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ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

VOLUNTARY ANNOUNCEMENT GRANT OF AWARDS OVER EXISTING SHARES UNDER THE LONG TERM INCENTIVE SCHEME

1. INTRODUCTION

On 20 July 2023, the Company granted awards of PSUs and RSUs under the Long Term Incentive Scheme to certain Directors of the Company.

2. GRANT OF AWARDS

The Company granted awards of PSUs and RSUs in respect of an aggregate of 1,123,640 underlying Shares (as further described below) to the following participants on 20 July 2023 pursuant to the Long Term Incentive Scheme.

Details of the participants and the corresponding number of Shares underlying the PSUs and RSUs granted are set out below:

Name/Position	Number of Shares underlying the RSUs/PSUs granted
Jinchu SHEN (<i>Co-founder, Co-CEO and Executive Director</i>)	280,910 Shares underlying PSUs ⁽¹⁾ 280,910 Shares underlying RSUs
Stuart GIBSON (<i>Co-founder, Co-CEO and Executive Director</i>)	280,910 Shares underlying PSUs ⁽¹⁾ 280,910 Shares underlying RSUs

Note:

- (1) The number of Shares underlying the PSUs is based on 100% of the initial number of Shares subject to the PSUs. The vesting of the PSUs is subject to fulfilment of relevant performance conditions applicable to the PSUs 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. This ensures that actual payout is linked to the Company's performance. The maximum number of Shares underlying the PSUs based on 150% vesting is 421,365 for each participant or 842,730 in aggregate.

(a) PSUs and RSUs to be satisfied with existing Shares

The Board has appointed a professional trustee to assist with the administration and vesting of such PSUs and RSUs. The trustee will make purchases of existing Shares to satisfy such PSUs and RSUs upon vesting.

The 842,730 Shares underlying the PSUs (assuming 150% vesting) and 561,820 Shares underlying the RSUs represent approximately 0.03% of the issued share capital of the Company as at the date of this announcement and have a market value of approximately HK\$18,090,604, based on the closing price of HK\$12.88 per Share as quoted on the Stock Exchange on 20 July 2023.

In accordance with the Long Term Incentive Scheme, these grants of awards have been approved by the Remuneration Committee of the Company.

(b) Vesting of PSUs and RSUs

The PSUs will vest in favour of the relevant participants in three equal tranches in the second quarter of 2025, 2026 and 2027 respectively, subject to fulfilment of relevant performance conditions over a two year period commencing from 1 January 2023 to 31 December 2024 (inclusive).

A payout multiplier (0% to 150%), tied to the achievement level of the pre-determined targets, will be applied.

The RSUs will vest in favour of the relevant participants in four equal tranches on the first, second, third and fourth anniversaries of the grant date, subject to fulfilment of relevant vesting conditions.

3. DEFINITIONS

“Board”	the board of Directors of the Company
“Company”	ESR Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1821)
“Director(s)”	director(s) of the Company
“Long Term Incentive Scheme”	the Long Term Incentive Scheme adopted by the Company on 2 June 2021 as amended by ordinary resolution of the shareholders on 7 June 2023
“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
“RSU”	a restricted share unit, being a contingent right to receive a Share (or a cash payment) subject to certain terms and conditions (including time-based vesting conditions) as set out in the Long Term Incentive Scheme and the relevant grant letter

“Share(s)” ordinary share(s) of US\$0.001 each in the share capital of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By order of the Board
ESR Group Limited
Jinchu Shen
Director

Hong Kong, 20 July 2023

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