

## ESR acquires 550,000 sqm portfolio in China

*The transaction represents the largest-ever logistics and industrial portfolio sold in Greater Shanghai*

**SHANGHAI / HONG KONG, 10 February 2022** – ESR Cayman Limited (“ESR” or the “Company”, together with its subsidiaries as the “Group”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, today announced that the Group has completed the acquisition of a prime logistics and industrial portfolio in Greater Shanghai, China, in partnership with a leading global institutional investor.

The portfolio, which consists of 11 completed logistics and industrial assets with a total GFA of over 550,000 sqm, represents the largest logistics and industrial portfolio ever sold in Greater Shanghai. The portfolio is concentrated in the Yangtze River Delta region, spanning major cities including Shanghai, Kunshan, Suzhou, Taicang and Hangzhou, with high exposure to dense population centres and excellent access to transportation systems.

Jeffrey Shen, Co-founder and Co-CEO of ESR, said: “A high-quality existing portfolio of this size, strategic location and value-add potential is a rare opportunity in the closely held greater Shanghai market. We are very pleased to collaborate with one of our long-time capital partners to secure this portfolio. This acquisition further cements ESR’s strong position in China as we continue to expand our network of strategically located best-in-class New Economy assets across the country. This also demonstrates our ability to capture compelling investment opportunities for our capital partners who are eager to increase their exposure to New Economy real estate where they remain significantly underweight. The portfolio has several projects with strong value-add potential, which will be optimised by ESR as our highly experienced team leverages its deep local knowledge and our robust ecosystem of customer relationships.”

With US\$13.4 billion of New Economy AUM<sup>1</sup> and a 2.5 million sqm of pipeline<sup>2</sup>, ESR Group has established a leading position in the Chinese logistics real estate market in which Greater Shanghai has been a core strategic market for the Group. The Yangtze River Delta region – one of the strategic megalopolises and home to a cluster of e-commerce and modern logistics companies – has been an important economic powerhouse for the nation benefiting from coordinated policies introduced by the government to facilitate talent mobility and business development, among others. The regional GDP of the Yangtze River Delta region accounted for 24.5% of China’s total in the first three quarters of 2021, up from 24.1% in the full year 2018<sup>3</sup>. Nested in the heart of the region, demand for logistics space in Shanghai remained consistently strong in 2021, with rent rising by 2.2% year-on-year while the vacancy rate edged down by 2.4 percentage points year-on-year<sup>4</sup>.

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<sup>1</sup> ESR Group data; based on management estimates for the Group as of 31 December 2021

<sup>2</sup> ESR Group data; 2021-23 pipeline as of 1Q2021

<sup>3</sup> Source: The State Council Information Office of the People’s Republic of China

<sup>4</sup> Source: 2021 Shanghai Logistics Annual Report by Colliers

With its recent acquisition of ARA Asset Management, ESR has emerged as APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally with a gross AUM of US\$140 billion<sup>5</sup>. As the Group further grows its New Economy real estate platform, which tops the APAC region with an AUM of US\$59 billion<sup>6</sup>, it will continue to identify prime assets to add to its portfolios, with an aim to further enhance its New Economy offerings with a full suite of real estate development products and investment solutions.

## About ESR

ESR is APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140 billion in gross assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. With 14 listed REITs managed by the Group and its associates, ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. Our purpose – *Space and Investment Solutions for a Sustainable Future* – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index. More information is available at [www.esr.com](http://www.esr.com).

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<sup>5</sup> Based on management estimates for the Group (including the AUM of associates – Cromwell and Kenedix) as of 31 December 2021

<sup>6</sup> Based on management estimates for the Group as of 31 December 2021