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ESR CAYMAN LIMITED

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

VOLUNTARY ANNOUNCEMENT

**GRANT OF RESTRICTED SHARE UNITS AND
GRANT OF PERFORMANCE SHARE UNITS
UNDER LONG TERM INCENTIVE SCHEME**

The Board is pleased to announce that the Company granted Awards of RSUs and/or PSUs in respect of an aggregate of 3,446,000 underlying Shares to Participants on 23 February 2022 pursuant to the Long Term Incentive Scheme.

INTRODUCTION

Reference is made to the announcement of the Company dated 20 April 2021 and the circular of the Company dated 23 April 2021 in relation to the adoption of the Long Term Incentive Scheme by the Company. The Long Term Incentive Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules.

GRANT OF AWARDS

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

Participants	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)	386,800 Shares underlying RSUs
		559,600 Shares underlying PSUs
Non-connected Grantees	Employees of the Group which are not directors or chief executive of the Group	309,400 Shares underlying RSUs
		2,190,200 Shares underlying PSUs
Total		3,446,000

Grants of Awards to Connected Grantees

In respect of the 386,800 and 559,600 Shares underlying the RSUs and PSUs granted to the Connected Grantees respectively, the Board has appointed a professional trustee to assist with the administration and vesting of such RSUs and/or PSUs. The trustee shall make on-market purchase of Shares to satisfy such RSUs and/or PSUs 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 RSUs and/or PSUs granted.

The 386,800 Shares underlying the RSUs and 559,600 Shares underlying the PSUs to be granted to the Connected Grantees represent approximately 0.02% of the issued share capital of the Company as at the date of this announcement and have a market value of approximately HK\$23,044,840, based on the closing price of HK\$24.350 per Share as quoted on the Stock Exchange on 23 February 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.

Grants of Awards to Non-connected Grantees

In respect of the 309,400 and 2,190,200 Shares underlying the RSUs and PSUs granted to the Non-connected Grantees respectively, new Shares shall 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 executive 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 309,400 new Shares underlying the RSUs and 2,190,200 new Shares underlying the PSUs to be granted to the Non-connected Grantees represent approximately 0.06% of the issued share capital of the Company as at the date of this announcement; and approximately 0.06% of the total number of Shares in issue as enlarged by such allotment and issue. The 309,400 new Shares underlying the RSUs and 2,190,200 new Shares underlying the PSUs granted to the Non-connected Grantees represent the value of approximately HK\$60,865,260, based on the closing price of HK\$24.350 per Share as quoted on the Stock Exchange on 23 February 2022.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the aggregate 2,499,600 new Shares underlying the RSUs and/or PSUs granted.

VESTING OF AWARDS

Subject to the vesting conditions being met, the RSUs will vest between the Date of Grant to 1 April 2023. In respect of the 386,800 Shares underlying RSUs to be granted to the Connected Grantees, the trustee shall make on-market purchase of the relevant Shares to satisfy the portion of RSUs that have been vested promptly following the public disclosure of the Company's announcement of final results for the year ended 2021.

In respect of the PSUs, 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 fulfillment of relevant performance conditions over a two-year period commencing from 1 January 2021 to 31 December 2022 (both dates inclusive).

LISTING RULES IMPLICATIONS

Each of the Connected Grantees is a connected person of the Company, and 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.73(6) and Rule 14A.95 of the Listing Rules.

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)
“Date of Grant”	23 February 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
“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, 23 February 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. David Alasdair William Matheson, Mr. Hwee Chiang Lim, Dr. Kwok Hung Justin Chiu and Mr. Rajeev Veeravalli Kannan as Non-executive Directors, Mr. Brett Harold Krause, The Right Honourable Sir Hugo George William Swire, KCMG, Mr. Simon James McDonald, Ms. Jingsheng Liu and Mr. Robin Tom Holdsworth as Independent Non-executive Directors.