them on this venture. As last-mile delivery becomes increasingly important for supply chain efficiency, we believe occupier demand for industrial and logistics properties will continue to grow and drive up rents, especially in well-located industrial areas with supply constraint."

Jeffrey Shen and Stuart Gibson, Co-founders and Group Co-CEOs of ESR, stated, "The establishment of EALT demonstrates the strength of our integrated business model using a capital-efficient strategy to source and recycle capital. It also reflects our confidence in the long-term potential of the Australian logistics and industrial real estate sector. We will continue to leverage the strong track record of our funds management platform,



together with our expertise in asset and property management, to capitalize on the opportunities in Australia and the broader APAC region.”

On 1 November 2019, ESR made the trading debut of its shares on the Main Board of the Stock Exchange of Hong Kong. In Australia, it recently announced a number of land acquisitions that bolstered the Australian development pipeline, in addition to the sale of non-core assets to continue to build its land bank.

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\$1.9 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\$33.7 billion in assets under management across more than 15 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, please visit esr.com.

(Assets Under Management as at 30 June 2019)

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