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ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

**ANNOUNCEMENT PURSUANT TO RULE 14.36 OF
THE LISTING RULES IN RELATION TO
DISPOSAL OF PROPERTIES TO CHINA RENMINBI INCOME FUND**

Reference is made to the announcement of ESR Group Limited dated 27 November 2023 in relation to the disposal of the Target Companies to the RMB Income Fund (the “**Previous Announcement**”).

On 29 August 2024:

- (i) the RMB Income Fund, Shanghai Yizong Equity Investment Fund Management Co., Ltd. (上海易縱股權投資基金管理有限公司) (together with the RMB Income Fund, “**Purchaser 2 Shareholders**”), Seller 2 and Target Company 2 entered into a termination agreement to the Equity Transfer Agreement 2 (the “**Termination Agreement**”) in relation to the termination of the Equity Transfer Agreement 2 (the “**Termination**”); and
- (ii) Seller 3, Purchaser 3 and Target Company 3 entered into a supplemental agreement to the Equity Transfer Agreement 3 (the “**Supplemental Agreement**”) in relation to the variation of the consideration for the transfer of the entire equity interests in Target Company 3 (the “**Variation of Terms**”).

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the Previous Announcement. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Previous Announcement.

On 29 August 2024:

- (i) Purchaser 2 Shareholders, Seller 2 and Target Company 2 entered into the Termination Agreement in relation to the termination of the Equity Transfer Agreement 2; and
- (ii) Seller 3, Purchaser 3 and Target Company 3 entered into the Supplemental Agreement in relation to the variation of the consideration for the transfer of the entire equity interests in Target Company 3.

TERMINATION AGREEMENT TO EQUITY TRANSFER AGREEMENT 2

On 29 August 2024, Purchaser 2 Shareholders (on behalf of Purchaser 2), Seller 2 and Target Company 2 entered into the Termination Agreement, pursuant to which the parties agreed to terminate the Equity Transfer Agreement 2 with effect from 29 August 2024.

The parties agreed that each of Purchaser 2, Seller 2 and Target Company 2 is no longer required to bear any obligation or liability under the Equity Transfer Agreement 2 and confirmed that there is no dispute, controversy or default between Purchaser 2, Purchaser 2 Shareholders, Seller 2 and Target Company 2 in relation to the execution, performance and termination of the Equity Transfer Agreement 2.

In light of the termination, the liabilities of the Group under Equity Transfer Agreement 2 are removed from the scope of liabilities under the Equity Transfer Agreements subject to the guarantee and share pledge provided by subsidiaries of the Company with respect to liabilities of the Sellers (being subsidiaries of the Company) to the Purchasers.

SUPPLEMENTAL AGREEMENT TO EQUITY TRANSFER AGREEMENT 3

On 29 August 2024, Seller 3, Purchaser 3 and Target Company 3 entered into the Supplemental Agreement to amend the Equity Transfer Agreement 3 with effect from 29 August 2024, the material terms of which are summarised below:

- (i) in addition to the Adjustment Payment, the Final Consideration for the transfer of the entire equity interests in Target Company 3 is subject to an additional adjustment for supplemental core asset value in the amount of RMB60,975,188 (the “**Supplemental Core Asset Value Amount**”), in the event that the relevant consideration for the acquisition of two project companies by subsidiaries of the RMB Income Fund from certain unconsolidated associated companies of the Company (the “**Project Acquisition**”) is duly received by the relevant seller in accordance with the relevant sale and purchase agreements; and
- (ii) Purchaser 3 shall complete all necessary governmental and bank procedures for the payment of the Supplemental Core Asset Value Amount as soon as possible after the last payment day of the relevant consideration for the Project Acquisition in accordance with the relevant sale and purchase agreements, and pay the Supplemental Core Asset Value Amount (after deduction of withholding tax) to Seller 3 within 30 Business Days after the completion of all such necessary governmental and bank procedures.

Save for the foregoing, other terms of the Equity Transfer Agreement 3 remain unchanged and the Equity Transfer Agreement 3 (as amended by the Supplemental Agreement) shall continue to have full force and effect.

REASONS FOR, AND BENEFITS OF, THE TERMINATION AND VARIATION OF TERMS

In connection with the Termination and Variation of Terms, the Group is able to receive additional consideration in the amount of RMB60,975,188 for the disposal of Target Company 3 under Equity Transfer Agreement 3 while the total sale proceeds received and to be received by the Group pursuant to the Disposals in aggregate remain attractive to the Group in light of current market conditions.

Based on the above, the Directors are of the view that the terms of each of the Termination Agreement and Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the entering into of the Termination Agreement and the Supplemental Agreement constitute a termination of, and a material variation of terms to, the Disposals previously announced in the Previous Announcement.

As the highest applicable percentage ratio in respect of the Disposals following the Termination and the Variation of Terms (based on the Company's estimate of the maximum Final Consideration after adjustments) exceeds 5% but is less than 25%, the Disposals remain discloseable transactions of the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Project Acquisition does not constitute a transaction of the Company under Chapter 14 of the Listing Rules.

By order of the Board
ESR Group Limited
Jinchu Shen
Director

Hong Kong, 29 August 2024

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, Mr. Rajeev Veeravalli Kannan and Ms. Joanne Sarah McNamara as Non-executive Directors, Mr. Brett Harold Krause, Mr. Simon James McDonald, Ms. Jingsheng Liu and Ms. Serene Siew Noi Nah as Independent Non-executive Directors.