

ESR acquires first strategic asset in Hong Kong to develop 40MW data centre

HONG KONG, 6 May 2021 – ESR Cayman Limited (“ESR” or the “Company”, together with its subsidiaries as the “Group”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, today announced it has completed its first asset acquisition in Hong Kong. This not only marks ESR’s entry into the Hong Kong market, but also represents the further development of its data centre ecosystem.

The newly acquired asset is strategically located in Kwai Chung, one of the major data centre clusters in Hong Kong. The Group plans to work with capital partners and operators to convert the building into a data centre with a facility load of 40 megawatts and an expected GAV of approximately US\$675 million upon completion.

“This is a major strategic move for ESR as it represents our first acquisition in Hong Kong and further establishes our data centre franchise,” said Jeffrey Shen and Stuart Gibson, ESR Co-founders and Co-CEOs. “Hong Kong is an important data centre market in the APAC region, with its low electricity costs, limited climate risks and established network capability. It is also one of the world’s top financial centres as well as the home to ESR’s headquarters. Entering the Hong Kong market is a key expansion strategy as we continue to build our integrated digital and logistics supply chain infrastructure platform to help fuel the new economy in APAC.”

A key economic and financial hub with established network capability and close proximity to Mainland China, Hong Kong has emerged as one of the top four Tier-1 data centre markets for international investors, operators, and end-users¹. Today, data centres provide strong support to Hong Kong’s pillar industries and other thriving sectors, including financial services, insurance, trading and logistics, which account for about half of the total data centre utilisation. The growth of cloud computing, the development of the IoTs and the increasing data consumption from new economy industries, such as e-commerce, fintech, and digital media, have become catalysts for the growing demand in Hong Kong.

“ESR’s foray into Hong Kong via this asset acquisition is a rare brownfield opportunity in a major data centre cluster. Set in one of the ideal locations for data centres and coupled with its meaningful scale, we are confident that the converted asset will be well positioned to provide customers with scalable and flexible solutions while creating long-term values for investors,” said Josh Daitch, ESR Group Head of Fund Management & Capital, and Rui Hua Chang, ESR Group Managing Director, Capital Markets & Investor Relations.

In April 2021, ESR announced a key asset acquisition in Japan with a plan to develop a US\$2 billion multi-phase data centre campus near Osaka CBD with a total development potential of up to 78 megawatts of IT load. That development, together with this latest acquisition in Hong Kong, adds to ESR’s data centre strategic push which now includes exclusivity on land and power approvals to potentially develop over 250 megawatts across major markets in APAC.

¹ Source: Asia Pacific Data Centre Trends H1 2020 report by CBRE Research

About ESR

ESR is the largest APAC focused logistics real estate platform by gross floor area (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages. ESR and the funds and investment vehicles it manages are backed by some of the world's preeminent investors including APG, CPP Investments, JD.com, Oxford Properties, PGGM and SK Holdings. The ESR platform spans major economies across the APAC region, including the People's Republic of China, Japan, South Korea, Singapore, Australia, and India. As of 31 December 2020, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR recorded approximately US\$30 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 20 million sqm in total. Listed on the Main Board of The Stock Exchange of Hong Kong Limited in November 2019, 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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