

ESR-managed fund divests over RMB 5.8 billion of logistics assets in China to its flagship RMB Income Fund

Demonstrates ESR's capital recycling capabilities for high-quality assets in a challenging capital market

SHANGHAI / HONG KONG, 30 August 2024 – ESR Group Limited (“ESR” or the “Company”, together with its subsidiaries, the “Group”; SEHK Stock Code: 1821), Asia-Pacific's (“APAC”) leading New Economy real asset manager, today announced that one of the development funds it manages is divesting its portfolio of over RMB 5.8 billion of logistics assets in China. This showcases the Company's capabilities in executing its capital recycling programme for its high-quality assets and prudently redeploying capital to support growth even amid the country's capital market challenges.

The fund is divesting its entire portfolio to an ESR-managed RMB income fund (“RMB Income Fund”). The RMB Income Fund was established in 2023 and is ESR's largest-ever RMB fund in China with a total investment capacity of RMB 10 billion.

The divestment comprises of a portfolio of nine high-quality logistics assets in Tier 1 and Tier 1.5 cities of China, including Guangzhou, Hangzhou, Shanghai and Suzhou, where strong consumerism continues to drive the demand for logistics assets. The assets are well-located, close to key transportation hubs and urban centres. Most of the buildings in this portfolio have also obtained LEED gold or silver certifications. The nine assets, with a total net lettable area of approximately 850,000 square metres (“sqm”) have tenant customers that include top companies from e-commerce, third-party logistics, and manufacturing sectors. After the divestment, ESR will continue to manage the assets.

Jeffrey Shen, ESR Group Co-founder and Co-CEO, said, “Against the backdrop of a challenging capital market in China, we are extremely proud of this achievement, which follows the RMB 2.3 billion recap from our balance sheet via the RMB Income Fund in 2023. These initiatives perfectly encapsulate the synergies between ESR's fund management and development capabilities and testify to the strong confidence that our investors have in the quality of our product and our successful track record. ESR will continue to recycle capital, further grow our fund management business, and seize opportunities to solidify our leadership position in New Economy real estate across APAC.”

Josh Daitch, ESR Group Chief Investment Officer, said, “This is a significant milestone for ESR's China business and represents one of the largest real estate transactions of the year in China. The successful transaction is testament to the superior attributes of the portfolio and demonstrates that best-in-class logistics assets continue to be attractive to investors despite the slowdown in China.”

About ESR Group

ESR Group is Asia-Pacific's leading New Economy real asset manager and one of the largest listed real estate investment managers globally. Our fully integrated fund management and development platform extends across Australia/New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe and the United States. We provide investors with a diverse range of real asset investment and development solutions across private and public investment vehicles. Our focus on New Economy real assets offers customers modern solutions for logistics, data centres, life sciences, infrastructure, and renewables. Our purpose, Space and Investment Solutions for a Sustainable Future, drives us to manage sustainably and impactfully for the communities where we operate and the spaces we develop to thrive for generations to come. ESR Group is listed on The Stock Exchange of Hong Kong (HKSE: 1821.HK). Visit www.esr.com for more information.

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