

## ESR continues to see strong capital flows into Australian logistics

- ESR Australia expands its core plus logistics strategy with A\$600 million commitment to ESR Australia Logistics Partnership II (“EALP II”)
- M&G Real Estate Asia (“M&G”) commits A\$200 million to ESR Australia Development Partnership (“EADP”)

**SYDNEY / HONG KONG, 29 July 2021** – ESR Cayman Limited (“ESR” or the “Company”, together with its subsidiaries as the “Group”; SEHK Stock Code: 1821) is pleased to announce that ESR Australia has secured an initial commitment from investors of A\$480 million (circa US\$353 million) to EALP II, an extension of the successful EALP; and global asset management firm M&G Investments has committed A\$200 million (circa US\$147 million) to EADP.

With the initial A\$600 million (circa US\$442 million) equity commitment to EALP I near fully utilised, ESR Australia has established EALP II with an additional A\$600 million. EALP I was launched with a seed portfolio valued of A\$715 million (circa US\$527 million) in May 2021, growing via acquisition and development to a portfolio with a forecast end value of circa A\$1.6 billion (circa US\$1.2 billion).

Now nearing full utilisation, EALP I holds 33 income-producing assets in strategic locations, including The Iconic’s fulfilment centre in Yennora and Bringelly Road Business Hub and Developments such as Clayton Business Hub and Sherbrooke Industrial Estate in Willawong. Fund assets account for over 500,000 sqm of GFA, with circa 200,000 sqm of development opportunities.

ESR Australia CEO, Phil Pearce, said: “Following the successful deployment of the initial equity committed to EALP and the continued positive outlook for the logistics sector in Australia, we felt confident to commit an additional A\$600 million to the core plus strategy via the launch of EALP II.”

In addition to the launch of EALP II, ESR Australia is pleased to announce that M&G has committed A\$200 million to EADP. Following M&G’s commitment, ESR and GIC will hold 40% each and M&G 20%.

Launched in June 2020, with A\$1 billion (circa US\$737 million) of equity commitments, EADP is a develop-to-hold logistics strategy with cornerstone investor GIC committing 40% of the equity. At the time of launch, EADP was seeded with two Western Sydney projects, Horsley Logistics Park and Leppington Industrial Estate. The partnership has since acquired Acacia Ridge Business Park in Queensland along with a 79-ha site in Cranbourne, Victoria. Since the launch of the partnership, ESR has secured several pre-commitments from groups such as UPS, PACT, and SPAR.

EADP currently has A\$270 million (circa US\$198 million) AUM and a pipeline of developable land of 81,000 sqm, with an anticipated end value of A\$1.1 billion (circa US\$808 million).

Mr. Pearce said: “We are pleased to have M&G on board as a partner in EADP. Their A\$200 million commitment further demonstrates ESR Australia’s ability to attract new capital, backed by an ever-growing track record of successful development projects in the local market.”

Jingdong Lai, CIO and interim CEO at M&G Real Estate Asia, said: “The logistics sector is a high conviction theme for our real estate portfolios, and Australia is a core market for us in Asia Pacific.

Extending our strategic partnership with ESR in this highly competitive market grants us exposure to a high quality and modern portfolio of assets to invest in over the long term.”

Jeffrey Shen and Stuart Gibson, Co-founders and Group Co-CEOs of ESR, remarked: “The success our Australian team has had in raising funds for diversified strategies is testament to the strong capital relationships and quality asset portfolios they have fostered. We are also proud that the team has successfully implemented good practices across the portfolio – sustainable buildings, renewable energy, eco-efficiency improvement, to name a few. On the back of robust fundamentals and growth drivers of logistics real estate, we continue collaboration with like-minded managers and investors to accelerate our sustainability efforts, while leveraging our network strengths and track record to expand our leading platform and capitalise on compelling opportunities in Australia and across the APAC region.”

Mr. Pearce concluded: “Through the sustained review of core funds, paired with the delivery of strong performing development sites and reoccurring earnings, ESR Australia is well positioned to forge greater collaboration with capital partners to achieve our mandate of sustained growth.”

### **About M&G Investments**

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc’s UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has £367 billion of assets under management (as at 31 December 2021). M&G plc has around 5 million customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members and over 800 institutional clients.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

Its £33.7 billion property arm (as at 30 June 2020 including cash), M&G Real Estate, is a leading financial solutions provider for global real estate investors, has a sector leading approach to responsible property management and is committed to continuously improving the sustainability performance of its funds. For more information, please visit: <https://global.mandg.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, India, Vietnam, and Indonesia. 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).

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