

NEWS RELEASE

BW and ESR announce groundbreaking of Nam Dinh Vu project in Hai Phong province

HAI PHONG/HONG KONG, 21 December 2023 – BW Industrial Development Joint Stock Company (the “Company” or “BW”), Vietnam’s leading logistics and industrial real estate developer, and **ESR Group Limited** (“ESR”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, have announced the commencement of a new project in Nam Dinh Vu Industrial Park.

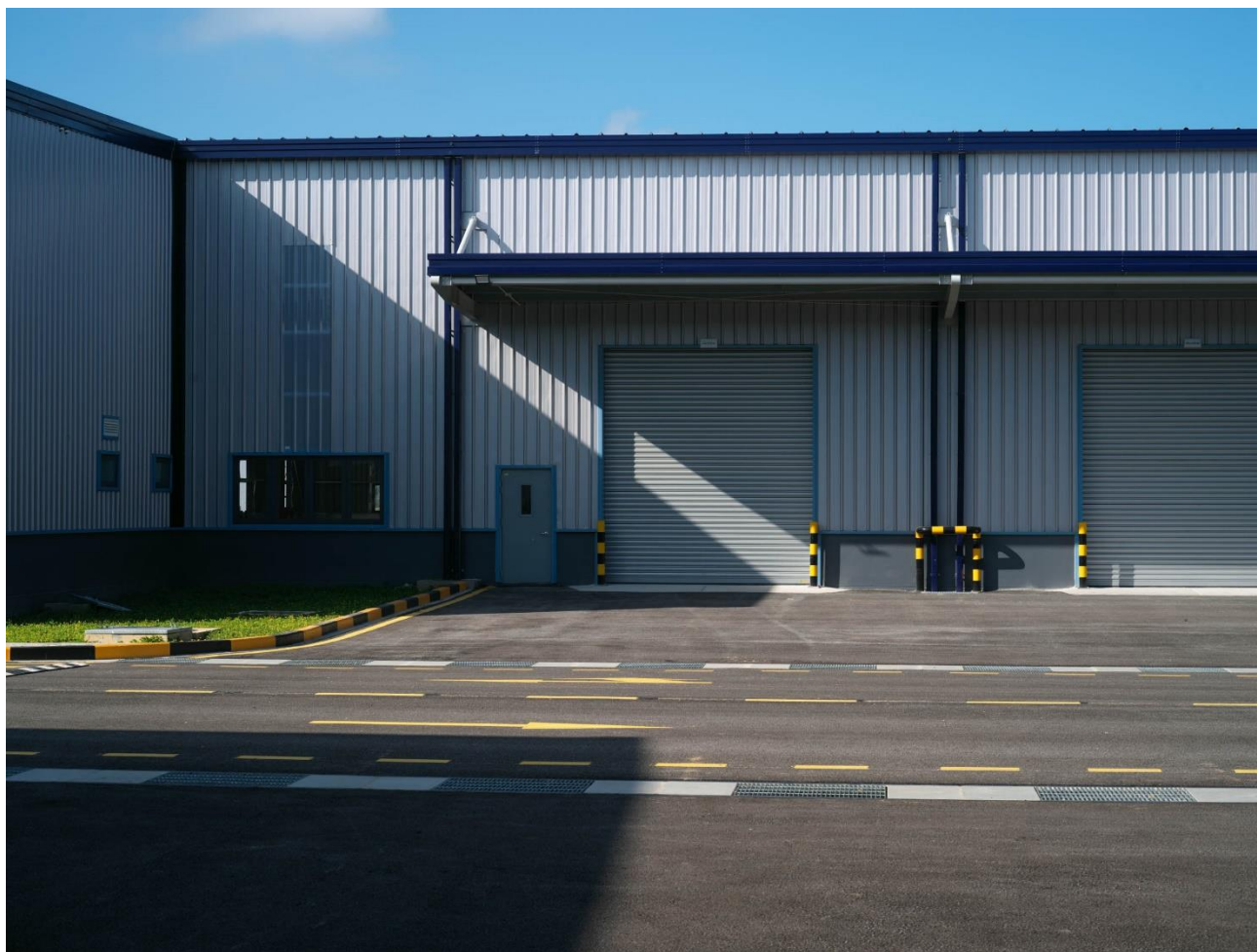
Strategically located in Hai Phong province, the institutional grade project features a modern, best-in-class single-story light industrial facility spanning a gross floor area of 72,000 sqm. With a clear ceiling height of 7 metres and up to 2 tons per sqm of floor loading capacity, the project is meticulously designed to provide tenants with maximum operational efficiency. The project, one of three development joint ventures between BW and ESR, is scheduled for completion in July 2024 and will mark BW’s 10th new project launched this year. It cements BW’s leading position in the market while expanding ESR’s APAC footprint in the high-growth Southeast Asia region.



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Ideally situated in the Dinh Vu – Cat Hai Economic Zone in Hai Phong province and within a well-developed deep seaport system, Nam Dinh Vu is a prime location for foreign direct manufacturing investment in industries such as automotive, electronics, renewables, electrical equipment, and machinery, among others.

Vietnam registered new foreign direct investment (FDI) projects worth over US\$16.41 billion as of November this year, a year-on-year (YoY) rise of 42.4%, while total registered FDI increased close to 15% YoY¹, with Hai Phong emerging as a key player in this landscape. Additionally, the Dinh Vu – Cat Hai Economic Zone offers attractive tax incentives to manufacturers, including a 4-year exemption and 9-year half-reduction of Corporate Income Tax (CIT). The new project is also well-connected to other Northern provinces and China through an extensive highway system, including the Hanoi – Hai Phong Highway, Ha Long – Hai Phong Highway, and Hanoi – Hai Phong Expressway. This connectivity facilitates easy transportation of goods to and from the seaport, further enhancing the project's appeal to potential manufacturers.



The ready-built industrial facility, strategically situated in the Dinh Vu – Cat Hai Economic Zone, is well-positioned to serve as a manufacturing hub for exports.

Jeffrey Shen and Stuart Gibson, ESR Group Co-founders and Co-CEOs, said, “Our expansion in Vietnam is in line with our focus on scaling up our presence in Southeast Asia – one of the fastest growing regions in the world. The commencement of construction for our project in Nam Dinh Vu marks an important milestone for our business in Vietnam, a market that has been a key beneficiary of the reallocation of manufacturing and supply chain activities to Southeast Asia and one that is poised for robust growth driven by favourable macro-economic factors and supported by a young working population.”

¹ Ministry of Planning and Investment, Vietnam

Lance Li, CEO of BW, said, “Supply chain diversification has been a top priority for many companies this year. In fact, some of our customers are given specific deadlines by which to set up alternative manufacturing locations by their end customers. As a result, we have seen a 75% surge in leasing enquiries YoY, as many companies are planning to lease rather than build, given the strict time constraints.”

“The demand for ready-built factories in Hai Phong is on the rise because of its geographic proximity to China with direct road connections to China’s South electronics supply chain cluster; it takes less than 1 day to truck goods from Hai Phong to Shenzhen. Thus, as part of their China Plus One strategy, it is attractive for companies to locate in Nam Dinh Vu. In close collaboration with ESR, we are enthusiastic about leveraging ESR’s pan APAC footprint and tenant relationships, BW’s vast experience on the ground and proven track record in Vietnam to capitalise on the opportunities presented by this project,” Mr. Li added.



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While the general real estate market in Vietnam experiences a slowdown, the industrial and logistics real estate segment stands out as a beacon of opportunity, fueled by the continuous influx of FDI. According to Asian Development Bank, Vietnam’s GDP is set to rebound to 6.0%² in the coming year, with an expected recovery in exports and domestic production. In addition, the recent elevation of diplomatic ties to a comprehensive strategic partnership between Vietnam and the United States is expected to spur FDI from US companies in sectors such as semi-conductors and new energy. In light of this promising outlook, Vietnam is expected to continue to benefit from increasing manufacturing interest over the long term.

² <https://www.adb.org/where-we-work/viet-nam/economy>

About BW

BW is Vietnam's leading logistics and industrial real estate platform with over 8.5 million square meters of industrial land in prime locations under control across 48 projects in 11 key provinces in Vietnam. BW has been focused on developing for-rent modern warehouses and light industrial to capture the outsized growth opportunities of manufacturing, increasing domestic consumption, and the rapid growth of e-commerce. As of Q1 2023, BW has secured equity commitments of more than US\$1 billion from its investors and partners and has formed strategic partnerships with leading global manufacturers, e-commerce, and logistics players to serve one of the fastest-growing markets in Asia.

For more information about BW, please visit <https://bwindustrial.com/>.

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

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