



## **ESR closes US\$1 billion development joint venture ESR-KS II with APG and CPP Investments**

**SEOUL/HONG KONG, 18 June 2020** – ESR Cayman Limited (“ESR” or the “Group”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, today announced the closing of its development joint venture ESR-KS II (“ESR-KS II” or the “Joint Venture”) with APG and Canada Pension Plan Investment Board (“CPP Investments”).

With a total equity allocation of US\$1 billion, ESR-KS II will invest in and develop a best-in-class industrial and logistics portfolio in South Korea. APG, CPP Investments and ESR have agreed to initial investments in the Joint Venture in the amounts of US\$350 million, US\$450 million and US\$200 million, respectively. The partners have allocation expansion options that could bring the total equity investment capacity to as much as US\$2 billion over time. APG, CPP Investments and ESR will hold 35%, 45% and 20%, respectively, of the Joint Venture.

ESR-KS II will be seeded initially with a prime land site situated in Incheon City, on which a modern large-scale, multi-tenant facility with a gross floor area (“GFA”) of 154,422 sqm and a gross value of approximately KRW240 billion (approximately US\$197 million) will be developed. The facility is planned to serve as a last-mile distribution centre to support the robust logistics demand in Incheon City. With one of the most advanced infrastructure, logistics and transportation systems in the country, Incheon is a strategic market which has a competitive industrial sector as well as a thriving free economic zone.

Thomas Nam, CEO of ESR-Kendall Square, ESR’s South Korean platform, said, “We are very pleased to have received strong support from our longstanding partners, APG and CPP investments. E-commerce breakthroughs and a shortage of modern warehousing space are fuelling the continued growth of the logistics sector in the country. The strategic location in a market with constrained supply makes the initial Incheon City seed asset a prime opportunity. We will continue to identify quality assets and projects, building on our industry leading development pipeline and expertise to provide a platform for investors to access institutional quality development opportunities in the burgeoning South Korean market.”

ESR-KS II marks APG’s fourth development collaboration, and CPP Investments’ third joint venture with ESR. The new Joint Venture is a successor vehicle to ESR-KS I, a US\$1 billion joint venture – which was later upsized to US\$1.15 billion – between the three parties that has led to the development of 17 projects totalling 2.2 million sqm of GFA in South Korea.

Jeffrey Shen and Stuart Gibson, Co-founders and Co-CEOs of ESR, said, “The ESR-KS II close reflects the excellent relationship we have with our capital partners and is a testament to the strong track record we have achieved in previous collaborations. We are confident that the state-of-the-art developments of ESR-KS II – managed by ESR’s local team, one of the most experienced in the country and with an unparalleled track record for over two decades – will set another flagship vehicle for the Group that provides our investors with solid returns.”

ESR-Kendall Square is South Korea's largest owner of logistics properties with the largest development pipeline in the Seoul Metropolitan Area. As of 31 December 2019, the total AUM and GFA of ESR's South Korea business had reached approximately US\$4.6 billion and approximately 2.9 million sqm, respectively; and the development pipeline had increased to 3.2 million sqm. ESR-Kendall Square is also a market leader known for its state-of-the-art facilities which have gained wide recognition for their advanced architectural design and sustainability-focused approach.

### **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. The ESR platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India. As of 31 December 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\$22.1 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 17.2 million sqm 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](http://www.esr.com).

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