



ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1821)

22 May 2025

To the Disinterested Shareholders, Option-holders and Award-holders

Dear Sir/Madam,

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

Reference is made to the announcement dated 4 December 2024 jointly issued by the Offeror and the Company in relation to the Proposal and the scheme document dated 22 May 2025 jointly issued by the Offeror and the Company in relation to the Proposal (the “**Scheme Document**”), the latter of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Scheme Document.

We have been appointed by the Board as the Independent Board Committee to make a recommendation (a) to the Disinterested Shareholders as to whether the terms of the Proposal, the Scheme and the EIS are, or are not, fair and reasonable and as to voting in respect of the Scheme at the Court Meeting, and the Proposal and the EIS at the EGM; and (b) to the Option-holders and Award-holders as to whether the terms of the Option Offers and the Award Proposal are, or are not,

fair and reasonable and whether to accept the Option Offers. Details of the Proposal, the Scheme, the Option Offers, the Award Proposal and the EIS are set out in the letter from the Board and the Explanatory Memorandum as set out respectively in Part IV and Part VII of the Scheme Document.

Anglo Chinese Corporate Finance, Limited, the Independent Financial Adviser, has been appointed by the Company with our approval, to advise us on the Proposal, the Scheme, the Option Offers, the Award Proposal and the EIS. The details of its advice and the principal factors taken into consideration in arriving at its advice are set out in the letter from the Independent Financial Adviser as set out in Part VI of the Scheme Document.

In the letter from the Independent Financial Adviser as set out in Part VI of the Scheme Document, the Independent Financial Adviser states that it considers the terms of the Proposal, the Scheme and the EIS are fair and reasonable as far as the Disinterested Shareholders are concerned, the terms of the Option Offers are fair and reasonable as far as the Option-holders are concerned, and the terms of the Award Proposal are fair and reasonable as far as the Award-holders are concerned, and advises the Independent Board Committee (a) to recommend the Disinterested Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the EGM to approve and implement the Proposal, the Scheme and the EIS; and (b) to recommend the Option-holders to accept the Option Offers.

The Independent Board Committee, having considered the terms of the Proposal, the Scheme, the Option Offers, the Award Proposal and the EIS, and having taken into account the advice of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the terms of the Proposal, the Scheme and the EIS are fair and reasonable as far as the Disinterested Shareholders are concerned, that the terms of the Option Offers are fair and reasonable as far as the Option-holders are concerned, and the terms of the Award Proposal are fair and reasonable as far as the Award-holders are concerned.

Accordingly, the Independent Board Committee recommends:

- (1) at the Court Meeting, the Disinterested Shareholders to vote in favour of the resolution to approve the Scheme;
- (2) at the EGM, the Shareholders to vote in favour of the special resolution to approve and give effect to any reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares, and to apply the reserve created by the cancellation of the Scheme Shares to contemporaneously maintain the issued share capital of the Company at

the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issue to the Offeror of such number of new Shares (credited as fully paid at par) as is equal to the number of the Scheme Shares cancelled;

- (3) at the EGM, the Disinterested Shareholders to vote in favour of the ordinary resolution to approve the EIS;
- (4) the Disinterested Shareholders who wish to realise their investment at a premium to the prevailing market price, especially those who find it difficult to realise their entire investment under the usual trading liquidity of the Shares, to elect for the Cash Alternative; and
- (5) the Option-holders to accept the Option Offers.

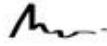
The Independent Board Committee draws the attention of the Disinterested Shareholders, the Option-holders and the Award-holders to (i) the letter from the Board as set out in Part IV of the Scheme Document; (ii) the letter from the Independent Financial Adviser, which sets out the principal factors taken into consideration in arriving at its advice to the Independent Board Committee, as set out in Part VI of the Scheme Document; and (iii) the Explanatory Memorandum as set out in Part VII of the Scheme Document.

Yours faithfully,

Independent Board Committee



Mr. Brett Harold Krause
*Chairman and Independent
Non-Executive Director*



Mr. Simon James McDonald
*Independent Non-Executive
Director*



Ms. Serene Siew Noi Nah
*Independent Non-Executive
Director*