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Bairong Inc.

百融雲創

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

(Stock Code: 6608)

GRANT OF SHARE OPTIONS AND AWARDS

GRANT OF SHARE OPTIONS

The Board announces that, on December 29, 2021, subject to the acceptance by the Option Grantee(s), the Company granted 13,522,500 Options to 86 selected Option Grantees, to subscribe for a total of 13,522,500 Shares under the 2021 ESOP. Details of the Option grants are set out below:

Date of grant:	December 29, 2021
Exercise price of the Options granted:	HK\$9.602 per Share, which represents the highest of: <ul style="list-style-type: none">(i) the closing price of HK\$9.48 per Share as stated in the daily quotations sheet of the Stock Exchange on December 29, 2021, being the date of grant of the Options;(ii) the average closing price of HK\$9.602 per Share as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and(iii) the nominal value of the Share of US\$0.00002.
Number of Options granted:	13,522,500 (each entitling the holder thereof to subscribe for one (1) Share)
Closing price of the Shares on the date of grant:	HK\$9.48 per Share
Vesting and validity period of the Options:	The Options are exercisable for a period of ten years after the date of grant of the Options, subject to the vesting period as follows: <ul style="list-style-type: none">(i) 50% of the Options will be vested on December 29, 2023;

- (ii) 25% of the Options will be vested on December 29, 2024; and
- (iii) 25% of the Options will be vested on December 29, 2025.

Among the Options granted, 4,424,000 Options were granted to the Directors and chief executive of the Company, being connected persons of the Company, details of which are as follows:

Name of Option Grantee	Position	Number of Options granted
Mr. Zhang Shaofeng	Founder, executive Director, chairman of the Board and chief executive officer	1,746,000
Mr. Zhao Hongqiang	Executive Director and chief financial officer	2,000,000
Ms. Zhao Jing	Executive Director and vice president of finance	678,000

Pursuant to Rule 17.04(1) of the Listing Rules, such grant of Options to each of the above Director and chief executive was approved by the independent non-executive Directors.

Save as disclosed in this announcement, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them. None of the grant of Options will be subject to approval by the Shareholders.

The grant of Options enable the Company to attract, retain, incentivize, reward and remunerate the Grantees, and encourage them to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole.

GRANT OF AWARDS

The Board announces that on December 29, 2021, the Board awarded a total of 14,257,500 Award Shares to 131 Award Grantees under the Share Award Scheme, of which 119 Award Grantees are Unconnected Award Grantees and 12 Award Grantees are Connected Award Grantees. The grant of the Award Shares is not subject to Shareholders' approval and the Company shall procure the Trustee to purchase existing Shares from the market using cash contributions by the Company in relation to the Purchased Award Shares granted to the Connected Award Grantees. Accordingly, 4,368,500 Purchased Award Shares will be purchased from the open market to satisfy the Awards to Connected Award Grantees, and the Board has further resolved to allot and issue 9,889,000 Issue Award Shares to the Trustee at nominal value to satisfy the Awards to Unconnected Award Grantees pursuant to the terms of the Share Award Scheme. The issue of the Issue Award Shares is not subject to the Shareholders' approval and will be issued to the Award Grantees and/or the Trustee (as appropriate) to satisfy the Awards pursuant to the General Mandate at nominal value. No new funds will be raised as a result of the aforementioned allotment and issue. If the Award Shares are allotted to or purchased by the Trustee, the Trustee shall hold the Award Shares in trust for the Award Grantees, and shall transfer and release such Shares to the Award Grantees at no cost upon satisfaction of the relevant vesting conditions specified by the Board at the time of granting the Award. The Award Shares shall vest between July 1, 2023 to June 30, 2026. Details of the Award grants are as follows:

Award Grantee	Number of Award Shares
Mr. Zhao Hongqiang (<i>Executive Director and chief financial officer</i>)	1,300,000
Ms. Zhao Jing (<i>Executive Director and vice president of finance</i>)	651,000
10 other Connected Award Grantees (<i>Note 1</i>)	2,417,500
119 Unconnected Award Grantees	<u>9,889,000</u>
Total	<u><u>14,257,500</u></u>

Note:

1. These Connected Award Grantees are directors of the subsidiaries of the Company and thus constitute as connected persons of the Company under Chapter 14A of the Listing Rules. They have directly contributed to the Group by way of their positions held and role played in the Group.

The closing price of the Shares on the date of grant of the Awards was HK\$9.48.

Following the aforesaid grants, Awards for a total of 14,257,500 Award Shares (representing approximately 57.6% of the scheme limit of the Share Award Scheme) have been granted pursuant to the Share Award Scheme and 10,507,000 are available for grant of Awards in the future by the Board under the Share Award Scheme, representing approximately 2.5% of the Class B Shares in issue.

The Issue Award Shares to be issued represent (i) approximately 2.0% of the total issued shares of the Company as at the date of this announcement; and (ii) approximately 1.9% of the total issued shares of the Company as enlarged by such allotment and issue.

The total number of Shares underlying all grants made pursuant to the Share Award Scheme will not exceed 24,764,500 Shares, subject to an annual limit of 3% of the total number of issued shares of the Company at the relevant time. Save for the issue of Shares pursuant to the 2019 ESOP and the issue of Shares pursuant to the Global Offering, the Company has not issued any other Shares nor engaged in any fund raising activities by any issue of Shares in the 12 months immediately preceding the date of this announcement.

The Issue Award Shares, when issued and fully paid, shall rank *pari passu* among themselves and with the other Shares in issue, with rights to receive all dividends and other distributions declared, made or paid on or after the date of allotment of issue. However, pursuant to the Share Award Scheme, neither the Award Grantees nor the Trustee may exercise any voting rights in respect of any Award Shares that have not yet vested.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Issue Award Shares to be issued and allotted.

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. Further details of the Share Award Scheme and the Scheme Rules are set out in the announcement of the Company dated May 31, 2021.

DEFINITIONS

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

“2019 ESOP”	the share incentive plan approved and adopted in August 2019
“2021 ESOP”	the post-IPO share option scheme conditionally approved and adopted by the Company on March 16, 2021
“Award(s)”	an award granted by the Board to an Award Grantee, which may vest in the form of Award Shares or the actual price at which the Award Shares are sold in cash, as the Board may determine in accordance with the terms of the Scheme Rules
“Award Share(s)”	the Class B Shares granted to an Award Grantee in an Award
“Award Grantee(s)”	Eligible Person(s) approved for participation in the Share Award Scheme and who has been granted any Award
“Board”	the board of Directors
“Company”	Bairong Inc., a company with limited liability incorporated in the Cayman Islands on June 21, 2018
“Connected Award Grantees”	Award Grantees who are connected persons of the Company
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	any individual, being an employee, director (including executive Directors, non-executive Directors and independent non-executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate (including nominees and/or trustees of any employee benefit trust established for them) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an Award. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme

“General Mandate”	a general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on June 16, 2021, under which the maximum number of Class B Shares that can be issued and allotted are 82,197,943 Class B Shares
“Global Offering”	the public offering of the Class B Shares as defined and described in the Prospectus
“Group”	the Company, its subsidiaries, and its consolidated affiliated entities (the financial results of which have been consolidated and accounted for as subsidiaries) from time to time
“Issue Award Shares”	new Shares to be allotted and issued by the Company to satisfy the Awards granted pursuant to the Share Award Scheme
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange, i.e. March 31, 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Option(s)”	option(s) to subscribe for or acquire Shares which is/are granted under the 2021 ESOP
“Option Grantee(s)”	person(s) who is/are eligible to subscribe for the Options under the 2021 ESOP
“Prospectus”	the prospectus of the Company dated March 19, 2021
“Purchased Award Shares”	existing Shares held or to be purchased from the open market by the Trustee to satisfy the Awards granted pursuant to the Share Award Scheme
“Scheme Rules”	the rules of the share award scheme adopted by the Board on May 28, 2021
“Share Award Scheme”	the share award scheme constituted by the Scheme Rules as amended from time to time
“Share(s)” or “Class B Share(s)”	class B ordinary share(s) in the share capital of the Company with a par value of US\$0.00002 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company’s general meetings

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed to service the Share Award Scheme
“Trustee”	TMF Trust (HK) Limited, the trustee appointed by the Company for the purpose of the Trust, which is independent of and not connected with the Company
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Scheme
“Unconnected Award Grantees”	Award Grantees who are third parties independent of the Company and its connected persons

By order of the Board
Bairong Inc.
Zhang Shaofeng
Chairman

Hong Kong, December 29, 2021

As at the date of this announcement, the Board comprises Mr. Zhang Shaofeng, Mr. Zhao Hongqiang and Ms. Zhao Jing as executive Directors, Mr. Bai Linsen and Mr. Ren Xuefeng as non-executive Directors, and Professor Chen Zhiwu, Mr. Zhou Hao, Professor Guo Yike and Dr. Li Yao as the independent non-executive Directors.