

ESR Establishes A\$350 million Logistics Mandate in Australia

*New mandate with China Merchants Capital reinforces ESR's focused capital recycling strategy
For accretive reinvestment into ESR's A\$1.8 billion Australian development pipeline*

SYDNEY/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 located in Brisbane, Melbourne, Sydney and Perth with a value of A\$175 million. This is in line with ESR’s capital recycling strategy to transfer logistics facility 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 sales of non-core assets to continue to build its land bank.

About ESR

ESR is the largest Asia-Pacific 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. Co-founded by its senior management team and Warburg Pincus, ESR and the funds and investment vehicles it manages are backed by some of the world's preeminent investors including APG, SK Holdings, JD.com, Goldman Sachs, CPPIB, OMERS, Ping An and Allianz Real Estate. The ESR platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India. As of June 30, 2019, 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\$20.2 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 15.3 million sq.m in total. 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 www.esr.com.

About China Merchants Capital and China Merchants Frontier Capital

China Merchants Capital was founded in 2012 as the alternative investment and asset management platform of China Merchants Group. As of 30 June 2019, China Merchants Capital managed over CNY270 billion (US\$39 billion) of funds for institutional investors.

China Merchants Frontier Capital is a subsidiary of China Merchants Capital and focuses on real estate and infrastructure investments. It had invested in and managed over HKD10 billion (US\$1.3 billion) of assets globally since it was established in 2013.

For more information on China Merchants Capital and China Merchants Frontier Capital, please visit <http://www.cmcapital.com.cn/en/>.

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