

ESR China - Customers & Partners



Capital Partners

- ESR China has the backing of a selected group of domestic and global institutional capital partners.
- A number of our capital partners have invested with us on multiple funds, demonstrating the confidence in our investment strategy and capabilities.
- A number of our capital partners have also invested with the Group in other regions.



Customers

In China, we're proud to work with international organizations, leading national companies, and local businesses across a range of industry sectors:

- Ecommerce & Retail
- Logistics & 3PL
- Auto & Manufacturing
- Cold Chain
- Life Science
- IDC



ESR China Business Strategies in 2023



ESR China's business has become a broad-based New Economy real estate platform with a focus on the following key areas:



Logistics

- Focus on leasing amidst demand recovery
- Closely monitor income portfolio acquisition opportunities for quality assets
- Actively explore logistics urban renewal opportunities, esp. in Tier 1 cities
- Launching ESR's logistics C-REIT and explore pre-REIT private funds



High-end Manufacturing Industrial

- Leverage policy tailwind to build modern manufacturing facilities across key industrial clusters
- Strong proven track record including the flagship Suzhou project
- Set up High-end Manufacturing Industrial Fund



Life Science Real Estate

- Focusing on greenfield / repositioning opportunities in established LS clusters in Shanghai / Beijing
- Pipeline of three greenfield projects (c.300k sqm GFA) in Shanghai and proactively sourcing for more deals
- Set up ESR China Life Science RE Fund



Cold Storage

- Explore greenfield / conversion opportunities
- Mixed-use cold storage facilities (e.g. with central kitchen, etc)
- Formulating a China cold storage strategy



Data Centre

- Demand is expected to rebound in 2H2023, with more supportive policies towards tech sector and the rise of AIGC⁽¹⁾
- Focus on acquisition of core assets in partnership with domestic investors



Solar

- Proof-of-concept projects done in 2022 (6 projects of 20MW)
- To ramp up quickly to reach 70 projects with aggregate capacity of 100MW by end 2023.
- Set up ESR China Solar Fund
- Closely monitor energy storage opportunity

(1) AIGC: AI generated contents

China fund raising activities in 2023



- Existing B/S assets expected to be recycled from the divestment and transforming ESR capital to fee-earning LP capital
- Domestic insurance company



- Obtained HKSE PN15 approval March 2023
- Continue the process with relevant Chinese authorities



- Target first closing of China LSRE Fund within 2H 2023, anchored by prime pipeline assets
- Asian Sovereign Wealth Fund and Chinese Insurance Companies



- Development strategy to build a balanced portfolio of modern manufacturing facilities across key industrial clusters in China with attractive risk-adjusted returns
- Asian Sovereign Wealth Funds and Chinese Insurance Companies

Key Priorities in 2023



Successful launch of C-REIT with expanded exposure of public institutional investors



Active capital recycling strategy by sell-down balance sheet assets to RMB core fund and diversify funding sources for new funds



Explore land acquisition opportunities in tier 1~1.5 cities for logistic facilities development



AUM expansion via development of Manufacturing and R&D Industrial Parks



Retain occupancy by increasing manufacturing supply chain customers

Case Studies

Mainland China



Case 2: Suzhou ESR Advanced Manufacturing Industrial Park (1/3)



Key Metrics			
Location	Suzhou New District, Suzhou, Jiangsu Province (1 hour drive to Shanghai)		
Land Area	275,334 sqm (413 mu)		
GFA	207,962 sqm		
Completion	Phase I: 2016	Phase II: 2019	Phase III: 2020
Occupancy	Phase I: 100%	Phase II: 95%	Phase III: 100%
Design	5 double-storey and 3 single-storey warehouses		

- A number of top global companies chose to locate their R&D Labs, manufacturing plants and warehouse in the project.
- It is expected that the **registered capital** will exceed **\$100 million**, the **annual output value** will exceed **\$800 million**, the **annual tax payment** will exceed **\$50 million**, and more than 8 new high-tech enterprises will be added.
- The leases are of long-tenure (10 yrs) with built-in escalation (4% p.a.), backed by the strong credit profile of MNC tenants, which provides stable inflation-hedged cash flow.

Function Layout



Awards and Certification

- 2021 Suzhou Foreign-invested Company Award for Outstanding Contribution to Stable Growth



- LEED Gold Certification**
Both phase I and phase II of the project were certified LEED Gold.



Case 2: Suzhou ESR Advanced Manufacturing Industrial Park (2/3)

01 Thermo Fisher - Life Science Industrial Park

ThermoFisher
SCIENTIFIC

NO.1 in Global Scientific
Instrument Company Ranking
(Market Cap: USD 227 bn)

- **Purpose:** Production of life science analytical instruments and experimental consumables
- **Leased:** 50,000 sqm (10 yrs.)

The facility is Thermo Fisher's largest life science industrial park in Asia Pacific region. Thermo Fisher spent US\$ 50 mm CAPEX on facilities and renovation.



02 Labcorp - Pharma R&D Innovation Base

 **labcorp**

NO.1 in Global CRO*
Company Ranking
(Market Cap: USD 21 bn)

- **Purpose:** Production of clinical trial accessory products (kits)
- **Leased:** 5,000 sqm (10 yrs.)

The facility is Labcorp Drug Development's third kit production site in the world, strengthening the support of clinical trials in Asia-Pacific region. Labcorp spent US\$ 4 mm renovation cost.



Case 2: Suzhou ESR Advanced Manufacturing Industrial Park (3/3)



03 Parexel - Clinical Trials Center

parexel

**NO.10 in Global CRO
Company Ranking**

- **Purpose:** Production of clinical trial accessory products, cold storage
- **Leased:** 2,500 sqm (10 yrs.)

The facility is Parexel's first Chinese clinical trial center, supporting timely access to supplies and medications to clinical sites and patients. The center is equipped with temperature-controlled storage (ambient, 2~8C, -20C) and secondary packaging and labeling capabilities.



Parexel Clinical Trials Center (R&D Lab)

04 Motif - Peptide R&D and Manufacturing Center

**MOTIF
BIOTECH**

**Chinese Leading Peptide
Drug R&D Company**

- **Purpose:** Peptide drug R&D and production
- **Leased:** 4,200 sqm (10 yrs.)

The center will focus on providing services for the development of peptide raw material technology, customized services for peptide clinical research, and large-scale production services.



Motif Peptide R&D Lab