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**edenSOFT**  
**EDENSOFT HOLDINGS LIMITED**  
**伊登軟件控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1147)**

**GRANT OF AWARD SHARES  
UNDER THE SHARE AWARD PLAN**

Reference is made to the announcements of the Company dated 9 November 2021 and 11 January 2022 (the “**Announcements**”) in relation to the adoption of share award plan of the Company and certain supplementary information in relation thereto. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

**GRANT OF AWARD SHARES**

On 23 March 2022, the Board has resolved to grant 44,947,350 Award Shares to 42 Selected Participants, all of whom are Employees (i.e. Class (i) Participants), under the Share Award Plan (the “**Grantee(s)**”). The Award Shares represent (i) approximately 2.25% of the issued share capital of the Company as at the Adoption Date and the date of this announcement (i.e. 2,000,000,000 Shares) and (ii) approximately 2.20% of the enlarged issued share capital after the allotment. No funds will be raised from the allotment and issue of the new Shares.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, all the Grantees are Employees who are not connected person (as defined under the Listing Rules) of the Company.

The grant of Award Shares and the number of Award Shares granted to the Grantees are determined based on their performance, qualification, education background, contribution, experience and loyalty.

Based on the closing price of HK\$0.086 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of 44,947,350 Award Shares granted to the Grantees is HK\$3,865,472.1.

The Award Shares will be issued and allotted to the Trustee at the nominal value of HK\$0.01 per Share. The aggregate nominal value of the 44,947,350 Award Shares is HK\$449,473.5.

The 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 the proposed allotment and issue.

### **Vesting Schedule**

Subject to the fulfilment of the relevant condition(s) and/or performance target(s), the Award Shares shall be vested in the Grantees in the following manner:

1. For 8 of the Grantees (the “**1st Batch Grantees**”):

<b>Vesting date</b>	<b>% of the Award Shares to be vested</b>
30 April 2022	50%
30 April 2023	50%

2. For 34 of the Grantees (the “**2nd Batch Grantees**”):

<b>Vesting date</b>	<b>% of the Award Shares to be vested</b>
30 April 2023	25%
30 April 2024	25%
30 April 2025	25%
30 April 2026	25%

In the event that the vesting condition(s) or performance target(s) are not attained by any relevant Grantees before the relevant date as specified in the relevant grant letters, an Award made to such Grantees shall forthwith lapse and be cancelled.

### **Vesting Conditions**

The vesting of the Award Shares is subject to the following vesting conditions as specified in the relevant grant letters:

1. the Grantee remaining as an Eligible Participant (i.e. in this case, an Employee) on and before the relevant vesting date (other than for reason of death or retirement);

2. the Grantee having achieved his/her respective performance target(s) as specified in the relevant grant letter;
3. the Grantee having completed the relevant filings and obtained the necessary approvals in respect of the transfer of the Award Shares by the Trustee to him/her (if required); and
4. the Grantee having returned duly executed acceptance form and/or transfer documents within a specified period of time prescribed by the Trustee.

The vesting of the second tranche of the Award Shares granted to the 1st Batch Grantees is subject to the following performance targets:

- (i) such Grantee shall obtain an overall grade of “B” or above for his/her personal position performance appraisal conducted by the Company before the vesting date in respect of such tranche; and
- (ii) the Group shall have achieved a year-on-year growth of at least 20% in the audited revenue or audited net profits in the immediately preceding financial year.

The first tranche of the Award Shares granted to the 1st Batch Grantees will be vested shortly after the date of grant for the purposes of rewarding the outstanding historical contribution and performance of the 1st Batch Grantees leading to the successful listing of the Shares on the Stock Exchange on 13 May 2020 (the “**Listing**”), talent retention and continuity and sustainability management. Therefore, the vesting of such Award Shares is not conditional upon the satisfaction of future performance targets. The 1st Batch Grantees are mid to senior level operational personnel with key skills serving in key roles for the core operations of the Group (including management, administrative, finance, procurement, sales and technical positions). The 1st Batch Grantees are all long-serving Employees of the Group whose terms of service ranged from 7 to 19 years. The Board and the Remuneration Committee consider that the 1st Batch Grantees are high caliber individuals who have made significant contributions to the Group in its course of development including but not limited to the successful Listing. Before the Listing, with the contribution of the 1st Batch Grantees, the Company had recorded substantial growth in its financial performance, as illustrated by the following: (i) for the four years ended 31 December 2019, the revenue of the Group had risen from approximately RMB327.3 million for the year ended 31 December 2016 to approximately RMB791.9 million for the year ended 31 December 2019; and (ii) the net profit of the Group had increased from approximately RMB12.0 million for the year ended 31 December 2016 to approximately RMB24.5 million for the year ended 31 December 2019. The Board and the Remuneration Committee are of the view that it is consistent with the remuneration policy and the purposes of the Share Award Plan (i.e. to recognize the contributions of Employees of the Group) to grant the first tranche of Award Shares to the 1st Batch Grantees on the above-mentioned basis. It is to the benefit of the Company to appropriately reward the outstanding contributions of key personnel with an attractive and competitive level of equity-linked remuneration, so as to attract and retain experienced and skillful talents for its business and development.

In respect of the 2nd Batch Grantees, the performance targets are that:

- (i) such Grantee shall obtain an overall grade of “B” or above for his/her personal position performance appraisal conducted by the Company before each of the vesting date in respect of each of the tranches; and
- (ii) in respect of each tranche, the Group shall have achieved a year-on-year growth of at least 20% in the audited revenue or audited net profits in the immediately preceding financial year.

The personal position performance appraisal takes into account indicators including but not limited to qualitative and quantitative performance indicators, qualification, education background, contribution, experience and loyalty.

The above performance targets in respect of the audited revenue or audited net profits of the Group are determined for the purpose of the vesting of the Award Shares only, and shall not be taken as a forecast or estimate of the revenue or profits or losses of the Group.

### **Clawback Mechanism**

Under the Share Award Plan, the Company may withhold any Awards granted to a Selected Participant in accordance with the rules of the Share Award Plan.

In the event:

- (i) the subsidiary by which a Selected Participant is employed or, in respect of a deceased or retired Selected Participant, was employed immediately prior to his death or retirement, ceases to be a subsidiary of the Company (or of a member of the Group); or
- (ii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company),

the Award shall automatically lapse forthwith and all the Award Shares shall not vest on the relevant Vesting Date.

### **PROPOSED ISSUE OF NEW SHARES UNDER THE SHARE AWARD PLAN PURSUANT TO GENERAL MANDATE**

The Board has also resolved to allot and issue a total of not more than 44,947,350 new Shares to satisfy the grant of Award Shares to the Grantees pursuant to the terms of the Share Award Plan.

The Award Shares granted will be satisfied by the allotment and issue of new Shares to the Trustee (i.e. Tricor Trust (Hong Kong) Limited or its nominee) by the Company pursuant to the general mandate granted to the Directors to allot, issue and otherwise deal with up to 20% of the total number of issued Shares on the date of the annual general meeting of the Company held on 25 June 2021 (the “AGM”) (i.e. 400,000,000 Shares) at the AGM.

Upon allotment and issue of the new Shares, the Trustee will hold such Award Shares on trust for the Grantees and will transfer the respective proportions to each of them at nil consideration upon vesting and settlement of their respective Award Shares.

The allotment and issue of the Award Shares shall be subject to the Stock Exchange having granted the approval for the listing of, and permission to deal in such Shares. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, 44,947,350 Award Shares granted to the Grantees.

By Order of the Board  
**Edensoft Holdings Limited**  
**Ding Xinyun**

*Chairman, Executive Director and Chief Executive Officer*

Hong Kong, 23 March 2022

*As at the date of this announcement, the Board comprises Ms. Ding Xinyun (Chairman and Chief Executive Officer) and Ms. Li Yi as the executive Directors, and Mr. Leung Chu Tung, Ms. Zhu Weili, Mr. Liang Chi and Ms. Zhang Shuo as the independent non-executive Directors*