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21 January 2019

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Dear Sir/Madam

## **Takeover bid by ESR Real Estate (Australia) Pty Ltd for Propertylink Group – lodgement of supplementary bidder's statement and notice of variation of offers**

We act for ESR Real Estate (Australia) Pty Ltd ACN 625 761 962 (**ESR Australia**) (a subsidiary of ESR Cayman Limited) in relation to its off-market takeover bid (**Takeover Bid**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all of the fully paid ordinary stapled securities in Propertylink Group (ASX:PLG) (**Propertylink**).

We refer to the bidder's statement dated 19 November 2018 in respect of the Takeover Bid (**Bidder's Statement**).

We **attach** on behalf of ESR Australia its first supplementary bidder's statement dated 21 January 2019 in relation to the Takeover Bid, which supplements the Bidder's Statement (**First Supplementary Bidder's Statement**) in satisfaction of the requirement in section 647(3)(a)(ii) of the Corporations Act.

The First Supplementary Bidder's Statement includes a notice of variation of the offers made under the Takeover Bid pursuant to section 650D of the Corporations Act (**Extension Notice**). The Extension Notice provides for an extension of the offer period so that the offers made under the Takeover Bid remain open for acceptance until **7.00pm (Sydney time) on Thursday, 28 February 2019**.

The First Supplementary Bidder's Statement which includes the Extension Notice was lodged with the Australian Securities and Investments Commission and sent to Propertylink earlier today and will be also given to each of the persons to whom offers have been made referred to in section 650D(1)(c) of the Corporations Act on Wednesday, 23 January 2019.

The extension of the offer period contemplated by the Extension Notice will not take effect until it is given to those specified persons to whom offers have been made.

Yours faithfully  
**Corrs Chambers Westgarth**



**Adam Foreman**  
Partner



# FIRST SUPPLEMENTARY BIDDER'S STATEMENT

in respect of the

# Cash Offer

by **ESR Real Estate (Australia) Pty Ltd**, a Subsidiary of ESR Cayman Limited,  
to acquire all of your stapled securities in **Propertylink Group (ASX:PLG)**

Each stapled security comprises one fully paid share in Propertylink (Holdings) Limited ACN 092 684 798, one fully paid ordinary unit in Propertylink Australian Industrial Partnership ARSN 613 032 812 and one fully paid ordinary unit in Propertylink Trust ARSN 613 032 750.

## ESR AUSTRALIA ENCOURAGES YOU TO ACCEPT THIS RECOMMENDED CASH OFFER

THIS DOCUMENT CONTAINS IMPORTANT UPDATES IN RELATION TO THE OFFER



Nanko Distribution Centre 1, Japan

FINANCIAL ADVISER



LEGAL ADVISER

CORRS  
CHAMBERS  
WESTGARTH  
lawyers

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR ATTENTION.**

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser.

**Offer Information Line:**

Please call 1300 420 709 (from within Australia) or +61 1300 420 709 (from outside Australia), if you have any questions or require assistance with your acceptance. Further information relating to the Offer can be obtained from ESR's Offer website at <https://events.miraql.com/ESR-Offer>.

## IMPORTANT NOTICE

This document is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) to the Bidder's Statement dated 19 November 2018 (**Bidder's Statement**) issued by ESR Real Estate (Australia) Pty Ltd ACN 625 761 962 (**ESR Australia**), in relation to the off-market takeover offer by ESR Australia for all the stapled securities in Propertylink Group comprising Propertylink (Holdings) Limited ACN 092 684 798, Propertylink Australian

Industrial Partnership ARSN 613 032 812 and Propertylink Trust ARSN 613 032 750.

This First Supplementary Bidder's Statement is given in compliance with the requirements of Chapter 6 of the Corporations Act and supplements, and must be read together with, the Bidder's Statement.

Unless the context requires otherwise, terms defined in the Bidder's Statement have the same meaning in this First Supplementary Bidder's Statement.

A copy of this First Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 21 January 2019. Neither ASIC nor its officers take any responsibility for the content of this First Supplementary Bidder's Statement.

### IMPORTANT UPDATES ON ESR AUSTRALIA'S ALL CASH OFF-MARKET TAKEOVER BID FOR PROPERTYLINK

#### Key Points

- ESR Australia has **declared the Offer Price to be best and final** in the absence of a superior proposal.
- The **Offer Period will be extended** so that it closes at **7.00pm (Sydney time) on Thursday, 28 February 2019**.
- If ESR Australia is satisfied that, as at any time between **10.00am on 14 February 2019** and **7.00pm on Tuesday, 19 February 2019** (Sydney time in each case), the following conditions are met:
  - ESR Australia's Aggregate Interest in Propertylink Securities represents at least 50.1% of all Propertylink Securities (on a fully diluted basis); and
  - no Condition has been breached,then ESR Australia intends to:
  - if there are any Acceptance Instructions held subject to the Acceptance Facility, promptly give to the Facility Operator a Confirmation Notice and declare the Offer free from all remaining Conditions by not later than the time that those Acceptance Instructions have been validly processed or implemented (as applicable); and
  - if there are not any Acceptance Instructions held subject to the Acceptance Facility, promptly declare the Offer free from all remaining Conditions.
- An **institutional acceptance facility has been established** to allow Eligible Participants the ability to register their intention to accept the Offer before the Offer becomes or is declared unconditional.
- You should **accept the Offer** which has been unanimously recommended by the Propertylink Board for all of the reasons set out in the Bidder's Statement and also for the following additional reasons:
  - The Independent Expert has determined that the **Offer is fair and reasonable to Non-Associated Securityholders** in the absence of a superior proposal and the Offer Price is above the assessed equity value for Propertylink.
  - Each of the **directors on the Propertylink Board have accepted** the Offer and ESR Australia and its associates have as at 7.00pm on Friday, 18 January 2019, being the last trading day immediately prior to the date of this First Supplementary Bidder's Statement, a relevant interest in 30.2% of the Propertylink Securities.
- CNI has recommended that CNI securityholders vote in favour of a resolution to be put to an Extraordinary General Meeting on 31 January 2019 which will permit the CNI Subsidiaries to accept the Offer in respect of all Propertylink Securities they hold.
- In accordance with the terms of the Offer, the consideration payable to you under the Offer has been **adjusted as a result of the Interim Distribution of 3.6 cents** to be paid by Propertylink on 31 January 2019. Accordingly, the amount payable by ESR Australia under the Offer is \$1.164 cash<sup>1</sup> per Propertylink Security.

<sup>1</sup> Subject to the terms of the Offer, which, for example, provide that the consideration under the Offer will be reduced by any other dividends, distributions or Rights which you (or a previous holder of your Propertylink Securities) receive or become entitled to receive in respect of Propertylink Securities.

## 1. OFFER PRICE IS DECLARED BEST AND FINAL IN ABSENCE OF SUPERIOR PROPOSAL

The Offer Price is best and final and ESR Australia will not increase the Offer Price during the Offer Period in the absence of a superior proposal.

## 2. EXTENSION OF OFFER PERIOD

ESR Australia will extend the Offer Period so that the Offer remains open for acceptance until **7.00pm (Sydney time) on Thursday, 28 February 2019** (unless extended in accordance with the Corporations Act).

A formal notice of variation under section 650D of the Corporations Act in connection with the extension of the Offer Period is set out in the Annexure to this First Supplementary Bidder's Statement and a notice in this form has been lodged with ASIC and Propertylink.

The extension will take effect when the notice is given to Propertylink Securityholders referred to in section 650D(1)(c) of the Corporations Act, which ESR Australia will do on Wednesday, 23 January 2019.

## 3. INTENTION TO WAIVE CONDITIONS

If ESR Australia is satisfied that, as at any time between **10.00am on 14 February 2019** and **7.00pm on Tuesday, 19 February 2019** (Sydney time in each case), the following conditions are met:

- the aggregate of the Propertylink Securities in which ESR Australia has a relevant interest and any Propertylink Securities in respect of which valid Acceptance Instructions<sup>2</sup> are held subject to the Acceptance Facility represent at least 50.1% of all Propertylink Securities (on a fully diluted basis) (**Aggregate Interest**); and
- no Condition has been breached,

then ESR Australia intends to:

- if there are any Acceptance Instructions held subject to the Acceptance Facility, promptly give to the Facility Operator a Confirmation Notice and declare the Offer free from all remaining Conditions by not later than the time that those Acceptance Instructions have been validly processed or implemented (as applicable); or
- if there are not any Acceptance Instructions held subject to the Acceptance Facility, promptly declare the Offer free from all remaining Conditions.

The Conditions to the Offer are set out in the Annexure to the Bidder's Statement.

ESR Australia expressly reserves the right to give a Confirmation Letter and/or waive any or all of the Conditions (in whole or part) that have not been fulfilled or waived at any other time regardless of the level of acceptances of the Offer or Acceptance Instructions received under the Acceptance Facility and whether or not the conditions in the above bullets have been satisfied.

## 4. INDEPENDENT EXPERT HAS CONCLUDED THAT THE OFFER IS FAIR AND REASONABLE TO NON-ASSOCIATED SECURITYHOLDERS IN ABSENCE OF A SUPERIOR PROPOSAL

As set out in the target's statement issued by Propertylink in connection with the Offer and dated 20 November 2018 (**Target's Statement**), the Independent Expert, KPMG Corporate Finance, has concluded that the Offer is fair and reasonable to Non-Associated Securityholders (as defined in the Target's Statement) in the absence of a superior proposal.<sup>3</sup>

The Offer Price of \$1.20 (before being reduced by the Interim Distribution) is above the Independent Expert's assessed equity value for Propertylink which is in the range of \$1.14 to \$1.19 per Propertylink Security on a fully diluted basis (which was assessed before the announcement of the Interim Distribution).

A complete copy of the report prepared by the Independent Expert in respect of the Offer is attached to the Target's Statement.

## 5. CURRENT LEVEL OF ACCEPTANCES OF OFFER

ESR Australia and its associates had as at 7.00pm on Friday, 18 January 2019, being the last trading day immediately prior to the date of this First Supplementary Bidder's Statement, a relevant interest in 30.2% of the Propertylink Securities.

Each of the directors on the Propertylink Board have now accepted the Offer.<sup>4</sup>

<sup>2</sup> The terms Acceptance Instructions, Acceptance Facility, Facility Operator and Confirmation Notice are defined in section 6.

<sup>3</sup> See Attachment 1 to the Target's Statement which was disclosed in an ASX Announcement made by Propertylink dated 20 November 2018 titled "PLG Target Statement".

<sup>4</sup> See ASX Announcement made by Propertylink dated 6 December 2018 titled "PLG Board of Directors have accepted ESR Offer".



## 6. INSTITUTIONAL ACCEPTANCE FACILITY

### 6.1 Overview

As referred to above, ESR Australia has established an institutional acceptance facility (**Acceptance Facility**) open to Propertylink Securityholders who are professional investors (as defined in section 9 of the Corporations Act) that hold or beneficially own at least 429,553<sup>5</sup> stapled securities in Propertylink (**Eligible Participant**).

The Acceptance Facility has been established to provide Eligible Participants who may be unable or unwilling to accept the Offer until the Offer becomes or is declared unconditional (for example, by reason of their investment mandates) with the ability to register their support for the Offer and their intention to accept the Offer before the Offer becomes or is declared unconditional.

The acceptance facility collection agent for the Acceptance Facility is Pacific Custodians Pty Limited ACN 009 682 866 (**Facility Operator**).

Propertylink Securityholders who are not Eligible Participants cannot participate in the Acceptance Facility.

Before making a decision whether or not to participate in the Acceptance Facility, Eligible Participants are encouraged to consult with their financial or other professional adviser.

### 6.2 Operation of the Acceptance Facility

In summary, the Acceptance Facility will operate in the following way:

- a. Eligible Participants may lodge with the Facility Operator a duly completed and executed appointment of facility operator form, along with acceptance instructions that demonstrate their intention to accept the Offer in the form of:
  - i. if the Eligible Participant is the registered holder of Propertylink Securities, a duly completed and executed Acceptance Form in respect of their Propertylink Securities; and/or
  - ii. if the Eligible Participant is the beneficial owner, but not the registered holder of Propertylink Securities, and those securities are held on the Eligible Participant's behalf or account by a custodian, nominee or trustee, a duly completed and executed direction to the Eligible Participant's custodian, nominee or trustee (**Custodian Direction**), to accept the Offer in respect of those Propertylink Securities in the required form (**Custodian Direction**), (together, **Acceptance Instructions**).
- b. The Facility Operator will hold any Acceptance Instructions it receives as bare trustee only (subject to the terms of its appointment) and will not acquire a relevant interest in any of the Propertylink Securities that are the subject of the Acceptance Instructions. Acceptance Instructions lodged with the Facility Operator will demonstrate the intention of the relevant Eligible Participant to accept the Offer. However, they will not constitute acceptances of the Offer while they are held by the Facility Operator.
- c. ESR Australia may provide a written notice to the Facility Operator (**Confirmation Notice**) which confirms that either:
  - i. ESR Australia has declared the Offer free of all of the Conditions that have not already been fulfilled or waived; or
  - ii. ESR Australia will declare the Offer free of all the Conditions that have not been fulfilled or waived not later than the time that all of the Acceptance Instructions held subject to the Acceptance Facility are validly processed or implemented (as applicable).
- d. Immediately after the Facility Operator receives a Confirmation Notice, the Facility Operator must:
  - i. deliver (or procure the delivery of) the Acceptance Forms in accordance with the instructions on the relevant Acceptance Forms, or, in the case of securities held in a CHESS Holding, give the Acceptance Forms to the relevant Controlling Participant;
  - ii. deliver (or procure the delivery of) the Custodian Directions to the relevant Custodian; and/or
  - iii. direct the Eligible Participant to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules.

<sup>5</sup> Being the number of Propertylink Securities with an aggregate value of at least \$500,000 assuming a security price of \$1.164.

- e. ESR Australia is under no obligation to give the Confirmation Notice to the Facility Operator.
- f. Eligible Participants retain all rights and control over their Propertylink Securities and are able to withdraw their Acceptance Instructions at any time prior to the Facility Operator receiving the Confirmation Notice from ESR Australia.
- g. The Facility Operator will return all Acceptance Instructions promptly upon ESR terminating its arrangements with the Facility Operator in respect of the Acceptance Facility.

The above summary is subject to the terms of the Acceptance Facility set out in the Facility Documents (as defined in section 6.3 below).

### 6.3 Obtaining documentation in relation to Acceptance Facility

A copy of the appointment of the Facility Operator form along with the full terms of the Facility (**Facility Documents**) will be provided to persons identified by ESR Australia as being Eligible Participants and will also be provided to persons ESR Australia is satisfied are Eligible Participants on request to the Facility Operator by email at [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au) or by phone on the ESR Offer Information Line on 1300 420 709 (callers within Australia) and +61 1300 420 709 (callers outside Australia).

### 6.4 Disclosure of Acceptance Instructions

Before 8.30am (Sydney time) on each Business Day (or at any other time upon reasonable request from ESR), the Facility Operator will notify ESR Australia of the number of Propertylink Securities in respect of which valid Acceptance Instructions have been lodged and not withdrawn as at 7.00pm (Sydney time) on the previous day, with the expectation that this information may be released to ASX.

Following receipt of this information from the Facility Operator, ESR Australia will disclose this information to the ASX by 9.30am (Sydney time) on the Business Day following any movement of at least 1% in the aggregate level of ESR's voting power during the Offer Period and the votes attached to Propertylink Securities the subject of the valid Acceptance Instructions held subject to the Acceptance Facility.

## 7. ACCEPTANCE OF OFFER BY CNI

As set out in section 10.3 of the Bidder's Statement, the acceptance by the CNI Subsidiaries of the Offer requires approval from CNI securityholders as a related party transaction under ASX Listing Rule 10.1, unless a waiver from that requirement is obtained by CNI from ASX.

As announced to the ASX on 21 December 2018, CNI proposes to hold an Extraordinary General Meeting on 31 January 2019 at which CNI securityholders will be asked to approve the disposal by CNI to ESR Australia of all Propertylink Securities held by the CNI Subsidiaries.<sup>6</sup> If the resolution is passed, it will permit CNI to accept the Offer. The announcement states that the CNI directors unanimously recommend that CNI securityholders vote in favour of the resolution which will permit the acceptance of the Offer.

## 8. INTERIM DISTRIBUTION

Propertylink announced on 20 December 2018 an interim distribution for the six months to 31 December 2018 of 3.6 cents with a record date of 31 December 2018 and payment date of 31 January 2019 (**Interim Distribution**).

In accordance with section 11.7 of the Bidder's Statement, the amount payable to you under the Offer will be adjusted by the amount of any distributions paid by Propertylink. Accordingly, each Propertylink Securityholder who accepts the Offer, regardless of when they accept, will receive \$1.164<sup>7</sup> per Propertylink Security, being \$1.20 reduced by the amount of the Interim Distribution which will be paid by Propertylink on 31 January 2019.<sup>8</sup> This is because either the Propertylink

<sup>6</sup> See ASX Announcement made by CNI dated 21 December 2018 titled "CNI Notice of Extraordinary General Meeting".

<sup>7</sup> Subject to the terms of the Offer, which, for example, provide that the consideration under the Offer will be reduced by any other dividends, distributions or Rights which you (or a previous holder of your Propertylink Securities) receive or become entitled to receive in respect of Propertylink Securities.

<sup>8</sup> The consideration payable under the Offer will be adjusted for all acceptances regardless of when the Offer is accepted because the record date for the Interim Distribution has occurred prior to the Offer becoming unconditional and ESR Australia becoming the registered holder of any Propertylink Securities which are the subject of acceptances of the Offer.

Securityholder that accepts the Offer in respect of Propertylink Securities or a previous holder of those Propertylink Securities will receive the Interim Distribution.

## 9. CONSENTS AND ASIC MODIFICATIONS

The Facility Operator has given its written consent to be named in this First Supplementary Bidder's Statement in the form and context in which it is named and has not withdrawn that consent as at the date of this First Supplementary Bidder's Statement.

Credit Suisse (Australia) Limited has given its written consent to be named in this First Supplementary Bidder's Statement in the form and context in which it is named and has not withdrawn that consent as at the date of this First Supplementary Bidder's Statement.

Corrs Chambers Westgarth has given its written consent to be named in this First Supplementary Bidder's Statement in the form and context in which it is named and has not withdrawn that consent as at the date of this First Supplementary Bidder's Statement.

Among others, ESR Australia has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 5(d) of ASIC Class Order 13/521 "Takeover bids" to include in this First Supplementary Bidder's Statement, without obtaining specific consents, statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX.

If you would like to receive a copy of those documents, or the relevant parts of the documents containing the statements (free of charge) during the bid period, please contact the Offer Information Line on 1300 420 709 (from within Australia) or +61 1300 420 709 (from outside Australia).

## 10. HOW TO ACCEPT

If you have not already accepted the Offer, ESR Australia encourages you to do so. You may accept the Offer in accordance with the instructions in section 3 of the Bidder's Statement or the instructions set out in the Acceptance Form. If you are an Eligible Participant you may alternatively register your support for the Offer through the Acceptance Facility described in section 6 above.

If you have any questions about the Offer or you require assistance with your acceptance, please call the Offer Information Line on 1300 420 709 (from within Australia) or +61 1300 420 709 (from outside Australia) between 8.30am and 5.30pm Sydney time Monday to Friday. You can also obtain further information about the Offer and download a copy of the Acceptance Form at <https://events.miraqle.com/ESR-Offer>.

## 11. APPROVAL

This First Supplementary Bidder's Statement has been approved by a resolution passed by the directors of ESR Australia.

Date: 21 January 2019

Signed for and on behalf of ESR Real Estate (Australia) Pty Ltd



**Philip Pearce**  
Director

## ANNEXURE

### Notice of variation of offers – Extension of offer period Section 650D of the *Corporations Act 2001* (Cth)

To: Australian Securities and Investments Commission (ASIC)

Propertylink (Holdings) Limited ACN 092 684 789, Propertylink Investment Management Limited ACN 136 865 417 as responsible entity for Propertylink Australian Industrial Partnership ARSN 613 032 570 and Propertylink Investment Management Limited ACN 136 865 417 as responsible entity for Propertylink Trust ARSN 613 032 750 (**Propertylink**)

Each Propertylink securityholder and other person referred to in section 650D(1)(c) of the *Corporations Act 2001* (Cth) (as modified by ASIC Class Order [CO 13/521])

Reference is made to the offers dated 21 November 2018 from ESR Real Estate (Australia) Pty Ltd ACN 625 751 962 (**ESR Australia**) for all of the stapled securities in Propertylink (**Offer**).

#### Extension of offer period

ESR Australia gives notice under section 650D(1) of the *Corporations Act 2001* (Cth) that the Offer is varied by extending the period during which the Offer remains open for acceptance until **7.00pm (Sydney time) on Thursday, 28 February 2019**.

#### Notice as to status of defeating conditions

ESR Australia gives notice under section 630(2)(b) of the *Corporations Act 2001* (Cth) that:

- a. as a result of the extension of the offer period, the new date for giving notice on the status of the conditions to the Offer is Wednesday, 20 February 2019; and
- b. as at the date of this notice, the Offer has not been freed from the conditions set out in the annexure to ESR Australia's bidder's statement dated 19 November 2018 and, so far as ESR Australia is aware, these conditions have not been fulfilled.

#### ASIC lodgement

A copy of this notice was lodged with ASIC on 21 January 2019. ASIC takes no responsibility for the contents of this notice.

#### Approval

This notice has been approved by a resolution passed by the directors of ESR Australia.

Date: 21 January 2019

Signed for and on behalf of ESR Real Estate (Australia) Pty Ltd



**Philip Pearce**

Director



