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ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

**ANNOUNCEMENT
PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE**

This announcement is made by ESR Group Limited (the “**Company**”) pursuant to Rule 3.7 of the Takeovers Code.

Reference is made to (i) the Company’s announcement dated 13 May 2024 in relation to, among other things, the Indicative Proposal (the “**Announcement**”); and (ii) the Company’s announcements dated 13 June 2024, 12 July 2024, 12 August 2024 and 12 September 2024 pursuant to Rule 3.7 of the Takeovers Code. Unless otherwise defined, capitalised terms used in this announcement have the same meanings as those defined in the Announcement.

The Company wishes to update the shareholders and potential investors in the Company that, further to the receipt of the Indicative Proposal from the Consortium on April 25, 2024, the Company has on October 4, 2024 received an updated non-binding proposal (the “**Updated Proposal**”) which remains subject to additional due diligence being completed to the Consortium’s satisfaction, including on the Company’s recently released interim financials.

The Updated Proposal confirms that (i) Shareholders will have the ability to choose freely to receive cash consideration, roll their shares into the go-forward private company (subject to the terms of the final rollover arrangements) or a combination of those two options; (ii) another substantial investor, and existing shareholder in the Company, Qatar Holding LLC (which is interested in 127,257,914 Shares (representing approximately 3.0% of the total issued Shares) as at the date of this Announcement), is supportive of the Updated Proposal and has become a member of the Consortium; and (iii) Warburg Pincus and the Founders remain supportive of the Updated Proposal and have become members of the Consortium, which will continue to be led by Starwood, Sixth Street and SSW Partners.

As at the date of this Announcement, the Consortium (as expanded) is interested in:

- 1,694,177,420 Shares (representing approximately 39.9% of the total issued Shares); and
- through the Founders:
 - o 7,799,856 outstanding share options granted under the Tier 1 ESOP;
 - o 384,000 outstanding share options granted under the Post-IPO Share Option Scheme; and
 - o outstanding performance share units and restricted share units granted under the Long Term Incentive Scheme, which can vest into a maximum of 1,525,296 underlying Shares (representing approximately 0.04% of the total issued Shares).

The respective associates (as defined under the Takeovers Code) of the Company and the Consortium, including persons holding 5% or more of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) are reminded to disclose their dealings in the relevant securities of the Company pursuant to the requirements of the Takeovers Code.

The Company is considering the Updated Proposal and related discussions with the Consortium are ongoing. The outcome of those discussions is uncertain. As of the date of this announcement, no decision has been made on whether to proceed with the Updated Proposal, and no definitive agreement has been entered into with any party to implement the Updated Proposal. At this stage, there is also no certainty that the Updated Proposal will ultimately lead to an Offer being made in relation to the shares in the Company given that, as noted above, the Updated Proposal remains subject to additional due diligence.

MONTHLY UPDATES

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the discussions regarding the Updated Proposal will be made by the Company until an announcement is made of a firm intention to make an Offer (as defined under the Takeovers Code) under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Offer. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or Takeovers Code (as the case may be).

WARNING: Shareholders and potential investors should be aware that the Updated Proposal may or may not proceed, and if it does proceed, the terms of any such Updated Proposal are at this stage uncertain. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or other securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

By Order of the Board
ESR GROUP LIMITED
Brett Harold Krause
Chairman

Hong Kong, 4 October 2024

As at the date of this announcement, the Board of the Company comprises Mr. Jinchu Shen and Mr. Stuart Gibson as Executive Directors, Mr. Jeffrey David Perlman, Mr. Charles Alexander Portes, Mr. Hwee Chiang Lim, Mr. Rajeev Veeravalli Kannan and Ms. Joanne Sarah McNamara as Non-executive Directors, Mr. Brett Harold Krause as the Chairman and Independent Non-executive Director, and Mr. Simon James McDonald, Ms. Jingsheng Liu and Ms. Serene Siew Noi Nah as Independent Non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.