



NEWS RELEASE

## ESR demonstrates strong continued support and alignment of interest as ESR-REIT completes maiden overseas acquisition

**HONG KONG / SINGAPORE, 14 May 2021** – ESR Cayman Limited (“**ESR**”, the “**Group**” or the “**Sponsor**” of ESR-REIT) and ESR Funds Management (S) Limited (the “**Manager**” of ESR-REIT) jointly announced the completion of the acquisition of 10.0% of the total issued units in ESR Australia Logistics Partnership (“**EALP**”) by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) for a purchase consideration of A\$60.5 million (approximately S\$62.4 million<sup>1</sup> and US\$46.6 million<sup>2</sup>) (the “**Australia Acquisition**”). This marks ESR-REIT’s first acquisition from the Sponsor’s pipeline as well as its first overseas expansion.

EALP, which comprises 37 prime logistics properties all located in Australia, is a private fund managed by ESR Asset Management (Australia) Pty Ltd, an indirect subsidiary of ESR. Currently, ESR Queensland Hold Trust holds a 20.0% interest in EALP, with the remaining 80.0% interest in EALP held by a wholly owned subsidiary of GIC (Realty) Private Limited (“**GIC**”), whose primary business is to hold real estate investments of the GIC Private Limited, a global investment firm established in 1981 to manage Singapore’s foreign reserves. Following the completion of the Australia Acquisition, ESR Queensland Hold Trust and ESR-REIT will each hold a 10.0% interest in the Fund, with GIC holding the remaining 80.0% interest in EALP.

Jeffrey Shen and Stuart Gibson, ESR Co-founders and Co-CEOs, said, “As the Group’s premiere pan-Asia REIT vehicle, ESR-REIT remains an integral part of our rapidly expanding new economy real estate platform. We remain committed to ESR-REIT and its long-term growth by providing it with continuous access to our strong portfolio of best-in-class logistics properties valued at approximately US\$27 billion<sup>3</sup> across the APAC region, as well as financial and operational support as it continues to scale up. While structural changes stemming from the pandemic are driving REITs to transform their portfolios in response to the acceleration of e-commerce and shifts in global supply chain management, we are confident that our continued commitment and support will ensure ESR-REIT is well positioned to tap into the rising demand for quality logistics infrastructure and thrive on the transformation of the market.”

Adrian Chui, Chief Executive Officer and Executive Director of the Manager of ESR-REIT, said, “With the continued growth in demand for quality logistics facilities underscored by the sustained momentum in e-commerce, we are in a good position to be able to leverage our Sponsor’s strong network of quality pipeline opportunities and operational expertise to accelerate our expansion overseas. Complementing our investment strategy, EALP presented a unique opportunity to access a portfolio of high quality freehold assets to diversify our portfolio geographically and capitalise on the robust logistics market in Australia to strengthen our portfolio.”

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<sup>1</sup> Using an illustrative exchange rate of A\$1.000 : S\$1.032.

<sup>2</sup> Using an illustrative exchange rate of A\$1.000 : US\$0.770.

<sup>3</sup> Excluding ESR-REIT.

In addition to the Australia Acquisition, the Manager of ESR-REIT announced the proposed acquisition of 46A Tanjong Penjuru, a modern in-demand ramp-up logistics facility well-located in the western central area of Singapore that is expected to complete within this year.<sup>4</sup> The proposed acquisition coupled with the Australia Acquisition will scale up ESR-REIT's logistics exposure in the face of a significant demand in quality warehouse space. As part of ongoing efforts to optimise its portfolio, the Manager of ESR-REIT also announced that 16 Tai Seng Avenue and 7000 Ang Mo Kio Avenue 5, two high-specifications properties, will be undergoing asset enhancements initiatives to develop unutilised plot ratio to increase gross floor area.<sup>6</sup>

“Since coming onboard as the Sponsor of ESR-REIT in 2017, ESR has demonstrated a strong alignment of interest with the REIT and its unitholders by providing financial commitment through a series of backstops for all of our equity fund raising activities, including the upcoming Preferential Offering.<sup>5</sup> With our Sponsor's continued support, this will enable ESR-REIT to further capture strong opportunities in key regional markets in which it has a well-established presence, delivering greater income stability and long-term growth for our unitholders,” added Mr. Chui.

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<sup>4</sup> Refer to the announcement titled “Proposed Acquisition of 46A Tanjong Penjuru” dated 6 May 2021 for more details.

<sup>5</sup> Refer to the announcement titled “Launch of Equity Fund Raising to Raise Gross Proceeds of Up to Approximately S\$150.0 million” dated 6 May 2021 for more details.

## 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](http://www.esr.com).

## About ESR-REIT

ESR-REIT has been listed on the Singapore Exchange Securities Trading Limited since 25 July 2006.

ESR-REIT invests in quality income-producing industrial properties and as at 31 December 2020 holds interest in a diversified portfolio of 57 properties located across Singapore, with a total gross floor area of approximately 15.1 million square feet and an aggregate property value of S\$3.1 billion<sup>6</sup>. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial, and are located close to major transportation hubs and key industrial zones island-wide.

The Manager’s objective is to provide Unitholders with a stable income stream through the successful implementation of the following strategies:

- Acquisition of value-enhancing properties;
- Proactive asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management.

ESR Funds Management (S) Limited, the Manager of ESR-REIT, is owned by namely, ESR Cayman Limited (“ESR”) (67.3%), Shanghai Summit Pte. Ltd. (25.0%), and Mitsui & Co., Ltd (7.7%).

For further information on ESR-REIT, please visit [www.esr-reit.com.sg](http://www.esr-reit.com.sg).

## About EALP

EALP’s portfolio currently comprises 33 income-producing properties<sup>7</sup>, two land parcels for future development and another two properties which are currently under development. Collectively, the 37 prime logistics assets are located in core industrial markets of New South Wales, Victoria, Queensland, South Australia and Western Australia, with a total land area of approximately 1,319,468 sqm, an occupancy rate of 95.9% and a weighted average lease expiry of 4.87<sup>8</sup> years as at 31 March 2021<sup>9</sup>.

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<sup>6</sup> Includes 100% of the valuation of 7000 Ang Mo Kio Avenue 5 and 48 Pandan Road, in which ESR-REIT holds 80% interest in 7000 Ang Mo Kio Avenue 5 and 49% interest in 48 Pandan Road, but excludes the effects arising from the adoption of Financial Reporting Standard (FRS) 116 *Leases* which became effective on 1 January 2019.

<sup>7</sup> Includes 65-75 Strelecki Avenue, Sunshine West, Victoria, (“65-75 Strelecki Avenue”) which was acquired by the Fund on 19 April 2021.

<sup>8</sup> Weighted by rental income.

<sup>9</sup> Excludes 65-75 Strelecki Avenue which was acquired by the Fund on 19 April 2021.

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