

ESR launches new China development platform to invest up to US\$4 billion

*Extends collaboration with leading global institutional investors
as fundraising momentum continues to accelerate*

SHANGHAI / HONG KONG, 16 August 2021 – ESR Cayman Limited (“ESR”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, has entered into an agreement to launch its latest logistics development platform in China (“ESR China Development Platform”, or “ECDP”), with Dutch pension fund asset manager APG Asset Management (“APG”) and another global institutional investor. ECDP, with an initial equity commitment of US\$1 billion, provides the potential investment capacity of up to US\$4 billion over time.

ECDP focuses on a continuation of ESR’s strategy to develop and own modern, institutional-grade logistics facilities in major logistics hubs across China with a focus on Tier 1 and Tier 1.5 cities.

Jeffrey Shen and Stuart Gibson, Co-founders and Co-CEOs of ESR, said: “Capital partner support has been key to the growth of ESR’s new economy real estate platform. We are thrilled to extend ESR’s successful collaboration and close relationship with these two leading institutional investors, with whom ESR has already delivered strong results in China and across the Asia Pacific region.

“The acceleration of e-commerce continues to drive growth in China’s logistics market. What’s more, structural shifts in supply chain management, and consumers’ shopping habits and lifestyle changes are reshaping the market. These trends are opening new development and investment opportunities to ESR and our capital partners as the demand for advanced, large-scale and well-located logistics assets becomes even greater.”

Global e-commerce sales are expected to grow US\$1.5 trillion by 2025 to reach US\$3.9 trillion, which will require an additional 138 million sqm logistics space¹. In China, which boasts one of the world’s highest levels of e-commerce penetration, demand for prime logistics assets is set to continue a robust upward trajectory.

“The China logistics sector continues to be a critical part of the China growth story. We believe that building new assets designed to meet environmental standards and ever-changing occupier demand is one of the better ways to create a resilient portfolio for long-term performance. To do this, it is essential to have development partners that offer first-class sourcing and execution capabilities, which is why we have embarked on our second China-focussed platform with ESR,” commented Graeme Torre, Head of Real Estate Asia Pacific for APG.

ESR’s integrated fund management platform has provided its capital partners with access to some of the world’s best secular growth opportunities propelled by the positive trends of e-commerce, urbanisation and domestic consumption in the region. In China, ESR manages a best-in-class logistics real estate portfolio of US\$6.7 billion in AUM and 8.5 million sqm in GFA, as of 31 December 2020. ESR also holds the largest development pipeline in the country’s leading economic and logistics hubs – Greater Shanghai, Greater Beijing and Greater Guangzhou.

The transaction is subject to relevant regulatory approval.

¹ Source: Global E-Commerce Outlook report by CBRE

About ESR

ESR is the largest APAC focused logistics real estate platform by gross floor area (“GFA”) and by value of the assets owned directly and by the funds and investment vehicles it manages with a growing presence in data centres. ESR and the funds and investment vehicles it manages are backed by some of the world’s preeminent investors including APG, CPP Investments, JD.com, Oxford Properties, PGGM and SK Holdings. The ESR platform spans major economies across the APAC region, including China, Japan, South Korea, Singapore, Australia, India, Vietnam and Indonesia. As of 31 December 2020, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR recorded approximately US\$34 billion², and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 20 million sqm in total. Listed on the Main Board of The Stock Exchange of Hong Kong Limited in November 2019, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

For more information on ESR, please visit www.esr.com.

Investor Relations

Chang Rui Hua
Group Managing Director
Capital Markets and Investor Relations
+852 2376 9623 / +852 5506 7719
rh.chang@esr.com

Media Contact

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

² Reported AUM of US\$29.9 billion for ESR as of 31 December 2020 adjusted for AUM announced in 1H2021 (Milestone Portfolio US\$2.8 billion, RILF3 US\$675 million, Korea Income JV US\$500 million)