



For Immediate Release

ESR and Chinachem Break Ground on Hong Kong's Largest and Most Advanced Cold Storage Facility

Largest cold storage to be built in the last two decades in the city

Pioneering the future of logistics in Hong Kong



ESR Group Limited, in partnership with Chinachem Group, held a groundbreaking ceremony today to initiate the development of a cutting-edge prime cold storage and logistics facility in Kwai Chung. Distinguished guests of honour at the groundbreaking ceremony include Lam Sai Hung (centre), Secretary for Transport and Logistics; Jeffrey Shen (third from the right), ESR Group Co-founder and Co-CEO; and Donald Choi (third from the left), Executive Director and CEO of Chinachem Group. This marks the commencement of Hong Kong's largest cold storage project in the past 20 years. The second and first from the left are Chinachem Group's Executive Director and CFO Ricky Tsang and Managing Director, Corporate Development Damien Wu, while the second and first from the right are Chang Rui Hua, Managing Director, Business Management and Investment, ESR Hong Kong; and Allan Wang, Group Treasury Senior Director, ESR Group.



Jeffrey Shen (third from the left), ESR Group Co-founder and Co-CEO and Donald Choi (first from the left), Executive Director and CEO of Chinachem Group introduce the exterior and amenities of the cold storage and logistics facility upon its completion to Lam Sai Hung (second from the left), Secretary for Transport and Logistics.

[27 September 2023, Hong Kong] ESR Group Limited (“ESR”, SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, in partnership with Chinachem Group (“Chinachem”), a leading property developer in Hong Kong, today broke ground to begin the development of a prime cold storage and logistics facility in Kwai Chung, the first-of-its-kind and the largest to be built in Hong Kong in the last 20 years.

The groundbreaking ceremony was attended by Lam Sai Hung, Secretary for Transport and Logistics, HKSAR Government; with the presence of Jeffrey Shen, Co-founder and Co-CEO, ESR Group; Chang Rui Hua, Managing Director, Business Management and Investment, ESR Hong Kong; and Allan Wang, Group Treasury Senior Director, ESR Group; as well as senior



management from Chinachem Group including Donald Choi, Executive Director and CEO; Ricky Tsang, Executive Director and CFO; Damien Wu, Managing Director, Corporate Development.

Slated for completion in 2027 (with a new 50-year lease expiring in 2072), Kwai Chung Cold Storage Logistics Centre (“Cold Storage”) will play a major role in pioneering the future of logistics in Hong Kong and consolidating the city’s leadership as a regional logistics hub. Chinachem and ESR are bringing their combined expertise in project management and development, to ensure a building of the highest quality is built. Further, ESR contributes its extensive experience in sustainable development such that Kwai Chung Cold Storage Logistics Centre will have the highest green building standards. To promote green transport, Chinachem Group, ESR and CLPe will explore EV Charging as a Service to cater for future demand of electric commercial vehicles. In addition, tenants in the new facility will be able to maximise the use of space rented, including the ability to expand to three levels of racking space. ESR, which will be the asset manager of the Kwai Chung Cold Storage Logistics Centre, has signed a letter of intent with one of Hong Kong’s largest 3PL firm and discussions with other potential tenants are underway.

Lam Sai Hung, Secretary for Transport and Logistics, said: “The Government attaches great importance to the development of the logistics industry and has spared no effort in providing a favourable business environment for the trade. One of the Government’s policy directions is to promote a more efficient use of logistics land to support the upgrading and transformation of the logistics sector towards the direction of green and smart solutions, particularly in handling high-value and cold chain products. The development of new multi-storey modern logistics facilities by the industry could definitely complement the Government’s effort in driving this policy direction.”

Jeffrey Shen and Stuart Gibson, ESR Group Co-founders and Co-CEOs, said: “We are proud to bring ESR’s leading expertise in investment, development and asset management for modern logistics facilities as well as the highest standards of sustainable development to Hong Kong. Together with our partner Chinachem Group, we are confident this new development will fulfil the growing demand for large-scale, cutting-edge logistics space while enabling Hong Kong to reinforce its position as a leading logistics hub to the world. In addition to the property’s state-of-the-art facilities, its strategic location also helps to unleash the full potential value of the Kwai



Chung vicinity and sustain the long-term development of the area by promoting job opportunities and economic growth.”

Chang Rui Hua, Managing Director, Business Management and Investment, ESR Hong Kong, said: “ESR’s Kwai Chung facility will set a new benchmark in the industry not only with its scale and cutting-edge features such as automation but also a range of green features for tenants so they may provide more sustainable supply chains solutions.”

Speaking at the Groundbreaking Ceremony, Donald Choi, Executive Director and CEO of Chinachem Group, said, “We are thrilled to partner with ESR for the Kwai Chung Cold Storage Logistics Centre, marking our first significant investment in the logistics sector. Our goal is to enhance Hong Kong’s regional status as a logistics hub and accelerate its economic integration in the Greater Bay Area for its continuing prosperity. Through the adoption of precast building elements and multi-trade integrated mechanical, electrical and plumbing modules (MiMEP), we are actively reducing carbon emissions, demonstrating our commitment to protecting the environment. This collaboration advances our shared ESG priorities, pioneering the sustainable evolution of Hong Kong’s logistics sector while aligning with Chinachem Group’s commitment to the balance of People, Prosperity, and Planet. Together with ESR, our ambition is to shape the future of Hong Kong’s logistics sector by creating a legacy of sustainable development and prosperity.” The cold storage marks another milestone in Chinachem’s business diversification strategy.

Upon its completion, Kwai Chung Cold Storage Logistics Centre will embody industry best practices in its digital and automation technologies, operational flexibility, energy management and modern design to enable tenants to achieve greater efficiency and lower environmental impact.



Sustainable and Green Features

The Cold Storage will be built according to the most stringent green building standards, with the objective of attaining LEED Core and Shell Platinum and BEAM Plus New Building Platinum certifications. Cutting-edge green and sustainable building features have been embedded in the building design, including a rainwater harvesting irrigation system, 300+ electric vehicle (EV) charging points, photovoltaic (PV) panels, and other renewable energy solutions. Additionally, 30% of the site area is designated for greenery.

Modern Logistics Features

To maximise the allowable Gross Floor Area of 138,000 square metres, the Cold Storage will be a seven-storey facility with two basement levels for carpark. Approval has been secured to add eight metres of height to the building, providing high headroom clearance for tenants. The facility also provides ramp access to all levels and automated logistics features, including dock levelers, dock shelters, and sectional doors. Other automated facilities may be further implemented by future tenants.

Strategic Site Location

Strategically located at the junction of Mei Ching Road and Container Port Road South in Kwai Chung, with direct connection from Tsing Ma Bridge and Stonecutters Bridge, the facility has easy access within an hour to established road networks to Hong Kong's Central Business District, International Airport and the border to Mainland China.

Both ESR and Chinachem are confident in the promising prospects of logistics assets and believe the high impact infrastructure project will make vital contributions to Hong Kong's economic growth. As accessibility between cities in the Greater Bay Area improves, Hong Kong's market will open to some 85 million people, together with accelerating e-commerce growth, especially the increasing demand for food items and pharmaceuticals, will further stimulate the market need for modern logistics space.

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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 approximately US\$45 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

About Chinachem Group

Since 1960, Chinachem Group has been a leading property developer in Hong Kong, with a portfolio covering residential, commercial, retail and industrial buildings for sales and investment, in addition to operating hotels, property management as well as healthcare and elderly services. The Group actively seeks to make a positive contribution to society through its adherence to the 'Triple Bottom Line', a commitment that its activities will benefit People, bring Prosperity to the community and preserve the Planet. Please visit www.chinachemgroup.com/en

Download high-resolution images at

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Chinachem Group

Tiffany Tsang

Assistant Manager - Corporate

Communications

Tel: (852) 2500 7658 / 9243 8853

Email: tiffanytsang@chinachemgroup.com

ESR

Kathleen Goh

Senior Director, Group Corporate Affairs

Tel: (65) 6972 2192

Email: kathleen.goh@esr.com

Bentley Communications Ltd.

Eddy Wong

Associate Account Director

Tel: (852) 3960 1931 / 9424 7097

Email: eddywong@bentleyhk.com