

**HONG KONG, 28 August 2020** – ESR Cayman Limited ("**ESR Cayman**"; SEHK Stock Code: 1821) refers to the announcement on SGXNET dated 16 July 2020 and titled "Proposed Merger of ESR-REIT and Sabana Shari'ah Compliant Industrial Real Estate Investment Trust by Way of A Trust Scheme Of Arrangement" as announced jointly by the respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), and Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana Shari'ah Compliant Real Estate Investment Trust ("**Sabana REIT**", and the manager of Sabana REIT, the "**Sabana REIT Manager**").

Further to the Business Times article released on 15 November 2019 titled "Sabana REIT, ESR-REIT sponsor says 'strict internal controls' in place for conflicts of interest"<sup>1</sup>, ESR Cayman would like to reiterate that it is aware of the perceived conflicts of interest that may arise and has, from the outset, put in place strict internal controls to ensure that **there are no conflicts of interest** resulting from its interests in ESR-REIT and Sabana REIT and their respective managers.

ESR Cayman is committed to maintaining strong corporate governance and has already put in place safeguards from the outset. The safeguards are as follows:

**1. Trust Structure Held Through Independent Third-Party Trustee Regulates Perceived Conflicts of Interests**

While there is common ownership, there is no common sponsorship. ESR Cayman's stake in the Sabana REIT Manager is held through a trust (the "**Blackwood Trust**") with an independent third-party trustee licensed in Singapore acting in its capacity as trustee of Blackwood Trust (the "**Blackwood Trustee**").

There is also a thorough process of setting up the Blackwood Trust structure to ensure that all information regarding Sabana REIT's day-to-day operations, acquisitions and divestments of assets and strategic directions stay within the Sabana REIT Manager and ESR Cayman is not involved in any decision relating to Sabana REIT and has never received any such information relating to Sabana REIT from the Blackwood Trustee.

ESR Cayman's acquisition of the Sabana REIT Manager was approved by the Monetary Authority of Singapore in line with the Securities and Futures Act and on the basis of the controls that ESR Cayman has put in place.

**2. Independent Board and Management**

The management of each REIT is vested in the board of directors and management team of the respective REIT Managers. Since its ownership in the Sabana REIT Manager, ESR Cayman did not appoint any nominee directors on the board of the Sabana REIT Manager. The board of directors and management teams of each of the ESR-REIT Manager and Sabana REIT Manager are separate and distinct and there is no common director and/or overlap in management personnel. As such, the business and affairs of ESR-REIT and Sabana REIT are managed and operated entirely independently of each other.

---

<sup>1</sup> <https://www.businesstimes.com.sg/companies-markets/sabana-reit-esr-reit-sponsor-says-strict-internal-controls-in-place-for-conflicts>

Further, the Sabana REIT Chairman and Chief Executive Officer were appointed prior to ESR Cayman owning controlling stakes in Sabana REIT Manager in July 2019.

### **3. No Sharing of Information Between ESR-REIT Manager and Sabana REIT Manager**

Given the independence of both REIT managers and the Blackwood Trust structure, ESR Cayman does not receive, and has not received any information regarding the day-to-day operations or acquisitions and divestment of assets relating to Sabana REIT and does not participate in any decision making process in relation thereto.

For the avoidance of doubt, ESR Cayman wishes to highlight that since its ownership of the Sabana REIT Manager, the Sabana REIT Manager has not consulted the Blackwood Trustee on any matters or decisions in relation to Sabana REIT. In the unlikely event that the Blackwood Trustee's deliberation is required, the Blackwood Trustee has full discretion to make all decisions in relation to the Sabana REIT Manager and Sabana REIT without consulting ESR Cayman, save in relation to the limited reserved matters that will affect ESR Cayman's shareholding interest in Blackwood Trust and/or the shareholding interest held by Blackwood Trust in the Sabana REIT Manager.

As such, it is evident that the strategic directions, businesses and affairs of ESR-REIT and Sabana REIT are managed and operated entirely independently of each other.

ESR Cayman firmly believes the consolidation of small, illiquid REITs to create a sizable, large liquid REIT with a portfolio that is scalable, diversified, resilient and backed by an aligned Developer-Sponsor will improve and create additional unitholder value in the long term.

#### **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. Co-founded by its senior management team and Warburg Pincus, ESR and the funds and investment vehicles it manages are backed by some of the world's preeminent investors including APG, SK Holdings, JD.com, CPP Investments, OMERS, PGGM and Ping An. The ESR platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India. As of 30 June 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\$26.5 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised 18.7 million sqm in total. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

For more information on ESR, please visit [www.esr.com](http://www.esr.com).

#### ***Investor Relations***

Chang Rui Hua  
Managing Director  
Group Capital Markets and Investor Relations  
+852 2376 9623 / +852 5506 7719  
[rh.chang@esr.com](mailto:rh.chang@esr.com)

#### ***Media***

Antonia Au  
Executive Director  
Group Corporate Communications  
+852 2376 9617  
[antonia.au@esr.com](mailto:antonia.au@esr.com)