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ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

DISCLOSEABLE TRANSACTION

SUCCESSFUL TENDER OF LAND IN HONG KONG

The Board is pleased to announce that on 20 July 2022, Sunrise Victory, a wholly-owned subsidiary of the Company, received the Letter from the Lands Department of the Government of Hong Kong confirming that its tender for the Land at the Land Premium of approximately HK\$5,257 million has been accepted.

As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 20 July 2022, Sunrise Victory, a wholly-owned subsidiary of the Company, received the Letter from the Lands Department of the Government of Hong Kong confirming that its tender for the Land at the Land Premium of approximately HK\$5,257 million has been accepted.

DETAILS OF THE CONDITIONS OF SALE AND THE ACQUISITION

The parties

- (1) the Government of Hong Kong, a third party independent of the Company and its connected persons, as vendor
- (2) Sunrise Victory, a wholly-owned subsidiary of the Company, as purchaser

Information on the Land

- Location : Junction of Mei Ching Road and Container Port Road South, Kwai Chung, New Territories
- Site area : approximately 55,245 square metres
- Minimum gross floor area : 82,800 square metres, with not less than 45,500 square metres to be used for erecting any building(s) for the permitted uses (i) to (vi) below
- Maximum gross floor area : 138,000 square metres
- Term : 50 years commencing from the date of the Memorandum of Agreement
- Permitted use : The land shall only be used for the following purposes:
- (i) logistics and freight forwarding;
 - (ii) consolidation and handling of container cargoes and break-bulk cargoes;
 - (iii) loading, unloading and storage of containers;
 - (iv) cargo screening ancillary to the use as logistics and freight forwarding;
 - (v) other ancillary cargo handling facilities as may be approved by the Lands Department;
 - (vi) a combination of any of the uses in (i) to (v) above;
 - (vii) car parking spaces as specified in the Conditions of Sale;
 - (viii) offices ancillary to the above uses; and
 - (ix) a canteen to be used exclusively by the people employed on the lot.
- Car parking spaces : Not less than 117 spaces for the parking of motor vehicles, 634 spaces for the parking of goods vehicles and 9 spaces for the parking of motor cycles

Under the terms of the Conditions of Sale, Sunrise Victory shall enter into the Memorandum of Agreement with the Government of Hong Kong in respect of the Acquisition within 14 days from the Letter.

Land Premium and the payment terms

The Land Premium payable is approximately HK\$5,257 million, to be settled as follows:-

- (a) a deposit of HK\$50 million paid at the time when the Tender was submitted has been applied in part payment of the Land Premium;
- (b) a further deposit of HK\$475.7 million shall be paid on or before 29 July 2022; and
- (c) the remaining balance of approximately HK\$4,731.3 million shall be paid within 28 days of the date of the Letter.

The Land Premium submitted under the Tender was determined by the Company with reference to the current and future business prospect and development potential in the region which the Land is situated as detailed in the section headed “Reasons for and benefits of the Acquisition” below and the overall prospect of the general property market in Hong Kong.

The Land Premium will be funded by the Group’s internal resources and external financing.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Land commands an advantageous geographic location which is easily accessible by established road networks to Hong Kong’s central business districts, international airport, and the Mainland China border. The location is widely considered a prime location for modern logistics with all comparable warehouses in the area. The Acquisition will provide strategic value to the Group given the high profile and prime location of the site, enhancing the Group’s strategic position in a key global gateway logistics markets.

The Board considers that the terms and conditions of the Acquisition are fair and reasonable and the Acquisition is in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

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 APAC.

Sunrise Victory is a company incorporated in Hong Kong with limited liability. The principal activity of Sunrise Victory is investment holding.

DEFINITION

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

“Acquisition”	the acquisition of the Land under the terms of the Conditions of Sale
“Board”	the board of Directors of the Company
“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)
“Conditions of Sale”	the agreement and conditions of sale of the Land as set out in the Tender documents
“Director(s)”	the director(s) of the Company
“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
“Land”	A piece of land located at the junction of Mei Ching Road and Container Port Road South, Kwai Chung, New Territories registered in the Land Registry as Kwai Chung Town Lot No. 531
“Land Premium”	the land premium of approximately HK\$5,257 million, being the consideration for the Acquisition
“Letter”	a letter notifying the acceptance of the Tender from the Lands Department, the Government of Hong Kong, dated 20 July 2022
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended and supplemented from time to time)
“Memorandum of Agreement”	the memorandum of agreement to be entered into between the Government of Hong Kong and Sunrise Victory in respect of the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunrise Victory”	Sunrise Victory Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Tender”	sale of the Land by the Government of Hong Kong by way of public tender

By order of the Board
ESR Group Limited
Jinchu Shen
Director

Hong Kong, 21 July 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.