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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ESR Group Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES**
- (2) PROPOSED RE-ELECTION OF DIRECTORS**
- (3) PROPOSED RE-APPOINTMENT OF AUDITORS**
- (4) PROPOSED AMENDMENTS TO THE POST-IPO SHARE OPTION
SCHEME AND THE LONG TERM INCENTIVE SCHEME**
- AND**
- (5) NOTICE OF AGM**
-

Resolutions will be proposed at the AGM of the Company to approve, inter alia, matters referred to in this circular. A notice convening the AGM of the Company to be held at Edinburgh & Gloucester Room, 2/F., Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Wednesday, 7 June 2023 at 10:00 a.m. is set out on pages 82 to 88 of this circular. A form of proxy for use at the AGM is also enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange at www.hkexnews.hk and the website of the Company at www.esr.com.

Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited ("Share Registrar"), at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

15 May 2023

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened at Edinburgh & Gloucester Room, 2/F., Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Wednesday, 7 June 2023 at 10:00 a.m., or where the context so admits, any adjournment thereof
“Articles”	the Articles of Association of the Company as amended from time to time
“associates”	has the meaning ascribed thereto under the Listing Rules
“Award”	the grant of an award of RSUs and/or PSUs to a participant under the Long Term Incentive Scheme
“Board”	the board of directors of the Company
“Cayman Registrar”	the Registrar of Companies in the Cayman Islands
“Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended from time to time
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to allot, issue and deal with Shares up to 10% of the total number of Shares in issue at the date of passing such resolution

DEFINITIONS

“KM ESOP”	the pre-IPO employee stock incentive scheme adopted by the Company on 24 November 2017
“Latest Practicable Date”	9 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Term Incentive Scheme”	the Long Term Incentive Scheme adopted and approved by the Shareholders on 2 June 2021
“Post-IPO Share Option Scheme”	the share option scheme which was adopted by the Company on 12 October 2019
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PSU”	a performance share unit, being a contingent right to receive a Share (or a cash payment) subject to certain terms and conditions (including performance-based vesting conditions) as set out in the Long Term Incentive Scheme and the relevant grant letter
“Remuneration Committee”	remuneration committee of the Company
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase up to 10% of the total number of Shares in issue at the date of passing such resolution
“RSU”	a restricted share unit, being a contingent right to receive a Share (or a cash payment) subject to certain terms and conditions as set out in the Long Term Incentive Scheme and the relevant grant letter

DEFINITIONS

“Scheme Mandate Limit”	the maximum aggregate number of Shares which may be allotted and issued or transferred by the Company under the Post-IPO Share Option Scheme and the Long Term Incentive Scheme
“Service Provider”	means an individual consultant, individual independent contractor, or individual self-employed contractor who provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to the provision of construction, property management, design, real estate brokerage, business integration and business transformation services (but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity)
“Service Provider Sublimit”	the maximum aggregate number of Shares that may be allotted and issued or transferred by the Company for grants of Awards and/or Share Options to the Service Provider(s) under the Post-IPO Share Option Scheme and the Long Term Incentive Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended and supplemented from time to time
“Share Grant(s)”	the grant of an Award or Share Options over new Shares under the Post-IPO Share Option Scheme or the Long Term Incentive Scheme
“Share Options”	the grant of share options to a participant under the Post-IPO Share Option Scheme
“Share(s)”	ordinary share(s) of US\$0.001 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning ascribed thereto in section 15 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as amended from time to time
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Tier 1 ESOP”	the pre-IPO employee stock incentive scheme adopted by the Company on 3 November 2015
“%”	per cent.

LETTER FROM THE BOARD



ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

Executive Directors

Mr. Jinchu SHEN (*Group Co-founder & Co-CEO*)
Mr. Stuart GIBSON (*Group Co-founder & Co-CEO*)

Non-executive Directors

Mr. Jeffrey David PERLMAN (*Chairman of the Board*)
Mr. Charles Alexander PORTES (*Group Co-founder*)
Mr. Wei HU
Mr. Hwee Chiang LIM
Dr. Kwok Hung Justin CHIU
Mr. Rajeev Veeravalli KANNAN

Independent Non-executive Directors

Mr. Brett Harold KRAUSE
Mr. Simon James MCDONALD
Ms. Jingsheng LIU
Ms. Serene Siew Noi NAH
Ms. Wei-Lin KWEE

Registered Office

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

***Headquarters and principal
place of business in Hong Kong***

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

15 May 2023

To the Shareholders

Dear Sirs or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES**
(2) PROPOSED RE-ELECTION OF DIRECTORS
(3) PROPOSED RE-APPOINTMENT OF AUDITORS
**(4) PROPOSED AMENDMENTS TO THE POST-IPO SHARE OPTION
SCHEME AND THE LONG TERM INCENTIVE SCHEME**
AND
(5) NOTICE OF AGM

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM for the approval of, *inter alia*:

- (a) the proposed grant of the Repurchase Mandate and the Issue Mandate to the Directors;
- (b) re-election of the Directors;
- (c) re-appointment of the auditors; and
- (d) the proposed amendments to the Post-IPO Share Option Scheme and the Long Term Incentive Scheme, the proposed amendment to the Scheme Mandate Limit and the proposed adoption of the Service Provider Sublimit.

2. PROPOSED GRANT OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

Issue Mandate

At the AGM, an ordinary resolution will be proposed, namely that the Directors be granted the Issue Mandate, being a general and unconditional mandate to exercise the powers of the Company to allot, issue and deal with additional Shares up to 10% of the total number of the Shares in issue at the date of passing such resolution. Any Shares to be issued under the Issue Mandate for cash and non-cash consideration shall not be issued at a discount of more than 10% of the Benchmarked Price of the Shares (as defined below).

The “**Benchmarked Price**” refers to the higher of:

- (i) the closing price of the Shares on the date of the relevant agreement involving the proposed issue of securities; and

LETTER FROM THE BOARD

- (ii) the average closing price of the Shares in the five trading days immediately prior to the earliest of:
 - (A) the date of announcement of the proposed transaction or arrangement involving the proposed issue of securities;
 - (B) the date of the agreement involving the proposed issue of securities; and
 - (C) the date on which the subscription price for the securities is fixed.

The Board is recommending the granting of the Issue Mandate for a maximum of 10% of the total number of the Shares in issue at the date of the passing of proposed ordinary resolution, and Shares issued for cash and non-cash consideration under the Issue Mandate will be subject to a maximum discount of 10% to the Benchmarked Price of the Shares, as opposed to the maximum limit of 20% of the total number of the Shares in issue and the maximum discount of 20% to the Benchmarked Price of the Shares permitted under the Listing Rules.

As at the Latest Practicable Date, a total of 4,393,769,619 Shares were in issue. Subject to the passing of the proposed ordinary resolution approving the Issue Mandate and assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the date of passing the abovementioned resolution in respect of the Issue Mandate, the maximum number of Shares that may be issued by the Directors pursuant to the Issue Mandate is 439,376,961 Shares.

Repurchase Mandate

At the AGM, an ordinary resolution will be proposed that the Directors be granted the Repurchase Mandate, being a general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase, in the terms as stated in such ordinary resolution, Shares up to 10% of the total number of Shares in issue at the date of passing such resolution.

Under the Listing Rules, the Company is not permitted to purchase Shares on the Stock Exchange pursuant to the Repurchase Mandate if the purchase price is higher by 5% or more than the average closing price for the five preceding market days on which the Shares were traded on the Stock Exchange.

An explanatory statement, as required under the Listing Rules, regarding the repurchase by companies with primary listings on the Stock Exchange of their own securities to provide the requisite information on the Repurchase Mandate, is set out in the Appendix I to this circular.

LETTER FROM THE BOARD

Duration of the Issue Mandate and the Repurchase Mandate

The Issue Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; and
- (c) the revocation or variation of the relevant resolution by an ordinary resolution of the Shareholders in a general meeting of the Company,

(the “**Relevant Period**”).

3. RE-ELECTION OF DIRECTORS

The Board currently consists of 13 Directors, namely Mr. Jinchu Shen and Mr. Stuart Gibson, being the executive Directors; Mr. Jeffrey David Perlman, Mr. Charles Alexander Portes, Mr. Wei Hu, Mr. Hwee Chiang Lim, Dr. Kwok Hung Justin Chiu and Mr. Rajeev Veeravalli Kannan, being the non-executive Directors; Mr. Brett Harold Krause, Mr. Simon James McDonald, Ms. Jingsheng Liu, Ms. Serene Siew Noi Nah and Ms. Wei-Lin Kwee, being the independent non-executive Directors.

In accordance with Article 108(a) of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

Article 108(b) of the Articles also provides that the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting shall retire by rotation at such annual general meeting. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

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Pursuant to the above-mentioned Articles, Mr. Jinchu Shen and Mr. Stuart Gibson, Mr. Jeffrey David Perlman and Mr. Wei Hu will retire from office by rotation at the AGM and being eligible for re-election at the AGM. Mr. Jinchu Shen, Mr. Stuart Gibson and Mr. Jeffrey David Perlman have each offered themselves for re-election at the AGM.

Mr. Wei Hu has notified the Company that he wishes to retire from the Board to pursue other opportunities and accordingly, he will not offer himself for re-election at the AGM. Mr. Wei Hu confirmed that he does not have any disagreement with the Board and there is no other matter in relation to their retirement that needs to be brought to the attention of the Shareholders.

Pursuant to Article 112 of the Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. As the re-appointment of Ms. Wei-Lin Kwee as a Director was made by the Board after the conclusion of the annual general meeting held on 1 June 2022, she will hold office until the AGM and being eligible, she has offered herself for re-election at the AGM.

In considering the re-election of Ms. Wei-Lin Kwee as an independent non-executive Director, the Board has considered the confirmation of independence from her extensive experience in the industry. The Board considers that diverse education, skills, backgrounds, knowledge and professional experience would enable them to provide valuable and relevant insights and to contribute to the diversity of the Board.

Pursuant to Rule 13.74 of the Listing Rules, the biographical details of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

4. RE-APPOINTMENT OF AUDITORS

In accordance with the Articles, Ernst & Young will retire as the auditors of the Company at the AGM. Ernst & Young has indicated their willingness to be re-appointed as the auditors of the Company for the year following the close of the AGM.

A resolution will be proposed at the AGM to approve the re-appointment of Ernst & Young as the auditors of the Company.

LETTER FROM THE BOARD

5. PROPOSED AMENDMENTS TO THE POST-IPO SHARE OPTION SCHEME AND THE LONG TERM INCENTIVE SCHEME

Background

The Company has a total of four share incentive schemes: (1) the KM ESOP; (2) the Tier 1 ESOP; (3) the Post-IPO Share Option Scheme; and (4) the Long Term Incentive Scheme.

The KM ESOP and the Tier 1 ESOP were adopted by the Company before its listing. The KM ESOP will expire on 24 November 2027 and the Tier 1 ESOP will expire on 20 January 2026. However, as disclosed in the Company's prospectus dated 22 October 2019 (the "**Prospectus**"), the Company will not grant (and the Company has not granted) any further share options under these schemes after the date of the Prospectus. As at the Latest Practicable Date, the number of outstanding share options which have been granted under the KM ESOP was 17,714,051 and the number of outstanding share options which have been granted under the Tier 1 ESOP was 7,799,856. The share options granted under the KM ESOP have either fully vested or will vest by 1 July 2023 and the vested share options will remain exercisable until 18 May 2029. All share options granted under the Tier 1 ESOP were fully vested in January 2021 but remain exercisable until 20 January 2026.

The Post-IPO Share Option Scheme was conditionally adopted by the Shareholders at an extraordinary general meeting on 12 October 2019 and the Long Term Incentive Scheme was adopted by the Shareholders at an annual general meeting on 2 June 2021. The Post-IPO Share Option Scheme and the Long Term Incentive Scheme are currently the only "active" share incentive schemes of the Company.

As at the Latest Practicable Date, the following categories of grantees hold outstanding share options under the Post-IPO Share Option Scheme:

Grantees	Outstanding share options held as at the Latest Practicable Date
Directors	
— Mr Jinchu Shen	192,000
— Mr Stuart Gibson	192,000
Management other than Directors and employees	17,938,924
Total	18,322,924

LETTER FROM THE BOARD

As at the Latest Practicable Date, the following categories of grantees hold outstanding Awards under the Long Term Incentive Scheme:

Grantees	Outstanding Awards held as at the Latest Practicable Date
PSUs	
Directors	
— Mr Jinchu Shen	979,500
— Mr Stuart Gibson	979,500
Certain directors of subsidiaries of the Company	719,100
Employees of the Group who are not directors or chief executive of the Group	3,112,350
RSUs	
Certain directors of subsidiaries of the Company	1,909,667
Employees of the Group who are not directors or chief executive of the Group	6,007,720
Total	<u>13,707,837</u>

Proposed amendments

On 29 July 2022, the Stock Exchange published its conclusions to the consultation on the proposed amendments to the Listing Rules relating to share schemes of listed issuers (the “**Amended Chapter 17**”), which came into effect on 1 January 2023. The Amended Chapter 17 governs all share schemes involving grants of share awards and grants of options to acquire new shares of issuers and introduces various changes to past requirements on eligible participants, scheme mandate, approvals, vesting period and disclosures. Issuers are required to amend the terms of their existing share incentive schemes to comply with the Amended Chapter 17 on or before the refreshment of the scheme mandate limit, expiry of the scheme mandate or the adoption of a new share scheme (as the case may be).

To comply with the Amended Chapter 17, the Company seeks approval from the Shareholders to amend the rules of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme. No changes will be made to the KM ESOP and the Tier 1 ESOP as no further grants will be made under these schemes.

LETTER FROM THE BOARD

The proposed amendments to the Post-IPO Share Option Scheme and the Long Term Incentive Scheme are set out in Appendix III and Appendix IV respectively to this circular. The key changes are also summarised below. A copy of the rules of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme reflecting the proposed amendments will be available on the websites of the Company and the Stock Exchange from the date of this circular until the conclusion of the AGM.

The duration of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme will remain unchanged, namely, ten years from the time they were originally adopted.

The exercise price of the Share Options will remain unchanged and will be determined on the higher of: (i) the closing price of the Shares on the grant date and (ii) the average closing price of the Shares for the five business days immediately preceding the grant date. No purchase price applies to the RSUs/PSUs.

Eligible Participants

Pursuant to the proposed amendments, participants under the Post-IPO Share Option Scheme and the Long Term Incentive Scheme can include any individual being an employee, executive Director, non-executive Director (including an independent non-executive Director) or Service Provider of the Group.

Currently, the eligibility of participants under the Post-IPO Share Option Scheme and the Long Term Incentive Scheme is determined by the Board. This will remain the same after the proposed amendments to the Post-IPO Share Option Scheme and the Long Term Incentive Scheme.

In determining the basis of eligibility of employee participants, the Board will take into consideration matters including but not limited to the present and future contribution of the relevant participant, the performance of the relevant participant as well as the Group's overall business objectives and future development plans.

In determining the basis of the eligibility of Service Providers, the Board will take into consideration matters including, but not limited to, (i) the individual performance of the relevant Service Providers, (ii) the length, as well the nature of, the Service Provider's engagement with the Group and in particular, whether they provide a core offering to the Group, (iii) the long-term prospects of that Service Provider and (iv) whether there is a need to further incentivise and align the interests of the relevant Service Provider by providing them the opportunity to become a shareholder of the Company.

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Although the Company does not currently grant Awards or Share Options to Service Providers and has not made any grants to Service Providers as at the Latest Practicable Date, the Board (including the independent non-executive Directors) considers that such grants may be necessary in the future in order to align the long-term interests of Service Providers with the Group. Service Providers can play an important role in the long-term growth of the Group's businesses and the Board (including the independent non-executive Directors) is of the view that it is in the Company's interest to have the flexibility to grant Share Options and/or Awards to such Service Providers in recognition of their contribution to the Group. The Board (including the independent non-executive Directors) also considers that it is beneficial to allow for the grant of Awards or Share Options to Service Providers since a sustainable and mutually beneficial relationship with them is instrumental to the development of the Group. The grant of Share Options and/or Awards to Service Providers will better align their interests with the Group's, which will in turn incentivize them to further contribute to the success of the Group in the longer term. The Board (including the independent non-executive Directors) is of the view that (i) it is not uncommon for other industry players to engage in the use of consultants and contractors in the categories as set out in the definition of Service Providers and (ii) the inclusion of Service Providers as eligible participants is in line with the purpose of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme.

The Directors will not vote on any Board resolutions in respect of any Award or Share Option granted or proposed to be granted to them. Also, the Board has delegated the administration of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme to the Remuneration Committee of the Board, which comprises non-executive Directors only, all of whom are not intended to be granted the Awards and Share Options under the Post-IPO Share Option Scheme and the Long Term Incentive Scheme. The administration of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme by the Remuneration Committee, with the support of independent remuneration consultants, ensures that proper governance measures are in place when reviewing and making decisions on proposed grants of the Awards and Share Options. This would ensure the purposes of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme as described above are achieved and the Awards and Share Options granted are aligned with Shareholders' interests.

Scheme Mandate Limit and Service Provider Sublimit

The Scheme Mandate Limit under both the Long Term Incentive Scheme and the Post-IPO Share Option Scheme is currently 10% of the total number of Shares in issue as at 2 June 2021 (the date on which the Long Term Incentive Scheme was adopted), being an aggregate of 306,004,506 Shares. The Company proposes to reduce the Scheme Mandate Limit to 5% of the total number of Shares in issue as at the date of the AGM, being 219,688,481 Shares assuming there is no change on the issued share capital of the Company between the Latest Practicable Date

LETTER FROM THE BOARD

and the date of the AGM. Such new Scheme Mandate Limit will include both new Shares which may be allotted and issued by the Company and existing Shares which may be acquired by the trustee through on-market purchases or manual trades.

Accordingly, an ordinary resolution will be proposed to amend the Scheme Mandate Limit at this AGM, such that the maximum aggregate number of Shares which may be allotted and issued or transferred by the Company in respect of the Awards and Share Options granted under the Long Term Incentive Scheme and the Post-IPO Share Option Scheme may not exceed 5% of the total number of Shares in issue as at the date of the AGM, being 219,688,481 Shares assuming there is no change on the issued share capital of the Company between the Latest Practicable Date and the date of the AGM. Shares in respect of the Share Options or Awards granted under the Post-IPO Share Option Scheme and the Long Term Incentive Scheme (including those outstanding, lapsed or vested, exercised or encashed) prior to the date of the AGM will not be counted for the purpose of determining the Scheme Mandate Limit as amended at the AGM.

As at the Latest Practicable Date, (a) Awards in the form of RSUs/PSUs have been granted by the Company under the Long Term Incentive Scheme in respect of a total of 12,904,500 Shares (or up to a maximum of 14,932,400 Shares if the performance targets relating to certain Awards of PSUs granted are achieved which would entitle the grantee to receive 150% of the initial number of Shares subject to the Award) and (b) Share Options have been granted by the Company under the Post-IPO Share Option Scheme in respect of a total of 18,519,600 Shares. Accordingly, as at the Latest Practicable Date, a total of up to 272,552,506 Shares in the form of RSUs/PSUs under the Long Term Incentive Scheme and in the form of Share Options under the Post-IPO Share Option Scheme remain available under the Scheme Mandate Limit to be granted by the Company.

The Amended Chapter 17 also requires that a separate sublimit must be set within the Scheme Mandate Limit to allow for grants of Awards and Share Options to Service Providers. The Company has proposed for the Service Provider Sublimit to be set at 1% of the total number of Shares in issue as at the date of the AGM, being 43,937,696 Shares assuming there is no change on the issued share capital of the Company between the Latest Practicable Date and the date of the AGM. The Company considers that a Service Provider Sublimit of 1% is appropriate in order to preserve maximum flexibility for the Company to make grants to Service Providers in the future where it is appropriate to do so based on the reasons set out above, and a Service Provider Sublimit of 1% is not excessive in the circumstances.

Pursuant to the proposed amendments and in compliance with the Amended Chapter 17, the Scheme Mandate Limit and the Service Provider Sublimit may only be renewed (i) every 3 years subject to prior Shareholders' approval; or (ii) within a 3-year period with the approval of the

LETTER FROM THE BOARD

Shareholders in general meeting but with the relevant persons specified in the Listing Rules abstaining from voting on the relevant resolution, and in each case, in accordance with the requirements of the Listing Rules.

Vesting period

Share Grants are typically subject to a vesting period of between one to five years. This will remain the same after the proposed amendments to the Post-IPO Share Option Scheme and the Long Term Incentive Scheme.

The proposed amendments make clear that the vesting period of Share Grants under the Post-IPO Share Option Scheme and the Long Term Incentive Scheme may not be shorter than 12 months unless otherwise determined by the Remuneration Committee and where:

- (a) the Share Grant is to replace the share award(s) the participant forfeited when leaving the previous employer and/or as a sign-on incentive;
- (b) the participant's employment or service is terminated due to death, ill health, serious injury, disability or retirement or upon the occurrence of any out of control event;
- (c) the Share Grant is in the form of PSUs and has performance-based vesting conditions in lieu of time-based vesting conditions;
- (d) the Share Grant would have been made earlier but for legal or compliance reasons are made in a subsequent batch and in order to put the participant in the same position as they would have been in had the Share Grant been made earlier (for example, where regulatory filings need to be made by the Company to make a Share Grant in a certain jurisdiction and such filing could not be completed in time);
- (e) the Share Grant is made to retain a key individual who may be at risk of leaving the Group; or
- (f) the Share Grant has a mixed or accelerated vesting schedule such as where it may vest evenly over a period of 12 months.

While the Board and Remuneration Committee currently have no plans to make any Share Grants with a vesting period shorter than 12 months, they consider the circumstances set out above to be appropriate and aligned with the purpose of the Post-IPO Share Option Scheme and the Long

LETTER FROM THE BOARD

Term Incentive Scheme, as they provide the Company with the necessary flexibility to tailor its compensation model for different participants in different scenarios and ensure that such participants are properly incentivised.

Performance conditions

Pursuant to the proposed amendments, a negative statement has been included in the Post-IPO Share Option Scheme and the Long Term Incentive Scheme to clarify that no performance conditions apply to Share Options and RSUs, respectively. The Board and the Remuneration Committee consider that it is appropriate not to apply performance conditions to the Share Options and RSUs because these are subject to time-based vesting and are granted to participants to incentivise them to stay with the Group in the longer term. Where the Board or the Remuneration Committee considers it appropriate for performance conditions to apply (for example, based on the nature of the participant's role within the Group), they will grant such participant PSUs instead, the vesting of which is conditional on the achievement of objective performance conditions as documented in the grant letter. The performance conditions, designed to align with the Group's strategic goals and objectives, are intended to be specific, measurable and ambitious but achievable. Performance conditions include market and non-market targets that serve to drive overall long-term value creation for the Group and which align participants' interests with those of the Shareholders. Examples of performance conditions which may be applied include but are not limited to total shareholders' return, return on capital, earnings per share, EBITDA and total assets under management. Performance conditions are established at the beginning of each performance period and are reviewed annually to ensure they remain relevant. The Board may, at its sole discretion vary, waive or amend any such performance conditions or may impose different performance conditions to those specified in the grant letter, to the extent allowable under relevant law or regulatory restrictions.

Malus and clawback mechanism

The Post-IPO Share Option Scheme and the Long Term Incentive Scheme do not currently include a malus or clawback mechanism. In light of the Amended Chapter 17, a new malus and clawback provision has been added to allow the Board the discretion, in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances, to (i) reduce the number of Shares underlying the Awards and/or Share Options before they are vested or exercised; and/or (ii) to reduce or clawback any Shares which have already been transferred to the participant upon vesting or exercise.

LETTER FROM THE BOARD

Other amendments

In addition to the proposed amendments above, some housekeeping and tidy-up amendments have also been proposed. All proposed amendments will apply to future Share Grants, Awards and/or Share Options (as the case may be) and will not have any retrospective effect on Share Grants, Awards and Share Options (as the case may be) which have already been granted.

The Board considers that the provisions of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme, in particular those relating to eligibility, vesting period, exercise price, performance conditions and clawback mechanism described above, align with the Company's compensation model as well as the purpose of the schemes by enabling the Board and the Remuneration Committee to operate and regulate the Share schemes effectively and efficiently.

6. APPROVAL OF THE PROPOSED AMENDMENTS TO THE POST-IPO SHARE OPTION SCHEME AND THE LONG TERM INCENTIVE SCHEME

The trustee will abstain from exercising voting rights in respect of any Shares held by it under trust for the Long Term Incentive Scheme in all general meetings of the Company. To the extent that the Directors are aware having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the proposed amendments to the Post-IPO Share Option Scheme and the Long Term Incentive Scheme, the proposed amendment to the Scheme Mandate Limit and the proposed adoption of the Service Provider Sublimit.

Nevertheless, to the extent there are any directors and employees of the Group who are eligible to participate in the Post-IPO Share Option Scheme and the Long Term Incentive Scheme and who hold Shares, they shall abstain from voting on the proposed ordinary resolutions contained in items 7, 8, 9 and 10 of the notice of the AGM.

None of the Directors have a direct or indirect interest in the trustee.

7. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company (the “**Register**”) will be closed from Friday, 2 June 2023 to Wednesday, 7 June 2023, both days inclusive, during which period no transfer of Shares shall be effected. In order to qualify for the entitlement to attend and vote at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar for registration no later than 4:30 p.m. on Thursday, 1 June 2023.

LETTER FROM THE BOARD

The expected timetable for the AGM is as follows:

Events	Date
Last registration date for determining the entitlement of the Shareholders to attend and vote at the AGM	Thursday, 1 June 2023
Latest time for the Shareholders to lodge transfer documents to the Share Registrar in order to qualify for attending and voting at the AGM	4:30 p.m. on Thursday, 1 June 2023 (all transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar for registration)
Closure of the Register (to qualify for attending and voting at the AGM)	Friday, 2 June 2023 to Wednesday, 7 June 2023
AGM	Wednesday, 7 June 2023

8. AGM

Set out on pages 82 to 88 of this circular is a notice convening the AGM to consider and, if thought fit, to approve the resolutions relating to, among other matters, the Repurchase Mandate, the Issue Mandate, the re-election of Directors, the re-appointment of auditors and the amendments to the Post-IPO Share Option Scheme and the Long Term Incentive Scheme, the amendment to the Scheme Mandate Limit and the adoption of the Service Provider Sublimit.

A form of proxy for use at the AGM is enclosed. Such form of proxy can also be downloaded from the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.esr.com). If you are not able to attend at the AGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of poll by the Shareholders. The results of the poll will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.esr.com as soon as possible after the conclusion of the AGM.

9. RECOMMENDATIONS

The Board considers that the resolutions to be proposed at the AGM and as set out in the notice of the AGM for approving, among others, the proposed granting of the Repurchase Mandate, the Issue Mandate, the proposed re-election of Directors, the proposed re-appointment of Ernst & Young as the auditors and the proposed amendments to the Post-IPO Share Option Scheme and the Long Term Incentive Scheme, the proposed amendment to the Scheme Mandate Limit and the proposed adoption of the Service Provider Sublimit are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

10. RESPONSIBILITY OF DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board of
ESR Group Limited
Jinchu Shen
Director

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 4,393,769,619 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares is to be issued or repurchased by the Company after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 439,376,961 fully paid Shares, representing 10% of the total number of Shares in issue at the date of passing the resolution granting the Repurchase Mandate.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months prior to and up to the Latest Practicable Date were as follows:

	Price per Share <i>(Note)</i>	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2022		
May	24.60	22.10
June	23.30	18.92
July	21.80	19.00
August	23.50	18.98
September	22.90	19.62
October	21.75	13.06
November	17.68	13.34
December	18.30	15.62
2023		
January	17.76	15.42
February	16.68	13.26
March	14.28	11.60
April	14.44	11.84
May (up to the Latest Practicable Date)	12.72	11.62

Note: source from Bloomberg

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchases Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASES

Repurchases of Shares by the Company must be made out of funds which are legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

The Company shall not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Subject to the above, any repurchase of the Shares by the Company may only be made out of profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase, or, subject to Cayman Islands Companies Law, out of capital, provided that on the day immediately following the date of repurchase of the Shares, the Company is able to pay its debts as they fall due in the ordinary course of business.

Based on the financial position disclosed in the latest published audited consolidated accounts of the Company for the year ended 31 December 2022, the Directors consider that there will not be any material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. Nevertheless, the Directors do not intend to exercise the Repurchase Mandate to such extent as this would, in the circumstances, have a material adverse effect on the working capital requirements or gearing levels of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

DIRECTORS' DEALING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined under the Listing Rules) have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders at the AGM.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

EFFECT OF THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, depending on the level of such increase, could obtain or consolidate control of the Company and become obligated to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the Shareholders who were interested in 5% or more of the issued share capital of the Company, according to the register of interests required to be kept by the Company under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), were as follows:

Name of Shareholders	Current percentage interest in issued share capital of the Company	Percentage interest in the issued share capital of the Company in the event of the Repurchase Mandate is exercised in full (Note 8)	Number of shares beneficially held (Note 1)
Warburg Pincus & Co. (Note 2)	13.46%	14.96%	591,440,160(L)
OMERS Administration Corporation	10.38%	11.54%	456,221,943(L)
Mr. Stuart Gibson (Notes 3, 4, 6 and 7)	10.27%	11.41%	451,027,603 (L)
			149,644,368 (S)
Mr. Charles Alexander Portes(Note 3)	10.24%	11.37%	449,783,103(L)
			149,644,368 (S)
Mr. Jinchu Shen (Notes 5, 6 and 7)	7.30%	8.11%	320,830,145(L)
Tricor Equity Trustee Limited (Note 5)	7.28%	8.08%	319,658,645(L)
Mr. Hwee Chiang Lim	5.29%	5.87%	232,262,446(L)
The Capital Group Companies, Inc.	5.24%	5.82%	230,275,553(L)
Public shareholders	48.06%	42.28%	2,111,485,569 (Note 9)

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

Notes:

1. The Letters “L” and “S” denote the long position and the short position in the Shares respectively.
2. Alexandrite Gem Holdings Limited (“**Gem Holdings**”) and Athena Logistics Holdings Ltd. (“**Logistics Holdings**”) directly holds 503,733,253 Shares and 87,706,907 Shares of the Company respectively. Gem Holdings and Logistics Holdings are wholly owned subsidiary of Alexandrite Gem TopCo Ltd (“**Gem TopCo**”) and Athena Logistics TopCo Ltd. (“**Logistics TopCo**”) respectively. Both Gem TopCo and Logistics TopCo are wholly owned subsidiary of Alexandrite Athena GroupCo Ltd. (“**Alexandrite Athena GroupCo**”). Alexandrite Athena GroupCo is owned as to 41.46% and 35.19% by Warburg Pincus China, L.P. (“**WP China**”) and Warburg Pincus Private Equity XII, L.P. (“**WPP Equity**”) respectively. WP China and WPP Equity are wholly owned subsidiary of Warburg Pincus China GP, L.P. (“**WP China GP**”) and Warburg Pincus XII, L.P. (“**WP XII**”) respectively. Both WP China GP and WP XII are wholly owned by WP Global LLC. 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 Gem TopCo, Logistics TopCo, Alexandrite Athena GroupCo, WP China, WPP Equity, WP China GP, WP XII, WP Global LLC, WPP II, WPP GP and Warburg Pincus & Co. are deemed to be interested in the underlying Shares held by Gem Holdings and Logistics Holdings.
3. Redwood Investment Company, Ltd. directly holds 448,933,103 Shares of the Company and is owned as to 42% and 58% by Kurmasana Holdings, LLC and Redwood Investor (Cayman) Limited respectively, of which Kurmasana Holdings, LLC is wholly-owned by Redwood Investor (Cayman) Limited, Redwood Investor (Cayman) Limited is wholly owned by Redwood Investor II (Cayman) Ltd. and the voting rights of Redwood Investor II (Cayman) Ltd. are controlled as to 45.87% and 45.87% by Mr Charles Alexander Portes and Mr Stuart Gibson, respectively. Hence, each of Mr Charles Alexander Portes, Mr Stuart Gibson, Redwood Investor II (Cayman) Ltd., Redwood Investor (Cayman) Limited and Kurmasana Holdings, LLC will be deemed to be interested in the Shares held by Redwood Investment Company, Ltd.. Besides, 850,000 Shares were held by Redwood Consulting (Cayman) Limited (“**Redwood Consulting**”) as beneficial owner. Redwood Consulting is owned as to 50% and 50% by Mr Charles Alexander Portes and Mr Stuart Gibson, respectively. Hence, each of Mr Charles Alexander Portes and Mr Stuart Gibson are deemed to be interested in Shares held by Redwood Consulting (Cayman) Limited.
4. 73,000 Shares are deemed interest under the SFO.
5. Laurels Capital Investments Limited directly holds 319,658,645 Shares of the Company (inclusive of the interest in 7,799,856 Shares underlying the share options pursuant to the Tier 1 ESOP), which is wholly owned by The Shen Trust. Rosy Fortune Limited has a deemed interest under the SFO in the Shares held by The Shen Trust in its capacity as settlor and Mr. Jinchu Shen has a deemed interest under the SFO in the Shares held by The Shen Trust solely in his capacity as the sole shareholder of the settlor. Tricor Equity Trustee Limited has a deemed interest under the SFO in the Shares held by The Shen Trust in its capacity as trustee.
6. This represents 192,000 options to subscribe for Shares granted under the Post-IPO Share Option Scheme to each of Mr Jinchu Shen and Mr Stuart Gibson. The options granted to Mr Jinchu Shen are physically settled unlisted derivatives, and the options granted to Mr Stuart Gibson are unlisted derivatives which are not physically or cash settled.
7. This represents 979,500 Shares underlying the PSUs under the Long Term Incentive Scheme granted to each of Mr Jinchu Shen and Mr Stuart Gibson. All the Shares granted to Mr Jinchu Shen and Mr Stuart Gibson are unlisted derivatives which are not physically or cash settled. The number of shares underlying the PSUs is

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

based on 150% of the initial number of Shares subject to the PSUs. The vesting of the PSUs is subject to fulfilment of relevant performance conditions and the final number of Shares subject to the PSUs can vary from 0% to 150% of the initial number of Shares subject to the PSUs.

8. As at the Latest Practicable Date, a total of 4,393,769,619 Shares are in issue. Subject to the passing of the proposed ordinary resolution to approve the Repurchase Mandate and assuming there is no change in the issued share capital from the Latest Practicable Date to the date of passing the abovementioned resolution, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 439,376,961 fully paid Shares.
9. This represents the number of Shares held by public Shareholders assuming the Repurchase Mandate is exercised in full.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. The Board currently has no intention to exercise the Repurchase Mandate to the extent which will trigger a mandatory offer under Rule 26 of the Takeovers Code.

The Directors will not exercise the Repurchase Mandate to such an extent that would result in the amount of Shares held by the public being reduced to less than 25% or such other minimum percentage as prescribed by Rule 8.08 of the Listing Rules from time to time.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

SHARE REPURCHASE MADE BY THE COMPANY

The Company repurchased in the last six months immediately preceding the Latest Practicable Date as follows, under the repurchase mandate granted by the shareholders, a total of 42,398,400 Shares on market ranging from HK\$11.62 to HK\$17.90 per Share representing approximately 0.95% of the then issued Shares for a consideration of approximately US\$81.6 million (approximately HK\$640.5 million excluding transaction cost). Except for a total of 3,425,000 Shares repurchases made from 2 May 2023 to the Latest Practicable Date, all Shares repurchased have been cancelled. Details of Shares repurchased are as follows:

Month	Number of Shares repurchased	Purchase price per Share		Aggregate consideration <i>HK\$ million</i>
		Highest	Lowest	
November 2022	6,152,000	17.50	13.36	95.0
December 2022	9,290,000	17.90	15.84	154.7
January 2023	7,614,400	17.68	15.44	127.2
February 2023	6,450,000	16.58	14.02	97.5
March 2023	2,147,000	14.14	13.14	29.5
April 2023	7,320,000	14.24	11.92	95.0
May 2023 (up to Latest Practicable Date)	<u>3,425,000</u>	12.64	11.62	<u>41.6</u>
	<u>42,398,400</u>			<u>640.5</u>

Save as disclosed above, no repurchase of Shares have been made by the Company or its subsidiaries (as defined under the Listing Rules) in the last six months immediately preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

REPURCHASE OF THE SHARES FROM CONNECTED PERSONS

No core connected person (as defined under the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

The biographical details of the Directors eligible for re-election at the AGM are set out below:

Mr. Jinchu Shen (“Mr. Shen”)

Mr. Jinchu Shen, aged 50, also known as Jeffrey, is a co-founder of e-Shang Cayman Limited (“e-Shang”) and has been the co-CEO of our Group since June 2011. He was appointed as a director of e-Shang on 30 June 2011 and following the 2016 Merger, was appointed as a Director and is responsible for overseeing our Company’s overall operations and business development, leading regional growth strategies, and expanding our Company’s asset and fund management platforms. Mr. Shen was re-designated as an Executive Director on 22 February 2019.

Mr. Shen has over 23 years of industrial real estate experience in China. Prior to co-founding our Group in June 2011, Mr Shen held a variety of roles, including Senior Vice President, at GLP Investment Management (China) Co., Ltd. (全球物流資產公司(中國)) (formerly known as Prologis China) from January 2004 to September 2010, overseeing the Eastern China area. Mr. Shen was the deputy director in DTZ Debenham Tie Leung International Property Advisers from June 2001 to December 2003 and prior to this, he was the assistant general manager of marketing at Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd from July 1995 to November 2000. Mr. Shen was also a director of ESR-REIT Manager, the fund manager of ESR-REIT, from January 2017 to January 2019.

Mr. Shen graduated from the Shanghai Jiaotong University in China in July 1995, where he obtained a bachelor’s degree in technical economics. In July 2001, he obtained a master’s degree in business administration from Donghua University in China.

Save as disclosed above, as at the Latest Practicable Date, Mr. Shen did not hold any directorship in any public listed company in the past three years and did not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, there was a service agreement between the Company and Mr. Shen commencing from 1 November 2022 for a term of 3 years. The total emoluments paid to Mr. Shen for the financial year ended 31 December 2022 was US\$5,088,000. His remuneration package was determined by the Board as recommended by the remuneration committee of the Company after taking into consideration his extensive experience of more than 20 years in the real estate industry and his role as a co-CEO and co-founder of the Company. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. Shen was interested in 320,830,145 Shares, representing approximately 7.30% of the total issued Shares within the meaning of Part XV of the SFO. Laurels Capital Investments Limited directly holds 319,658,645 Shares of the Company (inclusive of the interest in 7,799,856 Shares underlying the share options pursuant to the Tier 1 ESOP), which is wholly owned by The Shen Trust. Rosy Fortune Limited has a deemed interest under the SFO in the Shares held by The Shen Trust in its capacity as settlor and Mr. Shen has a deemed interest under the SFO in the Shares held by The Shen Trust solely in his capacity as the sole shareholder of the settlor. Tricor Equity Trustee Limited has a deemed interest under the SFO in the Shares held by The Shen Trust in its capacity as trustee. Mr. Shen is also the beneficial owner of 1,171,500 Shares representing 192,000 options to subscribe for Shares granted under the Post-IPO Share Option Scheme and 979,500 Shares underlying the PSUs under the Long Term Incentive Scheme granted to him.

Save as disclosed above, there are no other matters concerning the re-election of Mr. Shen that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rule.

Mr. Stuart Gibson (“Mr. Gibson”)

Mr. Stuart Gibson, aged 59, is a co-founder of our Group, and was the co-founder and CEO of the Redwood group from July 2006 until the 2016 Merger, and he has been the co-CEO of our Group since January 2016. He was appointed as a Director on 20 January 2016 and is responsible for overseeing ESR’s overall operations and business development. Mr. Gibson was re-designated as an executive Director on 22 February 2019.

Mr. Gibson has over 27 years of real estate development and investment experience in Asia, which includes 15 years spent in the Japanese industrial real estate sector. Mr. Gibson joined Prologis B.V. (formerly known as LogiStar B.V.) in 1998 as the development associate, and was subsequently seconded from Prologis B.V. to Prologis Japan as a vice president from 2000 and was later promoted to the country head of Prologis Japan. He is the former co-founder and co-CEO of AMB BlackPine from 2003 to 2006, which was subsequently incorporated into Prologis. He was also the Chairman of AMB Property Corporation Japan Advisory Committee from July 2006 to December 2007.

Save as disclosed above, as at the Latest Practicable Date, Mr. Gibson did not hold any directorship in any public listed company in the past three years and did not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, there was a service agreement between the Company and Mr. Gibson commencing from 1 November 2022 for a term of 3 years. The total emoluments paid to Mr. Gibson for the financial year ended 31 December 2022 was US\$5,088,000. His remuneration package was determined by the Board as recommended by the remuneration committee of the Company after taking into consideration his extensive experience of more than 20 years in real estate development and investment experience and his role as a co-CEO and co-founder of the Company. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. Gibson was interested in 451,027,603 Shares, representing approximately 10.27% of the total issued Shares within the meaning of Part XV of the SFO. Redwood Investment Company, Ltd. directly holds 448,933,103 Shares of the Company and is owned as to 42% and 58% by Kurmasana Holdings, LLC and Redwood Investor (Cayman) Limited respectively, of which Kurmasana Holdings, LLC is wholly-owned by Redwood Investor (Cayman) Limited, Redwood Investor (Cayman) Limited is wholly owned by Redwood Investor II (Cayman) Ltd. and the voting rights of Redwood Investor II (Cayman) Ltd. are controlled as to 45.87% and 45.87% by Mr. Charles Alexander Portes and Mr. Gibson, respectively. Hence, each of Mr. Charles Alexander Portes, Mr. Gibson, Redwood Investor II (Cayman) Ltd., Redwood Investor (Cayman) Limited and Kurmasana Holdings, LLC will be deemed to be interested in the Shares held by Redwood Investment Company, Ltd.. Besides, 850,000 Shares were held by Redwood Consulting (Cayman) Limited (“**Redwood Consulting**”) as beneficial owner. Redwood Consulting is owned as to 50% and 50% by Mr. Charles Alexander Portes and Mr. Gibson, respectively. Hence, each of Mr. Charles Alexander Portes and Mr. Gibson are deemed to be interested in the Shares held by Redwood Consulting (Cayman) Limited. Mr. Gibson is also the beneficial owner of 1,171,500 Shares representing 192,000 options to subscribe for Shares granted under the Post-IPO Share Option Scheme and 979,500 Shares underlying the PSUs under the Long Term Incentive Scheme granted to him. 73,000 Shares are deemed interest under interest of spouse.

Save as disclosed above, there are no other matters concerning the re-election of Mr. Gibson that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rule.

Mr. Jeffrey David Perlman (“Mr. Perlman”)

Mr. Jeffrey David Perlman, aged 39, was appointed as a Director on 14 June 2011 and was re-designated as a non-executive Director on 22 February 2019. He was appointed as our chairman on 20 May 2019. He is also the member of the Remuneration Committee.

Mr. Perlman is a Managing Director, Head of Southeast Asia and Asia-Pacific Real Estate and a member of the firm's Executive Management Group at Warburg Pincus. Mr. Perlman leads Warburg Pincus' investments in Southeast Asia in addition to the firm's real estate efforts across the greater Asia-Pacific region. Mr. Perlman was appointed as a non-executive director of Suntec Real Estate Investment Trust, a real estate investment trust listed on the Singapore Exchange Securities Trading Limited, since 15 April 2022. Mr. Perlman currently also serves on the Board of Directors for ESR-LOGOS Funds Management (S) Limited (the REIT Manager of ESR-LOGOS REIT), BW Industrial Development JSC, Lodgis Hospitality Holdings, Mofang Apartments, Nova Property Investment, NWP Retail, Trax Technology Solutions, Online Pajak, Momo, Weave Co-Living Cayman Limited, Asia Self Storage, Circles Asia Cayman Limited, Princeton Digital Group Limited and Aseana Insurance Holdings Investments. Prior to joining Warburg Pincus in 2006, he worked in the Real Estate Investment Banking Group at Credit Suisse.

Mr. Perlman received a bachelor's degree in business administration (B.B.A.) from the Ross School of Business at the University of Michigan.

Save as disclosed above, as at the Latest Practicable Date, Mr. Perlman did not hold any directorship in any public listed company in the past three years and did not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, there was a service letter entered into between the Company and Mr. Perlman pursuant to which his term of appointment shall commence from 1 November 2022 for a term of 3 years. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. Perlman did not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters concerning the re-election of Mr. Perlman that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rule.

Ms. Wei-Lin Kwee ("Ms. Kwee")

Ms. Wei-Lin Kwee, aged 47, is an independent non-executive Director and also a member of the Remuneration Committee. She was appointed as independent non-executive Director on 25 May 2022.

Ms. Kwee is the Head of Hotels of Pontiac Land Group, a privately held real estate development and investment company. She oversees Pontiac Land Group's hotel portfolio in Singapore, Maldives and Sydney and has been with the company since 2008. Ms. Kwee is the President of the Singapore Hotel Association which represents 85% of Singapore's room count and 40,000 employees in Singapore. She has been appointed as a member of the Singapore Government's Future Economy Council since April 2021 and serves as a member of its Lifestyle Committee. As a member of the Emerging Stronger Taskforce of Singapore from May 2020 to May 2021, Ms. Kwee co-led the Travel Alliance, a private public partnership that aimed to bring air travel back to Singapore after Covid border closures. Ms. Kwee has been a council member of the Singapore Chinese Chamber of Commerce and Industry and Singapore Business Federation since March 2022 and June 2022 respectively. She is also a member of the Workplace Safety and Health Council under the Singapore Ministry of Manpower. She is an International Advisory Board Member of the IE Business School, Spain. She was a 2013 Eisenhower Fellow and has been the Honorary Secretary for the Eisenhower Fellowships Singapore Society since March 2022.

Ms. Kwee graduated from Brown University with a Bachelor of Arts, Economics and International Relations in 1998 and obtained her master of business administration from Stanford Graduate School of Business in 2008.

Save as disclosed above, as at the Latest Practicable Date, Ms. Kwee did not hold any directorship in any public listed company in the past three years and did not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, there was an appointment letter signed by the Company and Ms. Kwee which provides that the term of appointment is for a term of 3 years commencing on 25 May 2022 and the total fee payable to Ms. Kwee is HK\$445,000 per annum. Such fee is subject to review by the Board from time to time and was determined after taking into consideration the recommendation of an independent remuneration consultant and benchmarked against comparable companies listed on the Stock Exchange. She is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association.

As at the Latest Practicable Date, Ms. Kwee did not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters concerning the re-election of Ms. Kwee that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rule.

The following are the proposed amendments to the Post-IPO Share Option Scheme. Unless otherwise specified, clauses referred to below are clauses of the Post-IPO Share Option Scheme. If the numbering of the clauses of the Post-IPO Share Option Scheme is changed due to addition, deletion or re-arrangement of certain clauses made in the proposed amendments, the numbering of the clauses of the Post-IPO Share Option Scheme as amended shall be changed accordingly.

The Post-IPO Share Option Scheme is prepared in English with no official Chinese version. The Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

1. DEFINITIONS

1.1 In ~~the~~this Scheme the following expressions have the following meanings:

<u>“2023 AGM”</u>	<u>means the annual general meeting of the Shareholders held on 7 June 2023;</u>
<u>“Acceptance Date”</u>	<u>shall have the meaning ascribed to it in Clause 5.3;</u>
<u>“Adoption Date”</u>	<u>means June 4, 12 October 2019 (the date on which the<u>this</u> Scheme is conditionally adopted by an ordinary resolution of the shareholders of the Company<u>Shareholders</u>);</u>
<u>“Associate”</u>	<u>shall have the meaning ascribed to it in Rule<u>rule</u> 1.01 of Chapter 1 of the Listing Rules in relation to any director<u>Director</u>, chief executive of the Company or substantial shareholder<u>Shareholder</u> (being an individual);</u>
...	
<u>“CMO”</u>	<u>means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended from time to time;</u>
<u>“Commencement Date”</u>	<u>means, in respect of any particular Option, the date upon which the Option is accepted in accordance with the terms of the Scheme;</u>
<u>“Company”</u>	<u>means ESR Cayman<u>Group</u> Limited, a company incorporated in the Cayman Islands with limited liability;</u>

“Companies Act”	means the Companies Law of Cayman Islands (as amended <u>and restated</u> from time to time);
“Companies (WUMP) Ordinance”	means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 622 of the Laws of Hong Kong) as amended <u>and restated</u> from time to time;
<u>“connected person”</u>	<u>shall have the meaning ascribed to it in the Listing Rules;</u>
...	
“Grantee”	means any Participant who accepts the offer of the grant of any Option in accordance with the terms of the <u>this</u> Scheme or (where the context so permits) a person who is entitled to any such Option in consequence of the death of the original Grantee;
<u>“Grant Letter”</u>	<u>shall have the meaning ascribed to in Clause 5.3;</u>
“Group”	means the Company and its Subsidiaries <u>(as defined in the Companies (WUMP) Ordinance)</u> ;
<u>“Group Company”</u>	<u>means a member of the Group;</u>
...	
“Listing Date”	means the date on which dealings commence in the Shares on the Stock Exchange;
“Listing Document Date”	means on or about June 6, 2019, the date on which the listing document of the Company is expected to be issued;
...	
<u>“New Approval Date”</u>	9.1(i) <u>shall have the meaning ascribed to it in Clause 9.2;</u>
...	
“Option”	means an option to subscribe for Shares granted pursuant to the terms of the <u>this</u> Scheme;

“Option Period”	means, in respect of any particular Option, the period to be determined and notified by the Board to each Grantee during which the Grantee may exercise such Option. Such period may commence on a day after the Offer Date and in any event shall end not later than 10 years from the Offer Date but subject to the provisions for early termination thereof contained herein;
<u>“Other Scheme”</u>	<u>means any other share option or share award scheme of the Company which came into effect on or after the Global Offering;</u>
“Participant”	means any individual being an employee, executive director and or non-executive director (including <u>an</u> independent non-executive director), agent or consultant of the Company or its Subsidiary Director) of the Group or a Service Provider;
...	
<u>“Remuneration Committee”</u>	<u>means the duly constituted remuneration committee of the Board;</u>
...	
<u>“Service Provider”</u>	<u>means an individual consultant, individual independent contractor, or individual self-employed contractor who provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to the provision of construction, property management, design, real estate brokerage, business integration and business transformation services (but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity);</u>
<u>“Service Provider Sublimit”</u>	<u>has the meaning given to it in Clause 9.1;</u>

<u>“Scheme Mandate Limit”</u>	<u>has the meaning given to it in Clause 9.1;</u>
<u>“Shareholder(s)”</u>	<u>means holder(s) of the Shares;</u>
<u>“Share(s)”</u>	<u>means shares of US\$0.001 each in the share capital of the Company (or of such other nominal amount as may result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time) and “new Share(s)” means the new Shares that are allotted and issued by the Company and “existing Share(s)” means the existing Shares acquired by the trustee through on-market purchases or manual trades;</u>
<u>“Share Grants”</u>	<u>means the grant of share awards and/or options over new Shares under Other Schemes and which is governed by Chapter 17 of the Listing Rules;</u>
...	
<u>“Subsidiary”</u> <u>“substantial Shareholder”</u>	<u>hasshall have the meaning ascribed theretoto it in section 15 of the CMO; and</u> <u>Listing Rules;</u>
...	
<u>“winding-up notice”</u>	<u>shall have the meaning ascribed to it in Clause 7.6(iv);</u>

1.2 Clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of ~~the~~this Scheme. References herein to Clauses are to clauses of ~~the~~this Scheme.

1.3 ...

2. PURPOSES OF ~~THE~~THIS SCHEME

The purposes of ~~the~~this Scheme are to attract and retain high caliber employees, and to motivate them to higher levels of performance. The purpose of ~~the~~this Scheme is to provide incentives to ~~participants~~Participants to contribute to the Company and to enable the Company to recruit high caliber employees and attract or retain human resources that are valuable to the Group.

3. CONDITIONS

3.1 This Scheme shall take effect subject to and is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be allotted and issued pursuant to the exercise of Options under ~~the~~this Scheme;
- (ii) the passing of the necessary resolution to adopt and approve ~~the~~this Scheme by the ~~shareholders of the Company~~Shareholders; and
- (iii) ...

3.2 If any of the above conditions in Clause 3.1 are not satisfied within 30 days from the Adoption Date:

- (i) ~~the~~this Scheme shall forthwith ~~determine~~terminate;
- (ii) any Option granted or agreed to be granted pursuant to ~~the~~this Scheme and any offer of such a grant shall be of no effect; and
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of ~~the~~this Scheme or any Option granted thereunder.

4. DURATION AND ADMINISTRATION

4.1 Subject to Clause ~~14~~15, ~~the~~this Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be offered but the provisions of ~~the~~this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of ~~the~~this Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the terms of ~~the~~this Scheme.

4.2 ~~The~~This Scheme shall be subject to the administration of the Board and its delegate whose decision as to all matters arising in relation to ~~the~~this Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties. The Board shall have the right to (a) interpret and construe the provisions of this Scheme; (b) determine the persons (if any) who shall be granted Options pursuant to this Scheme; (c) determine the

terms on which Options are granted; (d) determine the number of Shares to be granted under the Options; (e) subject to Clauses 10 and 14, make such adjustments to the terms of this Scheme and to the terms of Options granted pursuant to this Scheme as the Board deems necessary provided that it shall notify the relevant Grantee(s) of such adjustment(s) by written notice; and (f) make such other decisions or determinations as it shall deem appropriate in relation to the Options and/or the administration of this Scheme provided that the same are not inconsistent with the provisions of this Scheme.

- 4.3 No member of the Board shall be personally liable by reason of any contract or other instrument executed by him or on his behalf in his capacity as a member of the Board nor for any mistake of judgment made in good faith in relation to the administration or interpretation of this Scheme, and to the extent permitted by law the Company shall indemnify on demand and hold harmless each Director, employee or officer of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with this Scheme unless arising out of such person's own negligence, fraud or bad faith.

5. GRANT OF OPTION

- 5.1 On and subject to the terms of ~~the~~this Scheme, the Board and its delegate shall be entitled at any time and from time to time within 10 years after the Adoption Date to offer to grant to any Participant as the Board may in its absolute discretion select and subject to such conditions (including but not limited to imposition of any performance target(s) and/or vesting scale) as the Board may think fit an Option to subscribe for such number of Shares (being a Board Lot or an integral multiple thereof) as the Board may determine at the Subscription Price.
- 5.2 ~~The Directors~~Board shall not offer the grant of any Option to any Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until (and including) the Trading Day after such price sensitive information has been published or disclosed in accordance with the requirements of the Listing Rules. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of:

(i) ...

(ii) ...

and ending on the date of actual publication of the results announcement, and where an ~~option~~Option is granted to a ~~director~~Director or to any Participant who, because of his office or employment or other relationship with the Group or any Group Company, is likely to be in possession of unpublished inside information in relation to the Shares:

(iii) notwithstanding Clauses 5.2(i) and 5.2(ii) above, no Options shall be granted on any day on which the financial results of the Company are published and during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(iv) ...

5.3 An offer of the grant of an Option shall be made to a Participant by letter or in such form as the Board may from time to time determine (the “Grant Letter”) specifying the number of Shares, the Subscription Price, any condition (including but not limited to imposition of any performance target(s) and/or vesting scale), the Option Period in respect of which the offer is made, the date by which the Option must be ~~applied for~~accepted being a date not more than 28 days after the Offer Date (the “Acceptance Date”) and further requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of ~~the~~this Scheme. Such offer shall be personal to the Participant concerned and shall not be transferable.

5.4 An Option shall be deemed to have been ~~granted and~~ accepted and to have taken effect when the duplicate ~~letter~~Grant Letter constituting acceptance of the offer of the grant of the Option duly signed by the Grantee together with a remittance in favor of the Company of HK\$1.00 (or such equivalent in other currency as the Board may specify) by way of consideration for the grant thereof is received by the Company on or before the relevant Acceptance Date. Such remittance shall in no circumstances be refundable.

5.5 ...

5.6 ~~(i) Any offer of the grant of an Option to a director~~Participant who is a Director, chief executive or substantial shareholder (as defined in the Listing Rules) (other than an independent non-executive director) of the Company or substantial Shareholder (or any of their respective Associates) must ~~first~~ be approved by the independent non-executive ~~directors of the Company~~Directors (excluding any independent non-executive ~~director of the Company~~Director who is the proposed Grantee of the Options).

5.7 Where any grant of Options to a Participant who is a substantial shareholder~~Shareholder~~ or an independent non-executive ~~director of the Company, Director~~ (or any of their respective Associates;) would result in the new Shares issued and to be issued upon exercise of all options already granted and to be granted~~allotted and issued (and to be allotted and issued upon:~~

- (i) the exercise of all Options granted under this Scheme; and
- (ii) the vesting or exercise of all Share Grants granted under Other Schemes,

~~(including Options exercised, cancelled and outstanding) to such person~~excluding any Options and Share Grants lapsed or encashed in accordance with the terms of this Scheme or Other Schemes) to such Grantee in the 12-month period up to and including the ~~date of such grant~~ (a) Offer Date representing in aggregate over 0.1%~~per cent~~ of the Shares in issue; and ~~(b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange), such further grant of options~~Options will be subject to the issue of a circular by the Company and approval by the shareholders of the Company in a general meeting at which all connected persons of the Company must abstain from voting in favor at such general meeting, and/or such other requirements ~~prescribed under~~prior approval by the Shareholders in general meeting in accordance with the Listing Rules ~~from time to time~~. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

- (ii) ~~The circular to be issued by the Company to the shareholders of the Company pursuant to Clause 5.6(i) shall contain the following information:~~
 - ~~(a) the details of the number and terms (including the Subscription Price) of the Options to be granted to each selected Participant which must be fixed before the shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the Subscription Price of such Options;~~
 - ~~(b) a recommendation from the independent non-executive Directors (including any non-executive Director who is the grantee of the Options) to the independent shareholders of the Company as to voting;~~
 - ~~(c) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and~~

5.8 In any 12-month period, the maximum number of new Shares allotted and issued (and to be allotted and issued) upon:

- (i) the exercise of all Options granted under this Scheme; and
- (ii) the vesting or exercise of all Share Grants granted under Other Schemes,

(excluding any Options and Share Grants lapsed or encashed in accordance with the terms of this Scheme or Other Schemes) to any individual Participant shall not exceed 1 per cent. of the Shares in issue as at the Offer Date. Where any further grant of Options over new Shares to a Participant under this Scheme would result in the breach of this limit, such grant must be separately approved by Shareholders in general meeting in accordance with the Listing Rules.

5.9 For the avoidance of doubt, the limitations set out in Clauses 5.7 and 5.8 shall apply to Options and Share Grants over new Shares only.

5.10 The Board shall forward to such Participant an offer document in such form as the Board may from time to time determine, among others:

- (a) the Participant's name, address and occupation;
- (b) the ~~information required under Rule 2.17 of the Listing Rules.~~Offer Date;
- (c) the date upon which an Option is deemed to be granted and accepted in accordance with Clauses 5.3 and 5.4;
- (d) the number of Shares in respect of which the Option is offered;
- (e) the Subscription Price and the manner of payment of such price for Shares on and in consequence of the exercise of the Option;
- (f) the date of the notice given by the Grantee in respect of the exercise of the Option; and
- (g) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in Clause 5.4.

6. SUBSCRIPTION PRICE

The Subscription Price in respect of any Option shall be a price determined by the Board in its absolute discretion and notified to a Participant (subject to any adjustments made pursuant to Clause 10) which shall be ~~at least~~ the higher of:-

- (i) the closing price of the Shares ~~on the Stock Exchange~~ as stated in the Stock Exchange's daily quotations sheet on the relevant Offer Date in respect of such Option; and
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five Trading Days immediately preceding the relevant Offer Date in respect of such Options; ~~or~~
- ~~(iii) the nominal value of the Shares,~~

~~provided that for the purpose of determining the Subscription Price, where the Company has been listed for less than five Trading Days, the new issue price shall be used as the closing price for each Trading Day falling within the period before the listing of the Shares on the Stock Exchange.~~

7. EXERCISE OF OPTIONS

7.1 No performance targets are to be achieved before an Option can be exercised. However, the Board or its delegate(s) may at their sole discretion specify, as part of the terms and conditions of any option, such ~~performance~~ other vesting conditions that must be satisfied before the Option can be exercised. If any of the vesting conditions are not satisfied in whole or in part, the Options shall lapse automatically in respect of such proportion or underlying Shares as have not vested with effect from the date on which the vesting conditions are not satisfied.

7.2 The Option Period normally (but not always) ranges from 12 months to 5 years from the Offer Date. In any event, the Option Period may not commence earlier than 12 months from the Offer Date (other than as set out in Clause 7.6) unless otherwise determined by the Remuneration Committee in respect of Options granted to an employee or director of the Group where:

- (i) the Options are to replace the share award(s) the Grantee forfeited when leaving the previous employer and/or as a sign-on incentive;

- (ii) the Grantee's employment, engagement or service is terminated due to death, ill health, serious injury, disability or retirement or upon the occurrence of any out of control event;
- (iii) the Options have performance-based vesting conditions in lieu of time-based vesting conditions;
- (iv) the Options would have been granted earlier but for legal or compliance reasons are made in a subsequent batch and in order to put the Grantees in the same position as they would have been in had the grant of Options been made earlier;
- (v) the Options are granted to retain a key individual who may be at risk of leaving the Group; or
- (vi) the Options have a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months.

7.3 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any Option (save that, for the avoidance of doubt, where permitted by applicable laws and regulations (including the Listing Rules) and subject to the approval of the Stock Exchange, the Grantee may ~~nominate a nominee to hold the Shares to be issued pursuant to the exercise of~~ transfer Options onto a vehicle (such as a trust or a private company) for the sole benefit of such Grantee ~~provided that evidence of such trust arrangement between the Grantee and the nominee shall be provided to the satisfaction of the Company~~ and any family members of such Grantee that would continue to meet the purpose of this Scheme). Any breach of the foregoing by the Grantee shall entitle the Company to cancel any Option granted to such Grantee (to the extent not already exercised).

7.4 An Option may be exercised in whole or in part (but if in part only, in respect of a Board Lot or any integral multiple thereof) in the manner as set out in ~~Clauses 7.3~~ Clauses 7.6 and 7.7 by the Grantee (or his legal personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares to be subscribed. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Auditors or the approved independent financial advisor as the case may be pursuant to Clause 10, the Company shall allot and issue the relevant new Shares to the

Grantee (or his legal personal representative(s) ~~or his nominee~~ referred to in Clause 7.47.3) credited as fully paid and issue to the Grantee (or his legal personal representative(s) ~~or his nominee~~ referred to in Clause 7.47.3) a share certificate in respect of the Shares so allotted.

7.5 Notwithstanding the foregoing, if the Company or any Grantee would or might be prohibited by the Listing Rules or by any other applicable laws, regulations or rules (including any dealing code of the Company) from dealing in the Shares within the period specified above, the date on which the relevant Shares under such Option shall be allotted and issued to the Grantee shall occur as soon as possible after the date when such dealing is permitted.

7.67.3 Subject as hereinafter provided in ~~the~~this Scheme, the Option may be exercised by the Grantee, in accordance with the terms of the ~~grant letter~~Grant Letter referred to in Clause 5.3 and the provisions of this Scheme, at any time or times during the Option Period provided that:-

- (i) in the event of the Grantee ceasing ~~to be an employee, director, agent or consultant of the~~employment, service or engagement with a Group Company or any Subsidiary for any reason other than his death or ~~the termination of his employment, office, agency or consultancy on one or more of the grounds~~any of the reasons specified in Clause 8(iv), the Grantee may exercise ~~the Option up to his entitlement~~any Options already vested at the date of cessation of his employment, office, agency or consultancy service or engagement (to the extent not already exercised) and such vested Options must be exercised within the period of one month following the date of such cessation, which date shall be the last actual working day of his employment, office, agency or consultancy with the Company or the relevant Subsidiary Group Company whether payment in lieu of notice is made or not (if applicable). All other unvested Options and vested but unexercised Options shall lapse;
- (ii) in the event that the Grantee ceases ~~to be an employee, director, agent or consultant of the~~employment, service or engagement with a Group Company or any Subsidiary by reason of death and none of the events which would be a ground for termination of his employment, ~~office, agency or consultancy~~service or engagement under Clause 8(iv) has occurred, the legal personal representative(s) of the Grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise ~~the Option in full~~(any Options (whether vested or unvested and to the extent not already exercised). All unexercised Options shall lapse;

- (iii) if a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all ~~holders of Shares~~Shareholders (or all such ~~holders~~Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror) the Company shall use its best endeavors to procure that such offer is extended to all Grantees (on the same terms *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, ~~shareholders of the Company~~Shareholders). If such offer, having been approved in accordance with applicable laws and regulatory requirements becomes, or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise ~~the Option in full~~ (all Options (whether vested or unvested and to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional. All unexercised Options shall lapse;
- (iv) in the event a notice is given by the Company to its ~~members~~Shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company or an order of the court is made for the winding-up of the Company, the Company shall give notice thereof (“**winding-up notice**”) to all Grantees on the same day as such resolution is passed or order is made. The Grantee (or his legal personal representative(s)) may by notice in writing to the Company within 21 days after the date of the winding-up notice elect to be treated as if ~~the Option~~ (all Options (whether vested or unvested and to the extent not ~~already~~ALREADY exercised) had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the Grantee’s notice, such notice to be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Grantee will be entitled to receive out of the assets available in the liquidation *pailpari passu* with the ~~holders of Shares~~Shareholders such sum as would have been received in respect of the Shares the subject of such election. All other unvested Options shall lapse;
- (v) if, pursuant to the Companies (WUMP) Ordinance or the Companies Act, a compromise or arrangement between the Company and its ~~shareholders~~Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Clause) on the same day as it despatches to each ~~member~~Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or where permitted under

Clause ~~7.3(ii)~~7.6(ii) his legal personal representative(s)) shall be entitled to exercise ~~all or any of~~ his Options (whether vested or unvested and to the extent not already exercised) in whole or in part at any time prior to 12:00 noon on the day immediately preceding the date of the meeting directed to be convened by the relevant Court for the purposes of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse ~~and determine~~. The ~~Directors~~Board shall endeavor to procure that the Shares allotted and issued as a result of the exercise of Options under this Clause ~~7.3(v)~~7.6(v) shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant Court (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court) the rights of Grantees to exercise their ~~respective~~vested Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of ~~the~~this Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

~~7.7.4~~7.7.4 The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment and accordingly shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the other fully paid Shares in issue on the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment.

~~7.5~~ Shares issued upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or any other person) as the holder thereof.

7.8 A Grantee shall have no rights (including but not limited to voting rights and rights to dividend or distributions) in respect of any Shares subject to the Options until the Shares are allotted and issued under the terms of this Scheme.

8. LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) ...
- (ii) the expiry of any of the periods referred to in Clause ~~7.3~~7.6;
- (iii) subject to Clause ~~7.3(iv)~~7.6(iv), the date of the commencement of the winding-up of the Company (as determined in accordance with the ~~CMO~~Companies (WUMP Ordinance) or the Companies Act) or such other applicable law in the jurisdiction in which the winding-up takes place;
- (iv) the date on which the Grantee ceases to be an employee, director, agent or consultant of the Company or any Subsidiary by reason of the termination of his employment, office, agency or consultancy on any one or more grounds that he has been guilty of employment, service or engagement with a Group Company due to serious misconduct, ~~or has been convicted~~conviction of any criminal offence involving his integrity or honesty or (if so determined by the Board or the board of directors of the relevant ~~Subsidiary~~Group Company (as the case may be)) on any other grounds on which an employer or principal would be entitled to summarily terminate his employment, office, agency or consultancy at common law or pursuant to any applicable laws or under the Grantee's service contract, terms of office, or agency or consultancy agreement or arrangement with the Company or terms and conditions of employment, service or engagement with the relevant Subsidiary (as the case may be) Group Company;
- (v) ...
- (vi) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of Clause ~~7.1~~7.3 or the Options are cancelled in accordance with Clause ~~4.5~~16 below.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1 The maximum aggregate number of Shares in respect of which Options may be granted allotted and issued under this Scheme (the "Maximum Number") when aggregated with the maximum number of Shares in respect of any options to be granted under any other share

~~option scheme established by the Company (“another scheme”) (if any) is that number which is equal to~~ which may be allotted and issued or transferred under Other Schemes must not exceed 5 per cent. of the total number of Shares in issue ~~immediately upon completion of the Global Offering (assuming that the over-allotment option is not exercised), provided, however, that, subject as~~ at (a) the 2023 AGM, being 219,688,481 Shares; or (b) the New Approval Date (the “**Scheme Mandate Limit**”). The maximum aggregate number of Shares which may be allotted and issued under this Scheme to Service Providers when aggregated with the maximum number of Shares which may be allotted and issued or transferred to Service Providers under Other Schemes must not exceed 1 per cent. of the total number of Shares in issue as at (a) the 2023 AGM, being 43,937,696 Shares; or (b) the New Approval Date (the “**Service Provider Sublimit**”).

9.2 Subject to compliance with the Listing Rules:

- (i) the Scheme Mandate Limit and the Service Provider Sublimit may be “refreshed” (a) every three years subject to Shareholders’ approval; or (b) within a three-year period with the relevant persons specified in the Listing Rules abstaining from voting on the relevant resolution, with the approval of the Shareholders in general meeting, and in each case, subject to the requirements of the Listing Rules. In any event, the maximum aggregate number of Shares which may be allotted and issued or transferred under this Scheme and under Other Schemes under the limit as “refreshed” shall not exceed 5 per cent. of the Shares in issue at the date of such Shareholders’ approval (the “**New Approval Date**”). Shares in respect of Options granted under this Scheme and awards granted under Other Schemes of the Company (including those outstanding, lapsed or vested, exercised or encashed) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares which may be allotted and issued under this Scheme following the New Approval Date.
- (ii) in calculating whether the Scheme Mandate Limit and/or the Service Provider Sublimit has been exceeded, Options granted under this Scheme and awards granted under Other Schemes which have lapsed or have been encashed shall not be counted.

9.3 Notwithstanding the foregoing, the Company may grant Options to Participants which exceed the Scheme Mandate Limit if:

- (i) separate Shareholders’ approval has been obtained for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before such Shareholders’ approval is sought; and

- (ii) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules.
- ~~(i) the Maximum Number of Shares may be increased or "refreshed", with the approval of the shareholders of the Company in general meeting, up to a maximum of 10 per cent. of the Shares in issue at the date of such shareholders' approval, inclusive of the maximum number of Shares in respect of which options may be granted under another scheme, if any; and~~
- ~~(ii) the Company may obtain a separate approval from its shareholders in general meeting to permit the granting of Options which will result in the number of Shares in respect of all Options granted exceeding the then Maximum Number of Shares provided that such Options are granted only to Participants specifically identified by the Company before shareholders' approval is sought; and~~
- ~~(iii) the total maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other options granted and yet to be exercised under another scheme of the Company shall not exceed 30 per cent. of the Shares in issue from time to time.~~

~~For the avoidance of doubt, (a) in calculating whether the Maximum Number of Shares has been exceeded, Options under the Scheme or options granted under another scheme of the Company which have lapsed in accordance with the terms of the relevant scheme shall not be counted, and (b) if the Maximum Number of Shares is increased or refreshed pursuant to this Clause 9.1, Options granted under the Scheme or another scheme of the Company (including without limitation those outstanding, cancelled or lapsed in accordance with the relevant scheme and those exercised) prior thereto shall not be counted for the purpose of calculating whether the new Maximum Number of Shares has been exceeded.~~

- 9.2 ~~The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of Options in excess of such 1% limit shall be subject to:~~

- ~~(i) the issue of a circular by the Company which shall comply with Rules 17.03(4) and 17.06 of the Listing Rules and/or such other requirements as prescribed under the Listing Rules from time to time; and~~

- (ii) ~~the approval by the shareholders of the Company in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Participant and his Associates abstaining from voting. The numbers and terms (including the exercise price) of Options to be granted to such Participant must be fixed before the approval by the shareholders of the Company and the date of the Board meeting at which the Board proposes to grant the Options to such Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:~~
- ~~(a) the Participant's name, address and occupation;~~
 - ~~(b) the date on which an Option is offered to a Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;~~
 - ~~(c) the date upon which an offer for an Option must be accepted;~~
 - ~~(d) the date upon which an Option is deemed to be granted and accepted in accordance with paragraph (c);~~
 - ~~(e) the number of Shares in respect of which the Option is offered;~~
 - ~~(f) the subscription price and the manner of payment of such price for Shares on and in consequence of the exercise of the Option;~~
 - ~~(g) the date of the notice given by the Grantee in respect of the exercise of the Option; and~~
 - ~~(h) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph (c).~~

9.49.3 The maximum aggregate number of Shares which may be allotted and issued or transferred under this Scheme pursuant to the Scheme Mandate Limit and the Service Provider Sublimit referred to in Clause 9.1 (or as increased in accordance with ~~Clause 9.1(i)~~ Clauses 9.2(a) and/or 9.1(ii)9.3) will be adjusted, in such manner as the Auditors or an independent financial adviser shall confirm in writing to the Board in accordance with Clause 10, in the event of

any alteration in the capital structure of the Company whether by way of ~~capitalization~~capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company ~~but in any event shall not exceed the limit prescribed in Clause 9.1(iii).~~

9.5 For the avoidance of doubt, the provisions of this Clause 9 shall apply to new Shares allotted and issued by the Company and existing Shares transferred by the Trustee.

10. REORGANIZATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer, consolidation, sub-division or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:

- (i) ...
- (ii) the maximum aggregate number of Shares ~~subject to outstanding~~ which may be allotted and issued or transferred in respect of Options granted under this Scheme pursuant to Scheme Mandate Limit and/or the Service Provider Sublimit; and/or
- (iii) ...

as the Auditors or an independent financial adviser shall confirm in writing to the Board that the adjustments satisfy the requirements set out in ~~Rule~~rule 17.03(13) of the Listing Rules or otherwise comply with the Listing Rules or other rules, practices or directions of the Stock Exchange in effect from time to time (other than any adjustment made on a capitalization issue, in which case such adjustment shall be made as the Board shall consider to be in its opinion fair and reasonable). Subject to the foregoing, any adjustment shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company for which any Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments but not greater than that to which he was entitled before such adjustment, but so that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments (rounded to the nearest whole Shares). The capacity of

the Auditors or the independent financial adviser (as the case may be) in this Clause 10 is that of experts and not of arbitrators and their certification shall be final and conclusive and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser shall be borne by the Company.

11.40.2 SHARE CAPITAL

The exercise of any Option shall be subject to the ~~shareholders of the Company~~ Shareholders in general meeting approving any necessary increase in the authorized share capital of the Company. Subject thereto, the Board shall make available sufficient authorized but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

12.4. DISPUTES

Any dispute arising in connection with ~~the~~ this Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Board in the first instance, which decision shall, in the absence of manifest error, be final and binding on the Company, the Grantee. Should the Board, in its sole discretion, decide, any dispute referred to it may subsequently be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantee. In such cases, the costs of the Auditors shall be shared equally between the Company and the relevant Grantee.

13. MALUS AND CLAWBACK

13.1 If circumstances occur which, in the reasonable opinion of the Board, justify a reduction to the Option, the Board may in its discretion at any time before the Option is exercised determine that the number of Shares in respect of which the Option is granted shall be reduced to such number (including to nil) as the Board considers appropriate in the circumstances.

13.2 If circumstances occur which, in the reasonable opinion of the Board, justify a reduction in respect of the Shares that have already been exercised and transferred, then the Board may in its discretion determine (acting fairly and reasonably) that the Grantee should repay to the Company (whether by redemption or repurchase of relevant Shares, payment of cash proceeds or deductions from or set offs against any amounts owed to the Grantee by the relevant Group Company) an amount equal to the benefit, calculated on an after-tax basis, that the Grantee received, provided that the Board may, at its discretion, determine that a lesser amount should be repaid. Each Grantee shall be deemed to undertake, as a condition of

participation in this Scheme, to do all things necessary to complete the redemption or repurchase of relevant Shares or pay cash in order to comply with this Clause 13 and to expressly authorise deductions from or set offs against any amounts owed to the Grantee by the relevant Group Company.

13.3 The circumstances in which the Board may consider that it is appropriate to exercise its discretion under Clauses 13.1 and 13.2, may, without limitation, include the following:

- (i) a material misstatement or restatement in the audited financial accounts of any Group Company (other than as a result of a change in accounting practice);
- (ii) the negligence, fraud or serious misconduct of a Grantee which results in or is reasonably likely to result in:
 - (a) significant reputational damage to any Group Company (or to a relevant business unit of any Group Company);
 - (b) a material adverse effect on the financial position of any Group Company (or to a relevant business unit of any Group Company); or
 - (c) a material adverse effect on the business opportunities and prospects for sustained performance or profitability of any Group Company (or to a relevant business unit of any Group Company); or
- (iii) the Grantee being employed or engaged by any Group Company (or the relevant unit of any Group Company) that suffers:
 - (a) significant reputational damage;
 - (b) a material adverse effect on its financial position; or
 - (c) a material adverse effect on its business opportunities and prospects for sustained performance or profitability.

~~14.12.~~ ALTERATION OF ~~THE~~THIS SCHEME

~~12.1 The Scheme may be altered in any respect by resolution of the Board except that:~~

14.1 Save as provided in this Clause 14, the Board may alter any of the terms of this Scheme at any time, including but not limited to the method by which a Participant accepts the Options, and such other minor amendments to benefit the administration of this Scheme, provided that such alterations comply with the requirements of the Companies Act and the Listing Rules, to the extent applicable except that:

- (i) any alteration to the advantage of the Grantees or the Participants (as the case may be) in respect of matters contained in Rule 17.03 of the Listing Rules; ~~and~~ or any material alteration to the terms and conditions of this Scheme shall be subject to the approval of the Shareholders in general meeting. The Board's determination as to whether any proposed alteration to the terms and conditions of this Scheme is material shall be conclusive; and
- (ii) any ~~material alteration to the terms and conditions of the Scheme or~~ any change to the terms of Options granted (save where the alterations take effect automatically under the existing terms of ~~the~~this Scheme) shall be subject to approval of the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

~~shall be subject to the approval of the shareholders of the Company in general meeting, provided that no such alteration shall operate to adversely affect the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the shareholders of the Company under the Regulations for the time being of the Company for a variation of the rights attached to the Shares.~~

~~14.2~~ 14.2 After any alteration, the amended terms of ~~the~~this Scheme must comply with Chapter 17 of the Listing Rules.

14.3 Unless otherwise specified by the Board, amendments to the terms of this Scheme shall only affect the Options which are granted after the date of such amendments and shall not affect any Options which have already been granted.

~~14.4~~ ~~12.3~~ Any change to the authority of the Board in relation to any alteration to the terms of ~~the~~this Scheme shall be subject to the approval of the ~~shareholders of the Company~~Shareholders in general meeting.

15.13. TERMINATION

The Company by resolution in general meeting or the Board may at any time terminate ~~the~~this Scheme and in such event no further Options will be offered but the provisions of ~~the~~this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior thereto or otherwise as may be required in accordance with the provisions of ~~the~~this Scheme. All Options granted prior to such termination but not yet exercised at the time of such termination shall continue to be valid and exercisable in accordance with the terms of ~~the~~this Scheme.

16.14. CANCELLATION OF OPTIONS

Subject to Clause ~~7.1~~7.3, any cancellation of Options granted but not exercised due to legal, regulatory, compliance restrictions shall be subject to approval by the Board. For the avoidance of doubt, such approval by the Board is not required in the event any Option is cancelled pursuant to Clause ~~7.1~~7.3. Where any Option is cancelled and new Option is intended to be granted to the same Participant, ~~the~~this Scheme must have available unissued options (excluding the cancelled Option(s)) within the ~~Maximum Number~~Scheme Mandate Limit and the Service Provider submit as mentioned in Clauses 9.1, ~~9.2 and 9.3~~.

17.15. MISCELLANEOUS

~~17.15.1~~ ~~The~~This Scheme shall not form part of any contract of ~~appointment or employment, service or engagement~~ between ~~the a group Company or any Subsidiary~~ and any Participant and the rights and obligations of any Participant under the terms of his office, employment, agency or consultancy shall not be affected by his participation in ~~the~~this Scheme or any right which he may have to participate in it and ~~the~~this Scheme shall afford such a Participant no additional rights to compensation or damages in consequence of the termination of such office, employment, agency or consultancy for any reason.

17.2 Participation in this Scheme shall be at the Board's absolute discretion and neither participation in this Scheme nor the offer of an Option pursuant to this Scheme shall create any right to or expectation of any future participation or offer under this Scheme or any other share schemes of the Company or the Group.

~~17.345.2~~ ~~The~~ This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against ~~the~~ any Group Company or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against ~~the~~ Group Company or any Subsidiary.

~~17.445.3~~ The Company shall bear the costs of establishing and administering ~~the~~ this Scheme.

~~17.545.4~~ A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to ~~holders of Shares~~ Shareholders at the same time or within a reasonable time of any such notices or documents being sent, which shall be made available to him during normal office hours at the Company's principal place of business in Hong Kong.

~~17.645.5~~ Any notice, documents or other communication between the Company and a Grantee shall be in writing and may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong at ~~2406-07 Man Yee Building, 68 Des Voeux Road~~ Suites 2905-06, Two Exchange Square, 8 Connaught Place, Central, Hong Kong or such other address as notified in writing to the Grantee (and marked for the attention of the ~~Company Secretary~~ company secretary or as notified to the Grantees from time to time) and, in the case of the Grantee, his address as notified to the Company from time to time.

~~17.745.6~~ Any notice or other communication served:

(i) ...

(ii) ...

17.8 This Scheme (and other documents relating to this Scheme) does not constitute an offer or invitation to the public within the meaning of the Companies (WUMP) Ordinance or the Securities and Futures Ordinance. Shares offered in relation to this Scheme (and any such documents) may not be offered or sold in Hong Kong by means of any document, except in circumstances which do not result in the document being a "prospectus" as defined in the Companies (WUMP) Ordinance or which do not constitute an offer to the public within the meaning of that Ordinance.

17.9 No person may issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to Shares offered in relation to this Scheme, which is directed at, or the contents of which are likely to be accessed or read

by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong.

Any liability of a Grantee to tax or social security contributions in respect of an Option shall be for the account of the Grantee and the allotment and issue of Shares pursuant to the exercise of his Option shall be conditional on the Grantee complying with any arrangements specified by the Company for the payment of any tax and social security contributions, including, without limitation, authorising:

- (i) the Company to sell on behalf of the Grantee, a sufficient number of the Shares allotted and issued to the Grantee pursuant to the exercise of his Option to satisfy any tax and social security contribution liability; or
- (ii) the Company to withhold the amount of any tax and social security contribution liability from remuneration or other amounts owing to the Grantee.

17.10 A Grantee shall pay all tax and discharge all other liabilities to which such Grantee may become subject as a result of his participation in this Scheme or the exercise of any Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or filing or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme. A Grantee shall, on demand, indemnify the Company in full against all claims and demands which may be made against any Group Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to above or to pay tax or other liabilities referred to above and against all incidental costs and expenses which may be incurred by the any Group Company.

17.11~~15.7~~ All allotments and issuances of Shares pursuant to ~~the~~this Scheme shall be subject to any necessary consent under the relevant laws, enactments or regulations for the time being to which the Company is subject. A Grantee shall be responsible for obtaining any governmental or other official consent or filing that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. ~~The Company shall not be responsible for any failure by a Grantee to obtain any such consent or filing or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.~~

17.12~~15.8~~ The Board shall have the power from time to time to make or vary regulations for the administration and operation of ~~the~~this Scheme, provided that the same are not inconsistent with the provisions of ~~the~~this Scheme.

17.13 The Board shall be entitled to establish such arrangements as it deems reasonably necessary with respect to the mechanisms to implement the vesting and exercise of Options and the related registration, recording and reporting matters to ensure that the Grantees and the Company can comply with all applicable securities, foreign exchange and tax regulations of all relevant jurisdictions. Each Grantee shall authorise the Company to establish all necessary brokerage and other accounts on the Grantee's behalf and shall provide to the Company such information as the Board deems necessary in connection with the Company's and the Grantee's compliance with the foregoing obligations.

17.14 If any provision of this Scheme or its application to any person or in any circumstances is illegal, invalid or unenforceable to any extent, such illegality, invalidity or unenforceability shall not prejudice the effectiveness of the remainder of this Scheme or the application of such provision to other persons or in other circumstances and each other provision of this Scheme shall be legal, valid and enforceable to the fullest extent permitted by law.

17.15~~17.15.9~~The This Scheme and all Options granted hereunder shall be governed by and construed in accordance with Hong Kong law.

The following are the proposed amendments to the Long Term Incentive Scheme. Unless otherwise specified, clauses referred to below are clauses of the Long Term Incentive Scheme. If the numbering of the clauses of the Long Term Incentive Scheme is changed due to addition, deletion or re-arrangement of certain clauses made in the proposed amendments, the numbering of the clauses of the Long Term Incentive Scheme as amended shall be changed accordingly.

The Long Term Incentive Scheme is prepared in English with no official Chinese version. The Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

1. DEFINITIONS

1.1 In ~~the~~ this Scheme the following expressions have the following meanings:

<u>“2023 AGM”</u>	<u>means the annual general meeting of the Shareholders held on 7 June 2023;</u>
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...

“Adoption Date”	means 2 June 2021 (the date on which the <u>this</u> Scheme is conditionally adopted by an ordinary resolution of the Shareholders of the Company);
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“Applicable Period”	has the meaning given to it in Clause 9.5;
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“Associate”	shall have the meaning ascribed to it in Rule 1.01 of Chapter 1 of the Listing Rules in relation to any director, chief executive <u>of the Company</u> or substantial Shareholder (being an individual);
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<u>“Auditors”</u>	<u>means the auditors for the time being of the Company;</u>
-------------------	--

...

“Auditors”	means the auditors for the time being of the Company;
-----------------------	--

...

“CMO”	means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended from time to time;
...	
“Company”	means ESR Cayman Group Limited, a company incorporated in the Cayman Islands with limited liability;
“Companies Act”	means the Companies Act of Cayman Islands (as amended <u>and restated</u> from time to time);
“Companies (WUMP) Ordinance”	means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter Cap. 622 of the Laws of Hong Kong) as amended <u>and restated</u> from time to time;
<u>“connected person”</u>	<u>has the meaning ascribed to it in the Listing Rules;</u>
...	
“Grantee”	means any Participant who accepts the offer of the grant of any Award in accordance with the terms of the <u>this</u> Scheme or (where the context so permits) a person who is entitled to any such Award in consequence of the death of the original Grantee;
“Group”	means the Company and its Subsidiaries (<u>as defined in Companies (WUMP) Ordinance</u>);
<u>“Group Company”</u>	<u>means a member of the Group;</u>
...	
<u>“manual trade”</u>	<u>means the acquisition or disposal of Shares through trade(s) concluded by private negotiations by exchange participant(s) and not by automatic matching of orders on the Orion Trading Platform — Securities Market (OPT-C) or similar trading platforms of the Stock Exchange in accordance with the Listing Rules and any other applicable laws, rules and regulations;</u>

...

~~“Maximum~~ has the meaning given to it in Clause ~~9.1~~9.2(a);
~~Number~~New
~~Approval Date”~~

...

“on-market purchase” means the acquisition of Shares through trade(s) concluded by the automatic matching of orders on the Orion Trading Platform — Securities Market (OPT-C) or similar trading platforms of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations;

“Other Scheme” means any other share option or share award scheme of the Company which came into effect on or after the Company’s listing;

“Participant” means any individual being an employee, executive director, and non-executive director (including an independent non-executive director); ~~agent or consultant of the Company or its Subsidiary who the Board considers, in its absolute discretion, have contributed or will contribute to~~ or Service Provider of the Group;

“Post-IPO Share Option Scheme” means the share option scheme which was adopted by the Company ~~on 12 October 2019~~;

...

“Remuneration Committee” means the duly constituted remuneration committee of the Board;

...

“Scheme Mandate Limit” has the meaning given to it in Clause 9.1;

<u>“Service Provider”</u>	<u>means an individual consultant, individual independent contractor, or individual self-employed contractor who provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to the provision of construction, property management, design, real estate brokerage, business integration and business transformation services (but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity);</u>
<u>“Service Provider Sublimit”</u>	<u>has the meaning given to it in Clause 9.1;</u>
...	
<u>“Share(s)”</u>	<u>means shares of US\$0.001 each in the share capital of the Company (or of such other nominal amount as may result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time) and “new Share(s)” means the new Shares that are allotted and issued by the Company and “existing Share(s)” means the existing Shares acquired by the Trustee through on-market purchases or manual trades;</u>
<u>“Share Grants”</u>	<u>means the grant of share awards and/or options over new Shares under Other Schemes and which is governed by Chapter 17 of the Listing Rules;</u>
...	
<u>“substantial Shareholder”</u>	<u>shall have the meaning ascribed to it in the Listing Rules;</u>
<u>“Subsidiary Term”</u>	<u>has the meaning ascribed thereto in section 15 of the CMO; and given to it in Clause 4.1;</u>

...

1.2 ...

1.3 ...

1.4 ...

1.5 ...

(a) ...

(b) ...

1.6 Clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of ~~the~~this Scheme. References herein to Clauses are to clauses of ~~the~~this Scheme.

2. PURPOSES OF THE SCHEME

The purpose of this Scheme is to attract skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

3. CONDITIONS

3.1 This Scheme shall take effect subject to and is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be allotted and issued pursuant to the vesting of Awards under ~~the~~this Scheme; and
- (b) the passing of the necessary resolution to adopt and approve ~~the~~this Scheme by the Shareholders ~~of the Company~~ and to authorise the Board to grant Awards pursuant to this Scheme and to allot and issue or otherwise deal with Shares in connection with this Scheme.

3.2 If any of the above conditions in **Clause 3.1** are not satisfied within 30 days from the Adoption Date:

- (a) ~~the~~this Scheme shall forthwith ~~determine~~terminate;
- (b) any Award granted or agreed to be granted pursuant to ~~the~~this Scheme and any offer of such a grant shall be of no effect; and
- (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of ~~the~~this Scheme or any Award granted thereunder.

4. DURATION AND ADMINISTRATION

4.1 Subject to **Clause 1314**, ~~the~~this Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date (the “Term”), after which period no further Awards will be offered but the provisions of ~~the~~this Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of ~~the~~this Scheme. Awards granted during the Term shall continue to be valid in accordance with their terms of grant after the end of the Term.

4.2 ~~The~~This Scheme shall be subject to the administration of the Board and its delegate whose decision as to all matters arising in relation to ~~the~~this Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties. The Board shall have the right to (a) interpret and construe the provisions of this Scheme; (b) determine the persons (if any) who shall be granted Awards pursuant to this Scheme; (c) determine the terms on which Awards are granted; (d) determine the number of Shares to be granted under each Award; (e) subject to **Clauses 10 and 1213**, make such adjustments to the terms of this Scheme and to the terms of Awards granted pursuant to this Scheme as the Board deems necessary provided that it shall notify the relevant Grantee(s) of such adjustment(s) by written notice; and (f) make such other decisions or determinations as it shall deem appropriate in relation to the Awards and/or the administration of this Scheme provided that the same are not inconsistent with the provisions of this Scheme.

4.3 ...

4.4 The Company may appoint the Trustee to assist with the administration and vesting of Awards granted pursuant to this Scheme and to assist in the setting up of a trust to hold Shares which will be used for the satisfaction of Awards. The Company may to the extent

permitted by the Companies Act and the Listing Rules (a) allot and issue Shares to the Trustee to be held by the Trustee pending the vesting of the Awards granted and which will be used to satisfy the Awards upon vesting and/or (b) direct and procure the Trustee to make on-market purchases ~~of Shares~~ or manual trades to satisfy the Awards upon vesting. The Company shall to the extent permitted by the Companies Act provide sufficient funds to the Trustee by whatever means as the Board may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration and vesting of Awards.

5. GRANT OF AWARDS

5.1 On and subject to the terms of ~~the~~ this Scheme, the Board shall be entitled at any time and from time to time ~~within 10 years after~~ during the ~~Adoption Date~~ Term to grant to any Participant as the Board may in its absolute discretion select and subject to such conditions (including but not limited to imposition of any performance-based and/or time-based vesting conditions) as the Board may think fit (being a Board Lot or an integral multiple thereof).

5.2 The Board shall not grant any Award to any Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until (and including) the Trading Day after such price sensitive information has been published or disclosed in accordance with the requirements of the Listing Rules. In particular, no Awards may be granted during the period commencing one month immediately preceding the earlier of:

(a) ...

(b) ...

and ending on the date of actual publication of the results announcement, and where an Award is granted to a director or to any Participant who, because of his office or employment or other relationship with the Group or any Group Company, is likely to be in possession of unpublished insider information in relation to the Shares:

(c)(a) notwithstanding **Clauses 5.2(a) and 5.2(b)** above, no Awards shall be granted on any day on which the financial results of the Company are published and during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(d)(b) ...

5.3 ~~A Grant~~An award shall be made to a Participant by a Grant Letter or in such form as the Board may from time to time determine specifying among other things:

(a) ...

(b) ...

(c) ...

(d) ~~any~~the relevant vesting conditions (including but not limited to any performance-based or time-based vesting conditions);

(e) ...

(f) ...

(g) ...

and further requiring the Participant to undertake to hold the Award on the terms and conditions on which it is to be granted and to be bound by the provisions of ~~the~~this Scheme. Such offer shall be personal to the Participant concerned and shall not be transferable.

5.4 The Board may, in its absolute discretion, determine whether the whole or any part of the Award granted or to be granted under ~~the~~this Scheme shall be satisfied upon vesting by the allotment and issue or transfer of Shares or by a Cash Payment. Any such determination may be made on a case-by-case basis or generally at any time on or around the ~~grant~~Offer date or relevant Vesting Date of the Award in question, and the Board shall notify the relevant Grantees of such determination.

5.5 ...

5.6 The Company may require the Grantee to remit HK\$1.00 (or such equivalent in another currency as the Board may specify) to the Company as consideration for the grant. Such remittance may be made by way of a deduction through payroll as authorised by the Grantee and shall not be refundable in any circumstances.

5.7 ...

5.8 Any Award granted to a Participant who is a Director, chief executive of the Company or substantial Shareholder (or any of their respective Associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Award).

5.9 In any 12-month period, the maximum number of new Shares allotted and issued (and to be allotted and issued) upon:

(a) the vesting of all Awards granted under this Scheme; and

(b) the vesting or exercise of all Share Grants made under Other Schemes,

(excluding any Awards and Share Grants lapsed or encashed in accordance with the terms of this Scheme or Other Schemes) to any individual Participant shall not exceed 1 per cent. of the Shares in issue for the time being. Where any further grant of Awards over new Shares to a Participant under this Scheme would result in the breach of this limit, such grant must be separately approved by Shareholders in general meeting in accordance with the Listing Rules.

~~5.8 Any Award made to a director, chief executive or substantial Shareholder (as defined in the Listing Rules) (other than an independent non-executive director) of the Company or any of their respective Associates must first be approved by the remuneration committee of the Company (excluding any director of the Company who is the proposed Grantee of the Award), and all grants to connected persons shall be subject to compliance with the requirements of the Companies Act and the Listing Rules, including where necessary the prior approval of the Shareholders.~~

5.10 Where any Award granted to a Participant who is a Director or chief executive of the Company (or any of their respective associates) would result in the new Shares allotted and issued (and to be allotted and issued) upon:

(a) the vesting of all Awards granted under this Scheme; and

(b) the vesting of all Share Grants (but excluding share options, if any) granted under Other Scheme,

excluding any Awards and Share Grants (other than share options) lapsed or encashed in accordance with the terms of this Scheme or Other Schemes) to such person in the 12-month period up to and including the Offer Date representing in aggregate over 0.1 per cent. of the

Shares in issue, such further grant of Awards over new Shares under this Scheme shall be subject to prior approval by the Shareholders in general meeting in accordance with the Listing Rules.

5.11 Where any Award granted to a Participant who is a substantial Shareholder (or any of his respective associates) would result in the new Shares allotted and issued (and to be allotted and issued) upon the:

(a) vesting of all Awards granted under this Scheme; and

(b) vesting or exercise of all Share Grants granted under Other Schemes,

(excluding any Awards and Share Grants lapsed or encashed in accordance with the terms of this Scheme or Other Schemes) to such person in the 12-month period up to and including the Offer Date representing in aggregate over 0.1 per cent. of the Shares in issue, such further grant of Awards over new Shares under this Scheme shall be subject to prior approval by the Shareholders in general meeting in accordance with the Listing Rules.

5.12 For the avoidance of doubt, the limitations set out in Clauses 5.9 to 5.11 shall apply to Awards and Share Grants over new Shares only.

6. VESTING OF ~~AWARDS~~AWARDS

6.1 Subject to and in accordance with the terms of this Scheme and the specific terms applicable to each Award, an Award shall vest on the relevant Vesting Date(s) specified under the Grant Letter, which for Awards satisfied with new Shares normally (but not always) ranges from 12 months to 5 years from the Offer Date. If The vesting of an Award-RSUs is subject to time-based vesting conditions only. The vesting of PSUs is subject to the satisfaction of achievement of objective performance-based, time-based and/or other conditions and such vesting conditions which shall be detailed in the Grant Letter. Performance-based vesting conditions include market and non-market targets that serve to drive overall long-term value creation for the Group and which align participants' interests with those of the Shareholders. Examples of performance-based vesting conditions which may be applied include but are not limited to total shareholders' return, return on capital, earnings per share, EBITDA and total assets under management. Performance-based vesting conditions are established at the beginning of each performance period and are reviewed annually to ensure they remain relevant. Subject to the provisions of Clause 13.1(b) and to the extent allowable under relevant law or regulatory restrictions, the Board may, at its sole discretion, vary, waive or amend any such performance-based vesting conditions or may impose entirely different

performance-based vesting conditions to those specified in the Grant Letter. If any of the vesting conditions are not satisfied in whole or in part, the Award shall lapse automatically in respect of such proportion of underlying Shares as have not vested with effect from the date on which the vesting conditions are not satisfied.

6.2 The Vesting Date for an Award satisfied by new Shares may not be earlier than 12 months after the Offer Date (other than as set out in Clauses 7.1(a), 7.1(b) and 7.1(c)), unless otherwise determined by the Remuneration Committee in respect of an Award granted to an employee or director of the Group where:

- (a) the Award is to replace the share award(s) the Grantee forfeited when leaving the previous employer and/or as a sign-on incentive;
- (b) the Grantee's employment, engagement or service is terminated due to death, ill health, serious injury, disability or retirement or upon the occurrence of any out of control event;
- (c) the Award has performance-based vesting conditions in lieu of time-based vesting conditions;
- (d) the Award would have been granted earlier but for legal or compliance reasons are made in a subsequent batch and in order to put the Grantees in the same position as they would have been in had the grant of Awards been made earlier;
- (e) the Award is granted to retain a key individual who may be at risk of leaving the Group; or
- (f) the Award has a mixed or accelerated vesting schedule such as where the Award may vest evenly over a period of 12 months.

6.36.2 Subject to **Clause 14.815.10**, Awards which have vested shall be satisfied as soon as practicable on or after the relevant Vesting Date and in any event by no later than 30 days following the relevant Vesting Date, at the Company's absolute discretion by:

- (a) the Company allotting and issuing the relevant number of new Shares to the Grantee credited as fully paid; or
- (b) the Company directing and procuring the Trustee to transfer to the Grantee the relevant number of existing Shares; or

- (c) the Company paying or procuring the payment of a Cash Payment to the Grantee (and the Company may in its discretion pay or procure the payment of the Cash Payment in Hong Kong dollars or the equivalent in the Grantee's local currency (converted on the basis of such exchange rate as the Company may in its discretion determine)).

6.46.3...

6.56.4The Shares to be allotted and issued or transferred (as the case may be) upon the vesting of Awards will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the other fully paid Shares in issue on the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment.

6.66.5A Grantee shall have no rights (including but not limited to voting rights and rights to dividend or distribution) in respect of any Shares subject to an Award until the Shares are allotted and issued or transferred to him (as the case may be) under the terms of this Scheme.

6.76.6An Award shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Award, (save that, for the avoidance of doubt, ~~the Grantee may nominate a nominee to hold the Shares to be issued pursuant to the vesting of an Award on trust~~where permitted by applicable laws and regulations (including the Listing Rules) and subject to the approval of the Stock Exchange, the Grantee may transfer Awards to a vehicle (such as a trust or a private company) for the sole benefit of such Grantee provided that evidence of such trust arrangement between the Grantee and the nominee shall be provided to the satisfaction of the Company) and any family members of such Grantee that would continue to meet the purpose of this Scheme. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any Award granted to such Grantee (to the extent not already vested).

6.86.7Notwithstanding **Clause 6.66.7** above, Awards may be transferred by will or by the laws of testacy and distribution upon the death of a Grantee. The terms of this Scheme and the Grant Letter shall be binding upon the executors, administrators, legal personal representatives, heirs, successors and permitted assigns and transferees of the Grantee.

7. CORPORATE EVENT

7.1 ...

(a) ...

(b) a notice is given by the Company to its ~~members~~Shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company or an order of the court is made for the winding-up of the Company, the Company shall give notice thereof to all Grantees on the same day as such resolution is passed or order is made. At the sole and absolute discretion of the Board, any part of an Award which has not yet vested shall be accelerated in whole or in part (as specified in the Grantee's notice) immediately before the passing of such resolution, whereupon the Grantee will be entitled to receive out of the assets available in the liquidation *pari passu* with the Shareholders such sum as would have been received in respect of the Shares the subject of such election. Any part of an Award which has not been accelerated shall lapse immediately;

(c) a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Ordinance or the Companies Act, the Company shall give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Clause) on the same day as it dispatches to each ~~member~~Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon any part of an Award which has not yet vested may be accelerated in whole or in part at any time prior to the day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement. Upon such compromise or arrangement becoming effective, all Awards shall, to the extent that they have not accelerated, lapse immediately. The Board shall endeavour to procure that the Shares allotted and issued as a result of the vesting of Awards (or any part thereof) under this **Clause 7.1(c)** shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of Grantees shall with effect from the date of the making of the order by the court be restored in full and all prior acceleration and lapse of the Awards shall be reversed and

the Awards shall continue to vest in accordance with the original vesting schedule (but subject to the other terms of ~~the~~this Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid acceleration, lapse and reversal.

- 7.2 The number of Shares in respect of which any Award is accelerated or vests pursuant to this **Clause 7** (if any) and the date or dates on which any such vesting will occur shall be determined by the Board in its absolute discretion by reference to factors which may include (a) the extent to which any performance or other conditions to vesting have been satisfied as at the relevant event and (b) the proportion of the period from the Offer date~~Date of the grant~~ to the normal Vesting Date that has elapsed as at the relevant event.

8. LAPSE OF AWARD

- 8.1 Unless otherwise determined by the Board in its sole and absolute discretion, Awards (or any part thereof) which have not vested shall lapse automatically on the earliest of:
- (a) ~~the date on which the Grantee ceases to be an employee, director, agent or consultant of the Company or any Subsidiary by reason of the termination of his employment, office, agency or consultancy on any one or more grounds of~~service or engagement with a Group Company due to serious misconduct by the Grantee, or if the Grantee has been convicted, conviction of any criminal offence involving his integrity or honesty or (if so determined by the Board or the board of directors of the relevant SubsidiaryGroup Company (as the case may be)) on any other grounds on which an employer or principal would be entitled to summarily terminate his employment, office, agency or consultancy at common law or pursuant to any applicable laws or under the Grantee's service contract, terms of office, or agency or consultancy agreement or arrangement with the Company or terms and conditions of employment, service or engagement with the relevant Subsidiary (as the case may be)Group Company;
 - (b) ...
 - (c) the date on which the Board shall exercise the Company's right to cancel an Award (or any part thereof) at any time after the Grantee commits a breach of **Clause 6.66.7** or the Award (or any part thereof) is cancelled in accordance with **Clause 8.4** below; ~~or~~

- (d) in respect of an Award which is subject to performance or other vesting condition(s), the date on which the condition(s) to vesting of the Award is not satisfied (save that the Award shall lapse only in respect of such proportion of underlying Shares as have not vested because of the application of such performance or other vesting condition(s); or
- (e) ...
- 8.2 The Board shall have the right to determine whether the Grantee's employment, ~~office, agency, or consultancy~~ service or engagement has been terminated for the reasons set out in **Clause 8.1(a)** above, the effective date of such termination and such determination by the Board shall be final and conclusive.
- 8.3 If the Grantee's employment, service or engagement with a ~~member of the Group Company~~ is terminated for any reason other than the reasons set out in **Clause 8.1(a)** above (including due to resignation, retirement, death, disability or non-renewal of the employment or service agreement (or equivalent) upon its expiration) prior to the vesting of any Award, the Board shall determine in its absolute discretion whether any unvested Award shall vest, the extent to which it shall vest and when such Award (or part thereof) shall vest. If no such determination is made, the Award shall lapse with effect from date on which the Grantee's employment, service or engagement is terminated. To the extent that the Board determines that such Award shall not vest, such Award shall lapse automatically with effect from such termination date.
- 8.4 The Board may at any time cancel any Award previously granted but which have not yet vested due to legal, regulatory, compliance restrictions and may, at its discretion, make a grant of new Award to the same Grantee. Where an Award is cancelled and a new Award is intended to be granted to the same Participant, ~~the~~ this Scheme must have available unissued Shares (excluding the cancelled Shares(s)) within the ~~Maximum Number~~ Scheme Mandate Limit and the Service Provider Sublimit as mentioned in **Clauses 9.29.1**.

9. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER ~~THE~~ THIS SCHEME

- 9.1 The maximum aggregate number of Shares ~~in respect of~~ which Awards may be ~~granted~~ allotted and issued or transferred under ~~the~~ this Scheme (the "**Maximum Number**") when aggregated with the maximum number of Shares ~~in respect of share options to be granted under the Post-IPO Share Option Scheme is that number which is equal to~~ which may be allotted and issued or transferred under Other Schemes must not exceed 5 per cent. of the total number of Shares in issue as at (a) the 2023 AGM, being 219,688,481 Shares on the Adoption Date provided, however, that,; or (b) the New Approval Date (the "**Scheme Mandate Limit**")). The maximum aggregate number of Shares which may be allotted and

issued or transferred under this Scheme to Service Providers when aggregated with the maximum number of Shares which may be allotted and issued or transferred under Other Schemes to Service Providers must not exceed 1 per cent. of the total number of Shares in issue as at (a) the 2023 AGM, being 43,937,696 Shares; or (b) the New Approval Date (the “**Service Provider Sublimit**”).

~~9.29.1~~ Subject to compliance with the Listing Rules:

- ~~(a) the Maximum Number of Shares may be increased or “refreshed”, with the approval of the Shareholders in general meeting, up to a maximum of 10 per cent. of the Shares in issue at the date of such Shareholders’ approval, inclusive of the maximum number of Shares in respect of which share options may be granted under the Post-IPO Share Option Scheme; and~~
- ~~(b) the Company may obtain a separate approval from its Shareholders in general meeting to permit the granting of Awards which will result in the number of Shares in respect of all Awards granted exceeding the then Maximum Number of Shares provided that such Awards are granted only to Participants specifically identified by the Company before Shareholders’ approval is sought.~~

~~9.2 For the avoidance of doubt, (a) in calculating whether the Maximum Number of Shares has been exceeded, Awards under this Scheme and share options granted under the Post-IPO Share Option Scheme which have lapsed in accordance with the terms of the relevant scheme or which have been satisfied by the making of a Cash Payment shall not be counted, and (b) if the Maximum Number of Shares is increased or refreshed pursuant to this Clause 9.1, Awards granted under this Scheme or share options granted under the Post-IPO Share Option Scheme (including without limitation those outstanding, cancelled in accordance with the relevant scheme and those which have vested) prior thereto shall not be counted for the purpose of calculating whether the new Maximum Number of Shares has been exceeded.~~

- (a) the Scheme Mandate Limit and the Service Provider Sublimit may be “refreshed” (a) every three years subject to Shareholders’ approval; or (b) within a three-year period with the relevant persons specified in the Listing Rules abstaining from voting on the relevant resolution, with the approval of the Shareholders in general meeting, and in each case, subject to the requirements of the Listing Rules. In any event, the maximum aggregate number of Shares which may be allotted and issued or transferred under this Scheme and under Other Schemes under the limit as “refreshed” shall not exceed 5 per cent. of the Shares in issue at the date of such Shareholders’ approval (the “**New Approval Date**”). Shares in respect of Awards granted under this Scheme and awards

granted under Other Schemes of the Company (including those outstanding, lapsed or vested, exercised or encashed) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares which may be allotted and issued or transferred under this Scheme following the New Approval Date.

- (b) in calculating whether the Scheme Mandate Limit and/or the Service Provider Sublimit has been exceeded, Awards granted under this Scheme and awards granted under Other Schemes which have lapsed or have been encashed shall not be counted.

9.3 Notwithstanding the foregoing, the Company may grant Awards to Participants which exceed the Scheme Mandate Limit if:

- (a) separate Shareholders' approval has been obtained for granting Awards beyond the Scheme Mandate Limit to Participants specifically identified by the Company before such Shareholders' approval is sought; and
- (b) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules.

9.49.3 The maximum aggregate number of Shares which may be allotted and issued or transferred under this Scheme pursuant to the Scheme Mandate Limit and the Service Provider Sublimit referred to in **Clause 9.1** (or as increased in accordance with **Clauses 9.1(a)9.2(a)** and/or **9.1(b)9.3**) will be adjusted, in such manner as the Auditors or an independent financial adviser shall confirm in writing to the Board in accordance with **Clause 10**, in the event of any alteration in the capital structure of the Company whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company.

9.5 For the avoidance of doubt, the provisions of this Clause 9 shall apply to new Shares allotted and issued by the Company and existing Shares transferred by the Trustee.

~~9.4 If the Company proposes to grant Awards during the period between one annual general meeting and the subsequent annual general meeting of the Company which may be satisfied by the Company allotting and issuing new Shares upon the vesting of the Awards, the Company shall, at the annual general meeting of the Company, propose for the Shareholders to consider and, if thought fit, approve an ordinary resolution granting a mandate specifying:~~

- ~~(a) the maximum number of new Shares in respect of which Awards may be granted during the Applicable Period; and~~

- (b) ~~that the Board has the power to allot, issue and deal with Shares in respect of which Awards are granted during the Applicable Period as and when the Awards vest.~~

9.5 ~~The mandate referred to in Clause 9.4 shall remain in effect during the period from the passing of the ordinary resolution granting the mandate until the earliest of:~~

- (a) ~~the conclusion of the next annual general meeting of the Company;~~
- (b) ~~the end of the period within which the Company is required by any applicable laws or by the bye-laws of the Company to hold the next annual general meeting of the Company; and~~
- (c) ~~the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting,~~

~~(the “Applicable Period”).~~

10. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company (whilst any Award has not vested or has vested but has not yet been satisfied) whether by way of capitalisation ~~of profits or reserves, bonus issue, rights issue, open offer,~~ consolidation, sub-division or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:

- (a) ...
- (b) the Maximum aggregate Number of Shares which may be allotted and issued or transferred under this Scheme pursuant to the Scheme Mandate Limit and/or the Service Provider Sublimit,

as the Auditors or an independent financial adviser shall confirm in writing to the Board that the adjustments are in their opinion fair and reasonable. Subject to the foregoing, any adjustment shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company for which any Grantee would have been entitled to had the Award held by him vested immediately prior to such adjustments but not greater than that to which he was entitled before such adjustment, but so that no such adjustment shall be made to the effect of which would be to enable any Share to be issued at less than its

nominal value, or to increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to had the Award held by him vested immediately prior to such adjustments (rounded to the nearest whole Share). The capacity of the Auditors or the independent financial adviser (as the case may be) in this **Clause 10** is that of experts and not of arbitrators and their certification shall be final and conclusive and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser shall be borne by the Company.

11. DISPUTES

...

12. MALUS AND CLAWBACK

12.1 If circumstances occur which, in the reasonable opinion of the Board, justify a reduction to the Award, the Board may in its discretion at any time before the Award is vested determine that the number of Shares in respect of which the Award is granted shall be reduced to such number (including to nil) as the Board considers appropriate in the circumstances.

12.2 If circumstances occur which, in the reasonable opinion of the Board, justify a reduction in respect of the Shares that have already been vested and transferred, then the Board may in its discretion determine (acting fairly and reasonably) that the Grantee should repay to the Company (whether by redemption or repurchase of relevant Shares, payment of cash proceeds or deductions from or set offs against any amounts owed to the Grantee by the relevant Group Company) an amount equal to the benefit, calculated on an after-tax basis, that the Grantee received, provided that the Board may, at its discretion, determine that a lesser amount should be repaid. Each Grantee shall be deemed to undertake, as a condition of participation in this Scheme, to do all things necessary to complete the redemption or repurchase of relevant Shares or pay cash in order to comply with this **Clause 12** and to expressly authorise deductions from or set offs against any amounts owed to the Grantee by the relevant Group Company.

12.3 The circumstances in which the Board may consider that it is appropriate to exercise its discretion under **Clauses 12.1** and **12.2**, may, without limitation, include the following:

- (a) a material misstatement or restatement in the audited financial accounts of any Group Company (other than as a result of a change in accounting practice);

- (b) the negligence, fraud or serious misconduct of a Grantee which results in or is reasonably likely to result in:
 - (i) significant reputational damage to any Group Company (or to a relevant business unit of any Group Company);
 - (ii) a material adverse effect on the financial position of any Group Company (or to a relevant business unit of any Group Company); or
 - (iii) a material adverse effect on the business opportunities and prospects for sustained performance or profitability of any Group Company (or to a relevant business unit of any Group Company); or
- (c) the Grantee being employed or engaged by any Group Company (or the relevant unit of any Group Company) that suffers:
 - (i) significant reputational damage;
 - (ii) a material adverse effect on its financial position; or
 - (iii) a material adverse effect on its business opportunities and prospects for sustained performance or profitability.

13.12: ALTERATION OF THE SCHEME

13.12: Save as provided in this **Clause 12.13**, the Board may alter any of the terms of this Scheme at any time, including but not limited to the method by which a Participant accepts the Award and such other minor amendments to benefit the administration of this Scheme, provided that such alterations comply with the requirements of the Companies Act and the Listing Rules, to the extent applicable, except that:

~~12.2 The Board may amend any performance and/or other conditions that apply to an Award if there is an event that causes it to consider that the performance and/or other condition should be amended.~~

- (a) any alteration to the advantage of the Grantees or the Participants (as the case may be) in respect of matters contained in Rule 17.03 of the Listing Rules or any material alteration to the terms and conditions of this Scheme shall be subject to the approval of

the Shareholders in general meeting. The Board's determination as to whether any proposed alteration to the terms and conditions of this Scheme is material shall be conclusive; and

- (b) any change to the terms of Awards granted (save where the alterations take effect automatically under the existing terms of this Scheme) shall be subject to approval of the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

13.2 After any alteration, the amended terms of this Scheme must comply with Chapter 17 of the Listing Rules.

13.3 Unless otherwise specified by the Board, amendments to the terms of this Scheme shall only affect the Awards which are granted after the date of such amendments and shall not affect any Awards which have already been granted.

13.4 Any change to the authority of the Board in relation to any alteration to the terms of this Scheme shall be subject to the approval of the Shareholders in general meeting.

14.13. TERMINATION

The Company by resolution in general meeting or the Board may at any time terminate ~~the~~this Scheme and in such event no further Awards will be offered but the provisions of ~~the~~this Scheme shall remain in force to the extent necessary to give effect to the vesting of any Award granted prior thereto or otherwise as may be required in accordance with the provisions of ~~the~~this Scheme. All Awards granted prior to such termination but not yet vested at the time of such termination shall continue to be valid in accordance with the terms of ~~the~~this Scheme.

15.14. MISCELLANEOUS

~~15.14.1~~The~~This~~ Scheme shall not form part of any contract of ~~appointment~~ or employment, service or engagement between ~~the~~a Group Company or ~~any~~ ~~Subsidiary~~ and any Participant and the rights and obligations of any Participant under the terms of his office, employment, agency or consultancy shall not be affected by his participation in ~~the~~this Scheme or any right which he may have to participate in it and ~~the~~this Scheme shall afford such a Participant no additional rights to compensation or damages in consequence of the termination of such office, employment, agency or consultancy for any reason.

15.2 Participation in this Scheme shall be at the Board's absolute discretion and neither participation in this Scheme nor the offer of an Awards pursuant to this Scheme shall create any right to or expectation of any future participation or offer under this Scheme or any other share schemes of the Company or the Group.

15.3~~14.2~~ ~~The~~ This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against ~~the~~any Group Company ~~or any Subsidiary~~ directly or indirectly or give rise to any cause of action at law or in equity against ~~the~~any Group Company ~~or any Subsidiary~~.

15.4~~4.3~~ The Company shall bear the costs of establishing and administering ~~the~~this Scheme.

15.5~~4.4~~ ...

15.6~~4.5~~ Any notice, documents or other communication between the Company and a Grantee shall be in writing and may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong at ~~2406-07 Man Yee Building, 68 Des Voeux Road~~Suites 2905-06, Two Exchange Square, 8 Connaught Place, Central, Hong Kong or such other address as notified in writing to the Grantee (and marked for the attention of the Company Secretary or as notified to the Grantees from time to time) and, in the case of the Grantee, his address as notified to the Company from time to time.

15.7~~4.6~~ ...

(a) ...

(b) ...

15.8~~4.7~~ All allotments and issuances or transfers of Shares or the making of a Cash Payment (as the case may be) pursuant to ~~the~~this Scheme shall be subject to any necessary consent under the relevant laws, enactments or regulations for the time being to which the Company is subject. A Grantee shall be responsible for obtaining any governmental or other official consent or filing that may be required by any country or jurisdiction in order to permit the granting, acceptance or vesting of the Awards.

15.9 A Grantee shall pay all tax and discharge all other liabilities to which such Grantee may become subject as a result of his participation in this Scheme or the vesting of any Award. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or filing or for any tax or other liability to which a Grantee may become subject as a

result of his participation in ~~the~~this Scheme. A Grantee shall, on demand, indemnify the Company in full against all claims and demands which may be made against any Group Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to above or to pay tax or other liabilities referred to above and against all incidental costs and expenses which may be incurred by any Group Company.

~~15.1014.8~~...

15.11 Awards granted under this Scheme are not pensionable. Cash Payments made to a Grantee in lieu of Shares shall not form any part of the relevant income within the meaning of the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) and shall not be attributable to contributions payable by the Company or any Group Company in accordance with the Occupational Retirement Schemes Ordinance (Cap. 426 of the Laws of Hong Kong) and the terms and conditions of the relevant retirement schemes of the Company and/or any Group Company.

~~15.1214.9~~This Scheme (and other documents relating to this Scheme) does not constitute an offer or invitation to the public within the meaning of the Companies (~~Winding Up and Miscellaneous Provisions~~WUMP) Ordinance (~~Cap. 32 of the Laws of Hong Kong~~) (~~Companies Ordinance~~) or the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Shares offered in relation to this Scheme (and any such documents) may not be offered or sold in Hong Kong by means of any document, except in circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance or which do not constitute an offer to the public within the meaning of that Ordinance.

~~15.1314.10~~ No person may issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to shares offered in relation to ~~the~~this Scheme, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong.

~~15.1414.11~~ The Board shall have the power from time to time to make or vary regulations for the administration and operation of ~~the~~this Scheme, provided that the same are not inconsistent with the provisions of ~~the~~this Scheme. The Board shall be entitled to establish such arrangements as it deems reasonably necessary with respect to the mechanisms to implement the vesting of Awards and the related registration, recording and reporting matters to ensure that the Grantees and the Company can comply with all applicable securities, foreign

exchange and tax regulations of all relevant jurisdictions. Each Grantee shall authorise the Company to establish all necessary brokerage and other accounts on the Grantee's behalf and shall provide to the Company such information as the Board deems necessary in connection with the Company's and the Grantee's compliance with the foregoing obligations.

15.15 If any provision of this Scheme or its application to any person or in any circumstances is illegal, invalid or unenforceable to any extent, such illegality, invalidity or unenforceability shall not prejudice the effectiveness of the remainder of this Scheme or the application of such provision to other persons or in other circumstances and each other provision of this Scheme shall be legal, valid and enforceable to the fullest extent permitted by law.

15.164.12 ...

NOTICE OF AGM



ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of ESR Group Limited (the “**Company**”) for the year ended 31 December 2022 will be held at Edinburgh & Gloucester Room, 2/F., Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Wednesday, 7 June 2023 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and approve the audited consolidated financial statements, together with the reports of the directors^(Note) (the “**Directors**”) and auditors of the Company for the year ended 31 December 2022.
2. To declare a final dividend.
3.
 - (a) To re-elect Mr. Jinchu Shen as an executive Director;
 - (b) To re-elect Mr. Stuart Gibson as an executive Director;
 - (c) To re-elect Mr. Jeffrey David Perlman as a non-executive Director;
 - (d) To re-elect Ms. Wei-Lin Kwee as an independent non-executive Director; and
 - (e) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors’ of the Company.

Note: The English and Chinese versions of which are available on the Company’s website at www.esr.com and the Hong Kong Exchanges and Clearing Limited’s website at www.hkexnews.hk.

NOTICE OF AGM

4. To re-appoint Ernst & Young as the auditors of the Company and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

And, as special business and, if thought fit, passing the following resolutions as ordinary resolutions:

Ordinary Resolutions

5. “THAT:

- (a) subject to paragraphs (c) and (d) below, the general mandate unconditionally given to the Directors to allot, issue and deal with additional shares (the “**Shares**”) in the share capital of the Company, and to make or grant offers, agreements, options and awards in respect thereof including warrants to subscribe Shares, which would or might require the exercise of such powers, be and it is hereby generally and unconditionally approved in substitution for and to the exclusion of any existing authority previously granted;
- (b) the mandate shall not extend beyond the Relevant Period (as defined below), except that the Directors may during the Relevant Period to make or grant offers, agreements, options and awards which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below), or (ii) the exercise of the subscription rights attaching to any warrant in the Company or (iii) the exercise of any options or purchase of any Shares underlying any awards granted under any share scheme adopted by the Company, shall not exceed 10% of the total number of Shares in issue at the date of passing of this resolution and the approval pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (d) the mandate shall authorise the Directors to allot and issue, or agree conditionally or unconditionally to allot and issue, Shares or securities convertible with Shares for cash and non-cash consideration, provided that the relevant price for the securities shall not represent a discount of more than 10% to the Benchmarked Price (as defined below) of the Shares; and

NOTICE OF AGM

- (e) for the purposes of this resolution,

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law of the Cayman Islands or any other applicable law to be held; and
- (iii) the revocation or variation of the mandate given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).

The “**Benchmarked Price**” means the higher of:

- (i) the closing price of the Shares on the date of the relevant agreement involving the proposed issue of securities; and
- (ii) the average closing price of the Shares in the five trading days immediately prior to the earliest of:
 - (A) the date of announcement of the proposed transaction or arrangement involving the proposed issue of securities;
 - (B) the date of the agreement involving the proposed issue of securities; and
 - (C) the date on which the subscription price for the securities is fixed.”

NOTICE OF AGM

6. **“THAT:**

(a) the general mandate be and is hereby unconditionally given to the Directors, in substitution for and to the exclusion of any existing authority previously granted, to exercise all powers of the Company, to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by The Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law of the Cayman Islands and all other applicable laws in this regard, provided that:

- (i) the mandate shall not extend beyond the Relevant Period (as defined below);
- (ii) the total number of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10% of the total number of Shares in issue at the date of passing of this resolution and the approval pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(b) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law of the Cayman Islands or any other applicable law to be held; and
- (iii) the revocation or variation of the mandate given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF AGM

7. “**THAT** the proposed amendments to the Post-IPO Share Option Scheme (the “**Post-IPO Share Option Scheme**”) adopted by the Company on 12 October 2019 as set out in Appendix III to the circular of the Company dated 15 May 2023 (the “**Circular**”) be and is hereby approved.”
8. “**THAT** the proposed amendments to the Long Term Incentive Scheme (the “**Long Term Incentive Scheme**”) adopted and approved by the shareholders of the Company on 2 June 2021 as set out in Appendix IV to the Circular be and is hereby approved.”
9. “**THAT** the proposed amendment to the Scheme Mandate Limit (as defined in the Circular) be and is hereby approved, so that the maximum aggregate number of Shares that may be allotted and issued or transferred by the Company in respect of the share awards and/or share options which may be granted under the Post-IPO Share Option Scheme and the Long Term Incentive Scheme shall be 5% of the total number of shares in issue as at the date of the AGM.”
10. “**THAT** the proposed adoption of the Service Provider Sublimit (as defined in the Circular) be and is hereby approved, so that the maximum aggregate number of Shares that may be allotted and issued or transferred in respect of the share awards and/or share options which may be granted to service provider(s) of the Company (being an individual consultant, individual independent contractor, or individual self-employed contractor who provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to the provision of construction, property management, design, real estate brokerage, business integration and business transformation services (but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity)) under the Post-IPO Share Option Scheme and the Long Term Incentive Scheme shall be 1% of the total number of shares in issue as at the date of the AGM.”

By Order of the Board
ESR Group Limited
Jinchu Shen
Director

Hong Kong, 15 May 2023

NOTICE OF AGM

Registered Office

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

Headquarters and principal

place of business in Hong Kong
Suites 2905-06, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Notes:

- (1) Any shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder of the Company who is the holder of two or more Shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
- (2) All resolutions at the AGM will be taken by way of poll pursuant to the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
- (3) In order to be valid, a form of proxy and the power of attorney (if any) or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof.
- (4) For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 2 June 2023 to Wednesday, 7 June 2023, both days inclusive, during which period no transfer of shares in the Company will be effected. In order to qualify for the right to attend and vote at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 1 June 2023.
- (5) Subject to the shareholders' approval on the AGM, for determining the shareholders' entitlement to the proposed final dividend payable to the shareholders of the Company whose names appear on the register of members of the Company after the close of business on Friday, 16 June 2023 and the register of members of the Company will be closed from Wednesday, 14 June 2023 to Friday, 16 June 2023, both days inclusive, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all share transfer documents, accompanied by the relevant share certificates lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 13 June 2023.
- (6) Delivery of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the AGM convened and in such event, the form of proxy shall be deemed to be revoked.
- (7) In the case of joint registered holders of any Share, any one of such joint registered holders may vote at the AGM, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint registered holders be present at the AGM, the vote of the senior who tenders a vote either personally or by proxy shall be accepted to the exclusion of the votes of the other joint registered holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (8) References to time and dates in this notice are to Hong Kong time and dates.

NOTICE OF AGM

As at the date of this notice, the Board of Directors of the Company comprises Mr. Jinchu Shen and Mr. Stuart Gibson as Executive Directors, Mr. Jeffrey David Perlman as the Chairman and Non-executive Director, Mr. Charles Alexander Portes, Mr. Wei Hu, Mr. Hwee Chiang Lim, Dr. Kwok Hung Justin Chiu and Mr. Rajeev Veeravalli Kannan as Non-executive Directors, Mr. Brett Harold Krause, Mr. Simon James McDonald, Ms. Jingsheng Liu, Ms. Serene Siew Noi Nah and Ms. Wei-Lin Kwee as Independent Non-executive Directors.