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ESR CAYMAN LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

**ISSUANCE OF US\$350,000,000 1.50 PER CENT.
CONVERTIBLE BONDS DUE 2025**

The Board is pleased to announce that on 9 September 2020 (after trading hours), the Company and the Joint Lead Managers entered into a Subscription Agreement in connection with the proposed Bond Issue. Subject to the terms and conditions of the Subscription Agreement, the Joint Lead Managers have severally but not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds to be issued by the Company in the aggregate principal amount US\$350,000,000.

The Bonds may be converted into the Conversion Shares pursuant to the Conditions. Based on the initial conversion price of HK\$32.13 per Share (subject to adjustment) and assuming full conversion of the Bonds, the Bonds will be converted into 84,427,015 Conversion Shares, representing approximately 2.77% of the issued share capital of the Company as at the date of this announcement and approximately 2.69% of the issued share capital of the Company as enlarged by the issue of such Conversion Shares (assuming that there is no other change to the issued share capital of the Company).

The Bonds and the Conversion Shares have not been and will not be registered under the U.S. Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act.

LISTING

The Company will apply to the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. An application by the Company will also be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

GENERAL MANDATE

The Conversion Shares are to be issued under the General Mandate and the Bond Issue is not subject to approval of the Shareholders.

GENERAL

Completion of the Bond Issue is subject to the satisfaction of the conditions precedent to the Subscription Agreement and may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 9 September 2020 (after trading hours), the Company and the Joint Lead Managers entered into a Subscription Agreement in connection with the proposed Bond Issue. Subject to the terms and conditions of the Subscription Agreement, the Joint Lead Managers have severally but not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds to be issued by the Company in the aggregate principal amount US\$350,000,000.

THE SUBSCRIPTION AGREEMENT

Date

9 September 2020

Parties to the Subscription Agreement

- (a) the Company as the issuer of the Bonds; and
- (b) Credit Suisse (Singapore) Limited, Morgan Stanley & Co. International plc and Deutsche Bank AG Hong Kong Branch as the Joint Lead Managers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Joint Lead Managers and their ultimate beneficial owners is an independent third party and not a connected person of the Company.

Subscription

Subject to fulfilment of the conditions precedent set forth in the Subscription Agreement, some of which are set out under the section headed “Conditions to the Subscription Agreement” below, the Joint Lead Managers have severally but not jointly agreed to subscribe for the Bonds in the aggregate principal amount of US\$350,000,000.

The Joint Lead Managers have informed the Company that it intends to offer and sell the Bonds to not less than six independent placees, and each of the placees and their respective ultimate beneficial owners will be third parties independent of the Company and the connected persons of the Company.

The Bonds and the Conversion Shares have not been and will not be registered under the U.S. Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act.

Conditions to the Subscription Agreement

The obligations of the Joint Lead Managers to subscribe and pay for the Bonds are subject to the fulfilment or waiver of, among others, the following conditions on or prior to the Closing Date:

- (i) **Due Diligence:** the Joint Lead Managers being satisfied with the results of their due diligence investigations with respect to the Company and other members of the Group;
- (ii) **Other Contracts:** the execution and delivery on or prior to the Closing Date of the Trust Deed and the Agency Agreement, each in a form satisfactory to the Joint Global Coordinators, by the respective parties;
- (iii) **Shareholder’s’ Lock-up:** Each of Laurels Capital Investments Limited, Redwood Investment Company, Ltd. and Redwood Consulting (Cayman) Ltd. having executed a lock-up agreement on or before the date of the Subscription Agreement in the form set out in the Subscription Agreement;
- (iv) **Comfort Letters:** on the Publication Date and on the Closing Date, there having been delivered to the Joint Lead Managers comfort letters, each in form and substance satisfactory to the Joint Lead Managers, dated the Publication Date in the case of the first letter and dated the Closing Date in the case of the subsequent letter, and addressed to the Joint Lead Managers from Ernst & Young, Certified Public Accountants to the Company;

- (v) **Compliance:** at the Closing Date:
 - (a) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made, on such date;
 - (b) the Company having performed all of its obligations under the Subscription Agreement expressed to be performed on or before such date; and
 - (c) there having been delivered to the Joint Lead Managers a certificate of a duly authorised officer of the Company confirming the matters listed in (a) and (b) above in the form attached to the Subscription Agreement dated as of such date;

- (vi) **Material adverse change:** after the date of the Subscription Agreement up to and at the Closing Date there shall not have occurred any change (nor any development or event involving a prospective change), in the financial condition, business, general affairs, prospects or results of operations of the Company or the Group, which, in the opinion of the Joint Global Coordinators, is material and adverse in the context of the issue and offering of the Bonds;

- (vii) **Other consents:** on or prior to the Closing Date there shall have been delivered to the Joint Lead Managers copies of all consents and approvals required in relation to the issue of the Bonds and the performance of the Company's obligations of under the Trust Deed, the Agency Agreement and the Bonds (including any consents and approvals required from any lenders);

- (viii) **Listing:** the Stock Exchange having agreed to list the Conversion Shares and the SGS-ST having agreed, subject to any conditions reasonably satisfactory to the Joint Global Coordinators, to list the Bonds (or, in each case, the Joint Global Coordinators being reasonably satisfied that such listing will be granted); and

- (ix) **Legal opinions:** on or before the Closing Date, there having been delivered to the Joint Lead Managers certain legal opinions on the laws of various jurisdictions (including Cayman Islands law, PRC law, English law and Hong Kong law), in each case dated the Closing Date and in form and substance satisfactory to the Joint Lead Managers.

The Joint Lead Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent other than items (ii) above.

Lock-up undertaking of the Company

The Company undertakes with the Joint Lead Managers that for a period from the date of the Subscription Agreement up to the date which is 90 days after the Closing Date (both dates inclusive), except for (i) the Bonds and the Conversion Shares issued on conversion of the Bonds, (ii) any employee share scheme or plan (and which employee share scheme or plan is in compliance with the listing rules of the Hong Kong Stock Exchange) and the general mandate as approved by the shareholders of the Issuer on 3 June 2020 under which the Conversion Shares are to be issued and (iii) any shares issued as all or part of the consideration for any mergers or acquisitions conducted by the Company on arms' length terms, neither the Company nor any person acting on its behalf will, without the prior written consent of the Joint Global Coordinators:

- (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing.

Lock-up undertaking of Shareholders

Each of Laurels Capital Investments Limited, Redwood Investment Company, Ltd. and Redwood Consulting (Cayman) Ltd. has entered into a lock-up undertaking in favour of the Joint Global Coordinators and undertakes that for a period from the date of the undertaking until 90 days from the Closing Date, neither it nor its nominee nor any person acting on his behalf will (except with the prior written consent of the Joint Global Coordinators):

- (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any Shares held by him directly (or through nominees) (the “**Relevant Shares**”) or securities of the same class as the Relevant Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Relevant Shares or securities of the same class as the Relevant Shares or other instruments representing interests in the Relevant Shares or other securities of the same class as them;

- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Relevant Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Relevant Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing, except that each of the undertakings in (a), (b), (c) or (d) above will not apply in respect of (i) any purchase of Shares made directly by the Shareholder, (ii) the granting of any security interest over the Relevant Shares or any transfer of the Relevant Shares pursuant to any security interest granted or to be granted over such Relevant Shares, by the Shareholder to a third party as collateral for any share-backed financing (but excluding any collar financing) or a transfer of such Relevant Shares on enforcement of any such security or (iii) any arrangement described in (a), (b), (c) or (d) above which the Shareholders had entered into prior to the date of the Subscription Agreement.

Termination

The Joint Global Coordinators may, by notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- (a) if there shall have come to the notice of the Joint Lead Managers any breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
- (b) if any of the conditions specified in Clause 6 of the Subscription Agreement has not been satisfied or waived by the Joint Global Coordinators on or prior to the Closing Date;
- (c) if in the opinion of the Joint Global Coordinators, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in their view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

- (d) if, in the opinion of the Joint Global Coordinators, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the SGX-ST and/or the Hong Kong Stock Exchange and/or any other stock exchange on which the Company’s securities are traded; (ii) a suspension or a material limitation in trading in the Company’s securities on the SGX-ST, the Hong Kong Stock Exchange and/or any other stock exchange on which the Company’s securities are traded; (iii) a general moratorium on commercial banking activities in the United States, Hong Kong, the PRC, Singapore and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the PRC, Singapore or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Company, the Bonds and the Shares to be issued upon conversion of the Bonds or the transfer thereof; or

- (e) if, in the opinion of the Joint Global Coordinators, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God, epidemic, pandemic or outbreak of diseases) as would in their view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised below:

Issuer:	ESR Cayman Limited.
Principal amount of the Bonds:	US\$350,000,000, convertible into fully paid ordinary shares with a par value of US\$0.001 each in the issued and paid up capital of the Company.
Issue price:	100.00% of the principal amount of the Bonds.
Form and denomination of the Bonds:	The Bonds will be issued in registered form and in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

- Status of the Bonds: The Bonds constitute direct, unconditional, unsubordinated and subject to the Conditions, unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the Conditions, at all times rank at least equally with all of the Company's other present and future unsecured and unsubordinated obligations.
- Maturity: Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Company will redeem each Bond at 100 per cent. of its principal amount together with accrued and unpaid interest thereon on the Maturity Date.
- Conversion period: Subject to and upon compliance with the provisions of the Conditions, each Bondholder may exercise the conversion right attaching to the Bonds at any time (subject to any applicable fiscal or other laws or regulations and as provided in the Conditions) (a) on or after the date which is 41 days after the Closing Date up to and including 3:00 p.m. (at the place where the certificate evidencing such Bond is deposited for conversion) on the 10th day prior to the Maturity Date (both days inclusive), (b) if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to and including 3:00 p.m. (at the place aforesaid) on a date no later than 15 days (in the place aforesaid) prior to the date fixed for redemption thereof (both days inclusive) or (c) if notice requiring redemption has been given by the holder of such Bond pursuant to the Conditions, up to and including 3:00 p.m. (at the place aforesaid) on the day (in the place aforesaid) prior to the giving of such notice.
- Conversion price: The initial Conversion Price is HK\$32.13 per Conversion Share, subject to adjustment upon the occurrence of certain prescribed events, namely: (i) consolidation, subdivision or reclassification; (ii) capitalisation of profits or reserves; (iii) capital distributions; (iv) rights issues of Shares or options over Shares at less than the Current Market Price; (v) rights issues of other securities; (vi) issues at less than the Current Market Price; (vii) other issues at less than the Current Market Price; (viii) modification of rights of conversion etc.; (ix) other offers to Shareholders; (x) Change of Control; or (xi) if the Company otherwise determines that an adjustment should be made to the Conversion Price, each as described in the Conditions.

Ranking of the Conversion Shares:	The Conversion Shares to be issued upon exercise of the conversion right attaching to the Bonds will be fully paid and in all respects rank <i>pari passu</i> with the Shares then in issue on the date on which the name of the exercising Bondholder is registered as holder of the relevant Conversion Shares in the register of members of the Company.
Redemption for taxation reasons:	The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a " Tax Redemption Notice ") to the Bondholders in accordance with the Conditions (which notice shall be irrevocable) and in writing to the Trustee and the Principal Agent on the date specified in the Tax Redemption Notice for redemption at their principal amount as at such date, together with interest accrued but unpaid to but excluding such date (if any), if the Company satisfies the Trustee immediately prior to the giving of such notice that (i) it has or will become obliged to pay additional tax as provided or referred to in the Conditions or increase the payment of such additional amounts as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is effective on or after 9 September 2020, and (ii) such obligations cannot be avoided by the Company taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

Redemption at the option of the Issuer:

On giving not less than 30 nor more than 60 days’ notice to the Principal Agent and the Trustee in writing and to the Bondholders in accordance with the Conditions (which notice will be irrevocable), the Company:

- (i) may at any time after 30 September 2023 and prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption, provided that the Closing Price of the Shares (derived from the Daily Quotations Sheet of the Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange and translated into U.S. dollars at the Prevailing Rate) for each of 20 out of 30 consecutive Trading Days, the last of which occurs not more than five Trading Days prior to the date upon which notice of such redemption, is published was at least 130 per cent. of the Conversion Price then in effect; or
- (ii) may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption, provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled.

Redemption at the option of the Bondholders:

The Company will, at the option of the holder of any Bond redeem all or some only of such holder’s Bonds on 30 September 2023 at 100 per cent. of their principal amount, together with interest accrued but unpaid up to but excluding such date.

Redemption for Relevant Event:

Following occurrence of a Relevant Event (as defined below), each Bondholder will have the right by notice given to the Paying Agent (as defined under the Conditions) not later than 60 days following a Relevant Event, or if later, 60 days following the date upon which notice thereof is given to Bondholders by the Company to redeem all or some only of such holder’s Bonds on the fourteenth (14th) day after the expiry of such 60-day period at their principal amount.

- Negative pledge: So long as any of the Bonds remains outstanding (as defined in the Trust Deed), the Company will not, and will ensure that none of its Principal Subsidiaries (as defined under the Conditions) will, create or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”), other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.
- Listing: The Company will apply to the SGX-ST for the listing of the Bonds and to the Stock Exchange for the listing of the Conversion Shares.
- Clearing systems: Upon issue, the Bonds will be represented by a global certificate deposited with a common depositary for, and representing Bonds registered in the name of a nominee of, Euroclear Bank SA/NV and Clearstream Banking S.A.
- Transferability: Transfers of interests in the Bonds evidenced by the global certificate will be effected in accordance with the rules of the relevant clearing systems.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price of HK\$32.13 per Conversion Share represents:

- (i) a premium of 27.50% over the closing price of the Shares at HK\$25.20 per Share quoted on the Stock Exchange on 9 September 2020, which is the date of the Subscription Agreement;
- (ii) a premium of 32.11% over the average closing price of the Shares at HK\$24.32 per Share for the last five consecutive trading days up to and including 8 September 2020, which is the last trading day before the date of the Subscription Agreement; and
- (iii) a premium of 36.43% over the average closing price of approximately HK\$23.55 per Share for the last ten consecutive trading days up to and including 8 September 2020, which is the last trading day before the date of the Subscription Agreement.

The Bonds will be convertible into 84,427,015 Conversion Shares upon exercise of the conversion right attaching to the Bonds in full based on the initial Conversion Price of HK\$32.13 per Conversion Share, having an aggregate nominal amount of US\$84,427.0 based on a par value of US\$0.001 per Share, represent:

- (i) approximately 2.77% of the total number of Shares of the Company in issue as at the date of this announcement; and
- (ii) approximately 2.69% of the enlarged total number of issued Shares of the Company upon allotment and issue of such Conversion Shares, assuming that there is no other change to the issued share capital of the Company.

GENERAL MANDATE

The Conversion Shares that may fall to be issued upon exercise of the conversion right attaching to the Bonds will be issued under the General Mandate. As at the date of this announcement, the General Mandate has not issued any Shares pursuant to the General Mandate and up to 607,252,247 new Shares may be issued thereunder. The General Mandate is therefore sufficient for the allotment and issue of the Conversion Shares. As such, the Bond Issue and the Conversion Shares thereunder are not subject to Shareholders' approval at a general meeting.

APPLICATION FOR LISTING

The Company will apply to the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. An application by the Company will also be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which will be issued upon exercise of the conversion right attaching to the Bonds.

REASONS FOR THE BOND ISSUE AND USE OF PROCEEDS

The estimated net proceeds from the Bond Issue, after deducting fees, commission and expenses payable in connection with the Bond Issue, will be approximately US\$344.9 million. Based on the estimated net proceeds and assuming the full conversion of the Bonds, the net price per Conversion Share is estimated to be approximately HK\$31.66. The Company intends to use the proceeds for refinancing of existing borrowings, financing of potential acquisition and investment opportunities which the Group may pursue in the future as well as the working capital requirements and the general corporate purposes of the Group.

The Directors believe that the Bond Issue will bring about a diversification of funding sources and expansion of investor base. This is the first convertible bond issue for the Company, and is in line with its capital management strategy.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement and the Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 1 November 2019, the Company issued 280,140,000 Shares at HK\$16.80 per Share in connection with the global offering and listing of the Shares on the Stock Exchange. The net proceeds raised from the initial public offering were approximately HK\$4,461.5 million, which have been fully utilised in accordance with the use of proceeds set out in the prospectus of the Company dated 22 October 2019 (the “**Prospectus**”).

Intended use of proceeds as set out in the Prospectus	Allocation of net proceeds in the proportion	Amounts utilised during the period from the listing date on 1 November 2019 to 30 June 2020	Amounts not yet utilised as at 30 June 2020
For the repayment of the Hana Notes and redemption of the Class C Preference Shares.	71% or HK\$3,162 million (approximately US\$404 million)	Approximately US\$404 million	0
For the development of logistics properties on the Company’s own balance sheet and making co-investments in the funds and investment vehicles the Company manages.	29% or HK\$1,300 million (approximately US\$166 million)	Approximately US\$166 million	0

Save as disclosed above, the Company has not carried out any equity fund raising activities since the listing of the Shares on the Stock Exchange on 1 November 2019.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the Company's shareholding structure as at the date of this announcement and upon full exercise of the conversion right attaching to the Bonds:

Shareholder	Shareholding as at the date of this announcement		Assuming the Bonds are fully issued and converted into Shares at the initial Conversion Price of HK\$32.13 each (subject to adjustment)	
	Number of Shares	Approximate % of issued share capital of the Company	Number of Shares	Approximate % of issued share capital of the Company
Directors ^(Note)	686,867,269	22.50%	686,867,269	21.89%
OMERS Administration Corporation	486,808,995	15.94%	486,808,995	15.51%
SK Holdings Co., Ltd.	336,539,292	11.02%	336,539,292	10.73%
Public Shareholders	1,543,116,064	50.54%	1,543,116,064	49.18%
Bondholders	—	—	84,427,015	2.69%
Total	<u>3,053,331,620</u>	<u>100%</u>	<u>3,137,758,635</u>	<u>100%</u>

Note:

Includes Shares held by Directors or their close associates but does not include interests in share options granted pursuant to the Tier 1 ESOP.

GENERAL

Completion of the Bond Issue is subject to the satisfaction of the conditions precedent to the Subscription Agreement and may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Agency Agreement”	the paying, conversion and transfer agency agreement between the Company, the Trustee and the agents to be named therein to be dated the Closing Date
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Stock Exchange, such other internationally recognised stock exchange which is the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Board”	the board of Directors
“Bondholder”	holders of the Bonds
“Bonds”	the US\$350,000,000 1.50 per cent. convertible bonds due 2025 to be issued by the Company
“Bond Issue”	the issue of the Bonds by the Company
“Change of Control”	the occurrence of any of the following events: <ul style="list-style-type: none">(i) any other Person or Persons, acting together, except where such Person(s) is Controlled by the Permitted Holders, acquires Control of the Company; or(ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other Person or Persons, acting together, except where such Person(s) is Controlled by the Permitted Holders
“Class C Preference Shares”	the Class C preference shares, with a par value of US\$0.001 each, in the share capital of the Company, which were fully redeemed on 6 November 2019
“Closing Date”	the closing date for the Bond Issue, which is expected to be on 30 September 2020 or such later date, not being later than 14 days after 30 September 2020 as may be agreed between the Company and the Joint Lead Managers

“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)
“Conditions”	the terms and conditions of the Bonds
“connected person”	has the meaning ascribed to it under the Listing Rules
“Control”	the acquisition or control of more than 50 per cent. of the Voting Rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Company’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise
“Conversion Price”	the price at which the Shares will be issued upon conversion of the Bonds and the initial conversion price being HK\$32.13 per Share (subject to adjustments in the manner provided in the Conditions)
“Conversion Shares”	the Share(s) to be issued by the Company upon conversion of the Bonds
“Current Market Price”	<p>in respect of a Share on a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said 20 Trading Day-period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:</p> <p>(i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or</p>

- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of that dividend per Share;

and provided further that if the Shares on each of the said 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the Closing Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share.

“Directors”	directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 3 June 2020, which authorised the Directors to allot, issue and deal with Shares up to 20% of the share capital of the Company in issue at 3 June 2020
“Group”	the Company and its subsidiaries from time to time
“Hana Notes”	the US\$300 million notes due 2019 issued by the Company to Hana Private Real Estate Investment Trust No. 16 and Hana Private Real Estate Investment Trust No. 17 which were repaid on 6 November 2019
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong special administrative Region of the People’s Republic of China
“Japan Funds”	the funds and other investment vehicles through which the Group’s properties in Japan are from time to time held
“Joint Global Coordinators”	Credit Suisse (Singapore) Limited and Morgan Stanley & Co. International plc
“Joint Lead Managers”	Credit Suisse (Singapore) Limited, Morgan Stanley & Co. International plc and Deutsche Bank AG Hong Kong Branch

“Permitted Security Interest”	a Security Interest over any present and future assets or revenues or any part thereof in connection with any Structured Finance Transaction (including, without limitation, any issue of TMK Bonds)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	on or about 30 September 2025
“Permitted Holders”	<p>the aggregate shareholding of Mr. Jinchu Shen, Mr. Stuart Gibson and Mr. Charles Alexander Portes and:</p> <ul style="list-style-type: none"> (i) any heir, estate, lineal descendant (or spouse thereof), spouse or parent of any of Mr. Jinchu Shen, Mr. Stuart Gibson and Mr. Charles Alexander Portes; or (ii) any trust, corporation, partnership or other entity, of which the direct or indirect beneficiaries, equity holders, partners or owners are any of Mr. Jinchu Shen, Mr. Stuart Gibson and Mr. Charles Alexander Portes and/or such other Persons referred to in paragraph (i) above
“Person”	includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the (i) the Company’s board of directors or any other governing board or (ii) the Company’s wholly-owned direct or indirect subsidiaries
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan

“Prevailing Rate”	in respect of any currency on any day, the bid exchange rate between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the relevant page on Bloomberg or, if there is no such page, on Reuters or such other information service provider that displays the relevant information or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined
“Principal Agent”	Deutsche Bank AG, Singapore Branch
“Publication Date”	the date not later than two business days prior to the Closing Date or such other date as may be agreed between the Company and the Joint Global Coordinator
“Relevant Event”	a Relevant Event occurs when: <ul style="list-style-type: none"> (i) when the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 30 consecutive Trading Days on the Stock Exchange or, if applicable, the Alternative Stock Exchange; or (ii) when there is a Change of Control
“Relevant Indebtedness”	any indebtedness which is in the form of or represented or evidenced by bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be, quoted, listed, or dealt in or traded on any stock exchange or over the counter or on any other securities market
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Structured Finance Transaction”

any securitisation or other structured finance transaction involving the transfer of any assets, revenues, undertakings or risks associated with any such assets, revenues or undertakings to, and the issue of securities or other indebtedness by, a special purpose company (a “**Special Purpose Company**”) and provided that (i) none of the obligations of the Special Purpose Company in respect of the transaction is subject to any recourse whatsoever in respect thereof to the Company and/or its Principal Subsidiaries, (ii) recourse to the Special Purpose Company for amounts owing under the transactions is limited to the income or cashflow of the assets or collateral comprising the Security Interest for such transaction, (iii) the transaction is conducted on arm’s length terms and (iv) the benefit of the transaction accrues, directly or indirectly, to the Company

“Subscription Agreement”

the subscription agreement dated 9 September 2020 entered into between the Company and the Joint Lead Managers in relation to the Bond Issue

“subsidiary” or “Subsidiary”

in relation to any company or corporation, any company or corporation:

- (i) which is controlled, directly or indirectly, by the first mentioned company or corporation; or
- (ii) more than half of the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation and its financial results are consolidated under applicable accounting standards with those of such first mentioned company or corporation; or
- (iii) which is a subsidiary of another subsidiary of the first mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body

“TMK”

a special purpose securitisation vehicle established under the TMK Law

“TMK Bonds”	asset-backed securities issued by any TMK subsidiary of the Japan Funds
“TMK Law”	the Law concerning the Liquidation of Assets of Japan (Law No. 105 of 1998)
“Trustee”	DB Trustees (Hong Kong) Limited
“Trust Deed”	the trust deed made between, among others, the Company and the Trustee to be dated the Closing Date
“United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States of America
“Voting Rights”	the right generally to vote at a general meeting of shareholders of the Company (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency)
“%”	per cent.

By order of the Board
ESR Cayman Limited
Jinchu Shen
Director

Hong Kong, 10 September 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. 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.