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ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

**CONNECTED TRANSACTIONS IN CONNECTION WITH
JOINT VENTURES IN VIETNAM**

AND

**CONTINUING CONNECTED TRANSACTIONS IN
CONNECTION WITH MANAGEMENT AGREEMENTS**

**FORMATION OF JOINT VENTURES WITH BW IN VIETNAM
THROUGH DIVESTMENT OF ASSETS**

The Board is pleased to announce that, in line with the Group's capital recycling initiatives in which the Group is targeting over \$1 billion of divestments in 2023, on 20 October 2023, the Group entered into the following JV Deeds with the BW Parties in relation to the formation of joint ventures to develop logistics facilities in Vietnam:

- (i) SHTQ, BW NDV Investor, ESR NDV Investor and NDV JV entered into the NDV JV Deed in relation to the operation, management and administration of NDV JV;
- (ii) BW NSHL Investor, ESR NSHL Investor and NSHL JV entered into the NSHL JV Deed in relation to the operation, management and administration of NSHL JV; and
- (iii) SHTQ, BW YP Investor, ESR YP Investor and YP JV entered into the YP JV Deed in relation to the operation, management and administration of YP JV.

Prior to entering into of the JV Deeds, each of the JV Companies and BW YP Investor were indirect subsidiaries of the Company. Pursuant to the JV Deeds, the BW Investors will purchase or subscribe for shares in the JV Companies such that upon the NDV Completion, NDV JV will be held as to 51% by BW NDV Investor and 49% by ESR NDV Investor; upon the NSHL Completion, NSHL JV will be held as to 51% by BW NSHL Investor and 49% by ESR NSHL Investor; and upon the YP Initial Completion, YP JV will be held as to 49% by BW YP Investor and 51% by ESR YP Investor. In each case, the JV Company will cease to be accounted as a subsidiary of the Company in its consolidated financial statements. Within ten Business Days from the date of the YP JV Deed, SHTQ will purchase, and ESR YP 1 will sell, all shares of BW YP Investor.

Upon the NDV Completion, NSHL Completion and YP Initial Completion, the Group and the JV Companies will enter into the Management Agreements in connection with services to be provided to that JV Group.

CONNECTED TRANSACTIONS

To the best knowledge of the Company based on publicly available information, as at the date of this announcement, Alexandrite Gem and Athena Logistics in aggregate have an interest of approximately 13.57% of the shares in the Company. Both of Alexandrite Gem and Athena Logistics are wholly-owned by funds managed or advised by Warburg Pincus LLC or its affiliates.

As SHTQ and BW NSHL Investor are, and BW NDV Investor (upon the purchase by SHTQ of all shares in BW NDV Investor from its existing individual shareholders under the NDV JV Deed) and BW YP Investor (upon the purchase by SHTQ of all shares in BW YP Investor from ESR YP 1 under the YP JV Deed) will be, each a wholly-owned subsidiary of BW and BW is indirectly controlled by entities managed or advised by Warburg Pincus LLC or its affiliates, as are Alexandrite Gem and Athena Logistics), SHTQ and the BW Investors are (or will be) connected persons of the Company. The JV Deeds constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As NDV JV (upon NDV Completion), NSHL Project Company (upon NSHL Completion) and YP JV (upon YP Initial Completion) will be more than 30% controlled by BW (through the relevant BW Investors), NDV JV, NSHL Project Company and YP JV will be connected persons of the Company. The Services under the Management Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio in respect of each of (i) the ESR Maximum Capital Commitment and (ii) the Disposals in aggregate exceeds 0.1% but is less than 5%, the JV Deeds and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the aggregate annual cap amounts for the Services under the Management Agreements, when aggregated with the annual cap amounts for the Leasing Services under the Framework Agreement exceed 0.1% but are less than 5%, the Management Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A. INTRODUCTION

The Board is pleased to announce that, in line with the Group's capital recycling initiatives in which the Group is targeting over \$1 billion of divestments in 2023, on 20 October 2023, the Group entered into the JV Deeds with the BW Parties in relation to the operation, management and administration of the JV Companies to develop the Projects. Prior to entering into of the JV Deeds, each of the JV Companies were indirect subsidiaries of the Company. Upon the NDV Completion, NDV JV will be held as to 51% by BW NDV Investor and 49% by ESR NDV Investor; upon the NSHL Completion, NSHL JV will be held as to 51% by BW NSHL Investor and 49% by ESR NSHL Investor and upon the YP Initial Completion, YP JV will be held as to 49% by BW YP Investor and 51% by ESR YP Investor. In each case, the JV Company will cease to be accounted as a subsidiary of the Company in its consolidated financial statements.

Upon the NDV Completion, NSHL Completion and YP Initial Completion, the Group and the JV Companies will enter into the Management Agreements in connection with services to be provided to that JV Group.

B. THE JV DEEDS

On 20 October 2023:

- (i) SHTQ, BW NDV Investor, ESR NDV Investor and NDV JV entered into the NDV JV Deed in relation to the operation, management and administration of NDV JV;

- (ii) BW NSHL Investor, ESR NSHL Investor and NSHL JV entered into the NSHL JV Deed in relation to the operation, management and administration of NSHL JV; and
- (iii) SHTQ, BW YP Investor, ESR YP Investor and YP JV entered into the YP JV Deed in relation to the operation, management and administration of YP JV.

The principal terms of the JV Deeds are set out below:

Share Purchases by BW
NDV Investor:

Subject to the completion of the purchase by SHTQ of all shares of BW NDV 1 and BW NDV 2 from their existing third party shareholders, within fifteen Business Days from the date of the NDV JV Deed, BW NDV Investor will purchase, and ESR NDV Investor will sell, such number of ordinary shares in NDV JV so that BW NDV Investor will hold 51% of all the shares of NDV JV (on a fully diluted basis) on the NDV Completion for an aggregate purchase price of approximately USD5.2 million (or its equivalent in VND at or around the time of such purchase).

The purchase price was determined after arm's length negotiation between the parties with reference to (i) the net asset value of NDV JV, which took into account the valuation of the NDV Land as of 30 June 2023 according to a valuation prepared by an independent valuer appointed by ESR NDV Investor and (ii) other costs incurred by ESR NDV Investor in the implementation of the NDV Project and is expected to be funded by internal financial resources of BW.

The proceeds of the sale of shares in NDV JV to BW NDV Investor received by ESR NDV Investor will be used as capital return to the Group.

Capital Structure of NDV
JV:

Prior to the entering into of the NDV JV Deed, ESR NDV Investor held 99.98% of the issued share capital of NDV JV, and the remaining issued shares of NDV JV were held by the BW NDV Investor (which were in turn held by third parties and the shares in which will be purchased by SHTQ within ten Business Days of the date of the NDV JV Deed).

Upon the NDV Completion, the issued share capital of NDV JV will be owned as to 51% by BW NDV Investor and 49% by ESR NDV Investor.

Share Subscription by BW NSHL Investor:

Within ten Business Days from the date of the NSHL JV Deed, BW NSHL Investor will subscribe for, and the NSHL JV will issue and allot to BW NSHL Investor, the NSHL Subscription Shares, for an aggregate subscription price of approximately USD8.7 million (or its equivalent in VND at or around the time of such subscription).

The subscription price was determined after arm's length negotiation between the parties with reference to the net asset value of NSHL JV, which took into account the valuation of the NSHL Land as of 30 June 2023 according to a valuation prepared by an independent valuer appointed by ESR NSHL JV Investor, and is expected to be funded by internal financial resources of BW.

The proceeds of the subscription of NSHL Subscription Shares received by NSHL JV will be used to repay the shareholder loan of approximately USD8.6 million previously advanced by ESR NSHL Investor to NSHL JV.

Capital Structure of NSHL JV:

Prior to the entering into of the NSHL JV Deed, ESR NSHL Investor held 98.79% of the issued share capital of NSHL JV, and the remaining 1.21% of the issued shares of the NSHL JV were held by third parties (from whom BW NSHL Investor will purchase the 1.21% of shares within ten Business Days of the NSHL JV Deed).

Upon the NSHL Completion, the issued share capital of the NSHL JV will be owned as to 51% by BW NSHL Investor and 49% by ESR NSHL Investor.

Share Purchases by BW YP Investor:

Within ten Business Days from the date of the YP JV Deed, SHTQ will purchase, and ESR YP 1 will sell, all shares of BW YP Investor (which is currently wholly owned by ESR YP 1) for the aggregate purchase price of VND200.0 million.

Subject to the completion of the purchase by SHTQ of all shares of BW YP Investor from ESR YP 1, within fifteen Business Days from the date of the YP JV Deed, BW YP Investor will purchase, and ESR YP 1 will sell, such number of ordinary shares in YP JV so that BW YP Investor will hold 49% of all the shares of YP JV (on a fully diluted basis) on the YP Initial Completion for an aggregate purchase price of approximately USD7.7 million (or its equivalent in VND at or around the time of such purchase).

Subject to BW YP Investor making a shareholder loan (as described further in “— *Shareholder loans*” below), within five Business Days and conditional upon BW YP Investor obtaining antitrust clearance (or SHTQ and ESR YP 1 having agreed in writing that such requirement is waived), BW YP Investor will purchase, and ESR YP 1 will sell, such number of ordinary shares in YP JV so that BW YP Investor will hold 51% of all the shares of YP JV (on a fully diluted basis) on the YP Second Completion for an aggregate purchase price of approximately USD0.4 million (or its equivalent in VND at or around the time of such purchase).

The purchase price for the shares of BW YP Investor was determined after arm’s length negotiation between the parties with reference to existing capital contribution by ESR YP 1 to BW YP Investor. The purchase price for the shares in YP JV was determined after arm’s length negotiation between the parties with reference to (i) the net asset value of YP JV, which took into account the valuation of the YP Land as of 30 June 2023 according to a valuation prepared by an independent valuer appointed by ESR YP Investor and (ii) other costs incurred by ESR YP Investor in the implementation of the YP Project. The purchase price for the shares in BW YP Investor and YP JV is expected to be funded by internal financial resources of BW.

The proceeds of the sale of shares in BW YP Investor to SHTQ and the sale of shares in YP JV to BW YP Investor received by ESR YP 1 will be used as capital return to the Group.

Capital Structure of YP JV: Prior to the entering into of the YP JV Deed, the Group held 100% of the issued share capital of YP JV.

Upon the YP Initial Completion, the issued share capital of YP JV will be owned as to 49% by BW YP Investor and 51% by ESR YP Investor. Upon the YP Second Completion (if it occurs), the issued share capital of YP JV will be owned as to 51% by BW YP Investor and 49% by ESR YP Investor.

Businesses of the JV Companies: Each JV Company will carry on the business of developing, managing, operating and leasing factories, warehouses and logistics facilities on the relevant Land.

Shareholder loans: Prior to entering into the JV Deeds, the Group advanced shareholder loans to the JV Companies for the acquisition of the respective Land , land related costs and pre-construction costs.

With respect to NDV JV and YP JV, upon NDV Completion, within three Business Days of YP Initial Completion and upon YP Second Completion (if it occurs), as applicable, the relevant BW Investor will make shareholder loan(s) to the relevant JV Company and such JV Company will repay a portion of the shareholder loans previously advanced by the relevant ESR Investor such that the shareholder loans owed by the relevant JV Company to the BW Investor and ESR Investor will be proportionate to their pro rata shareholding in that JV Company.

With respect to NSHL JV, on NSHL Completion, NSHL JV will use the proceeds that it received from BW NSHL Investor's subscription of NSHL Subscription Shares to repay all of the existing shareholder loans owed by NSHL JV to ESR NSHL Investor.

Maximum Capital
Commitment:

Pursuant to the JV Deeds, except as expressly set out in the JV Deeds, both BW Investors and ESR Investors will not be under any obligation to subscribe for any additional shares in the JV Companies or provide any further funding to the JV Groups or guarantee or provide any security to secure any borrowing or other debts or obligations of the JV Groups. Each JV Group will obtain third-party debt financing in respect of business opportunities if such debt financing optimises the returns in respect of such business opportunities.

The total amount of funding (whether by way of subscription of securities or provision of loans) by each of BW NDV Investor and ESR NDV Investor to NDV JV will not exceed their respective pro rata share of US\$19.5 million (“**NDV Maximum Capital Commitment**”). Upon the NDV Completion (whereby NDV JV will be held as to 49% by ESR NDV Investor), ESR NDV Investor’s pro rata share of the NDV Maximum Capital Commitment will be approximately US\$9.6 million.

The total amount of funding (whether by way of subscription of securities or provision of loans) by each of BW NSHL Investor and ESR NSHL Investor to NSHL JV will not exceed their respective pro rata share of US\$29.8 million (“**NSHL Maximum Capital Commitment**”). Upon the NSHL Completion (whereby NSHL JV will be held as to 49% by ESR NSHL Investor), ESR NSHL Investor’s pro rata share of the NSHL Maximum Capital Commitment will be approximately US\$14.6 million.

The total amount of funding (whether by way of subscription of securities or provision of loans) by each of BW YP Investor and ESR YP Investor to YP JV will not exceed their respective pro rata share of US\$41.6 million (“**YP Maximum Capital Commitment**”). Upon the YP Initial Completion (whereby YP JV will be held as to 51% by ESR YP Investor), ESR YP Investor’s pro rata share of the YP Maximum Capital Commitment will be approximately US\$21.2 million. Upon the YP Second Completion, if it occurs (whereby YP JV will be held as to 49% by ESR YP Investor), ESR YP Investor’s pro rata share of the YP Maximum Capital Commitment will be reduced to approximately US\$20.4 million.

Each JV Company’s Maximum Capital Commitment was determined after arm’s length negotiation between the parties with reference to capital requirements of that JV Company and is expected to be funded by internal financial resources of the respective party.

Lock-Up:

No transfer of any securities in each JV Company shall be made by any shareholder of that JV Company without prior written consent of each of the other shareholders, except for certain permitted transfers under the relevant JV Deed, including but not limited to:

- (i) after the expiry of three years from the date of the NDV Completion, the NSHL Completion or the YP Initial Completion (as the case may be), a transfer of all of a shareholder’s securities in the JV Company effected pursuant to and in compliance with the procedures as set out in the relevant JV Deed in relation to the shareholders’ right of first offer and tag-along right;
- (ii) a transfer of some or all of a shareholder’s securities in the JV Company to any of its affiliates (except any joint venture or investment fund in relation to which such shareholder or its affiliates receives management, development, financing or other fees) upon written notice to other shareholders and the JV Company and on such conditions as set out in the relevant JV Deed ; or

- (iii) a transfer effected as part of the implementation of, or preparation for, a disposal of all securities in the JV Company or all or substantially all of the assets of the JV Group in accordance with the relevant JV Deed as mutually agreed by the relevant BW Investor and ESR Investor.

C. FINANCIAL IMPACT OF THE DISPOSALS

Immediately prior to entering into the JV Deeds, NDV JV was owned as to 99.98%, NSHL JV was owned as to 98.79% and YP JV was owned as to 100% by the Group and were indirect subsidiaries of the Company.

Upon the NDV Completion, NDV JV will be owned as to 51% by BW NDV Investor and 49% by ESR NDV Investor. NDV JV will cease to be accounted as a subsidiary of the Company in its consolidated financial statements. Based on the difference between the consideration and the unaudited net asset values of NDV JV, the Group expects to recognise estimated gains on disposal before transaction costs of approximately VND3,256.5 million upon the NDV Completion.

Upon the NSHL Completion, NSHL JV will be owned as to 51% by BW NSHL Investor and 49% by ESR NSHL Investor. NSHL JV will cease to be accounted as a subsidiary of the Company in its consolidated financial statements. Based on the difference of the subscription price and the unaudited consolidated net asset value of NSHL JV, the Group expects to recognise an estimated gain on deemed disposal before transaction costs of approximately VND2,513.6 million.

Upon the YP Initial Completion, YP JV will be owned as to 49% by BW YP Investor and 51% by ESR YP Investor. As YP JV will be jointly controlled by both BW YP Investor and ESR YP Investor pursuant to the terms under the YP JV Deed upon the YP Initial Completion, YP JV will cease to be accounted as a subsidiary of the Company in its consolidated financial statements. Based on the difference between the consideration and the unaudited net asset values of YP JV, the Group expects to recognise an estimated gains on disposal before transaction costs of approximately VND15,185.4 million upon the YP Initial Completion and approximately VND646.6 million upon the YP Second Completion (if it occurs).

Upon the disposal of all shares in BW YP Investor (which is currently wholly owned by ESR YP 1) by ESR YP 1, BW YP Investor will cease to be accounted as a subsidiary of the Company in its consolidated financial statements. Based on the difference between the consideration and unaudited net asset values of BW YP Investor, the Group expects to recognise an estimated gain/loss on disposal of approximately VND815.8 million.

The gains on disposal are estimated based on the latest available accounts of the relevant entities as of August 2023. The gains on disposal will be recognised at completion based on the then latest available accounts and any foreign exchange adjustments.

It is expected that the Disposals pursuant to the JV Deeds would not have any significant impact on the consolidated financial statements of the Group.

The original acquisition costs of the NDV Land, the NSHL Land and the YP Land were VND235,992.8 million, VND358,286.5 million and VND444,883.3 million, respectively.

D. MANAGEMENT AGREEMENTS

Pursuant to the JV Deeds:

- (i) upon the NDV Completion, ESR Vietnam and NDV JV will enter into the ESR-NDV Management Agreement with respect to the provision of certain management services to NDV JV Group by ESR Vietnam with effect from that date;
- (ii) upon the NSHL Completion, ESR Vietnam and NSHL Project Company will enter into the ESR-NSHL Management Agreement with respect to the provision of certain management services to NSHL JV Group by ESR Vietnam with effect from that date; and
- (iii) upon the YP Initial Completion, ESR Vietnam and YP JV will enter into the ESR-YP Management Agreement with respect to the provision of certain management services to YP JV Group by ESR Vietnam with effect from that date.

The principal terms of the Management Agreements are set out below:

Subject Matter and Duration:	ESR Vietnam (itself or through one or more of its affiliates) will provide consultancy services in relation to the construction and development of the Project (“ Development Consultancy Services ”) and leasing services (“ JV Leasing Services ”) to the JV Group during a term of three years from the effective date, unless terminated in accordance with the terms of the agreement.
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Annual Caps and Basis of
Annual Caps:

Fees for Development Consultancy Services will be 1.5% of the total construction costs (excluding any land cost but including pre-construction costs and capitalised expenses, but exclusive of VAT) incurred in the development of the Project, which was determined based on fees charged for similar services in the industrial real estate market in APAC, taking into account the scope of services, and the fees that the Group charges to funds that it manages across the APAC region.

Fees for JV Leasing Services will be determined based on the following pricing policy: (i) 1.5% of the headline gross rent or 0.5 month's to 1.5 months' headline gross rent (depending on length of the lease) for tenants referred by the Group and (ii) 50% of 3% of the headline gross rent, or 50% of 1 month's to 2 months' headline gross rent (depending on length of the lease) for tenants jointly referred by the Group and BW (or its subsidiaries). The pricing policy was determined based on fees charged for similar services in the industrial real estate market in APAC and the fees that the Group charges to funds that it manages across the APAC region.

Fees for additional services: any additional services to be provided by ESR Vietnam as agreed between the parties will not exceed the fees that would be reasonably charged by a comparable third party service provider (as determined by ESR Vietnam acting in good faith).

The fees for the Services for each one year period are subject to the following annual caps:

	Period from effective date to 31 Dec 2023	Each of FY2024 and FY2025	Period from 1 Jan 2026 to the end of the 3-year term
ESR-NDV Management Agreement	US\$212,500	US\$850,000	US\$850,000
ESR-NSHL Management Agreement	US\$247,500	US\$990,000	US\$990,000
ESR-YP Management Agreement	US\$380,000	US\$1,520,000	US\$1,520,000

The annual caps were determined by reference to the amount of Services estimated to be provided to each JV Group under the relevant Management Agreement for each period/financial year with reference to the amount of similar services the Group provides to other development projects and taking into account an expected ramp-up of services during the last few months of the term of each Management Agreement as the development of each Project progresses.

Termination:

The Management Agreements will be automatically terminated if the relevant JV Deed is terminated, certain change of control events or the liquidation and winding up of the JV Company (or in the case of the ESR-NSHL Management Agreement, the NSHL Project Company).

The JV Company (or in the case of the ESR-NSHL Management Agreement, the NSHL Project Company) may terminate the Management Agreement on occurrence of an event of default by the Group, insolvency of ESR Vietnam or the Company ceasing to control ESR Vietnam.

The Directors (including the independent non-executive Directors) confirm that the Services will be conducted in the ordinary and usual course of business of the Group, on an arm's length basis and on normal commercial terms or better for the Group.

E. REASONS FOR AND BENEFITS OF THE JV DEEDS AND THE MANAGEMENT AGREEMENTS

JV Deeds

The Directors consider that the entry into the JV Deeds to operate the JV Companies as joint ventures with BW, the leading platform in Southeast Asia, provides a good opportunity for the Group to leverage BW's market leadership position as well as its strong development capabilities to execute the three projects in Vietnam, a key market that is underpinned by strong growth fundamentals with good long term growth prospects. The Directors are of the view that the entry into the JV Deeds is in line with the Group's strategic development and its business strategy of being APAC's leading New Economy real estate platform. The Disposals of the JV Companies pursuant to the JV Deeds are also in line with the Group's capital recycling strategy of transferring balance sheet assets into investment vehicles it co-invests in . Following the Completion, the Group will continue to maintain an indirect interest in the Projects through its interest in the JV Companies.

Based on the above, the Directors (including independent non-executive Directors) are of the view that the JV Deeds have been entered into on normal commercial terms or better and in the ordinary and usual course of the business of the Group, and the terms are therefore fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Management Agreements

The Management Agreements will allow the Group to increase its fee income as a leading real estate manager and service provider, by leveraging on its extensive experience in providing professional services regarding the management of projects relating to factories, warehouses and logistics facilities.

Based on the above, the Directors (including independent non-executive Directors) are of the view that the Management Agreements have been entered into on normal commercial terms or better and in the ordinary and usual course of the business of the Group, and the terms (including the annual cap amounts for the Services) are therefore fair and reasonable and in the interests of the Company and the Shareholders as a whole.

F. IMPLICATIONS UNDER THE LISTING RULES

To the best knowledge of the Company based on publicly available information, as at the date of this announcement, Alexandrite Gem and Athena Logistics in aggregate have an interest of approximately 13.57% of the shares in the Company . Both of Alexandrite Gem and Athena Logistics are wholly-owned by funds managed or advised by Warburg Pincus LLC or its affiliates.

As SHTQ and BW NSHL Investor are, and BW NDV Investor (upon the purchase by SHTQ of all shares in BW NDV Investor from its existing third party shareholders under the NDV JV Deed) and BW YP Investor (upon the purchase by SHTQ of all shares in BW YP Investor from ESR YP 1 under the YP JV Deed) will be, each a wholly-owned subsidiary of BW and BW is indirectly controlled by entities managed or advised by Warburg Pincus LLC or its affiliates, as are Alexandrite Gem and Athena Logistics), SHTQ and the BW Investors are (or will be) connected persons of the Company. The JV Deeds constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As NDV JV (upon NDV Completion), NSHL Project Company (upon NSHL Completion) and YP JV (upon YP Initial Completion) will be more than 30% controlled by BW (through the relevant BW Investors), NDV JV, NSHL Project Company and YP JV will be connected persons of the Company. The Services under the Management Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of each of (i) the ESR Maximum Capital Commitment and (ii) the Disposals in aggregate exceeds 0.1% but is less than 5%, the JV Deeds and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the aggregate annual cap amounts for the Services under the Management Agreements, when aggregated with the annual cap amounts for the Leasing Services under the Framework Agreement exceed 0.1% but are less than 5%, the Management Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

G. APPROVAL BY THE DIRECTORS

As Mr. Jeffrey David Perlman (a Director of the Company) is also an employee of affiliates of the shareholders of BW he is deemed due to his employee relationship to have an interest in each of the JV Deeds, the Management Agreements and the transactions contemplated thereunder. He has therefore not been involved in the discussions relating to, and has abstained from voting on the board resolutions of the Company approving such transactions in his capacity as a Director of the Company. Save as disclosed above, none of the Directors had a material interest in any of the JV Deeds, the Management Agreements and the transactions contemplated thereunder.

H. INFORMATION ON THE PARTIES

(a) BW and the BW Parties

BW is the largest and fastest-growing logistics/industrial New Economy real estate platform in Southeast Asia with an AUM of approximately US\$2.4 billion. BW has, as of September 2023, established its footprint across 11 key industrial provinces in Vietnam with total 836 hectares (337 hectares developed, 125 hectares under construction and 374 hectares to be developed) of industrial land bank, of which approximately 85% is located in the key tier 1 cities of Greater Hanoi and Ho Chi Minh City. BW's portfolio includes 2.3 million square metres of completed gross floor area, 0.97 million square metres under construction gross floor area of industrial and logistics facilities and 2.4 million square metres gross floor area to be developed. Since inception, BW has developed deep relationships with strategic anchor tenants and established its reputation as a trusted landlord with proven execution capabilities. BW is backed by an experienced management team with average industry experience of over 20 years.

As at the date of this announcement, the shares in BW are held as to approximately 10.40%, 25.53% and 64.07% by ESR V Investor 5 (a wholly-owned subsidiary of the Company), Becamex and the entities managed or advised by Warburg Pincus LLC or its affiliates, respectively.

Becamex is a Vietnam-based company that is listed on the Ho Chi Minh Stock Exchange and primarily engaged in the industrial real estate development sector. Becamex's main business activities include the development, construction and leasing of industrial park infrastructure, as well as the construction of highways, bridges and other civil engineering infrastructures. Becamex is also involved in the development of residential and commercial real properties with the investment in urban areas and residential areas.

Each of SHTQ and BW NSHL Investor are, and BW NDV Investor (upon the purchase by SHTQ of all shares in BW NDV Investor from its existing third party shareholders under the NDV JV Deed) and BW YP Investor (upon the purchase by SHTQ of all shares in BW YP Investor from ESR YP 1 under the YP JV Deed) will be, a wholly-owned subsidiary of BW. These entities are principally directly and indirectly engaged in developing, managing, operating and leasing modern logistics warehouses and/or ready built factories in Vietnam.

(b) NDV JV

NDV JV is a joint stock company incorporated in Vietnam on 15 July 2022 and is an investment holding company which holds the NDV Land.

Based on the unaudited financial information of NDV JV for the period from 15 July to 31 December 2022, which has been prepared in accordance with International Financial Reporting Standards, the unaudited net profits before and after taxation of NDV JV for the period from 15 July to 31 December 2022 are VND3,201.4 million and VND2,320.0 million respectively.

The unaudited total asset and net asset value of NDV JV as at 31 August 2023 were VND268,060.9 million and VND237,252.4 million, respectively.

(c) NSHL JV

NSHL JV is a joint stock company incorporated in Vietnam on 15 August 2022 and is an investment holding company which holds the entire equity interest in the NSHL Project Company, the holding company of the NSHL Land.

Based on the unaudited consolidated financial information of NSHL JV for the period from 15 August 2022 to 31 December 2022, which has been prepared in accordance with International Financial Reporting Standards, the unaudited consolidated net losses before and after taxation of the NSHL JV for the period from 15 August 2022 to 31 December 2022 are VND607.8 million and VND607.8 million, respectively.

The unaudited consolidated total asset and consolidated net asset value of NSHL JV as at 31 August 2023 were VND405,683.2 and VND196,327.3 million, respectively.

(d) YP JV

YP JV is a joint stock company incorporated in Vietnam on 24 December 2021 and is an investment holding company which holds the YP Land.

YP JV did not incur any profit or loss for the period from 24 December 2021 to 31 December 2021. Based on the unaudited financial information of YP JV for the year ended 31 December 2022, which has been prepared in accordance with International Financial Reporting Standards, the unaudited net losses before and after taxation of YP JV for the year ended 31 December 2022 were VND3,191.1 million and VND6,243.3 million, respectively.

The unaudited total asset and net asset value of YP JV as at 31 August 2023 was VND505,300.2 million and VND393,905.6 million respectively.

(e) BW YP Investor

BW YP Investor is a limited liability company incorporated in Vietnam on 12 July 2023 and is an investment holding company. BW YP Investor has no business operations and has not generated profits since incorporation. The unaudited total asset and net liabilities of BW YP Investor as at 31 August 2023 was VND24,189.0 million and VND1,261.7 million respectively.

I. INFORMATION ON THE GROUP

The Group is the 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 APAC.

J. DEFINITIONS

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

“Alexandrite Gem”	Alexandrite Gem Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Athena Logistics”	Athena Logistics Holding Ltd., a company incorporated in the Cayman Islands with limited liability
“Becamex”	Investment and Industrial Development Joint Stock Corporation, a company incorporated in Vietnam with limited liability
“Board”	the board of Directors of the Company
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong, Singapore and Vietnam are generally open for business
“BW”	BW Industrial Development Joint Stock Company, a joint stock company incorporated in Vietnam with limited liability
“BW Investor(s)”	BW NDV Investor, BW NSHL Investor and/or BW YP Investor, as the context requires

“BW NDV 1”	NDV Holdco 1 Company Limited, a limited liability company incorporated in Vietnam with limited liability
“BW NDV 2”	NDV Holdco 2 Company Limited, a limited liability company incorporated in Vietnam with limited liability
“BW NDV Investor”	collectively, BW NDV 1 and BW NDV 2
“BW NSHL Investor”	collectively, SHTQ and Industrial Real Estate Consultancy and Management LLC, a limited liability company incorporated in Vietnam
“BW YP Investor”	Yen Phong Holdco Company Limited, a limited liability company incorporated in Vietnam
“BW Parties”	collectively, SHTQ and the BW Investors
“Company”	ESR Group 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)
“Completion”	NDV Completion, NSHL Completion, YP Initial Completion and YP Second Completion
“Directors”	the directors of the Company
“Disposals”	collectively, the disposal or deemed disposal by the Group of 100% of the JV Companies upon (i) the reduction of the Group’s interest in NDV JV from 99.98% to 49% upon the NDV Completion (upon which NDV JV will be deconsolidated as a subsidiary of the Company); (ii) the reduction of the Group’s interest in the NSHL JV from 98.79% to 49% upon the NSHL Completion (upon which NSHL JV will be deconsolidated as a subsidiary of the Company); and (iii) the reduction of the Group’s interest in YP JV from 100% to 51% upon the YP Initial Completion (upon which YP JV will be deconsolidated as a subsidiary of the Company) and the disposal of all shares of BW YP Investor

“ESR Investor(s)”	ESR NDV Investor, ESR NSHL Investor and/or ESR YP Investor, as the context requires
“ESR Maximum Capital Commitment”	the aggregate of the ESR Investors’ pro rata share of (i) the NDV Maximum Capital Commitment, (ii) the NSHL Maximum Capital Commitment and (iii) the YP Maximum Capital Commitment (upon the YP Initial Completion)
“ESR NDV Investor”	ESR V Investor 4 Pte. Ltd, a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Company
“ESR NSHL Investor”	NSHL Investor Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Company
“ESR V Investor 5”	ESR V Investor 5 Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Company
“ESR Vietnam”	ESR Vietnam Co Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Company
“ESR YP 1”	ESR V Investor 3 Pte. Ltd. a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Company
“ESR YP 2”	Yen Phong Investor 1 Pte. Ltd. a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Company
“ESR YP investor”	collectively, ESP YP 1 and ESR YP 2
“ESR-NDV Management Agreement”	the management agreement to be entered into between ESR Vietnam and NDV JV for the provision of certain management services by ESR Vietnam to NDV JV Group

“ESR-NSHL Management Agreement”	the management agreement to be entered into between ESR Vietnam and NSHL Project Company for the provision of certain management services by ESR Vietnam to NSHL JV Group
“ESR-YP Management Agreement”	the management agreement to be entered into between ESR Vietnam and YP JV for the provision of certain management services by ESR Vietnam to YP JV Group
“Framework Agreement”	has the meaning as defined in the Company’s announcement dated 12 January 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JV Companies”	collectively, NDV JV, NSHL JV and YP JV
“JV Deeds”	collectively, the NDV JV Deed, the NSHL JV Deed and the YP JV Deed
“JV Groups”	the NDV JV Group, the NSHL JV Group and the YP JV Group
“Leasing Services”	has the meaning as defined in the Company’s announcement dated 12 January 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended and supplemented from time to time)
“Management Agreements”	the ESR-NDV Management Agreement, the ESR-NSHL Management Agreement and the ESR-YP Management Agreement
“NDV Completion”	the completion of purchase of such number of shares in NDV JV by BW NDV Investor pursuant to the NDV JV Deed so that BW NDV Investor will hold 51% of all the shares of NDV JV on completion of such share purchase

“NDV JV”	Hai Phong Industrial Development (Vietnam) Joint Stock Company, a company incorporated in Vietnam, which is a 99.98% owned subsidiary of the Company and which will be owned as to 51% by BW NDV Investor and 49% by ESR NDV Investor upon the NDV Completion
“NDV JV Deed”	the joint venture deed dated 20 October 2023 entered into between SHTQ, BW NDV Investor, ESR NDV Investor and NDV JV in relation to the operation, management and administration of NDV JV
“NDV JV Group”	NDV JV and its subsidiaries from time to time
“NDV Land”	the land at Lot CN3–03, Nam Dinh Vu Non-tariff and Industrial Park (Zone 1), in Dinh Vu — Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam
“NDV Maximum Capital Commitment”	has the meaning as defined in “ <i>B. The JV Deeds — Maximum Capital Commitment</i> ” in this announcement
“NSHL Completion”	the completion of the subscription of the NSHL Subscription Shares by BW NSHL Investor pursuant to the NSHL JV Deed
“NSHL JV”	NSHL Holdco Joint Stock Company, a joint stock company incorporated in Vietnam, a subsidiary of the Company immediately prior to the entering into of the NSHL JV Deed and will be owned as to 51% by BW NSHL Investor and 49% by ESR NSHL Investor upon the NSHL Completion
“NSHL JV Deed”	the joint venture deed dated 20 October 2023 entered into between BW NSHL Investor, ESR NSHL Investor and NSHL JV in relation to the operation, management and administration of NSHL JV
“NSHL JV Group”	NSHL JV, NSHL Project Company, and any of their subsidiaries from time to time
“NSHL Land”	the land at Lot A2, Nam Son — Hap Linh Industrial Park, Nam Son Ward, Bac Ninh City, Bac Ninh Province, Vietnam

“NSHL Maximum Capital Commitment”	has the meaning as defined in “ <i>B. The JV Deeds — Maximum Capital Commitment</i> ” in this announcement
“NSHL Project”	investment in respect of the NSHL Land
“NSHL Project Company”	NSHL Industrial Development Limited Liability Company, a liability limited company incorporated in Vietnam with limited liability and a wholly-owned subsidiary of the NSHL JV
“NSHL Subscription Shares”	918,000 preference shares and 90,000 ordinary shares in the NSHL JV to be issued by NSHL JV to BW NSHL Investor pursuant to the NSHL JV Deed
“Projects”	collectively, the NDV Project, the NSHL Project and the YP Project
“Shareholders”	the holders of the shares of the Company
“Services”	Development Consultancy Services, JV Leasing Services and other additional services as may be provided by ESR Vietnam under the Management Agreements
“SHTQ”	Sao Hoa Toan Quoc Joint Stock Company, a joint stock company incorporated in Vietnam
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VND”	Vietnamese dong, the lawful currency of Vietnam
“YP Initial Completion”	the completion of purchase of such number of shares in YP JV by BW YP Investor pursuant to the YP JV Deed so that BW YP Investor will hold 49% of all the shares of YP JV on completion of such share purchase
“YP JV”	Yen Phong Industrial Development (Vietnam) Joint Stock Company, a company incorporated in Vietnam, which is an indirectly 100% owned subsidiary of the Company and which will be owned as to 49% by BW YP Investor and 51% by ESR YP Investor upon the YP Initial Completion

“YP JV Deed”	the joint venture deed dated 20 October 2023 entered into between SHTQ, BW YP Investor, ESR YP Investor and YP JV in relation to the operation, management and administration of YP JV
“YP JV Group”	YP JV and its subsidiaries from time to time
“YP Land”	the land at Land Lots CN4–3 and CN1–1 Yen Phong Industrial Park (Expansion Phrase), Dung Liet Commune and Thuy Hoa Commune, Yen Phong District, Bac Ninh Province, Vietnam
“YP Maximum Capital Commitment”	has the meaning as defined in “ <i>B. The JV Deeds — Maximum Capital Commitment</i> ” in this announcement
“YP Project”	investment in respect of the YP Land
“YP Second Completion”	the completion of purchase of such number of shares in YP JV by BW YP Investor pursuant to the YP JV Deed so that BW YP Investor will hold 51% of all the shares of YP JV on completion of such share purchase
“%”	per cent.

By order of the Board
ESR Group Limited
Jinchu Shen
Director

Hong Kong, 20 October 2023

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. 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.