

ESR Successfully Executes Sale of 100% Leased Data and Logistics Centre in Goyang, South Korea



Ilsan Distribution Centre

SEOUL/HONG KONG, 7 December 2023 – **ESR Group Limited** (hereinafter referred to as “ESR” or the “Group”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, today announced that its South Korean platform, ESR Kendall Square (hereinafter referred to as “ESRKS”), has completed the sale of Ilsan Distribution Centre (hereinafter referred to as “the Asset”), a data and logistics centre. The Asset is located within the infill west market in Goyang and has a GFA of 44,600 sqm.

Prior to the sale, the Asset was managed by the ESRKS Korea Income JV fund established in 2018 to capitalise on value-add opportunities in Korea’s real estate market. Korea Income JV fund initially acquired the Asset in 2018 as a value-add strategy of re-tenanting and data centre conversion.

As part of its value-add strategy, ESRKS secured a 15-year lease contract with SK Broadband, a renowned Korean telecommunications company that operates data centres, and a portion of the Asset was converted for data centre usage. The Asset also achieved an ESG milestone by receiving a WELL Health-Safety Rating from the International WELL Building Institute (IWBI).

Jeffrey Shen and Stuart Gibson, ESR Group Co-founders and Co-CEOs, said: “The surge in demand for AI-driven technologies and cloud services has intensified the need for data centres capable of processing vast amounts of information. This deal has highlighted our asset enhancement expertise to convert part of a logistics asset for data centre usage and increase its value. Our successful sale of this fully-leased Asset also demonstrates the inherent high value of ESRKS’ portfolio due to their excellent quality and location.”

Thomas Nam, CEO, ESR Korea, added: “In the current market, we are seeing capital being very strategic, and we are proud of our team’s expertise in executing this transaction. The divestment will enable us to take advantage of other attractive opportunities in Korea and further build on the strength of our platform to deliver long-term sustainable growth.”

ESRKS and its affiliates are together the largest logistics real estate manager in South Korea with an estimated US\$14 billion of assets under management (“AUM”) and an estimated 6 million sqm of GFA to date.

About ESR

ESR is APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With approximately US\$150 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of approximately US\$45 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, 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

Media Relations

Kathleen Goh
Senior Director, Group Corporate Affairs
Tel: +65 6972 2192
kathleen.goh@esr.com

Investor Relations

Marilyn Tan
Group Head, Investor Relations
+65 6601 9361
marilyn.tan@esr.com