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ESR CAYMAN LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

**GRANTS OF (1) OPTIONS UNDER THE POST-IPO SHARE
OPTION SCHEME
AND (2) AWARDS UNDER THE LONG TERM
INCENTIVE SCHEME**

1. INTRODUCTION

On 8 June 2022, the Company granted (i) Options under the Post-IPO Share Option Scheme to certain directors of the Company and (ii) Awards under the Long Term Incentive Scheme to certain directors and employees of the Company and its subsidiaries. This announcement is made pursuant to Rule 17.06A of the Listing Rules.

2. GRANTS OF OPTIONS

The details of the Options granted to 2 Connected Grantees are as follows:

Date of Grant:	8 June 2022
Total number of Shares issuable under the Options granted:	384,000
Exercise price of the Options granted:	HK\$22.78
Closing price of the Shares on the Date of Grant:	HK\$22.70
Exercise period of the Options:	10 years from the date of grant and the Options will lapse on 8 June 2032
Vesting period of the Options:	Options granted will vest in three equal tranches on the Date of Grant, 8 June 2023 and 8 June 2024.

Details of the Connected Grantees and the corresponding number of Shares issuable under the Options granted are set out below:

Participant	Name/Position	Number of Shares issuable under the Options Granted
Connected Grantee	Mr. Jinchu SHEN <i>(Co-founder, Co-CEO and Executive Director)</i>	192,000 Shares
Connected Grantee	Mr. Stuart GIBSON <i>(Co-founder, Co-CEO and Executive Director)</i>	192,000 Shares

The grant of Options to the Connected Grantees has been approved by all the independent non-executive Directors as required under Rule 17.04(1) of the Listing Rules.

3. GRANT OF AWARDS

The Company granted Awards of PSUs and RSUs in respect of an aggregate of 9,585,100 underlying Shares (as further described below) to participants on 8 June 2022 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:

Participants	Name/Position	Number of Shares underlying the RSUs/ PSUs granted
Connected Grantee	Mr. Jinchu SHEN <i>(Co-founder, Co-CEO and Executive Director)</i>	979,500 Shares underlying PSUs ⁽¹⁾
Connected Grantee	Mr. Stuart GIBSON <i>(Co-founder, Co-CEO and Executive Director)</i>	979,500 Shares underlying PSUs ⁽¹⁾

Participants	Name/Position	Number of Shares underlying the RSUs/ PSUs granted
Connected Grantees	Certain directors of subsidiaries of the Company (excluding insignificant subsidiaries of the Company under Rule 14A.09 of the Listing Rules)	2,039,500 Shares underlying RSUs
Non-connected Grantees	Employees of the Group who are not directors or chief executives of the Group	5,586,600 Shares underlying RSUs

Note:

- (1) The number of Shares underlying the PSUs is 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.

(a) Grants of Awards to Connected Grantees

In respect of the 1,959,000 and 2,039,500 Shares underlying the PSUs and RSUs granted to the Connected Grantees, respectively, 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 Shares to satisfy such PSUs and RSUs upon vesting. The Company will provide sufficient funds to the trustee 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 such PSUs and RSUs granted.

The 1,959,000 Shares underlying the PSUs and 2,039,500 Shares underlying the RSUs granted to the Connected Grantees represent approximately 0.09% of the issued share capital of the Company as at the date of this announcement and have a market value of approximately HK\$90,765,950, based on the closing price of HK\$22.70 per Share as quoted on the Stock Exchange on 8 June 2022.

In accordance with the Long Term Incentive Scheme, the grants of Awards to the Connected Grantees have been approved by the remuneration committee of the Company.

(b) Grants of Awards to Non-connected Grantees

In respect of the 5,586,600 Shares underlying the RSUs granted to the Non-connected Grantees, new Shares will be allotted and issued pursuant to the Scheme Mandate granted by the Shareholders at the 2021 AGM and the terms of the Long Term Incentive Scheme. All Non-connected Grantees are employees of the Group but are not directors or chief executives of the Group. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, none of the Non-connected Grantees is a connected person of the Company.

The 5,586,600 new Shares underlying the RSUs granted to the Non-connected Grantees represent approximately 0.12% of the issued share capital of the Company as at the date of this announcement and approximately 0.12% of the total number of Shares in issue as enlarged by such allotment and issue. The 5,586,600 new Shares underlying the RSUs granted to the Non-connected Grantees have a market value of approximately HK\$126,815,820, based on the closing price of HK\$22.70 per Share as quoted on the Stock Exchange on 8 June 2022.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the 5,586,600 new Shares underlying the RSUs granted.

(c) Vesting of Awards

The PSUs granted will vest in favour of the relevant participants in three equal tranches over a period of three years commencing from 1 April 2023 based on fulfilment of relevant performance conditions over a two year period commencing from 1 January 2021 to 31 December 2022 (both dates inclusive). As disclosed in the Company's annual general meeting circular dated 29 April 2022, the Company would seek to motivate and reward eligible participants in the Long Term Incentive Scheme for optimising their performance in areas including, but not limited to, total shareholder returns, total assets under management and making contributions to the Group.

In respect of the aggregate of 7,626,100 RSUs granted to the relevant participants, subject to the vesting conditions being met:

- (i) 389,500 of the RSUs granted to Connected Grantees and 311,600 of the RSUs granted to Non-connected Grantees will vest in three equal tranches on the Date of Grant, 8 June 2023 and 8 June 2024; and
- (ii) 1,650,000 of the RSUs granted to Connected Grantees and 5,275,000 of the RSUs granted to Non-connected Grantees will vest in four equal tranches on 8 June of each of 2023, 2024, 2025 and 2026.

(d) Listing Rules Implications

As each of the Connected Grantees is a connected person of the Company, the grant of Awards to each of them constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the grant of Awards to each of the Connected Grantees forms part of the remuneration package under their respective service contracts with the Company, such grants are exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.95 of the Listing Rules.

4. DEFINITIONS

“2021 AGM”	the annual general meeting of the Company held on 2 June 2021
“Award”	an award of RSUs and/or PSUs to be granted to a participant under the Long Term Incentive Scheme
“Board”	the board of Directors of the Company
“Cash Payment”	a payment in cash made by the Company to a participant upon the vesting of an Award in lieu of Shares, based on the formula as set out in the Long Term Incentive Scheme
“Company”	ESR Cayman 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)
“Connected Grantees”	grantees of Options and/or Awards who are connected persons (as defined in the Listing Rules) of the Company
“Date of Grant”	8 June 2022
“Director(s)”	director(s) of the Company
“Group”	the Company together with its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Term Incentive Scheme”	the Long Term Incentive Scheme adopted by the Company on 20 April 2021

“Non-connected Grantees”	grantees of Awards who are not connected persons (as defined in the Listing Rules) of the Company
“Options”	options to subscribe for Shares which are granted under the Post-IPO Share Option Scheme
“Post-IPO Share Option Scheme”	the share option scheme adopted by the shareholders of the Company at the extraordinary general meeting on 12 October 2019, the principal terms of which are set out in the prospectus of the Company dated 22 October 2019
“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
“Scheme Mandate”	the annual mandate granted to the Directors at the 2021 AGM to grant Awards under the Long Term Incentive Scheme
“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 Cayman Limited
Jinchu Shen
Director

Hong Kong, 8 June 2022

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. Wei Hu, Mr. Hwee Chiang Lim, Dr. Kwok Hung Justin Chiu and Mr. Rajeev Veeravalli Kannan as Non-executive Directors, Mr. Brett Harold Krause, TKCMG, Mr. Simon James McDonald, Ms. Jingsheng Liu, Ms. Serene Siew Noi Nah and Ms. Wei-Lin Kwee as Independent Non-executive Directors.