

ESR establishes its largest-ever RMB Income Fund in China with a total investment capacity of RMB ¥ 10 billion

- *Deepens relationship with a leading onshore investor to pursue investment into income-generating logistics projects*
- *The Fund will be seeded with a prime stabilised portfolio from ESR's balance sheet of ¥ 2.3 billion in line with the Group's asset-light strategy*



Prime logistics and industrial portfolio from ESR's balance sheet to be recap'd via the new core fund

SHANGHAI / HONG KONG, 22 August 2023 – ESR Group Limited (“ESR” or the “Company”, together with its subsidiaries as the “Group”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, has established its largest-ever RMB income fund in China (the “Fund”). On the back of its industry-leading investment and asset management capabilities, ESR has established the Fund with one of China’s leading insurance companies, launching with a total investment capacity of approximately RMB ¥10 billion. The Fund will be seeded with a prime logistics portfolio of ¥ 2.3 billion (total GFA over 350,000 sqm) from ESR’s balance sheet, and the transaction is expected to be closed in the second half of this year, subject to regulatory approvals.

Consistent with its asset-light strategy in China, ESR has continued to deepen the relationship with domestic RMB investors and the Fund represents a continuous partnership with leading insurance companies. The seed portfolio contains 6 stabilised assets strategically located in major logistics and industrial hubs across different regions in China, including the Yangtze River Delta Region, the Greater Bay Area, and the Beijing-Tianjin-Hebei Region. Moreover, ESR aims to increase its rooftop solar power

generation for selected assets of the portfolio to further its decarbonisation efforts in line with the Group's ESG 2030 Roadmap to set up 1,000 MW of solar power capacity on the rooftop of assets.

Jeffrey Shen, ESR Group Co-founder and Co-CEO, said: "ESR is very proud of our largest-ever RMB income fund in China despite the challenging macro-economic environment. This milestone achievement testifies to the strong relationships and track record which ESR has built with domestic RMB investors, and the compelling long-term income potential of our portfolio of well-located and premium logistics assets in China. We thank our capital partner, one of China's leading insurance companies, for their continuous support and will actively expand the portfolio of this new venture with high quality assets. This initiative is also in line with ESR's focus on accelerating our asset-light strategy, which will enable us to recycle the capital, further grow our fund management fee business and seize on opportunities to reinforce our leadership position in New Economy real estate across APAC."

As of 31 December 2022, ESR Group has a development work-in-progress ("WIP") of US\$11.9 billion, the largest development workbook in APAC. The Group achieved a record US\$6.5 billion of development starts as well as US\$5.5 billion in completions which accelerated in the second half of 2022. In Greater China, ESR has a total AUM of US\$32.5 billion¹ and approximately 14.3 million sqm of GFA.

About ESR

ESR is APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With approximately US\$150 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$46 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, 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

Media Contact

Kathleen Goh
Senior Director, Group Corporate Affairs
+65 6972 2192
kathleen.goh@esr.com

Investor Relations Contact

Marilyn Tan
Group Head, Investor Relations
+65 6601 9361
marilyn.tan@esr.com

¹ Based on FX translation as of 31 Dec 2022