

NEWS RELEASE

ESR and BW form joint venture on 240,000 sqm development project in Vietnam

HONG KONG / BINH DUONG, 10 May 2021 – **ESR Cayman Limited** (“ESR”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, and **BW Industrial Development Joint Stock Company** (“BW”), the leading logistics and industrial real estate developer and operator in Vietnam, have entered into a development joint venture to develop and own a significant modern industrial park near Ho Chi Minh City, Vietnam. The partnership marks ESR’s first entry into the Vietnamese market, expanding the group’s APAC footprint in the high growth Southeast Asia region.

The My Phuoc 4 Industrial Park (the “Park”), which will have a total of approximately 240,000 sqm of logistics and light industrial facilities upon completion, is located north of Ho Chi Minh City in the strategic Binh Duong market, a leading hub of industrial development in Southern Vietnam. The Park will have the ability to cater to a wide variety of local and international tenants, given its prime location with excellent motorway access and connectivity to densely populated areas, major industrial clusters, ports and airports. BW is currently developing the My Phuoc 4 Park with completion scheduled for August 2021. ESR will work with BW on the leasing of the My Phuoc 4 Park leveraging its strong roster of customers.

Jeffrey Shen and Stuart Gibson, ESR Co-founders and Co-CEOs, remarked, “Vietnam’s industrial and logistics real estate sector is coming of age. It is one of the most promising markets within Southeast Asia, benefitting from a range of favourable macro-economic factors including its high and stable GDP growth rate, growing income level and thus emerging middle class, rapid urbanisation and infrastructure development. We are most pleased to make our first foray into the Vietnamese market with this meaningful joint venture with BW, the leading local logistics and industrial developer in Vietnam, which sets a strong foundation for our growth plans in the country.”

Lance Li, CEO of BW, said, “E-commerce is a very important positive tailwind that drives the demand for logistics real estate in Vietnam. We are very delighted to work hand in hand with ESR, leveraging our collective relationships, experience and track record in development and management, to capitalise on the opportunity for this project. As the Vietnam industrial and logistics property sector is entering a strong cycle of growth, BW is focused on continuing to be a pioneer in the market and accelerating our growth trajectory on the back of both greenfield developments, acquisitions and joint ventures. We believe that the firm is well positioned to capture the increasing opportunities as the demand for industrial spaces continues to grow.”

“We are excited to cooperate with BW on the development and management of high-quality logistics and light industrial facilities in this prime location, given BW’s leading presence and reputation in the market. We view Vietnam as an important market in ESR’s strategy and we look forward to welcoming our customers to My Phuoc 4,” said Dr. Michael de Jong-Douglas, Senior Managing Director of ESR.

As a key consumer and manufacturing market with a population of close to 100 million, Vietnam is one of the fastest growing e-commerce markets in Southeast Asia. Revenue from e-commerce is estimated to have reached approximately US\$7 billion in 2020, implying a growth of 46% over 2019 alone¹, thereby fuelling the demand for modern, primely located logistics facilities. Vietnam’s logistics real estate is expected to grow another 14-16% annually over the next three years on the back of insufficient supply in the key southern logistics hubs, including Binh Duong² and strong expected e-commerce growth of 34%³ over next five years. Vietnam has also been a key beneficiary of the reallocation of manufacturing and supply chain activities to Southeast Asia. This transformative shift has been further accelerated by the supply chain disruptions that have resulted on account of COVID-19. Vietnam’s best-in-class response to the pandemic and successful public health outcome has ensured that the country continues to benefit from increasing manufacturer interest from across regions.

The transaction is subject to relevant regulatory approvals.

¹ Source: e-Conomy SEA 2020 Report by Google, Temasek and Bain

² Source: JLL

³ Source: e-Conomy SEA 2020 Report by Google, Temasek and Bain

About BW

Founded by Warburg Pincus, a leading global private equity firm, and Becamex, a leading industrial infrastructure developer in Vietnam – BW is Vietnam’s largest and fastest growing logistics and industrial real estate developer with over 5 million sqm of prime industrial land under control across over 25 projects in 20 prime economic locations across the country. BW has been focused on developing light industrial and modern warehouses to capture the outsized manufacturing growth, increasing domestic consumption and the rapid growth in e-commerce. BW has secured equity commitments in excess of US\$500 million from its shareholders and has formed strategic partnerships with key e-commerce and logistics customers to serve one of the fastest growing markets in Asia. For more information on BW, please visit <https://bwindustrial.com/>.

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. 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 the People’s Republic of China, Japan, South Korea, Singapore, Australia, and India. 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\$30 billion, 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.

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