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ESR CAYMAN LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ESTABLISHMENT OF ESR AUSTRALIA DEVELOPMENT PARTNERSHIP

On 23 June 2020, the Company's subsidiaries (i) ESR WIM (Australia) Pty Limited (the "**Trustee**"), as trustee of the ESRDFT. 1 Investment Trust, and upon its establishment, ESRDFT. 2 Investment Trust (ESRDFT. 1 Investment Trust and ESRDFT. 2 Investment Trust together, the "**ESR Australia Development Partnership**"), and (ii) ESR Investment Management 1 (Australia) Pty Limited (as trustee of ESRT No 2) (the "**ESR Subscriber**") as subscriber entered into a commitment deed (the "**ESR Commitment Deed**") pursuant to which ESR Subscriber agreed to an overall capital commitment of A\$1,000 million to ESR Australia Development Partnership, of which A\$975 million remained uncalled.

On the same date, the Trustee, ESR Subscriber and Ausco Sargon 2 Pty Ltd (as trustee of the Empire DF Trust 2) (the "**Investor**") as subscriber, entered into a commitment deed (the "**Investor Commitment Deed**") pursuant to which the Investor agreed to an overall capital commitment of A\$400 million to ESR Australia Development Partnership.

The initial capital commitment under the Investor Commitment Deed will be satisfied by the Investor acquiring 40% of the units in ESRDFT. 1 Investment Trust held by the ESR Subscriber for a purchase price of A\$10 million pursuant to a unit sale agreement entered into on 23 June 2020 (the "**Unit Sale Agreement**").

Upon the completion of the Unit Sale Agreement, ESR Subscriber's capital commitment to ESR Australia Development Partnership will be reduced from A\$1,000 million to A\$600 million, of which A\$585 million remained uncalled, and ESR Subscriber will have a 60% interest and the Investor will have a 40% interest in such Partnership. ESR Subscriber intends to syndicate a portion of its capital commitment to ESR Australia Development Partnership to other investors, which will reduce its capital commitment to ESR Australia Development Partnership proportionately, provided it holds 10% of the units in ESR Australia Development Partnership at all times.

ESR Australia Development Partnership will be launched as a new develop-to-hold logistics partnership which will invest in and develop a portfolio of industrial and logistics real estate assets in Australia, with a focus on assets located in Sydney, Melbourne and Brisbane, with investments being made by ESR Subscriber and the Investor pursuant to the Commitment Deeds.

1. INTRODUCTION

On 23 June 2020, (i) the Trustee, as trustee of the ESRDFT. 1 Investment Trust, and ESR Subscriber (as trustee of ESRT No 2) as subscriber entered into the ESR Commitment Deed, (ii) the Trustee, ESR Subscriber and the Investor as subscriber entered into the Investor Commitment Deed and (iii) the Investor and ESR Subscriber entered into the Unit Sale Agreement, on terms as further described below.

ESR Australia Development Partnership will be launched as a new develop-to-hold logistics partnership which will invest in and develop a portfolio of industrial and logistics real estate assets in Australia, with a focus on assets located in Sydney, Melbourne and Brisbane, with investments being made by ESR Subscriber and the Investor pursuant to the Commitment Deeds.

As of the date of this announcement, the Group indirectly holds approximately 92% of ESRT No 2 which holds 100% of ESRDFT. 1 Investment Trust. Following the completion of the Unit Sale Agreement, the Group will have no accounting control over ESRDFT. 1 Investment Trust, and ESRDFT. 1 Investment Trust will cease to be accounted as a subsidiary by the Company in its consolidated financial statements. The Group will recognise its 60% rights to the net assets of ESRDFT. 1 Investment Trust as investments and account for them using the equity method of accounting.

2. THE COMMITMENT DEEDS AND THE UNIT SALE AGREEMENT

The principal terms of the Commitment Deeds and the Unit Sale Agreement are set out below:

(a) Commitment to ESR Australia Development Partnership

Pursuant to the ESR Commitment Deed, ESR Subscriber agreed to an overall capital commitment of A\$1,000 million to ESR Australia Development Partnership, of which A\$975 million remained uncalled.

Pursuant to the Investor Commitment Deed, the Investor agreed to an overall capital commitment of A\$400 million to ESR Australia Development Partnership. The initial capital commitment under the Investor Commitment Deed will be satisfied by the Investor acquiring 40% of the units in ESRDFT. 1 Investment Trust held by the ESR Subscriber for a purchase price of A\$10 million pursuant to the Unit Sale Agreement.

Upon the completion of the Unit Sale Agreement, the ESR Subscriber's overall capital commitment will be reduced to A\$600 million, of which A\$585 million remained uncalled (the "**ESR Commitment**"), and ESR Subscriber will have a 60% interest and the Investor will have a 40% interest in such ESR Australia Development Partnership.

ESR Subscriber intends to syndicate a portion of its capital commitment to ESR Australia Development Partnership to other investors, which will reduce its capital commitment to ESR Australia Development Partnership proportionately, provided it holds 10% of the units in ESR Australia Development Partnership at all times.

The capital commitment amounts to be made by ESR Subscriber and the Investor were determined after arm's length negotiation between the parties with reference to capital requirements of ESR Australia Development Partnership. The purchase price payable by the Investor under the Unit Sale Agreement is equivalent to 40% of the capital which had been paid by ESR Subscriber to ESRDFT. 1 Investment Trust as of the date of the Unit Sale Agreement. The ESR Subscriber's commitment under the ESR Commitment Deed is expected to be funded by internal resources and external financings. The Investor's commitment under the Investor Commitment Deed and the purchase price under the Unit Sale Agreement are expected to be funded by internal resources.

(b) Commitment to Establish Second Trust

Pursuant to the trust deed constituting ESRDFT.1 Investment Trust and the Commitment Deeds, ESR Subscriber and the Investor have committed to establish ESRDFT.2 Investment Trust following the completion of a two-year investment period (which may be extended), and certain uncalled amounts of ESR Subscriber's and the Investor's total capital commitments would be capable of being drawn by the Trustee as trustee of either the ESRDFT.1 Investment Trust or the ESRDFT.2 Investment Trust in accordance with the terms of the relevant trust deed and commitment deeds. ESRDFT.2 Investment Trust will be the second tranche of ESR Australia Development Partnership with a new investment cycle and will also invest in industrial and logistics real estate assets in Australia with a focus on assets located in Sydney, Melbourne and Brisbane.

(c) Investment of Commitments and Investment Period

When capital commitment calls are made by the Trustee in accordance with the terms of the trust deeds constituting the ESR Australia Development Partnership, such calls will be satisfied by ESR Subscriber, the Investor, and any future investors, as committed investors, subscribing for or acquiring units in ESR Australia Development Partnership in proportion to their respective interests in such partnership up to their respective overall capital commitment. Under the terms of the trust deed constituting ESRDFT.1 Investment Trust, the capital commitments will be called upon to finance the acquisition, development and holding of industrial and logistics real estate assets in Australia for an initial term of seven years, which may be further extended.

(d) Management Services

Following the initial subscription under the Commitment Deeds, the Group will provide development management, project management and master planning services to ESR Australia Development Partnership with respect to its real estate assets and continue to earn management fees.

(e) Conditions Precedent

The capital commitment by the Investor under the Investor Commitment Deed and implementation of the Unit Sale Agreement are conditional on certain conditions, including foreign investment approval in Australia and merger control clearance in the relevant jurisdictions being obtained. The capital commitment by ESR Subscriber under the ESR Commitment Deed is conditional on certain conditions, including the satisfaction of all conditions precedent in the Investor Commitment Deed. Subject to the satisfaction or waiver of the conditions on or before 31 August 2020, the capital commitment under the Commitment Deeds is expected to become binding in August 2020.

(f) Seed Assets

ESR Australia Development Partnership has been seeded with the Leppington Properties which are held by the ESRDFT.1 Investment Trust group and the Horsley Park Properties (together with the Leppington Properties, the “**Seed Assets**”) which will be acquired by the ESRDFT.1 Investment Trust group pursuant to certain put and call options granted by third parties to the ESRDFT.1 Investment Trust group.

3. REASONS FOR, AND BENEFITS OF, THE TRANSACTIONS

Following the successful launch of three other investment vehicles in Australia and as a testament to the performance and results delivered to capital partners of investment vehicles managed by the Group, the establishment of ESR Australia Development Partnership as a new develop-to-hold logistics partnership with the investments by the Investor and the Group will raise additional capital for the Group to pursue current development projects and new opportunities in Australia’s industrial and logistics property space. The entry into the Commitment Deeds and the Unit Sale Agreement are in line with the Group’s capital recycling strategy of transferring balance sheet assets into new funds and investment vehicles it manages and co-investing in such funds and vehicles. Following the completion of the Unit Sale Agreement, the Group will continue to maintain an interest in the Seed Assets through its partnership interest and will collect recurring fees through managing the partnership.

The Directors, having regard to the reasons and benefits of entering into the Commitment Deeds and Unit Sale Agreement referred to above, consider that the terms of the Commitment Deeds and the Unit Sale Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

4. IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the ESR Commitment exceeds 5% but is less than 25%, the ESR Commitment Deed constitutes a disclosable transaction under Chapter 14 of the Listing Rules. Accordingly, the ESR Commitment Deed is subject to the notification and announcement requirements, but is exempt from the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

ESRDFT.1 Investment Trust was established on 23 December 2019 with ESR Subscriber as the sole unitholder. As ESRDFT.1 Investment Trust will cease to be accounted as a subsidiary by the Company in its consolidated financial statements following the completion of the Unit Sale Agreement, the transaction under the Unit Sale Agreement will be a deemed disposal of 100% of the units in ESRDFT.1 Investment Trust. The transaction under the Unit Sale Agreement does not constitute a disclosable transactions under the Listing Rules.

5. INFORMATION ON ESRDFT.1 INVESTMENT TRUST

ESRDFT.1 Investment Trust was established on 23 December 2019 and has not had any business operations or generated any profits since its establishment. The Horsley Park Properties and the Leppington Properties, which are indirectly held by ESRDFT.1 Investment Trust as of the date of this announcement, had book value of A\$11.1 million and A\$36.8 million, respectively, as of 31 May 2020 based on costs incurred to that date.

Following the completion of the Unit Sale Agreement, the Group will have no accounting control over ESRDFT.1 Investment Trust and ESRDFT.1 Investment Trust will cease to be accounted as a subsidiary by the Company in its consolidated financial statements. The Group will recognise its 60% rights to the net assets of ESRDFT.1 Investment Trust as investments and account for them using the equity method of accounting.

The sale proceeds to be received by Group pursuant to the Unit Sale Agreement will predominately be used as capital return to the Group. The Group will not recognise any gain or loss on disposal in connection with the Unit Sale Agreement based on estimated pro forma financials at the time of completion. No gain or loss is expected to be realised by the Group upon completion of the Unit Sale Agreement.

6. INFORMATION ON THE INVESTOR

The Investor is wholly-owned by GIC (Realty) Private Limited, whose primary business is to hold real estate investments of the GIC group. GIC is a global investment firm established in 1981 to manage Singapore's foreign reserves. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, the Investor and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

7. INFORMATION ON THE GROUP

The Group is the largest Asia-Pacific focused logistics real estate platform by gross floor area and by value of the assets owned directly and by the funds and investment vehicles it manages. The Group's platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India.

8. GENERAL

As completion of the transactions under the Commitment Deeds are conditional upon the satisfaction of the conditions, it may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

9. DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“A\$”	Australian dollars, the lawful currency of Australia
“Board”	the board of Directors of the Company
“Commitment Deeds”	the ESR Commitment Deed and the Investor Commitment Deed
“Company”	ESR Cayman Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1821)
“Director”	a director of the Company
“Group”	the Company and its subsidiaries
“Horsley Park Properties”	a land site situated at Lot 201, Lot 202, Lot 204 and Lot 206, 327-335 Burley Road, Horsley Park, NSW, Australia with a gross floor area of 109,100 square meters
“Leppington Properties”	a land site situated at 186-224 Ingleburn Road, Leppington, NSW, Australia with a gross floor area of 40,126 square meters
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
ESR Cayman Limited
Jinchu Shen
Director

Hong Kong, 24 June 2020

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Jinchu Shen, Mr. Stuart Gibson and Mr. Charles Alexander Portes as Executive Directors, Mr. Jeffrey David Perlman as the Chairman and Non-executive Director, Mr. Joseph Raymond Gagnon, Mr. Zhenhui Wang and Mr. Ho Jeong Lee as Non-executive Directors, Mr. Brett Harold Krause, The Right Honourable Sir Hugo George William Swire, KCMG, Mr. Simon James McDonald, Ms. Jingsheng Liu and Mr. Robin Tom Holdsworth as Independent Non-executive Directors.