



## **ESR GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1821)**

*Executive Directors:*

Mr. Jinchu SHEN (*co-CEO*)  
Mr. Stuart GIBSON (*co-CEO*)

*Non-executive Directors:*

Mr. Jeffrey David PERLMAN  
Mr. Charles Alexander PORTES  
Mr. Rajeev Veeravalli KANNAN  
Ms. Joanne Sarah MCNAMARA

*Independent Non-executive Directors:*

Mr. Brett Harold KRAUSE  
(*Chairman of the Board*)  
Mr. Simon James MCDONALD  
Ms. Serene Siew Noi NAH

*Registered Office:*

c/o Walkers Corporate Limited  
190 Elgin Avenue  
George Town  
Grand Cayman KY1-9008  
Cayman Islands

*Principal Place of Business  
in Hong Kong:*

Suites 2905–06  
Two Exchange Square  
8 Connaught Place, Central  
Hong Kong

22 May 2025

*To the Shareholders*

Dear Sir/Madam,

- (1) PROPOSAL TO PRIVATISE THE COMPANY BY WAY OF A SCHEME OF  
ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT  
(2) OPTION OFFERS TO CANCEL ALL OUTSTANDING OPTIONS  
(3) AWARD PROPOSAL TO CANCEL ALL OUTSTANDING AWARDS  
(4) SPECIAL DEAL RELATING TO THE EIS  
AND  
(5) PROPOSED WITHDRAWAL OF LISTING OF THE COMPANY**

## 1. INTRODUCTION

Reference is made to the Announcement. On 4 December 2024, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the Offeror requested, and the Board undertook to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act, subject to the Pre-Conditions and the Conditions being fulfilled or waived, as applicable. As disclosed in the Pre-Conditions Satisfaction Announcement, on 15 May 2025, all of the Pre-Conditions were satisfied. Upon completion of the Proposal, the Company will become a wholly-owned subsidiary of the Offeror and the listing of the Shares will be withdrawn from the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will, on the Effective Date, be cancelled and extinguished and, simultaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full the new Shares so issued to the Offeror. Following the Effective Date, the Company will be wholly-owned directly by the Offeror.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and the expected timetable and to give you notices of the Court Meeting and the EGM (together with proxy forms in relation thereto). Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Memorandum set out in Part VII of this Scheme Document; and (iv) the terms of the Scheme set out in Appendix VI to this Scheme Document.

## 2. TERMS OF THE PROPOSAL

### **Cancellation Consideration**

The Proposal will be implemented by way of the Scheme. The Scheme will provide that, if it becomes effective, the Scheme Shares will be cancelled in exchange for either:

- (a) **the Cash Alternative:** Cancellation Price of HK\$13.00 for every Scheme Share held; or
- (b) **the Share Alternative:** one EquityCo Share for every Scheme Share held.

The Scheme Shareholders may elect the Cash Alternative or the Share Alternative or a combination of both the Cash Alternative and the Share Alternative in a proportion of their choosing as the form of Cancellation Consideration in respect of their entire holdings of Scheme Shares held as at the Scheme Record Date. Scheme Shareholders who do not make any election or whose elections are invalid will receive the Cash Alternative.

**The Offeror will not increase the Cancellation Consideration, the Option Offer Price or the Award Proposal Price and does not reserve the right to do so. Shareholders, Option-holders, Award-holders and/or potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Consideration, the Option Offer Price or the Award Proposal Price.**

As at the Latest Practicable Date, there are no outstanding dividends which have been declared by the Company and not yet paid. If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Announcement, this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced (and the Option Offer Price and the Award Proposal Price shall be reduced accordingly). The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Effective Date.

As at the Latest Practicable Date, EquityCo had 2,928,302,035 EquityCo Shares in issue. The actual number of EquityCo Shares to be issued under the Share Alternative will be determined after the latest time for the election of the Cash Alternative or the Share Alternative or a combination of both. Assuming no outstanding Options are exercised before the Option Record Date, if all the Scheme Shareholders elect the Share Alternative for all the Scheme Shares that they hold (excluding the portion of IU Scheme Shares where the relevant IU Shareholders have undertaken to elect the Cash Alternative), 1,762,794,506 EquityCo Shares will be issued, representing approximately 37.58% of the enlarged issued share capital of EquityCo immediately upon completion of the Proposal (assuming no scale-back pursuant to the Subscription and Rollover Arrangement). For the avoidance of doubt, as set out in the section headed “4. Arrangements Material to the Proposal — The Subscription and Rollover Arrangement” in this Part IV of this Scheme Document, excess unpaid initial EquityCo Shares which were issued to the Consortium Members may be cancelled pursuant to the scale-back mechanism under the Subscription and Rollover Arrangement, and the enlarged issued share capital of EquityCo immediately upon completion of the Proposal may be

reduced. For further details on the scale-back mechanism, please refer to paragraph (g) of the section headed “4. Arrangements Material to the Proposal — The Subscription and Rollover Arrangement” in this Part IV of this Scheme Document.

No fractions of a cent will be payable and the amount of cash consideration payable to the Scheme Shareholders who have elected the Cash Alternative, the Award-holders or the Option-holders who have accepted the Option Offers will be rounded up to the nearest cent. Fractions of EquityCo Shares to be issued to the Scheme Shareholders (and if applicable, Beneficial Owners) who have elected the Share Alternative will be rounded down to the nearest whole number.

Save as disclosed in the section headed “7. Shareholding Structure of the Company” below, none of the Offeror, the Consortium and the Offeror Concert Parties holds any Shares.

Save as disclosed below and save for the dealings in the Shares by relevant members of the Morgan Stanley group, Deutsche Bank group, Goldman Sachs group or UBS group which are conducted on a non-discretionary basis for and on behalf of its clients, none of the Offeror, the Consortium and the Offeror Concert Parties had any dealings for value in the Shares during the Relevant Period:

- (1) on 20 March 2024, Starwood entered into an investment agreement with Mr. Gibson, Mr. Portes and their controlled entity Redwood Investment Company, Ltd, pursuant to which Starwood agreed to acquire all of the 448,933,103 Shares (representing approximately 10.57% of the total issued Shares as at the Latest Practicable Date) in which Redwood was interested at HK\$7.76 per Share (being the closing price per Share on 19 March 2024), in exchange for all of the outstanding sums under an existing margin loan facility of Redwood Investor (Cayman) Ltd. (“**RWI**”) (as borrower) being fully repaid and all of RWI’s financing obligations under such existing margin loan facility being fully extinguished. The sale and purchase of such 448,933,103 Shares completed on 5 April 2024, and Starwood became (and as at the Latest Practicable Date, remained) interested in the 448,933,103 Shares (representing approximately 10.57% of the total issued Shares); and

- (2) the table below shows the dealings for value by members of the Goldman Sachs group who are presumed to be acting in concert with the Offeror during the Relevant Period:

<b>Date of transaction</b>	<b>Buy or sell</b>	<b>Number of Shares involved</b>	<b>Price for each Share (HK\$)</b>
26 January 2024	Buy	200	10.20
2 February 2024	Buy	5,600	9.88
4 June 2024	Sell	5,800	11.71

### **The Cash Alternative**

The cash consideration of HK\$13.00 per Scheme Share under the Cash Alternative represents:

- a premium of approximately 55.7% over the closing price of HK\$8.35 per Share as quoted on the Stock Exchange on the Pre-NBO Date;
- a premium of approximately 35.0% over the average closing price of approximately HK\$9.63 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Pre-NBO Date;
- a premium of approximately 40.8% over the average closing price of approximately HK\$9.23 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Pre-NBO Date;
- a premium of approximately 54.0% over the average closing price of approximately HK\$8.44 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Pre-NBO Date;
- a premium of approximately 30.0% over the closing price of HK\$10.00 per Share as quoted on the Stock Exchange on 10 May 2024, being the last trading day prior to the date of the 3.7 Announcement;
- a premium of approximately 13.6% over the closing price of HK\$11.44 per Share as quoted on the Stock Exchange on the Last Trading Day;

- a premium of approximately 16.5% over the average closing price of approximately HK\$11.16 per Share based on the daily closing prices as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day;
- a premium of approximately 17.8% over the average closing price of approximately HK\$11.04 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 11.1% over the average closing price of approximately HK\$11.70 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 302.8% over the adjusted unaudited consolidated Net Tangible Asset Value attributable to the Shareholders per issued Share of approximately HK\$3.23 as at 31 December 2024, after taking into account the property valuation reports set out in Appendix II to this Scheme Document;
- a premium of approximately 10.2% to the adjusted Reassessed NAV<sup>1</sup> per Share attributable to the Shareholders in the Company of approximately HK\$11.79 as at 31 December 2024, after taking into account the property valuation reports set out in Appendix II to this Scheme Document;
- a premium of approximately 10.1% over the adjusted audited consolidated net asset value<sup>2</sup> per Share attributable to the Shareholders in the Company of approximately HK\$11.81 as at 31 December 2024;
- a discount of approximately 1.2% to the Reassessed NAV per Share of approximately HK\$13.16 as at 31 December 2024, after taking into account the property valuation reports set out in Appendix II to this Scheme Document;

<sup>1</sup> Calculated, for this purpose, as Reassessed NAV *minus* perpetual capital securities in the amount of US\$743 million as at 31 December 2024; such adjustment was made to exclude the amount attributable to perpetual capital securities holders and derive a figure attributable to common Shareholders.

<sup>2</sup> Calculated, for this purpose, as audited consolidated net asset value *minus* perpetual capital securities in the amount of US\$743 million as at 31 December 2024; such adjustment was made to exclude the amount attributable to perpetual capital securities holders and derive a figure attributable to common Shareholders.

- a discount of approximately 1.4% to the audited consolidated net asset value per Share of approximately HK\$13.18 as at 31 December 2024; and
- a premium of approximately 1.6% over the closing price of HK\$12.80 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Cancellation Price under the Cash Alternative has been determined on a commercial basis after taking into account various factors including the recent and historic prices of the Shares traded on the Stock Exchange, the Consortium's review and assessment of the Company's historical performance, expected future business performance, and impact of the macro-economic factors on the Company's business, and with reference to the premia offered in other privatisation transactions in Hong Kong in recent years, including those involving schemes of arrangements, successful privatisations, and those with cash and shares offered as consideration. Further details of the Consortium's views on these factors are set out in the section headed "14. Reasons for and Benefits of the Proposal" in Part VII of this Scheme Document.

### **Highest and lowest prices**

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$13.00 per Share on 16 May 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$7.45 per Share on 22 March 2024.

### **The Share Alternative**

The EquityCo Shares are shares of EquityCo, an unlisted investment holding company. EquityCo was newly incorporated in the Cayman Islands as an exempted company with limited liability on 3 September 2024 for the sole purpose of implementing the Proposal. As at the Latest Practicable Date, EquityCo had an issued share capital comprising 2,928,302,035 EquityCo Shares which are held by the Consortium Members. Details of the shareholding structure of EquityCo are set out in the section headed "7. Shareholding Structure of the Company" below. As at the Latest Practicable Date, the directors of the Offeror, HoldCo, MidCo and EquityCo were Mr. David Matheson, Mr. Thomas Tolley, Mr. Jeffrey Perlman, Ms. Chloe Zhang, Mr. Jacob Liebschutz, Mr. Stuart Gibson, Mr. Jinchu Shen and Mr. Julian Salisbury.

MidCo was newly incorporated in the Cayman Islands as an exempted company with limited liability on 12 September 2024 for the sole purpose of implementing the Proposal. As at the Latest Practicable Date, MidCo was directly wholly-owned by EquityCo.

HoldCo was newly incorporated in the Cayman Islands as an exempted company with limited liability on 12 September 2024 for the sole purpose of implementing the Proposal. As at the Latest Practicable Date, HoldCo was directly wholly-owned by MidCo and indirectly wholly-owned by EquityCo.

The Offeror is also a company newly incorporated in the Cayman Islands as an exempted company with limited liability on 12 September 2024 and an investment holding company set up solely for the purposes of implementing the Proposal. As at the Latest Practicable Date, the Offeror was directly wholly-owned by HoldCo and indirectly wholly-owned by EquityCo.

The actual number of EquityCo Shares to be issued under the Share Alternative will be determined after the latest time for the election of the Cash Alternative or the Share Alternative or a combination of both. Fractions of EquityCo Shares to be issued to the Scheme Shareholders (and if applicable, Beneficial Owners) who have elected the Share Alternative will be rounded down to the nearest whole number of EquityCo Shares.

Following the Effective Date, the Company will be wholly-owned directly by the Offeror and indirectly by EquityCo on the assumption that there is no other change in shareholding in the Company before completion of the Proposal, and the value of the EquityCo Shares will primarily be determined by the value of the Company. The Company had a net asset value of approximately US\$7,173 million (being approximately US\$1.69 per Share based on the total number of issued Shares as at 31 December 2024) as disclosed in the audited consolidated financial results of the Group for the year ended 31 December 2024. The value of the EquityCo Shares will also be affected by the external debt financing to be incurred by the Offeror (including the Offer Facility). Details of the estimate of value of the EquityCo Shares are set out in Appendix V to this Scheme Document.

The EquityCo Shares to be issued pursuant to the Proposal will be issued free from all encumbrances, credited as fully paid up and will rank *pari passu* among themselves and with all EquityCo Shares already in issue.

**Shareholders and potential investors of the Company should be aware of, among other things but not limited to, the following risk factors of holding EquityCo Shares:**

- **EquityCo Shares are shares of an unlisted investment holding company newly incorporated in the Cayman Islands;**



- while holders of EquityCo Shares will enjoy certain voting, dividend and liquidation rights (and there is no guarantee that any dividend payments will be made in respect of EquityCo Shares), they will also be subject to various restrictions (including on transfers of EquityCo Shares) and exceptions stipulated in the memorandum and articles of association of EquityCo, the details of which are set out in the section headed “4. Arrangements Material to the Proposal — The Shareholder Arrangements” below;
- while certain holders of EquityCo Shares will enjoy certain pre-emption rights, their shareholdings in EquityCo may be reduced or diluted if they do not exercise or take up their full entitlements under such pre-emption rights, or if certain exceptions to such pre-emption rights apply, in each case as stipulated in the memorandum and articles of association of EquityCo (further details of which are set out in the section headed “4. Arrangements Material to the Proposal — The Shareholder Arrangements” below);
- upon the Effective Date, the Company will become an indirect, wholly-owned subsidiary of EquityCo and, other than that, EquityCo will not own any other material assets. None of EquityCo, MidCo, HoldCo and the Offeror intends to engage in any business other than acting as the holding company of the Company after completion of the Proposal;
- changes in the business and economic environment could adversely affect the operating profits of the Group and therefore EquityCo and/or the value of the assets of the Group or EquityCo. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, pandemics, epidemics, conflicts, civil war and other potential events could contribute to the operational risks of the Group and EquityCo;
- given that there is no firm intention to seek a listing of the EquityCo Shares on any stock exchange in the near term, and there can be no assurance of such intention or plan in the future, the EquityCo Shares will be illiquid, there is less likely to be a ready market for EquityCo Shares, and hence the shareholders of EquityCo may find it more difficult to find a purchaser for the EquityCo Shares if they intend to sell their EquityCo Shares;
- the value of the EquityCo Shares will at all times be uncertain and there can be no assurance that any such securities will be capable of being sold in the future or that they will be capable of being sold at the value to be estimated in the Scheme Document;

- upon the Effective Date and after the withdrawal of the listing of the Shares from the Stock Exchange, holders of EquityCo Shares will not have the benefits and protections of the Listing Rules. EquityCo may not be a “public company” under the Codes on Takeovers and Mergers and Share Buy-backs, in which case, the protections under these codes will not be applicable or afforded to holders of EquityCo Shares;
- there is no assurance that the strategic initiatives mentioned in the section headed “14. Reasons for and Benefits of the Proposal” in Part VII of this Scheme Document will result in any future transactions or improvements to the operational performance of the Company. Further, any transactions to be undertaken as a result of the strategic review to be conducted after the Proposal will entail significant implementation risks and may or may not lead to positive results for those Scheme Shareholders who elect to accept the Share Alternative; and
- general business risks associated with the Group’s business including but not limited to:
  - the ability to grow the Group’s AUM through organic growth and strategic acquisitions;
  - the ability to divest of the Group’s non-core assets at fair value in the current market environment;
  - the Group’s ability to maintain, continue raising and deploying investment funds from investors;
  - the ability to continuously conduct asset disposals to recycle or return capital to earn promote payments as well as to maintain the AUM within the Group’s ecosystem in order to earn management fees;
  - industry-related market risks such as interest rates, availability and cost of financing, rental rates, availability of and demand from tenants, occupancy volatilities, changes to land and construction costs, delays to delivery of construction projects and increases to the cost of them and country specific risks such as competition, geo-political risks, supply, demand and local regulations;

- **liquidity risks associated with existing debt and obligation to fund development projects;**
- **there is no certainty of realising promote revenue in the future;**
- **competition for capital may put pressure on fee rates;**
- **uncertain demand for logistics and/or data centre properties may adversely impact the Group's development business;**
- **the Group's data centre business is at a nascent stage and there is no certainty the Group will be successful in executing its data centre strategy;**
- **potential risks of internalisation of REIT management may adversely impact the Group's REIT management business; and**
- **the Group has operations in multiple jurisdictions and multiple currencies and thus foreign exchange movements may adversely impact the Group's financial performance.**

### **The Option Offers**

As at the Latest Practicable Date, the Company has outstanding share options in issue under three different employee incentive plans as follows:

- (a) 7,799,856 outstanding Tier 1 Options, with an exercise price of US\$0.46 (equivalent to approximately HK\$3.5880);
- (b) 8,317,641 outstanding KM Options with an exercise price within the range of US\$0.9445 to US\$1.5172 (equivalent to approximately HK\$7.3671 to HK\$11.8342); and
- (c) 16,652,400 outstanding Post-IPO Share Options with an exercise price within the range of HK\$22.78 to HK\$27.30.

The Company has undertaken in the Implementation Agreement that it will not grant any further Options between the Announcement Date and the Effective Date.

To the extent that the outstanding Tier 1 Options, KM Options and Post-IPO Share Options have not otherwise lapsed, been cancelled or exercised, the Offeror is making the Option Offers to the Option-holders in accordance with Rule 13 of the Takeovers Code to cancel every outstanding Option, conditional upon the Scheme becoming effective.

Under the Option Offers, the Offeror is offering Option-holders the “see-through” Option Offer Price (being the Cancellation Price minus the relevant exercise price of the outstanding Option) for the cancellation of every Option. Where the exercise price of the relevant Option exceeds the Cancellation Price, the “see-through” Option Offer Price is zero and a cash offer of a nominal amount of HK\$0.0001 per Option is made by the Offeror for the cancellation of each outstanding Option held.

***Tier 1 Options***

<b>Exercise price per Tier 1 Option</b>	<b>Number of outstanding Tier 1 Options</b>	<b>“See-through” Option Offer Price (HK\$)</b>
US\$0.46 (approximately HK\$3.5880)	7,799,856	9.4120

***KM Options***

<b>Exercise price per KM Option</b>	<b>Number of outstanding KM Options</b>	<b>“See-through” Option Offer Price (HK\$)</b>
US\$0.9445 (approximately HK\$7.3671)	4,532,315	5.6329
US\$1.1453 (approximately HK\$8.9333)	873,103	4.0667
US\$1.3655 (approximately HK\$10.6509)	948,494	2.3491
US\$1.5172 (approximately HK\$11.8342)	1,963,729	1.1658

***Post-IPO Share Options***

<b>Exercise price per Post-IPO Share Option</b>	<b>Number of outstanding Post-IPO Share Options</b>	<b>“See-through” Option Offer Price (HK\$)</b>
HK\$22.78	384,000	0.0001
HK\$24.50	10,118,400	0.0001
HK\$27.30	6,150,000	0.0001

As at the Latest Practicable Date, except as disclosed below, the Offeror, the Consortium and the Offeror Concert Parties do not hold any Options.

<b>Holder of Tier 1 Options</b>	<b>Number of Tier 1 Options with an exercise price of US\$0.46 (approximately HK\$3.5880)</b>
Mr. Shen	<u>7,799,856</u>
<b>Total</b>	<u><u>7,799,856</u></u>

<b>Holder of Post-IPO Share Options</b>	<b>Number of Post-IPO Share Options with an exercise price of</b>		
	<b>HK\$22.78</b>	<b>HK\$24.50</b>	<b>HK\$27.30</b>
Mr. Shen	192,000	—	—
Mr. Gibson	<u>192,000</u>	<u>—</u>	<u>—</u>
<b>Total</b>	<u><u>384,000</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

The Option Offer Letter to Option-holders setting out the terms and conditions of the Option Offers is being despatched separately to Option-holders and is substantially in the form set out in Appendix IX – Form of Option Offer Letter to this Scheme Document.

If any of the outstanding Options is exercised in accordance with the terms of the Tier 1 ESOP, KM ESOP or the Post-IPO Share Option Scheme, as applicable, on or before the Option Record Date, any Shares so issued will be subject to and eligible to participate in the Scheme as Scheme Shares.

The Option Offers will be extended to all Options in issue on the date on which the Option Offers are made.

As at the Latest Practicable Date, all outstanding Tier 1 Options, KM Options and Post-IPO Share Options were vested. All Options will remain valid and exercisable during their respective option periods in accordance with the terms of the Tier 1 ESOP, KM ESOP or the Post-IPO Share Option Scheme, as applicable, on or before the Scheme Record Date. Any Shares so issued upon exercise of the Options after the Announcement Date but on or before the Scheme Record Date will be subject to and eligible to participate in the Scheme as Scheme Shares notwithstanding the Proposal. In accordance with the terms of the KM ESOP as amended on 4 December 2024, any KM Option which has not been exercised by the Scheme Record Date and which has not been cancelled pursuant to the Proposal as its holder has not accepted the Option Offers will automatically lapse on the Effective Date. In accordance with the terms of the Post-IPO Share Option Scheme as amended on 4 December 2024, the lapse date of the Post-IPO Share Options shall be the Effective Date.

As at the Latest Practicable Date, the exercise of all of the outstanding Tier 1 Options, KM Options and Post-IPO Share Options in full would result in the issue of 32,769,897 new Shares (representing approximately 0.77% of the issued Shares as at the Latest Practicable Date and approximately 0.77% of the issued share capital of the Company as enlarged by the issue of such new Shares).

Mr. Shen and Mr. Gibson have undertaken as part of the Subscription and Rollover Arrangements to accept the Option Offers in respect of all of the Tier 1 Options and Post-IPO Share Options which they hold. Any unexercised KM Option and Post-IPO Share Option which has not been cancelled pursuant to the Proposal as its holder has not accepted the Option Offers will not survive the completion of the Proposal and will automatically lapse on the Effective Date. All of the outstanding Awards that vest after the Announcement Date but before the Effective Date in accordance with their original vesting schedules will be cash settled. As such, the exercise of the outstanding Options and Awards will not result in dilution of the Offeror's holding in the Company after the Effective Date.

## **The Award Proposal**

As at the Latest Practicable Date, the Company had 13,441,140 outstanding Awards in issue, consisting of 7,707,982 outstanding performance share units granted under the Long Term Incentive Scheme and 5,733,158 outstanding restricted share units granted under the Long Term Incentive Scheme. Each performance share unit and restricted share unit represents a contingent right to receive a Share or a cash payment subject to certain terms and conditions set out in the Long Term Incentive Scheme and the relevant grant letter. The Company has undertaken in the Implementation Agreement that it will not grant any further Awards between the Announcement Date and the Effective Date, other than the 8,724,054 new Awards granted on 23 January 2025 with respect to which the Offeror had provided its consent in the Implementation Agreement for the purposes of Rule 4 of the Takeovers Code.

Under the rules of the Long Term Incentive Scheme, if a general offer (including a scheme of arrangement) is made to all Shareholders (or all such Shareholders other than the Offeror and/or the Offeror Concert Parties), the Company shall use its best endeavours to procure that such offer is extended to all Award-holders, and if the offer is approved or becomes or is declared unconditional, the Awards will vest in whole or in part on a date specified by the Board and all Awards which have not vested shall lapse immediately. The Company has absolute discretion to settle any vested Awards by allotting and issuing new Shares to the relevant Award-holders, directing and procuring the Trustee to transfer existing Shares to the relevant Award-holders, or make a cash payment in an amount equal to the number of Shares underlying the Awards which have vested multiplied by the closing price of a Share as quoted on the Stock Exchange on the vesting date (or the last trading day preceding the vesting date if the vesting date is not a trading day) to the relevant Award-holders. All of the outstanding Awards that vest after the Announcement Date but before the Effective Date in accordance with their original vesting schedules will be cash settled. The Board has determined that if the Scheme is approved by the Scheme Shareholders at the Court Meeting, all of the then still outstanding unvested Awards will vest (and with respect to performance share units which had a variable performance factor, these will vest up to 100%) on the Effective Date.

The Award Proposal is made to the holders of the outstanding Awards (including Mr. Shen and Mr. Gibson) in respect of their outstanding Awards (which have not otherwise lapsed or been cancelled or exercised under the rules of the Long Term Incentive Scheme) in accordance with Rule 13 of the Takeovers Code to cancel every outstanding Award on the Effective Date, subject to the Scheme becoming effective.

Under the Award Proposal, the Company will pay to each Award-holder the “see-through” Award Proposal Price (being the Cancellation Price as there is no exercise price for the Awards) for the cancellation of every Award. No action will be required to be taken by any Award-holder in order for him/her to receive the Award Proposal Price under the Award Proposal (subject to the Scheme becoming effective) and as such, the Awards will be cash settled.

To facilitate the administration of the Long Term Incentive Scheme, new Shares have been issued to and purchased on-market by the Trustee from time to time. As at the Latest Practicable Date, the Trustee held on trust an aggregate of 352,613 Shares (representing approximately 0.01% of the issued Shares as at the Latest Practicable Date) for the purpose of future satisfaction of Awards granted.

All of the Shares held by the Trustee on the Scheme Record Date will form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. The Company has undertaken to procure that the Trustee shall elect the Cash Alternative in respect of all of the Scheme Shares it holds on the Scheme Record Date.

For the avoidance of doubt, the Trustee is not acting in concert with the Offeror, and therefore the Shares held by the Trustee are Shares held by a Disinterested Shareholder and are entitled to be voted at the Court Meeting and the EGM. However, under Rule 17.05A of the Listing Rules, a trustee holding unvested shares of a share scheme shall abstain from voting on matters that require shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given. Accordingly, the Trustee shall not exercise the voting rights attached to the Shares held by it. The Shares held by the Trustee on the record date for the Court Meeting and the EGM will not be voted at the Court Meeting or at the EGM notwithstanding that such Shares form part of the Scheme Shares.

The Award Proposal Letter to Awards-holders setting out the terms and conditions of the Award Proposal is being despatched separately to Award-holders and is substantially in the form set out in Appendix X — Form of Award Proposal Letter to this Scheme Document.



As at the Latest Practicable Date, except as disclosed below, the Offeror, the Consortium and the Offeror Concert Parties do not hold any Awards:

Holder of Awards	Number of outstanding Awards			
	Outstanding performance share units	Number of Shares underlying the outstanding performance share units	Outstanding restricted share units	Number of Shares underlying the outstanding restricted share units
Mr. Shen	973,330 <sup>(1)</sup>	973,330	210,683	210,683
Mr. Gibson	973,330 <sup>(1)</sup>	973,330	210,683	210,683

- (1) Of the 973,330 outstanding performance share units held by each of Mr. Shen and Mr. Gibson, 842,730 of these have a variable performance factor. The Independent Board Committee has approved acceleration of all such performance share units on the basis of up to 100% vesting into Shares.

### Conditions to the Proposal and the Scheme

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to the satisfaction or a valid waiver (as applicable) of the following Conditions by the Conditions Long Stop Date:

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders that are voted, either in person or by proxy, at the Court Meeting, provided that the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting, either in person or by proxy, at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all Disinterested Shareholders;
- (c) the passing by the Shareholders at the EGM of a special resolution (by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting, either in person or by proxy, at the EGM) to approve and give effect to any

reduction of the issued share capital of the Company by the cancellation of the Scheme Shares, and to apply the reserve created by the cancellation of the Scheme Shares to contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issue to the Offeror of such number of new Shares (credited as fully paid at par) as is equal to the number of the Scheme Shares cancelled;

- (d) the sanction of the Scheme (with or without modifications) by the Court and the delivery of a copy of the order of the Court to the Registrar of Companies for registration;
- (e) all Authorisations which are required under or in connection with any Applicable Laws or any licenses or permits of the Company in connection with the Proposal or its implementation in accordance with its terms having been obtained and remaining in full force and effect without modification;
- (f) between the Announcement Date up to the time when the Scheme becomes effective, no Governmental Authority having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted, made, proposed, issued, enforced or imposed any Applicable Laws, or other legal restraint or prohibition that would make the Proposal or its implementation in accordance with its terms void, unenforceable or illegal, or which would impose any material and adverse conditions or obligations with respect to the Proposal or participation therein or its implementation in accordance with its terms, or otherwise restrain or prohibit the implementation of the Proposal, or cause any transaction contemplated by the Proposal to be rescinded or otherwise disposed of after its implementation; and
- (g) between the Announcement Date up to immediately prior to the time when the Scheme becomes effective, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal).

Conditions (a) to (d) cannot be waived. Subject to the requirements of the Executive, the Offeror reserves the right (but is in no way obliged) to waive Conditions (e) to (g) in whole or in part, either generally or in respect of any particular matter. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as

a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than those specifically set out as the Pre-Conditions (which were satisfied on 15 May 2025) and Conditions in paragraphs (a) to (d) (inclusive) above and the application for the withdrawal of the listing of the Shares on the Stock Exchange upon the Scheme becoming effective, each of the Offeror and the Company is not aware of any other circumstances which may result in any of the Conditions in paragraphs (e) to (g) (inclusive) above not being satisfied. In particular, as at the Latest Practicable Date, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (f).

As at the Latest Practicable Date, none of the Conditions have been satisfied or waived (as applicable).

If approved, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

The Option Offers are conditional upon the Scheme becoming effective. The Option Offers will become unconditional immediately upon the Scheme becoming effective and prior to the listing of the Shares being withdrawn from the Stock Exchange.

The Award Proposal is conditional upon the Scheme becoming effective. The Award Proposal will become unconditional immediately upon the Scheme becoming effective and prior to the listing of the Shares being withdrawn from the Stock Exchange.

**WARNING: Shareholders, Option-holders, Award-holders and/or potential investors of the Company should be aware that unless the Offeror otherwise elects, the implementation of the Proposal will only become effective after all of the Conditions being satisfied or waived (as applicable) by the Conditions Long Stop Date and thus the Proposal may or may not be implemented, the Scheme may or may not become effective, the Option Offers and the Award Proposal may or may not be implemented. Shareholders, Option-holders, Award-holders and/or potential investors of the Company should therefore exercise caution when dealing in the 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 adviser.**

### **3. IMPLEMENTATION AGREEMENT**

The Company has provided the Implementation Agreement in favour of the Offeror, pursuant to which the Company irrevocably undertook to the Offeror to put forward the Scheme to the Scheme Shareholders and to implement the Proposal on the terms and subject to the Pre-Conditions and Conditions and to give effect to the matters specified in the Announcement, the Scheme Document and any order of the Court, including to:

- (a) use commercially reasonable endeavours to convene all necessary board and shareholder meetings and/or pass such board resolutions as may be required to enable the Proposal to be implemented as soon as reasonably practicable after the date of the Implementation Agreement;
- (b) use commercially reasonable endeavours to engage relevant advisers and property valuers to prepare all such documents and make such submissions or applications, as are required under the Takeovers Code and/or the Listing Rules, and provide all such assistance to the Offeror in communicating with relevant regulatory authorities and other third parties for the purposes of implementing the Proposal;
- (c) use commercially reasonable endeavours to procure, to the extent relevant to the Group, the satisfaction of the Pre-Conditions and the Conditions as soon as reasonably practicable after the date of the Implementation Agreement and before the Pre-Conditions Long Stop Date and the Conditions Long Stop Date (as appropriate) and to provide all such information or assistance as the Offeror may reasonably require in order for the Offeror to satisfy the Pre-Conditions and the Conditions relevant to it, and to notify the Offeror of any notices or notifications relating to the progress and satisfaction of the Pre-Conditions and the Conditions;
- (d) use commercially reasonable endeavours to promptly issue notices and make all such determinations as may be required under the rules of the Tier 1 ESOP, KM ESOP, the Post-IPO Share Option Scheme and the Long Term Incentive Scheme to facilitate the making of the Option Offers and Award Proposal, and procure the Trustee to elect the Cash Alternative in respect of all of the Scheme Shares held by it on the Scheme Record Date;
- (e) use commercially reasonable endeavours to provide to the Offeror all such information relating to it and/or the Group required to be included in the Announcement, the Scheme Document and any other document, announcement or circular of the Offeror relating to or in connection with the Proposal, and subject to and only upon clearance by the Executive and the Stock Exchange and the approval, release and authorization by the

Offeror, issue subsequent announcements, the Scheme Document and other documents required in connection with the Proposal as soon as reasonably practicable in accordance with the requirements of the Takeovers Code, the Executive or the Listing Rules;

- (f) use commercially reasonable endeavours to complete all necessary Court filings and procedures, provide to the Offeror all necessary undertakings to the Court as may be reasonably required to implement the Proposal on its terms;
- (g) ensure that during the period between the date of the Implementation Agreement and the Effective Date, the Company and each member of the Group shall continue to operate in the ordinary and usual course of business, and no member of the Group shall, without the written consent of the Offeror and subject to certain exceptions and carve-outs, commit to or do or permit certain non-ordinary course matters as stipulated in the Implementation Agreement (including the entering into or adoption of a plan or agreement of liquidation or dissolution, the declaration or payment of any dividends or distributions, the incurrence of new or additional financial indebtedness or issuance of debt securities or entering into of new security documents, the making of any material changes to the accounting procedures or principles by reference to which its accounts are prepared or its accounting reference date, and the taking of any frustrating actions (as defined in Rule 4 of the Takeovers Code)) to occur;
- (h) use commercially reasonable endeavours not to knowingly take any action or make any statement which has or may reasonably be expected to have the effect of prejudicing, preventing, delaying or disrupting the Proposal, otherwise causing the Proposal not to become effective at the earliest practicable time or at all;
- (i) take all actions as is reasonably necessary, proper or advisable to enable the withdrawal of listing of the Shares from the Stock Exchange as promptly as practicable after the Effective Date;
- (j) provide certain customary warranties in relation to the capital structure, financial status, compliance and dispute related matters of the Group and undertakings to the Offeror with respect to operational and financial matters of the Group;
- (k) use commercially reasonable endeavours to promptly notify the Offeror of any breach of warranties or covenants of the Company or any other change or event that would be reasonably likely to prejudice, prevent, delay or disrupt the Proposal; and

- (l) if required by the Offeror, use its best endeavours to enter into the necessary documentation to implement and effect (conditional upon completion of the Scheme) the subscription by an entity owned by one or more members of the Consortium of a certain number of preference shares in the holding company for the Company's India business upon completion of the Scheme and with the intention that there will be no financial impact on the Company or its shareholders or financial benefit or burden for the relevant members of the Consortium who hold such preference shares.

The Implementation Agreement will terminate on the earliest of any of the Conditions not being satisfied or waived by the Conditions Long Stop Date, the Scheme not being approved at the Court Meeting or the Scheme not being sanctioned by the Court.

#### **4. ARRANGEMENTS MATERIAL TO THE PROPOSAL**

##### **The Exclusivity and Standstill Arrangements**

On 4 October 2024, the Consortium Members entered into the exclusivity and standstill agreement for the purposes of, among other things, recording the formation of the Consortium, and setting out the basis upon which the Consortium Members have agreed to pursue and implement the Proposal exclusively and in co-operation with each other, as well as certain dealing restrictions of the Consortium Members in relation to interests in the Company, in order to preserve the overall interests of the Consortium in pursuing the Proposal.

The exclusivity and standstill agreement will be terminated if, among others, the Conditions are not satisfied or waived in accordance with their terms or the Proposal otherwise lapses, or the parties thereto mutually agreeing to terminate their participation in the Proposal.

##### **The Subscription and Rollover Arrangement**

On 4 December 2024, the Offeror, HoldCo, MidCo, EquityCo and each Consortium Member entered into a subscription and rollover agreement, pursuant to which the parties agreed to conduct and implement the Proposal and to implement the Subscription and Rollover Arrangement, including to exercise (or procure the exercise of) all voting rights attached to the Shares held by each Consortium Member at the Court Meeting and the EGM (to the extent permitted under the Applicable Laws) in favour of all resolutions to implement the Proposal and any matters in connection with the Proposal.

Prior to the Effective Date, the Starwood Entities, SSW (ESR) SPV, L.P., Sixth Street Entity, Alexandrite Gem Holdings Limited, Athena Logistics Holding Ltd. and the WP Other Entities, Laurels, Mr. Gibson and Redwood, and Qatar Holding will be allotted and issued their respective number of unpaid EquityCo Shares, which includes their respective Rollover EquityCo Shares (to the extent applicable).

Under the Subscription and Rollover Arrangement, conditional upon the Scheme becoming effective:

- (a) on the day before the Effective Date, EquityCo shall redeem, cancel, or procure the repurchase and cancellation of, such number of excess unpaid initial EquityCo Shares which were issued to the Consortium Members;
- (b) on the Effective Date:
  - (i) all of the Scheme Shares will be cancelled pursuant to the Scheme; and
  - (ii) EquityCo shall credit such number of Rollover EquityCo Shares to be held by each Rollover Consortium Member as the Cancellation Consideration for its Scheme Shares, in each case as fully paid by such Rollover Consortium Member in an amount equal to US\$1.67 (being HK\$13 converted into US\$ at an agreed exchange rate of US\$1 to HK\$7.80, solely for the purposes of this Scheme Document, rounded to two decimal places) per EquityCo Share;
- (c) on the Effective Date:
  - (i) each of the New Money Consortium Members will pay, or procure the payment of, their respective New Money Subscription Consideration (after taking into account the scale-back mechanism pursuant to paragraph (f) below) in cash to EquityCo, upon which the unpaid EquityCo Shares held by each of the New Money Consortium Members corresponding to their respective New Money Subscription Consideration shall be credited as fully paid; and
  - (ii) each of EquityCo and the Offeror shall take such actions and execute (or procure the execution of) such further documents and each Consortium Member shall take such actions and execute (or procure the execution of) such further documents as may be required by Applicable Laws or be

necessary to implement and give effect to such cancellation of such EquityCo Shares and the push down of the subscription funds to the Offeror in a manner to be determined by the Consortium Members;

- (d) the New Money Subscription Consideration amount for each New Money Consortium Member set out below will be determined after the latest time for election of the Cash Alternative or the Share Alternative or a combination of both under the Proposal and may be adjusted downward for certain New Money Consortium Members as described in paragraph (g):

<b>Consortium Member</b>	<b>New Money Subscription Consideration (US\$)</b>
Starwood Entities	600,000,000
SSW Entities	235,000,000
Sixth Street Entity	591,666,667
WP Other Entities	520,000,000
Mr. Shen and Laurels	—
Redwood (or its affiliate)	—
Mr. Gibson (or an affiliate)	—
Qatar Holding	<u>200,000,000</u>
<b>Total</b>	<u><u>2,146,666,667</u></u>



- (e) the number of Rollover EquityCo Shares of each Rollover Consortium Member is as follows:

<b>Rollover Consortium Member</b>	<b>Rollover EquityCo Shares</b>
Starwood	448,933,103
SSW Entities	213,174,600
WP Rollover Entities	591,440,160
Mr. Shen and Laurels	258,314,831
Redwood (or its affiliate)	850,000
Mr. Gibson (or an affiliate)	331,427
Qatar Holding	127,257,914
<b>Total</b>	<b>1,640,302,035</b>

- (f) The Consortium Members agree that, in view of the Cancellation Price, assuming all of the Scheme Shareholders who are not Consortium Members elect to receive only the Cash Alternative and having regard to the EquityCo Shares to be subscribed for by the Rollover IU Shareholders (for the avoidance of doubt, excluding Mr. Marsh as at the date of the subscription and rollover agreement), the amount set out in the “New Money Subscription Consideration” column in (d) above against each New Money Consortium Member’s name, respectively, represents and constitutes the maximum amount of new money equity contribution required to be funded by such New Money Consortium Member, as mutually anticipated by the Consortium Members as at the date of the subscription and rollover agreement in order to complete and consummate the Scheme and the Proposal;
- (g) If, after the latest time for election by Scheme Shareholders of the Cash Alternative or the Share Alternative or a combination of both (and the final determination and result of such election) under the Proposal and prior to the Effective Date (and taking into account the result of such election by the Scheme Shareholders who elect the Share Alternative), the Consortium does not require the full amount of the maximum New Money Subscription Consideration to fund the completion of the Scheme and the Proposal, the New Money Subscription

Consideration amount for each New Money Consortium Member set out in (d) above may be adjusted downward for certain New Money Consortium Members as described in the following order:

- (i) first, the draw-down amount under the Offer Facility shall be reduced to no less than US\$1 billion;
- (ii) second, if the draw-down amount under the Offer Facility has been reduced to US\$1 billion under (i) above, Sixth Street Entity's subscription amount shall be reduced, provided it shall not be reduced to below the higher of:
  - (A) an amount which would result in Sixth Street Entity's Undiluted Shareholding in EquityCo immediately following the subscription of EquityCo Shares by New Money Consortium Members being 7.5%; and
  - (B) US\$450 million; and
- (iii) third, the Consortium Members shall discuss further reductions to the subscription amounts and/or the use of proceeds.

### **The Shareholder Arrangements**

In connection with the Subscription and Rollover Arrangement, EquityCo and the Consortium Members will, prior to or upon completion of the Proposal, enter into an agreement reflecting the Shareholder Arrangements in respect of the future governance of EquityCo, which shall indirectly hold 100% of the Company. Key provisions of the Shareholder Arrangements will also be reflected in the memorandum and articles of association of EquityCo (a copy of which is available for inspection as a document on display and also from ConsortiumProposalAnnouncements.com).

A summary of the key terms of the Shareholder Arrangements is set out below:

- (a) **Voting rights:** Each EquityCo Share shall carry one vote each.
- (b) **Governance:** Subject to (i) certain 5% Matters and (ii) the Special Board Matters, the EquityCo Board shall be responsible for the overall direction, supervision and management of the EquityCo Group. Decisions of the EquityCo Board that are not 5% Matters or Special Board Matters will be decided by a simple majority of the EquityCo Board.

**(c) Composition of the EquityCo Board:**

- (i) each Founder is entitled to be appointed as a director so long as he is (A) a CEO; or (B) he (together with his affiliates) has an actual shareholding in EquityCo of at least 2.5% and an Undiluted Shareholding in EquityCo that is at least 7.5% (or, with respect to Mr. Shen and Laurels, if lower, its Undiluted Shareholding on the Effective Date), and he has not been dismissed from the Group for cause;
- (ii) each Consortium Member (other than the Founder Parties) has the right to appoint at least one director if its Undiluted Shareholding in EquityCo is at least 7.5% and its actual shareholding in EquityCo is at least 2.5%, or if any of their Undiluted Shareholding in EquityCo is more than 10% and its actual shareholding in EquityCo is at least 2.5%, then it will have the right to appoint one director for each 10% of its Undiluted Shareholding in EquityCo (rounded to the nearest 10%). For this purpose, each Consortium Member's shareholding in EquityCo shall be viewed on an aggregate basis for any EquityCo Shareholder who is from the same Consortium Member group;
- (iii) (x) any other EquityCo Shareholder from time to time (regardless of their holding of EquityCo Shares), the Founder Parties or any senior member of management of the Group may be invited by the EquityCo Board to put forward, and (y) to enhance EquityCo's corporate governance structure and expertise and to ensure representation from a diverse range of shareholders, the memorandum and articles of association of EquityCo provide that Shareholders (irrespective of shareholding level) who elect the Share Alternative may (without any invitation from the Board to do so) put forward, a nominee to join the EquityCo Board after the Effective Date, appointment of which will be subject to approval of the majority of the EquityCo Board. It is anticipated that independent and other non-executive directors will be appointed; and
- (iv) the fund manager may be invited by the EquityCo Board to put forward a nominee for appointment as a director to the EquityCo Board (subject to approval of the EquityCo Board) to assist in providing advice to the EquityCo Board with respect to certain matters.

- (d) **Conflicts of interest:** the EquityCo Shareholders and directors of EquityCo and the Company will be subject to typical conflict of interest provisions which will require them to disclose conflicts and limit their ability to be provided information or vote in certain situations.
- (e) **Further funding and pre-emption rights:** no EquityCo Shareholder shall have any further funding obligations following the delisting of the Company. Any new issuance of EquityCo Shares shall be offered *pro rata* to each EquityCo Shareholder whose actual shareholding in EquityCo is more than 0.25% for subscription on the same terms (including right to over-allotment), subject to certain exceptions for: (i) emergency funding; (ii) issuances pursuant to the Shen Options; (iii) issuances in consideration for the acquisition by the Group of stakes that the founders of the Group's businesses or business units in various countries (including as disclosed by the Company in relation to the Korean and Australian founders) or the Group employees hold in Group Companies, or in satisfaction of their incentivisation arrangements up to a cap of 3.7% of the initial shares issued at completion of the Proposal (or such cap as may be amended as a Special Board Matter from time to time), and this will include issuances in connection with the minority roll up as described in the section headed "11. The Offeror's Intentions in relation to the Group" in Part VII of this Scheme Document; (iv) issuances pursuant to any management incentive plan, or other equity or profit sharing incentive plan of the Company other than the Shen Options, as approved by the EquityCo Board which shall have a value of no more than 4% of the value of the equity of the Company upon an exit (or as such cap may be amended as a Special Board Matter from time to time); (v) issuances in connection with an initial public offering of another entity which owns all or substantially all of the assets of EquityCo that has been approved by EquityCo Board or as a Special Board Matter; (vi) issuances to certain investors that are considered strategic by the Board as agreed by the Consortium Members within nine months of completion of the Proposal as approved as a Special Board Matter.
- (f) **Transfer restrictions on all EquityCo Shareholders:** Subject to customary permitted affiliate transfers, all EquityCo Shares shall be subject to restrictions on transfers during the Lock-up Period with corresponding restrictions on indirect transfers, provided that such lock-up may only be released or amended with approval as a Special Board Matter.
- (g) **Post Lock-up Period transfers:** Transfers of EquityCo Shares to third parties after the Lock-up Period shall be subject to a right of first offer by the other non-selling EquityCo Shareholders who hold more than 1% of the EquityCo Shares. All

EquityCo Shareholders will be entitled to customary full tag-along rights in respect of transfers resulting in the purchaser (together with its concert parties and affiliates) owning more than 50% of the EquityCo Shares and EquityCo Shareholders who hold more than 1% of the EquityCo Shares will be entitled to a pro rata tag-along on certain transfers by the Founders.

- (h) **Exit:** Holders of a majority of EquityCo Shares and a certain number of Consortium Members will also be allowed to require EquityCo to conduct a sale process and all shareholders to sell on the same terms. Such sale will be subject to meeting certain minimum investment return requirements which diminish over time, with no floor applying after the sixth anniversary of the Effective Date.
- (i) **Information rights:** Each EquityCo Shareholder whose actual shareholding in EquityCo is at least 5% shall be entitled to receive a copy of the audited annual accounts of the Group and a quarterly information pack prepared by the Company's management containing key performance indicators about the Group.

### **The Shen Options**

Upon completion of the Scheme, EquityCo will grant Mr. Shen the Shen Options to acquire, at an exercise price equal to the Cancellation Price per EquityCo Share, 42,454,283 EquityCo Shares.

Any EquityCo Shares issued to Mr. Shen and/or his affiliates upon an exercise of the Shen Options shall be subject to the same lock-up and/or transfer restrictions applicable to other EquityCo Shares held by Mr. Shen (and/or his affiliate(s)). In consideration for the grant of the Shen Options, Mr. Shen shall undertake that he will be involved in a senior management role with EquityCo and its subsidiaries, in each case, for a fixed period from completion of the Scheme, save for certain circumstances such as termination by the Company without cause. The grant of the Shen Options and the undertaking given by Mr. Shen help to support the Consortium's expectation that Mr. Shen, as an executive Director, Co-CEO and/or other senior management role, will, together with Mr. Gibson, continue to lead the business of the EquityCo Group and help drive its growth in the next phase of its development as a private company. The grant of the Shen Options is also to compensate Mr. Shen for settling his existing financial arrangements which are affected by the Proposal.

Mr. Shen and Mr. Gibson will continue to receive remuneration in their capacity as Co-CEO of the EquityCo Group. Their compensation, upon completion of the Proposal, is currently being reviewed by the Consortium to be on market standard terms for a privately owned, private equity backed company. Mr. Portes is not expected to have an executive role

in the EquityCo Group going forward, but he will remain a business partner of Mr. Gibson with his investment in the EquityCo Group through Redwood or another entity jointly controlled by him and Mr. Gibson as a shareholder of EquityCo.

## **5. SPECIAL DEAL RELATING TO THE EIS**

Reference is made to the announcement dated 7 May 2025 jointly issued by the Offeror and the Company in relation to, among other things, the EIS.

Following the Scheme becoming effective, EquityCo intends to adopt the EIS, typical of private equity owned businesses, to retain top talent and align the interests of senior management with the overall success of the Group by giving them economic exposure to the performance of the Group. The EIS (which excludes the Shen Options) shall have a pool size of initially, up to 4% of the economic interest in the EquityCo Group (subject to increase if approved as a Special Board Matter). The value of the EIS is expected to depend on the performance of EquityCo and may include tranches tied to the future share price, internal rate of return, and/or multiple of invested capital. Any grants to be made to EIS Participants under the EIS will be conducted in compliance with the constitutional documents of the EquityCo Group and all applicable regulatory requirements. The structure of the EIS is still being discussed and it is likely to comprise different tranches with different characteristics and subject to different criteria and may involve the issuance of a separate class of shares in EquityCo. Up to all of the EIS may be issued on a zero strike price basis. It is anticipated that some or all grants under the EIS will be subject to individual performance-related criteria, vesting conditions and good and bad leaver provisions, and may not result in EIS Participants holding EquityCo Shares until there is a future liquidity event for the institutional shareholders of the Company. For the avoidance of doubt, the EIS may not be adopted if the Scheme does not become effective. The Scheme is not conditional on the approval of the EIS.

As at the Latest Practicable Date, EquityCo has not yet finalised the list of EIS Participants or their respective allocations. The Potential EIS Participants have extensive operational expertise and in-depth understanding of the Group's business and industry, the EquityCo Board is of the view that it is important for them to have economic alignment with EquityCo Shareholders so that they will be motivated to continue to contribute to the growth and development of the Group. For the avoidance of doubt, the fact that a current employee is a Potential EIS Participant does not guarantee that such person will ultimately be given an award under the EIS.

As the EIS will be available only to some or all of the Potential EIS Participants (as well as other current or future members of management, consultants, directors or advisers to the Group) and will not be offered to all Scheme Shareholders, the EIS constitutes a special deal under Rule 25 of the Takeovers Code and requires the consent of the Executive under Note 3 to Rule 25 of the

Takeovers Code. The Offeror has therefore made an application to the Executive for its consent to the EIS as a special deal under Rule 25 of the Takeovers Code, conditional on (i) the Independent Financial Adviser publicly stating in its opinion that the proposed terms of the EIS are fair and reasonable; and (ii) the passing of an ordinary resolution of the Shareholders at the EGM to approve the terms of the EIS, provided that only the votes of Disinterested Shareholders are taken into account in relation to such resolution and further provided that the votes of Shareholders who are not Disinterested Shareholders that are voted either in person or by proxy at the EGM in relation to the EIS will not be taken into account. Each of the Offeror and the Offeror Concert Parties will abstain from voting on the aforementioned ordinary resolution. For the purposes of the aforementioned ordinary resolution, all of the Potential EIS Participants (other than Mr. Shen and Mr. Gibson) will be deemed to be Disinterested Shareholders as they may ultimately not benefit from an allocation under the EIS.

You are urged to read carefully the section headed “12. Special Deal relating to the EIS” in Part VII of this Scheme Document.

## **6. IRREVOCABLE UNDERTAKINGS AND LETTERS OF SUPPORT**

### **Irrevocable Undertakings**

On 4 December 2024, the Offeror received an Irrevocable Undertaking from each of OMERS, Mr. Lim, Straits, APG and SMBC, and on 15 May 2025, the Offeror received an Irrevocable Undertaking from Mr. Marsh, pursuant to which each of the IU Shareholders has undertaken, amongst other things:

- (a) to exercise (or procure the exercise of) all voting rights attached to the IU Scheme Shares held or owned by it/him to vote:
  - (i) in favour of the Scheme at the Court Meeting;
  - (ii) in favour of the resolutions at the EGM to give effect to the Scheme; and
  - (iii) in favour of any resolutions at the Court Meeting, the EGM and any general, class or other meeting of the Shareholders in such a way which will facilitate or assist the implementation of the Proposal and the Scheme; and

- (b) that it/he shall not, and/or (as applicable) shall procure that none of its/his affiliates shall, on or before the Effective Date and other than in connection with the Scheme or pursuant to election of the form of Cancellation Consideration, directly or indirectly, sell, transfer, create any encumbrance over or otherwise dispose of all or any of the IU Scheme Shares held or owned by it/him which are the subject of its/his respective Irrevocable Undertaking.

On the basis of the Cancellation Price being HK\$13.00 per IU Scheme Share held or owned by them, each of Mr. Lim, Straits and APG has undertaken to elect the Cash Alternative only as the form of Cancellation Consideration for the cancellation of all of the IU Scheme Shares held or owned by it/him. SMBC has undertaken to elect the Share Alternative only as the form of Cancellation Consideration for the cancellation of all of the IU Scheme Shares held or owned by it. OMERS has undertaken to elect a combination of the Cash Alternative and Share Alternative for the cancellation of all of the IU Scheme Shares held or owned by it and will elect the Share Alternative for 319,313,360 IU Scheme Shares out of the 456,161,943 IU Scheme Shares held or owned by it (representing 70.00% of all of the IU Scheme Shares held or owned by OMERS as at the Latest Practicable Date). Mr. Marsh has undertaken to elect a combination of the Cash Alternative and the Share Alternative for the cancellation of all of the IU Scheme Shares held or owned by him and his affiliates, and will elect the Share Alternative for 25,324,310 IU Scheme Shares out of the 32,074,310 IU Scheme Shares held or owned by it/him (representing approximately 78.96% of all of the IU Scheme Shares held or owned by Mr. Marsh and his affiliates as at the Latest Practicable Date).

The 1,339,367,713 IU Scheme Shares held by the IU Shareholders which are the subject of the Irrevocable Undertakings represent approximately 31.54% of the total issued share capital of the Company and approximately 52.47% of the Scheme Shares held by the Disinterested Shareholders as at the Latest Practicable Date.

Assuming (a) the Rollover Consortium Members and Rollover IU Shareholders that have executed the Irrevocable Undertakings choose the Share Alternative for the cancellation of all of the IU Scheme Shares held or owned by them (but for OMERS, only in respect of 319,313,360 IU Scheme Shares out of the 456,161,943 IU Scheme Shares held or owned by it and for Mr. Marsh, only in respect of 25,324,310 IU Scheme Shares out of the 32,074,310 IU Scheme Shares held or owned by him or his affiliates), (b) all other Scheme Shareholders choose the Cash Alternative for the cancellation of all of the Scheme Shares held or owned by them (and OMERS chooses the Cash Alternative for the cancellation of 136,848,583 IU Scheme Shares out of the 456,161,943 IU Scheme Shares held or owned by it and Mr. Marsh chooses the Cash Alternative for the cancellation of 6,750,000 IU Scheme Shares out of the 32,074,310 IU Scheme Shares held or owned by him or his affiliates), (c) no outstanding Options or Awards are exercised and no further Shares are issued before the Scheme Record Date, and (d) there is no other change in the issued



share capital of the Company before completion of the Proposal, upon the completion of the Proposal, the Company will be wholly-owned by the Offeror, which will be indirectly wholly-owned by EquityCo, which in turn will be held as to 84.20% by the Consortium Members and 15.80% by the Rollover IU Shareholders.

The Irrevocable Undertakings, being binding irrevocable undertakings, will terminate and the above obligations of the IU Shareholders under the applicable Irrevocable Undertakings will cease to be binding (a) if the Proposal is not implemented by the Conditions Long Stop Date, (b) if the Scheme is not approved at the Court Meeting; (c) the Maintenance of Capital is not approved at the EGM; (d) if at the court hearing, the Court does not sanction the Scheme; (e) if the Scheme lapses or is withdrawn in accordance with its terms; or (f) by mutual agreement of the relevant IU Shareholder and the Offeror, whichever is the earliest.

The Irrevocable Undertaking given by OMERS will also terminate and the above obligations of OMERS under the applicable Irrevocable Undertaking will also cease to be binding, (a) if the Scheme Document is not despatched by the date falling seven days or 21 days (if the Executive has provided its consent to the Offeror and the Company in respect of an extension of such seven day period) after the fulfilment of (where capable of waiver) waiver of all the Pre-Conditions (this also applies to the Irrevocable Undertaking given by APG), (b) if certain conditions are not fulfilled on or prior to the Effective Date; (c) if the Scheme does not become effective by the date falling 12 months after the Announcement Date; or (d) if any person other than the Offeror announces (by way of issuing an announcement under Rule 3.5 of the Takeovers Code), prior to the date of the Court Meeting and/or the EGM, a firm intention to make an offer to acquire all of the Scheme Shares (other than those held by it and persons acting in concert with it) on terms which represent a material improvement on the value of the consideration under the Scheme as at the date on which the competing offer is announced, whichever is the earliest.

The Irrevocable Undertakings given by Straits and by APG will also terminate and the above obligations of Straits or APG respectively under the applicable Irrevocable Undertaking will also cease to be binding, (a) if a competing announcement (containing an offer per Scheme Share for a cash value which is higher than the Cash Alternative) has been published by another offeror by way of issuing an announcement pursuant to Rule 3.5 of the Takeovers Code through the Stock Exchange's HKEx website and the Offeror has not announced (through the Stock Exchange's HKEx website) an increase of the Cash Alternative for a cancellation price for every Scheme Share under the Proposal which is higher than the other offer within seven days of the date of such competing announcement, or (b) if another person interested in Scheme Shares has entered into an undertaking on more favourable terms than the Irrevocable Undertaking given by Straits or by APG respectively (subject to certain carve-outs), whichever is the earliest.

As at the Latest Practicable Date, the information about the IU Shareholders is as follows:

## **OMERS**

OMERS is one of Canada's largest defined benefit pension plans. It is a substantial shareholder of the Company owning 456,161,943 Scheme Shares (representing approximately 10.74% of the issued share capital of the Company as at the Latest Practicable Date).

## **Mr. Lim**

Mr. Lim is a previous non-executive Director who has retired from the Board on 20 January 2025 and, directly and indirectly through wholly-controlled companies, holds an aggregate of 232,262,446 Scheme Shares (representing approximately 5.47% of the total issued Shares as at the Latest Practicable Date).

## **Straits**

Straits is a company incorporated in Singapore with limited liability. Certain affiliates of Straits are collectively interested in 212,797,004 Scheme Shares (representing approximately 5.01% of the total issued Shares) as at the Latest Practicable Date. The principal business activity of Straits is investment holding. The ordinary shares of Straits are listed on the SGX (SGX stock code: S20).

## **APG**

Stichting Depositary APG Strategic Real Estate Pool, which is established in the Netherlands, is the depositary of APG Strategic Real Estate Pool (the “**Pool**”) holding 211,057,897 Scheme Shares (representing approximately 4.97% of the total issued Shares) as at the Latest Practicable Date. The Pool is a fund formed for the purpose of collective investments by its participants, all being Dutch pension funds. The Pool is established as a fund for joint account (*fonds voor gemene rekening*) under Dutch laws. It is not a legal entity but a contractual arrangement between Stichting Depositary APG Strategic Real Estate Pool as its depositary, APG Asset Management N.V. as its manager, and its participants which invest in it through subscribing an interest in it.

## **SMBC**

SMBC is a company incorporated in Japan with limited liability. It holds 205,014,113 Shares (representing approximately 4.83% of the total issued Shares) as at the Latest Practicable Date. The principal business activities of SMBC are banking and financial services. SMBC is wholly-owned by Sumitomo Mitsui Financial Group, which is listed on the Tokyo Stock Exchange, the Nagoya Stock Exchange and its ADRs are listed on the New York Stock Exchange.

## **Mr. Marsh**

Mr. Marsh is the chairman of the Group's business in Australia and New Zealand and, directly and indirectly through wholly-controlled companies, holds an aggregate of 32,074,310 Scheme Shares (representing approximately 0.76% of the total issued Shares as at the Latest Practicable Date).

## **Letters of Support**

On 7 March 2025, the Offeror received the Letters of Support from each of SK and MY.Alpha, pursuant to which each of SK and MY.Alpha confirmed its non-binding intention to vote in favour of all resolutions which are necessary to implement the Proposal to be proposed at shareholders' meeting(s) of the Company. Since 7 March 2025, SK and MY.Alpha have respectively disposed of some of the Shares in which they are interested and as at the Latest Practicable Date, SK and MY.Alpha are interested in 60,363,892 Shares (representing approximately 1.42% of the issued share capital of the Company and approximately 2.36% of the Shares held by Disinterested Shareholders) and 43,383,700 Shares (representing approximately 1.02% of the issued share capital of the Company and approximately 1.70% of the Shares held by Disinterested Shareholders), respectively. This brings the total level of support from Disinterested Shareholders to approximately 56.54% as at the Latest Practicable Date, including approximately 52.47% from the IU Shareholders who have each given a binding Irrevocable Undertaking and approximately 4.06% from the aforementioned two Shareholders who have each given a non-binding Letter of Support.

## **7. SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Latest Practicable Date:

- (a) the authorized share capital of the Company is US\$8,000,000 divided into 8,000,000,000 Shares. The Company has 4,246,687,856 Shares in issue, 7,799,856 outstanding Tier 1 Options, 8,317,641 outstanding KM Options, 16,652,400 outstanding Post-IPO Share Options and 13,441,140 outstanding Awards in issue; and
- (b) the Offeror does not hold any Shares, but the Offeror Concert Parties (including the Consortium Members) are directly and indirectly interested in an aggregate of 1,694,177,420 Shares (representing approximately 39.89% of the total number of issued Shares as at the Latest Practicable Date).

Save for the Tier 1 Options, KM Options, Post-IPO Share Options and the Awards, the Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares or other types of equity interest, and has not entered into any agreement for the issue of such options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Shares as at the Latest Practicable Date.

On the assumption that no outstanding Options are exercised or Awards vest on or before the Scheme Record Date and there is no change in the issued share capital of the Company before the Effective Date, the table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Proposal:

	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	Number of Shares held	Approximate % of the total issued Shares	Number of Shares held	Approximate % of the total issued Shares
<b>Offeror</b>	—	—	4,246,687,856	100%
<b>Offeror Concert Parties</b>				
— The Starwood Entities <sup>(1)</sup>	448,933,103	10.57%	—	—
— The SSW Entities <sup>(2)</sup>	213,174,600	5.02%	—	—
— Sixth Street Entity	—	—	—	—
— The WP Entities <sup>(3)</sup>	591,440,160	13.93%	—	—
— Mr. Shen and Laurels <sup>(4)</sup>	312,190,216	7.35%	—	—
— Redwood <sup>(5)</sup>	850,000	0.02%	—	—
— Mr. Gibson <sup>(5)</sup>	331,427	0.008%	—	—
— Qatar Holding	127,257,914	3.00%	—	—
<b>Sub-total: Offeror and the Offeror Concert Parties<sup>(6)(7)</sup></b>	<u>1,694,177,420</u>	<u>39.89%</u>	<u>4,246,687,856</u>	<u>100%</u>
<b>Disinterested Shareholders</b>				
<b>IU Shareholders</b>				
— OMERS	456,161,943	10.74%	—	—
— Mr. Lim <sup>(8)</sup>	232,262,446	5.47%	—	—
— Straits	212,797,004	5.01%	—	—
— APG	211,057,897	4.97%	—	—
— SMBC	205,014,113	4.83%	—	—
— Mr. Marsh	32,074,310	0.76%	—	—
<b>Sub-total: IU Shareholders</b>	<u>1,349,367,713</u>	<u>31.77%</u>	<u>—</u>	<u>—</u>
— Trustee <sup>(9)</sup>	352,613	0.008%	—	—
— Mr. Brett Harold Krause <sup>(10)</sup>	145,000	0.003%	—	—

	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	Number of Shares held	Approximate % of the total issued Shares	Number of Shares held	Approximate % of the total issued Shares
— Other Disinterested Shareholders <sup>(11)</sup>	1,202,645,110	28.32%	—	—
<b>Sub-total: Disinterested Shareholders</b>	<b>2,552,510,436</b>	<b>60.11%</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>4,246,687,856</b>	<b>100%</b>	<b>4,246,687,856<sup>(12)</sup></b>	<b>100%</b>

Notes:

- 1 The Shares in which the Starwood Entities are interested are directly held by Starwood. Starwood is a subsidiary of S Asia Hold Co 1 Private Limited. S Asia Hold Co 1 Private Limited is a wholly-owned subsidiary of SOF-12 International SCSp, which is wholly-controlled by its general partner, SOF-12 International Management Sarl, a wholly-owned subsidiary of Starwood XII Management, LP. SOF-12 International Master Fund SCSp owns 67.31% interests in SOF-12 International SCSp. SOF-12 International Master Fund SCSp is wholly-controlled by its general partner, SOF-12 Master Fund Management Sarl, a wholly-owned subsidiary of Starwood XII Management, LP. SOF-XII International Blocker LP owns 97.12% interests in SOF-12 International Master Fund SCSp. SOF-XII International Blocker LP is wholly-controlled by its general partner, SOF-XII Investors GP, LLC, a wholly-owned subsidiary of Starwood XII Management GP, LLC. Starwood XII Management, LP is wholly-controlled by its general partner Starwood XII Management GP, LLC, which is a wholly-owned subsidiary of Starwood Capital Group Global II, L.P., which is wholly-controlled by its general partner, SCGG II GP, LLC. SCGG II GP, LLC owns 96.74% interests in Starwood XII Management, LP. Starwood Capital Group Holdings L.P. owns 60% interests in Starwood Capital Group Global II, L.P.. SCGG II GP, LLC is wholly-owned by Starwood Capital Group Holdings GP L.L.C.. Starwood Capital Group Holdings L.P. is wholly-controlled by its general partner, Starwood Capital Group Holdings GP L.L.C., a wholly-owned subsidiary of BSS SCG GP Holdings L.L.C., where Mr. Barry Stuart Sternlicht holds 100% interests. Accordingly, Mr. Barry Stuart Sternlicht is deemed to be interested in the underlying Shares held by Starwood.
- 2 The Shares in which the SSW Entities are interested are directly held by SSW CEI (CN), L.P.. The general partner of SSW CEI (CN), L.P. is SSW CEI GP, LLC. Accordingly, SSW CEI GP, LLC is deemed to be interested in the underlying Shares held by SSW CEI (CN), L.P..
- 3 The Shares in which the WP Entities are interested are directly held by Alexandrite Gem Holdings Limited (“AGHL”) and Athena Logistics Holding Ltd. (“ALHL”) which hold 503,733,253 Shares and 87,706,907 Shares respectively. AGHL and ALHL are wholly-owned subsidiary of Alexandrite Gem TopCo Ltd (“AGTL”) and Athena Logistics TopCo Ltd (“ALTL”) respectively. Both AGTL and ALTL are wholly-owned subsidiaries of Alexandrite Athena GroupCo Ltd (“AAGL”). AAGL is directly owned as to 41.46% and 35.19% by Warburg Pincus China, L.P. (“WP China”) and Warburg Pincus Private Equity XII, L.P. (“WP XII”) respectively, which are funds managed and advised by Warburg Pincus LLC. Warburg Pincus China GP, L.P. (“WP China GP”) is the general partner of WP China and Warburg Pincus XII, L.P. (“WP XII GP”) is the general partner of WP XII. WP Global LLC is the general partner of both WP China GP and WP XII GP. The managing member of WP Global LLC is Warburg Pincus Partners II, L.P. (“WPP II”). The general partner of WPP II is Warburg Pincus Partners GP LLC (“WPP GP”), the

managing member of which is Warburg Pincus & Co.. Accordingly, each of AGTL, ALTL, AAGL, WP China, WP XII, WP China GP, WP XII GP, WP Global LLC, WPP II, WPP GP and Warburg Pincus & Co. are deemed to be interested in the underlying Shares held by AGHL and ALHL.

- 4 Mr. Shen is interested in 312,190,216 Shares (representing 7.35% of the total issued Shares), of which 331,427 Shares (representing 0.008% of the total issued share capital of the Company) he is personally interested in, and 311,858,789 Shares (representing 7.34% of the total issued Shares) he is interested in through Laurels, a company wholly-owned by The Shen Trust, whose trustee is Tricor Equity Trustee Limited, and the settlor of which is Rosy Fortune Limited, which is wholly-owned by Mr. Shen. Laurels is also interested in 7,799,856 Tier 1 Options, while Mr. Shen is interested in 192,000 Post-IPO Share Options and 1,184,013 Awards which as determined by the Board on 4 December 2024 will vest up to 100% into 1,184,013 underlying Shares if the Scheme is approved by the Scheme Shareholders at the Court Meeting.
- 5 Mr. Gibson and Mr. Portes are both interested in the 850,000 Shares (representing 0.02% of the total issued Shares) which are held by Redwood. In addition, Mr. Gibson is interested in 331,427 Shares (representing 0.008% of the total issued Shares), as well as 192,000 Post-IPO Share Options and 1,184,013 Awards which as determined by the Board on 4 December 2024 will vest up to 100% into 1,184,013 underlying Shares if the Scheme is approved by the Scheme Shareholders at the Court Meeting.
- 6 Morgan Stanley and Deutsche Bank are the co-lead financial advisers, and Goldman Sachs and UBS are joint financial advisers, to the Offeror in connection with the Proposal. Accordingly, Morgan Stanley, Deutsche Bank, Goldman Sachs, UBS and the relevant members of the Morgan Stanley group, the Deutsche Bank group, the Goldman Sachs group and the UBS group which respectively hold Shares on their own account or on a discretionary managed basis are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code (except in respect of Shares held by exempt principal traders or exempt fund managers). Exempt principal traders which are connected for the sole reason that they are under the same control as Morgan Stanley, Deutsche Bank, Goldman Sachs or UBS are not presumed to be acting in concert with the Offeror. However, Shares held by members of the Morgan Stanley group, the Deutsche Bank group, the Goldman Sachs group or the UBS group acting in the capacity of exempt principal traders will not be voted at the Court Meeting and the EGM unless the Executive allows such Shares to be so voted. Shares held by such exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the Court Meeting and the EGM if (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares, and all voting instructions shall originate from the client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant connected exempt principal trader).
- 7 JL Investment Group Limited, JL Investment Group II Limited and JL Electron (BVI) Limited each directly holds 101,984,984 Shares, 90,984,985 Shares and 34,889,518 Shares respectively, and all three companies are wholly-controlled by Mr. Lim, previously a non-executive Director who has retired from the Board on 20 January 2025. The Executive has granted a ruling for the rebuttal for the class (6) presumption of acting in concert between the Founders and Mr. Lim.
- 8 The table under the section headed “Shareholding Structure of the Company” in the Announcement had included 653 Shares held by Goldman Sachs Asset Management Fund Services Limited as Shares held by Offeror Concert Parties. Since the Announcement Date, such 653 Shares have been removed from the category of Shares held by Offeror Concert Parties in this Scheme Document on the basis that such 653 Shares are held by a fund of which the investment manager is Goldman Sachs Asset Management International, an exempt fund manager not acting in

concert or presumed to be acting in concert with the Offeror or a Consortium Member under the definition of “acting in concert” under the Takeovers Code (whereas Goldman Sachs Asset Management Fund Services Limited is only acting as the fund’s management company overseeing its day-to-day operations).

- 9 As at the Latest Practicable Date, the Trustee holds on trust an aggregate of 352,613 Shares for the purpose of future satisfaction of the Awards. For the avoidance of doubt, the Trustee is not acting in concert with the Offeror and therefore the Shares held by the Trustee will count towards the number of Shares held by Disinterested Shareholders, which may be taken into account for the purposes of calculating the denominator for the 10% disapproval threshold when approving the Scheme. However, under Rule 17.05A of the Listing Rules, a trustee holding unvested shares of a share scheme shall abstain from voting on matters that require shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given. Accordingly, the Trustee shall not exercise the voting rights attached to the Shares held by it. Such 352,613 Shares held by the Trustee will not be voted at the Court Meeting or the EGM notwithstanding that such Shares form part of the Scheme Shares.
- 10 Mr. Brett Harold Krause is an independent non-executive Director and holds 145,000 Shares. Mr. Brett Harold Krause is not acting in concert with the Offeror or any of the Consortium Members.
- 11 As at the Latest Practicable Date, save for the Founders, Mr. Lim (previously a non-executive Director who has retired from the Board on 20 January 2025) and Mr. Brett Harold Krause, none of the other Directors holds Shares.
- 12 On the assumption that (i) no outstanding Options and/or Awards are exercised on or before the Scheme Record Date, (ii) there is no change in shareholding of the Company before the Effective Date, the issued share capital of the Company will be maintained at the amount immediately prior to the cancellation of the Scheme Shares by the issue at par to the Offeror, credited as fully paid, of the same number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the books of account of the Company as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.
- 13 The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures.

## **8. FINANCIAL RESOURCES**

On the assumption that (a) the Rollover Consortium Members and the Rollover IU Shareholders that have executed the Irrevocable Undertakings elect the Share Alternative for the cancellation of all of the Scheme Shares held or owned by them (but for OMERS, only in respect of 319,313,360 IU Scheme Shares out of the 456,161,943 IU Scheme Shares held or owned by it and for Mr. Marsh, only in respect of 25,324,310 IU Scheme Shares out of the 32,074,310 IU Scheme Shares held or owned by him or his affiliates), (b) all other Scheme Shareholders elect the Cash Alternative for the cancellation of all of the Scheme Shares held or owned by them (and OMERS elects the Cash Alternative for the cancellation of 136,848,583 IU Scheme Shares out of the 456,161,943 IU Scheme Shares held or owned by it and Mr. Marsh elects the Cash Alternative for the cancellation of 6,750,000 IU Scheme Shares out of the 32,074,310 IU Scheme Shares held or owned by him or his affiliates), (c) all of the Option-holders exercise all of their Options and all such Option-holders become Scheme Shareholders on or before the Scheme Record Date, (d) no other additional Shares are issued before the Scheme Record Date, and (e) there is no other change



in the issued share capital of the Company before completion of the Proposal, the maximum amount of cash required for the Proposal (after taking into account the Option Offers and Award Proposal to be made) is approximately HK\$27,338,285,975.

As at the Latest Practicable Date, the Offeror is financing the entire cash amount required for the Proposal from the New Money Subscription Consideration from the New Money Consortium Members and the Offer Facility.

The Offeror entered into the Offer Facility Agreement on 4 December 2024. Pursuant to the Offer Facility Agreement, MUFG Bank, Ltd., Singapore Branch, Mizuho Bank, Ltd. and United Overseas Bank Limited have agreed to provide to the Offeror the Offer Facility, being a certain funds loan facility of up to US\$1.5 billion with a maturity period up to eighteen (18) months after the date of the first utilisation of the term loan facility established thereunder. The payment of interest on, repayment of or security for any liability, contingent or otherwise, is not intended to depend on, to any significant extent, the business of the Company.

Morgan Stanley, the co-lead financial adviser and sole structuring adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for satisfying its obligations in respect of the full implementation of the Proposal in accordance with its terms.

## **9. REASONS FOR AND BENEFITS OF THE PROPOSAL**

You are urged to read carefully the section headed “14. Reasons for and Benefits of the Proposal” in Part VII of this Scheme Document.

## **10. INFORMATION ON THE GROUP, THE OFFEROR AND THE CONSORTIUM**

Your attention is drawn to the sections headed “15. Information on the Company and the Group” and “16. Information on the Offeror, the Consortium and the EquityCo Group” in Part VII of this Scheme Document. Your attention is also drawn to the “Financial Information of the Group” set out in Appendix I to this Scheme Document and the “Property Valuation Reports” set out in Appendix II to this Scheme Document.

## **11. THE OFFEROR’S INTENTIONS IN RELATION TO THE GROUP**

Your attention is drawn to the section headed “11. The Offeror’s Intentions in relation to the Group” in Part VII of this Scheme Document.



The Board is pleased to note that as at the Latest Practicable Date:

- (a) the Offeror intends for the Group to maintain its existing core business following the implementation of the Proposal, and will continue to raise and deploy funds/establish new investment platforms from new and existing capital partners;
- (b) the Offeror intends to continue implementing the strategy approved by the current Board to reduce leverage, sell down and exit non-core assets, including the Group's non-strategic subscale platforms, reduce on-balance sheet exposure and consider other potential dispositions including non-controlled or minority-owned associates, the Group's holdings in real estate investment trusts and their managers and such other of the Group's assets based on demand/pricing and which may ultimately involve ceasing to operate in one or more jurisdictions, and expand new economy real asset sectors, including data centres, infrastructures and renewables;
- (c) the Offeror intends to continue to integrate the separate businesses and regions being operated by the Group and to finalise and implement the acquisition of minority interests held by founders or employees of certain businesses of the Company in Group Companies (including as disclosed by the Company in relation to the Korean and Australian founders) and satisfaction of their separate incentivisation arrangements through acquisitions of such interests which may be satisfied in cash, other forms of consideration and through potential new issuances of shares in EquityCo up to a cap of 3.7% (as described in the articles of association of EquityCo and in the section headed "4. Arrangements Material to the Proposal — The Shareholder Arrangements" above); and
- (d) the Offeror has no immediate plans to make any other material changes to the business and/or redeploy assets of the Group, or to make any significant changes to the employment of employees of the Group as a result of the implementation of the Proposal, although the Offeror is working with the Company to continue strengthening the existing management team.

## **12. WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately after the Effective Date.

The Scheme Shareholders will be notified by way of a public announcement of the exact dates of the last day of dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares will become effective. A detailed timetable of the Scheme is included in Part III — Expected Timetable of this Scheme Document.

### **13. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Conditions Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective. The EIS may not be adopted if the Proposal is not approved or otherwise lapses.

If the Scheme is withdrawn or not approved or the Proposal otherwise lapses, no Scheme Shares will be cancelled or extinguished, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required under Rule 8.08 of the Listing Rules.

**If the Scheme is withdrawn or not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.**

### **14. OVERSEAS SCHEME SHAREHOLDERS, OPTION-HOLDERS AND AWARD-HOLDERS**

If you are an overseas Scheme Shareholder, Option-holder or Award-holder, your attention is drawn to the section headed “21. Overseas Scheme Shareholders, Option-holders and Award-holders” in Part VII of this Scheme Document.

## **15. INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, which comprises Mr. Brett Harold Krause, Mr. Simon James McDonald, and Ms. Serene Siew Noi Nah, being all of the non-executive Directors who are not Offeror Concert Parties or who are not (or whose appointing Shareholders are not) IU Shareholders, has been established by the Board following the receipt of the NBO.

Mr. Perlman and Mr. Portes, who are also non-executive Directors of the Company, are Offeror Concert Parties and are considered to be interested in the Proposal and do not form part of the Independent Board Committee for the purpose of giving advice or recommendation to the Disinterested Shareholders, the Option-holders and the Award-holders (as the case may be). Mr. Hwee Chiang Lim was initially a member of the Independent Board Committee but has subsequently become an IU Shareholder and, as a result, is no longer a member of the Independent Board Committee. Since the Announcement Date, Mr. Lim has retired from the Board on 20 January 2025. Mr. Rajeev Veeravalli Kannan and Ms. Joanne Sarah McNamara were initially also members of the Independent Board Committee but their respective appointing Shareholders have subsequently become IU Shareholders and, as a result, Mr. Kannan and Ms. McNamara are no longer members of the Independent Board Committee.

Since its establishment, the Independent Board Committee has appointed Citi as the Company's financial adviser to review the NBO and consider other strategic alternatives available to the Company. The Independent Board Committee has also adopted a formal process for a transaction involving the Shares which includes a staged due diligence review by potential investors (including the Consortium) and the solicitations of improved offers from the Consortium, in each case with the ultimate objective of soliciting the best and final offer for the Proposal from the Consortium for Disinterested Shareholders to vote on. Since its initial indicative proposal on 13 May 2024, the Consortium has provided a further improved offer on 4 October 2024 and a further and final improved offer on 4 November 2024.

In accordance with the Takeovers Code, the Independent Board Committee will consider and make a recommendation in the Scheme Document: (a) to the Disinterested Shareholders as to whether the Proposal and the EIS are, or are not, fair and reasonable and as to voting in respect of the Scheme at the Court Meeting, and the Proposal and the EIS at the EGM; and (b) to the Option-holders and the Award-holders as to whether the terms of the Option Offers and the Award Proposal are, or are not, fair and reasonable and whether to accept the Option Offers.

The full text of the letter from the Independent Board Committee is set out in Part V of this Scheme Document.

## **16. INDEPENDENT FINANCIAL ADVISER**

Anglo Chinese Corporate Finance, Limited, the Independent Financial Adviser, has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Proposal, the Scheme, the Option Offers, the Award Proposal and the EIS. The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

## **17. ACTIONS TO BE TAKEN**

The actions which you are required to take in relation to the Proposal are set out under “Actions to be Taken” in Part II of this Scheme Document and the section headed “25. Actions to be Taken” in Part VII of this Scheme Document.

## **18. REGISTRATION AND PAYMENT**

Your attention is drawn to the section headed “20. Registration and Payment” in Part VII of this Scheme Document.

## **19. TAXATION**

Your attention is drawn to the section headed “22. Taxation” in Part VII of this Scheme Document.

## **20. COURT MEETING AND EGM**

For the purpose of exercising your right to vote at the Court Meeting and/or the EGM, you are requested to read carefully (i) the section headed “24. Court Meeting and the EGM” in Part VII of this Scheme Document; (ii) Part II of this Scheme Document; and (iii) the notices of the Court Meeting and the EGM as set out in Appendix VII and Appendix VIII, respectively, of this Scheme Document.

## **21. RECOMMENDATION**

Your attention is drawn to the recommendation of the Independent Financial Adviser to the Independent Board Committee, with respect to the Proposal, the Scheme, the Option Offers, the Award Proposal and the EIS as set out in the letter from the Independent Financial Adviser in Part VI of this Scheme Document.

Your attention is also drawn to the recommendation of the Independent Board Committee with respect to the Proposal, the Scheme, the Option Offers, the Award Proposal and the EIS, as set out in the letter from the Independent Board Committee in Part V of this Scheme Document.

## 22. FURTHER INFORMATION

You are urged to read carefully the following documents:

- (i) the letter from the Independent Board Committee as set out in Part V of this Scheme Document;
- (ii) the letter from the Independent Financial Adviser as set out in Part VI of this Scheme Document;
- (iii) the Explanatory Memorandum as set out in Part VII of this Scheme Document;
- (iv) the appendices to this Scheme Document, including the terms of the Scheme as set out in Appendix VI of this Scheme Document;
- (v) the notice of the Court Meeting as set out in Appendix VII of this Scheme Document; and
- (vi) the notice of the EGM as set out in Appendix VIII of this Scheme Document.

In addition, a **pink** form of proxy in respect of the Court Meeting and a **white** form of proxy in respect of the EGM, and the Election Form are enclosed with this Scheme Document.

The Option-holders are urged to read carefully the Option Offer Letter, which is sent separately to the Option-holders on the date of this Scheme Document substantially in the form set out in Appendix IX Form of Option Offer Letter to this Scheme Document, and the Form of Acceptance in respect of the Option Offer Letter.

The Award-holders are urged to read carefully the Award Proposal Letter, which is sent separately to the Award-holders on the date of this Scheme Document substantially in the form set out in Appendix X Form of Award Proposal Letter to this Scheme Document.

Yours faithfully,  
By order of the Board  
**ESR Group Limited**

A handwritten signature in black ink, appearing to read "B. Krause", written over a horizontal line.

**Brett Harold Krause**  
*Chairman*