VNET Issues First Holding-Type Real Estate Green Asset-Backed Security in China's IDC Sector under Private REIT Project

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BEIJING, Nov. 4, 2025 /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 successfully issued a holding-type real estate green asset-backed security under its newly-launched private REIT (the "Private REIT Project"), marking a first in China's IDC industry. The Private REIT Project will be listed on the Shanghai Stock Exchange as a standardized security product. This innovative special-purpose equity scheme will empower VNET to revitalize its existing IDC assets and recycle capital to fund its capacity expansion and other general corporate purposes, while reducing the Company's leverage ratio and optimizing its capital structure.

Under the Private REIT Project, VNET will transfer a 100% equity interest in one of its existing retail IDC projects to a private REIT. 93% of this REIT will be subscribed by leading domestic institutional investors, including China Pacific Insurance (Group) Co., Ltd. ("CPIC"), while VNET will subscribe 7%. The overall offering size will be approximately RMB860 million, with equity consideration of approximately RMB800 million, implying a valuation of approximately 13x EV/EBITDA. Following the completion of this transaction, VNET will serve as the issuer and originator for the private REIT Project and will remain responsible for the IDC project's operation to ensure its healthy long-term development. The Private REIT Project has received a G-1 rating from an authoritative third-party evaluation institution, indicating that its use of proceeds and allocation of funds to green projects demonstrate exceptionally strong effectiveness and an extremely high likelihood of achieving the stated environmental objectives. This is the highest possible rating in the relevant evaluation system, underscoring VNET's strong market position and commitment to sustainable development.

"We are thrilled to pioneer the use of holding-type real estate green asset-backed securities in China's IDC industry," said Josh Sheng Chen, Founder, Executive Chairperson and interim Chief Executive Officer of VNET. "Our Private REIT Project represents a major breakthrough in green finance and asset securitization innovation that will enable VNET to set new benchmarks for high-quality, sustainable IDC development. With gratitude to CPIC and other leading domestic institutional investors for their support and confidence in VNET's leadership and vision for a greener future, we look forward to propelling industry-wide progress in the AI era. Moving ahead, we anticipate undertaking additional capital recycling projects, creating lasting, long-term value for all stakeholders."

The Private REIT Project's underlying data center asset is a premium retail IDC project located in a tier-one city in China, where demand for IDC services is robust and growing. Supported by premium network infrastructure, this IDC offers fast data transmission and low latency, seamlessly meeting customers' demand for reliable, premium services. Its high-quality, loyal customer base, including financial institutions and internet companies, generates stable and predictable cash flow.

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.

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 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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