



VNET and Dajia Investment Ink Definitive Agreement on a Pre-REITs Fund

November 29, 2024

BEIJING, Nov. 28, 2024 /PRNewswire/ -- VNET Group, Inc. (Nasdaq: VNET) ("VNET" or the "Company"), a leading carrier- and cloud-neutral internet data center services provider in China, today announced that the Company has executed a definitive agreement (the "Agreement") with Dajia Investment Holding Company Ltd. ("Dajia"), a wholly owned subsidiary of Dajia Insurance Group under which both parties will jointly form a pre-REITs fund (the "Fund") to invest in hyperscale data centers in mainland China. This initiative marks a significant milestone for China's data center sector, reflecting the growing trend among domestic institutional investors to channel investments into new infrastructure projects in mainland China.

Pursuant to the Agreement, the underlying assets (the "Assets") for the Fund's initial investment are the first and second phases of VNET's Taicang IDC Campus, which currently has a total IT capacity of approximately 210MW and an estimated value of RMB5.74 billion, reflecting an implied post-closing valuation of approximately 10.1x EV/EBITDA. VNET will retain a 51% equity interest in the Assets through the Fund, while Dajia will acquire and hold the remaining 49% interest. VNET will consolidate the financial results of the Fund and its underlying assets into VNET's financial statements for financial reporting purposes and will continue to operate the Assets to ensure stable, premium IDC services for its customers.

Josh Sheng Chen, Founder, Executive Chairperson and interim Chief Executive Officer of VNET, commented, "We are thrilled to announce this transaction. It demonstrates our prowess in effectively managing capital and asset operating cycles, bolstering our capital sources with long-term investors while further enhancing our balance sheet efficiency. We will continue to pursue innovative financing structures and explore exits for our existing premium data centers, building a healthy, sustainable capital and asset cycle that propels our long-term growth while contributing to China's high quality digital economy development."

About VNET

VNET Group, Inc. is a leading carrier- and cloud-neutral internet data center services provider in China. VNET provides hosting and related services, including IDC services, cloud services, and business VPN services to improve the reliability, security, and speed of its customers' internet infrastructure. Customers may locate their servers and equipment in VNET's data centers and connect to China's internet backbone. VNET operates in more than 30 cities throughout China, servicing a diversified and loyal base of over 7,000 hosting and related enterprise customers that span numerous industries ranging from internet companies to government entities and blue-chip enterprises to small- to mid-sized enterprises.

About Dajia Investment Holding Company Ltd.

Dajia Investment Holding Company Ltd. is an alternative asset investment management company wholly owned by Dajia Insurance Group. It invests in high-quality assets with growth potential across China, focusing on sectors such as clean energies, modern logistics, data centers, industrial parks, rental housing, and retail infrastructures.

Safe Harbor Statement

This announcement contains forward-looking statements. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "target," "believes," "estimates" and similar statements. Among other things, quotations from management in this announcement as well as VNET's strategic and operational plans, including the plan to operate the Assets under the pre-REITs project, contain forward-looking statements. VNET may also make written or oral forward-looking statements in its reports filed with, or furnished to, the U.S. Securities and Exchange Commission, in its annual reports to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about VNET's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: VNET's goals and strategies; VNET's liquidity conditions; VNET's expansion plans; the expected growth of the data center services market; expectations regarding demand for, and market acceptance of, VNET's services; VNET's expectations regarding keeping and strengthening its relationships with customers; VNET's plans to invest in research and development to enhance its solution and service offerings; and general economic and business conditions in the regions where VNET provides solutions and services. Further information regarding these and other risks is included in VNET's reports filed with, or furnished to, the U.S. Securities and Exchange Commission. All information provided in this press release is as of the date of this press release, and VNET undertakes no duty to update such information, except as required under applicable law.

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