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ESR CAYMAN LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
ESTABLISHMENT OF THE NEW CHINA DEVELOPMENT PLATFORM**

On 13 August 2021, ESR Investor (a subsidiary of the Company), APG Investor and RECO Investor (together, the “**Investors**”) entered into a co-investment platform agreement (the “**Co-investment Platform Agreement**”) to establish a co-investment platform (the “**New China Development Platform**”). The New China Development Platform is a new development fund which will invest in warehousing or warehousing and industrial mixed use properties located in selected markets of the PRC to be sourced, developed and managed by the Group. The New China Development Platform consists of the Offshore JVs (in each of which ESR Investor will hold 20% shareholding) which will hold the relevant projects in which the New China Development Platform invests.

The New China Development Platform has an initial capital commitment capped at US\$1,000,000,000 in aggregate, among which (i) ESR Investor agreed to contribute up to USD200,000,000, (ii) APG Investor agreed to contribute up to USD400,000,000 and (iii) RECO Investor agreed to contribute up to USD400,000,000. If the Re-Up Option (as defined below) is exercised, ESR Investor shall contribute up to an amount equal to 20% of the total capital commitment by all the Investors, which shall be capped at USD400,000,000 (the “**ESR Total Commitment**”).

The Investors will satisfy their capital commitment to the New China Development Platform (up to their respective total capital commitment and pro rata to their respective shareholding percentage in the relevant Offshore JV) by subscribing for shares in cash or providing shareholder loans when capital calls are made by the relevant Offshore JV in accordance with the terms of the relevant investment agreement.

As the highest applicable percentage ratio in respect of the ESR Total Commitment exceeds 5% but is less than 25%, the Co-investment Platform Agreement constitutes a discloseable transaction under Chapter 14 of the Listing Rules. Accordingly, the Co-investment Platform Agreement is subject to the notification and announcement requirements, and is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

1. INTRODUCTION

On 13 August 2021, ESR Investor, APG Investor and RECO Investor entered into the Co-investment Platform Agreement to establish the New China Development Platform. The New China Development Platform is a new development fund which will invest in warehousing or warehousing and industrial mixed use properties located in selected markets of the PRC to be sourced, developed and managed by the Group. The New China Development Platform consists of the Offshore JVs (in each of which ESR Investor will hold 20% shareholding) which will hold the relevant projects in which the New China Development Platform invests.

2. THE CO-INVESTMENT PLATFORM AGREEMENT

The principal terms of the Co-investment Platform Agreement are set out below:

(a) US\$1 Billion Capital Commitment to the New China Development Platform

The New China Development Platform has an initial capital commitment capped at US\$1,000,000,000 in aggregate (the “**Total Initial Commitment**”), among which (i) ESR Investor agreed to contribute up to USD200,000,000 (the “**ESR Initial Commitment**”), (ii) APG Investor agreed to contribute up to USD400,000,000 and (iii) RECO Investor agreed to contribute up to USD400,000,000.

(b) Re-Up Options to Increase Capital Commitment to the New China Development Platform

Each of APG Investor and RECO Investor has the right (each, a “**Re-Up Option**”) but not the obligation to increase its respective capital commitment in the earlier event of (i) 85% or more of its respective initial capital commitment having been allocated and (ii) six months prior to the expiry of the fourth anniversary of the incorporation of the Offshore JVs.

If APG Investor and/or RECO Investor exercise the Re-Up Option, the total capital commitment made by each Investor to the New China Development Platform will be increased such that (i) if APG Investor exercises the Re-Up Option it will contribute up to USD800,000,000 capital, (ii) if RECO Investor exercises the Re-Up Option it will contribute up to USD800,000,000 capital and (iii) ESR Investor shall contribute up to an amount equal to 20% of the total capital commitment by all the Investors (the “**Total Platform Commitment**”), which shall be capped at USD400,000,000 (the “**ESR Total Commitment**”).

(c) Funding and Capital Commitment Purpose

The Investors will satisfy their capital commitment to the New China Development Platform (up to their respective total capital commitment to the New China Development Platform and pro rata to their respective shareholding percentage in the relevant Offshore JV) by subscribing for shares in cash or providing shareholder loans when capital calls are made by the relevant Offshore JV in accordance with the terms of the relevant investment agreement. The capital contributed by the Investors will be invested in approved projects or to pay related fees and expenses.

The Total Initial Commitment and the Total Platform Commitment were determined after arm’s length negotiation between the parties with reference to the anticipated capital requirements of the New China Development Platform. ESR Investor’s obligations to pay subscription price and/or provide shareholders loans to satisfy capital calls and certain other obligations under the investment agreements of the Offshore JVs and the Co-investment Platform Agreement are guaranteed by a subsidiary of the Company. The ESR Total Commitment is expected to be funded by internal resources of the Company. APG Investor and RECO Investor’s total capital commitments are expected to be funded by the internal resources of APG Investor and RECO Investor, respectively.

(d) Investment Agreements of and Initial Subscription to the Offshore JVs

Pursuant to the terms of the Co-investment Platform Agreement:

- (a) ESR Investor, RECO Investor and APG Investor will incorporate a joint venture (the “**Tripartite JV**”) and ESR Investor, RECO Investor, APG Investor and the Tripartite JV will enter into an investment agreement regarding the subscription of shares and the governance, management and operations of the Tripartite JV. ESR Investor will subscribe for ordinary shares equivalent to 20% of the Tripartite JV’s issued share capital and the uncalled ESR Initial Commitment will be reduced by the aggregate subscription price paid for such shares;

- (b) ESR Investor and APG Investor will incorporate a joint venture (the “**APG Bipartite JV**”) and ESR Investor, APG Investor and the APG Bipartite JV will enter into an investment agreement regarding the subscription of shares and the governance, management and operations of the APG Bipartite JV. ESR Investor will subscribe for ordinary shares equivalent to 20% of the APG Bipartite JV’s issued share capital and the uncalled ESR Initial Commitment will be reduced by the aggregate subscription price paid for such shares; and
- (c) ESR Investor and RECO Investor will incorporate a joint venture (the “**RECO Bipartite JV**”) and ESR Investor, RECO Investor and the RECO Bipartite JV will enter into an investment agreement regarding the subscription of shares and the governance, management and operations of the RECO Bipartite JV. ESR Investor will subscribe for ordinary shares equivalent to 20% of the RECO Bipartite JV’s issued share capital and the uncalled ESR Initial Commitment will be reduced by the aggregate subscription price paid for such shares.

(e) Investment Period and Term of the Offshore JVs

Under the terms of the Co-investment Platform Agreement, each of the Offshore JVs has an initial term of six years from its date of incorporation, which may be extended for further terms of one year by unanimous approval of all the shareholders of such Offshore JV. The initial investment period of each Offshore JV is four years from the commencement of such Offshore JV’s term, which may be extended for a further four years upon the exercise of the relevant Re-Up Option.

(f) Investment Management and Asset Management

The Group will provide investment management and asset management services to the Offshore JVs and earn management fees.

(g) Conditions Precedent

The consummation of the incorporation of each of the Offshore JVs is conditional on applicable anti-monopoly approvals being obtained and other customary conditions. Subject to the satisfaction of the conditions on or before the expiry of six months after the date of the Co-investment Platform Agreement, the incorporation of the Offshore JVs is expected to take place by end of October 2021.

3. REASONS FOR, AND BENEFITS OF, THE CO-INVESTMENT PLATFORM AGREEMENT

The New China Development Platform further bolsters the Group's relationship with two leading institutional investors and allows the Group to further expand its investments in China, where the Group foresees continuous growth in the logistics market. The Directors, having regard to the reasons and benefits of entering into the Co-investment Platform Agreement referred to above, consider that the terms of the Co-investment Platform 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 Total Commitment exceeds 5% but is less than 25%, the Co-investment Platform Agreement constitutes a discloseable transaction under Chapter 14 of the Listing Rules. Accordingly, the Co-investment Platform Agreement is subject to the notification and announcement requirements, and is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

5. INFORMATION ON APG INVESTOR AND RECO INVESTOR

APG Investor is the depositary of APG Strategic Real Estate Pool (“**Pool**”). The Pool is a fund formed for the purpose of collective investments by its participants, all being Dutch pension funds. The Pool is established as a fund for joint account (fonds voor gemene rekening) under Dutch laws. It is not a legal entity but a contractual arrangement between the Depositary, APG Asset Management N.V. as its manager, and its participants which invest in it through subscribing an interest in it. The APG Investor holds approximately 6.90% of the shares of the Company as at the date of this announcement.

RECO Investor is an investment holding company and indirectly wholly-owned by GIC (Realty) Private Limited, which is the investment holding company for GIC Pte Ltd's real estate investments. GIC Pte Ltd, a global long-term investor with over US\$100 billion in assets in over 40 countries worldwide, is established to manage Singapore's foreign reserves. GIC Pte Ltd holds approximately 5.96% of the shares of the Company as at the date of this announcement. APG Strategic Real Estate Pool and GIC (Realty) Private Limited are investors in certain funds and investment vehicles in which the Group has co-invested and which are managed by the Group.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, APG Strategic Real Estate Pool and GIC (Realty) Private Limited and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of Company.

6. INFORMATION ON THE GROUP

The Group is the largest Asia-Pacific logistics real estate group 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 Asia Pacific regions, including the People's Republic of China, Japan, South Korea, Singapore, Australia and India.

7. GENERAL

As completion of the transactions under the Subscription and Shareholders' Agreement 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.

8. DEFINITIONS

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

“APG Investor”	Stichting Depository APG Strategic Real Estate Pool
“Board”	the board of Directors of the Company
“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
“ESR Investor”	Clover Offshore Holdings (BVI) Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“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

“Offshore JVs”	the Tripartite JV, the APG Bipartite JV and the RECO Bipartite JV
“RECO Investor”	RECO Ebony Private Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	US dollars, the lawful currency of the United States of America

By order of the Board
ESR Cayman Limited
Jinchu Shen
Director

Hong Kong, 13 August 2021

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Jinchu Shen and Mr. Stuart Gibson as Executive Directors, Mr. Jeffrey David Perlman as the Chairman and Non-executive Director, Mr. Charles Alexander Portes, Mr. Wei Hu and Mr. David Alasdair William Matheson 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.