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ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1821)

CONNECTED TRANSACTION IN RELATION TO THE PROVISION OF A LOAN FACILITY

On 24 October 2022, ESR Group Limited (the “**Company**”) (as lender), Redwood Consulting (Cayman) Ltd. (as borrower) (the “**Borrower**”), and Mr. Charles Alexander Portes and Mr. Stuart Gibson (both being Directors of the Company) as guarantors (together, the “**Guarantors**”) entered into a standby facility agreement (the “**Loan Agreement**”) on the terms described below.

As the Borrower is an associate of certain Directors of the Company, the Borrower is a connected person of the Company under Listing Rule 14A.07. As the highest applicable percentage ratio in respect of the Loan when aggregated with the Existing Loans is more than 0.1% but less than 5%, the provision of the Loan constitutes a connected transaction of the Company which is exempt from the circular (including independent financial advice) and shareholders’ approval requirements pursuant to Listing Rule 14A.76(2).

1. THE LOAN AGREEMENT

The Company, the Borrower and the Guarantors entered into the Loan Agreement on 24 October 2022 pursuant to which the Company agreed to lend to the Borrower a loan (the “**Loan**”) in the principal amount of up to US\$50 million at an interest rate equal to LIBOR plus 4.0% per annum. The Loan will be available to the Borrower for its working capital purposes from the date of the Loan Agreement for a maximum period of 18 months after the date on which the Loan is made. The Loan is guaranteed by the Guarantors and will be subject to security over the shares in the Borrower and an undertaking to seek additional security over the shares in an affiliate of the Borrower, in favour of the Company. The Company may use 50% of any amounts due from the Company to the Guarantors under any agreement to repay the principal amount of the Loan.

The terms of the Loan Agreement were arrived at after arm's length negotiations between the Company and the Borrower. The Loan will be funded by the Group's internal resources.

2. LISTING RULES IMPLICATIONS

As of the date of this announcement, the Borrower is owned as to 50% each by Mr. Stuart Gibson and Mr. Charles Alexander Portes, who are Directors of the Company. As the Borrower is an associate of certain Directors of the Company, the Borrower is a connected person of the Company under Listing Rule 14A.07.

In 2020, the Company had provided unsecured interest-bearing loans to each of Mr. Gibson and Mr. Portes in the principal amount of US\$4.6 million, which remain outstanding as at the date of this announcement (the “**Existing Loans**”).

As the highest applicable percentage ratio in respect of the Loan when aggregated with the Existing Loans is more than 0.1% but less than 5%, the provision of the Loan constitutes a connected transaction of the Company which is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Listing Rule 14A.76(2).

3. DIRECTORS' CONFIRMATION

The provision of the Loan to the Borrower is to support Mr. Gibson and Mr. Portes for their continuous contribution to the Group and would enable the Company to earn a reasonable return on the principal amount of the Loan after considering the prevailing market interest rate for loans of a similar nature and tenure as the Loan.

Taking into consideration that the Loan is an interest-bearing secured loan which is guaranteed by the Guarantors, the Directors consider that it is in the interests of the Company to provide the Loan to the Borrower.

The Directors (including the Independent Non-Executive Directors) consider that the transaction contemplated by the Loan Agreement is on normal commercial terms and the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

As the Borrower is controlled by Mr. Gibson and Mr. Portes, Mr. Gibson and Mr. Portes have abstained from voting on the relevant resolutions of the Board in respect of the Loan Agreement. None of the other Directors has a material interest in the Loan Agreement and therefore no other Director abstained from voting on the relevant resolutions of the Board in respect of the Loan Agreement.

4. INFORMATION ON THE GROUP

The Group is largest real asset manager in Asia-Pacific powered by the new economy and the third largest listed real estate investment manager globally. The Group's fully integrated development and investment management platform extends across key Asia-Pacific markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia and also includes an expanding presence in Europe and the U.S. The Group provides a diverse range of real asset investment solutions and new economy real estate development opportunities across its private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in Asia-Pacific.

By Order of the Board
ESR Group Limited
Jinchu Shen
Director

Hong Kong, 24 October 2022

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, Mr. Hwee Chiang Lim, Dr. Kwok Hung Justin Chiu and Mr. Rajeev Veeravalli Kannan as Non-executive Directors, Mr. Brett Harold Krause, Mr. Simon James McDonald, Ms. Jingsheng Liu, Ms. Serene Siew Noi Nah and Ms. Wei-Lin Kwee as Independent Non-executive Directors.