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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

The Board announces that on March 26, 2024, subject to the acceptance by the Option Grantees, the Board has approved the grant of 20,582,900 Options (each entitling the holder thereof to subscribe for one (1) Share) under the 2021 ESOP, representing approximately 4.98% of the total Class B Shares in issue as at the date of grant. Details of the Option Grant are set out below:

Date of grant: March 26, 2024

Option Grantees and number of Options granted:	Name	Position	Number of Options granted
	Mr. Zhang Shaofeng ("Mr. Zhang")	Founder, executive Director, chairman of the Board and chief executive officer	19,202,400
	Mr. Zheng Wei ("Mr. Zheng")	Executive Director and chief financial officer	600,000
	Ms. Cathryn Xie Jianing ("Ms. Xie")	Executive Director	780,500

**Exercise price of the
Options granted:** HK\$13.8 per Class B Share, which represents the highest of:

- (i) the closing price of HK\$11.84 per Class B Share as stated in the daily quotations sheet of the Stock Exchange on March 26, 2024, being the date of the Option Grant;
- (ii) the average closing price of HK\$13.8 per Class B Share as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the date of the Option Grant; and
- (iii) the nominal value of the Share of US\$0.00002.

Closing price of the Shares on the date of grant:	HK\$11.84 per Class B Share
Vesting and validity period of the Options:	<p>The Options are exercisable for a period of ten years after the date of the Option Grant, subject to the vesting period as follows:</p> <ul style="list-style-type: none"> (i) 50% of the Options will be vested on March 26, 2025; (ii) 25% of the Options will be vested on March 26, 2026; and (iii) 25% of the Options will be vested on March 26, 2027.
Performance target:	<p>There is no performance target attached to the Option Grant.</p> <p>The Remuneration Committee is of the view that performance target is not necessary because (i) the Options granted to the Option Grantees are part of their respective compensation package under the remuneration policy for the Directors and senior management of the Company; and (ii) the Option Grant aligns with the purpose of the 2021 Share Option Plan as the Options aim to retain and motivate the Grantees to provide their opinion and judgment in building the strategy and long-term development of the Company.</p>
Clawback mechanism:	<p>The key clawback terms are generally as follow (unless approved otherwise):</p> <p>If an Option Grantee, being an employee whose employment is terminated by the Group or an affiliate by reason of the employer terminating the contract of employment without notice or payment in lieu notice, or the Option Grantee having been convicted of any criminal offence involving their integrity or honesty, the Option shall immediately lapse.</p> <p>If an Option Grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his/her creditors generally, the Option shall immediately lapse.</p>
<p>Pursuant to Rule 17.04(1) of the Listing Rules, such Option Grant to each of the above Director and chief executive had been approved by the independent non-executive Directors. Mr. Zhang, Mr. Zheng and Ms. Xie had abstained from voting on the resolutions relating to the respective grants to themselves and had not been counted towards the quorum of the Board meeting in respect of such resolutions.</p>	

Since the above-mentioned grant to Mr. Zhang would (i) result in the Shares issued and to be issued in respect of all options and awards granted to Mr. Zhang (excluding any options and awards lapsed in accordance with the terms of the applicable scheme) in the 12-month period up to and including the date of the said grant representing in aggregate over 1% of the issued Class B Shares; (ii) result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the applicable scheme) to Mr. Zhang, being an executive Director and a substantial shareholder of the Company, in the 12-month period up to and including the date of the said grant representing in aggregate over 0.1% of the issued Class B Shares; and (iii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, the grant of Options to Mr. Zhang (the “**Conditional Grant**”) is conditional upon approval by the Shareholders (with Mr. Zhang and his associates and all core connected persons of the Company abstaining) at the forthcoming annual general meeting (the “**AGM**”) in accordance with Rules 17.03D(1), 17.04(2), 17.04(3) and 17.04(4) of the Listing Rules (as applicable) and the 2021 ESOP.

The AGM will be convened in due course and held for the Shareholders to, among other things, consider and, if thought fit, approve the Conditional Grant. A circular containing, among other things, the Conditional Grant, and the notice of the AGM, will be despatched to the Shareholders in due course.

Save as disclosed above, none of the other Option Grant will be subject to approval by the Shareholders.

The Option Grant enables the Company to attract, retain, incentivize, reward and remunerate the Option 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.

In particular, the Remuneration Committee and the Corporate Governance Committee are of the view that the Conditional Grant is appropriate and reasonable for the following reasons (i) Mr. Zhang has served as the founder, executive Director, chairman of the Board and chief executive officer since the founding of the Company; (ii) he made significant contributions to the Company in managing the overall operations and improving the performance of the Company; (iii) the Conditional Grant would provide incentive for Mr. Zhang’s persistent devotions and leadership in the development of the Group’s business by further aligning the interests of the Group with him; (iv) his leading role in the Group will be of critical importance to the development and long-term growth of the Group; and (v) the Conditional Grant would not result in a significant financial burden on the Group in the form of cash remuneration, but will only incur non-monetary share-based payment expenses. Accordingly, the Corporate Governance Committee has made a recommendation on the Conditional Grant pursuant to the note of Rule 17.04(1) of the Listing Rules and such Conditional Grant has also been approved by the Remuneration Committee.

After the Option Grant above, 71 Options are available for future grant under the 2021 ESOP.

There are no arrangements for the Company or any of its subsidiaries to provide financial assistance to any of the Option Grantees to facilitate the purchase of Shares under the 2021 ESOP.

The 2021 ESOP was adopted before the effective date of the new Chapter 17 of the Listing Rules. The Company will comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing share schemes.

DEFINITIONS

“2021 ESOP”	the post-IPO share option scheme conditionally approved and adopted by the Company on March 16, 2021
“Board”	the board of Directors
“Company”	Bairong Inc., a company with limited liability incorporated in the Cayman Islands on June 21, 2018
“Corporate Governance Committee”	the corporate governance committee of the Company
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“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
“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 Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Option(s)”	option(s) to subscribe for or acquire Shares which is/are granted under the 2021 ESOP
“Option Grant”	20,582,900 Options to be granted to the Option Grantees in accordance with the 2021 ESOP on the date of grant
“Option Grantee(s)”	person(s) who is/are eligible to subscribe for the Options under the 2021 ESOP
“Remuneration Committee”	the remuneration committee of the Company

“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

By order of the Board
Bairong Inc.
Zhang Shaofeng
Chairman

Hong Kong, March 26, 2024

As at the date of this announcement, the Board comprises Mr. Zhang Shaofeng, Mr. Zheng Wei and Ms. Cathryn Xie Jianing as executive Directors, Mr. Bai Linsen and Professor Liao Jianwen as non-executive Directors, and Professor Chen Zhiwu, Mr. Zhou Hao and Dr. Li Yao as independent non-executive Directors.