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ClouDr Group Limited

智雲健康科技集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9955)

GRANT OF (I) SHARE AWARDS AND (II) RESTRICTED SHARE UNITS

(I) GRANT OF SHARE AWARDS

The Board announces that on December 30, 2022, the Company granted a total of 13,862,500 Award Shares to 75 Grantees under the Post-IPO Share Award Scheme.

The details of the Grant are as follows:

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| Date of grant: | December 30, 2022 |
| Number of Award Shares granted: | 13,862,500 |
| Consideration for the grant of Award Shares: | HK\$0.01 per Award Share |
| Closing price of the Shares on the date of the grant: | HK\$13.42 per Share |
| Vesting period: | Two or four years from the vesting commencement date, subject to the term of the Post-IPO Share Award Scheme and the relevant grant letters entered into between the Grantees and the Company |

Performance targets: The vesting of the Award Shares shall be conditional upon the achievement of certain performance targets relating to performance rating as set out in the relevant grant letters entered into between the Grantees and the Company

Each of the Award Shares represents a contingent right to receive one Share on the date the Award Share vests.

The above Grant would not result in the options and awards granted and to be granted to each individual grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue.

None of the Grant will be subject to approval by the Shareholders, and none of the Grantees is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or an associate (as defined in the Listing Rules) of any of them.

Clawback mechanism

Where any of the following events as specified in the rules of the Post-IPO Share Award Scheme arises, any outstanding Award Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion:

- (a) the Grantee ceases to be an eligible person under the Post-IPO Share Award Scheme by reason of (i) death of the Grantee, (ii) termination of the Grantee's employment or contractual engagement with the Group or an affiliate by reason of his or her permanent physical or mental disablement, or (iii) termination of the Grantee's employment or contractual engagement with the Group by reason of redundancy;
- (b) the 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 of notice, or the Grantee having been convicted of any criminal offense involving his or her integrity or honesty;
- (c) the Grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his or her creditors generally; and
- (d) the Grantee ceases to be an eligible person under the Post-IPO Share Award Scheme for reasons other than retirement and those stated above.

Reason for and benefits of the Grant

The purpose of the Grant is to align the interests of Grantees' with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Grantees to make contributions to the long-term growth and profits of the Group.

Shares to be issued and number of Shares available for future grant

13,862,500 Shares will be allotted and issued to the Grantee or the trustee (as appropriate) to satisfy the vesting of the Award Shares pursuant to the specific mandate granted by the Shareholders at the general meeting of June 10, 2022. Where the relevant Shares are allotted to the trustee, the trustee shall hold such Shares on trust for the Grantees and shall transfer and release such Shares to the Grantees at no cost upon satisfaction of the relevant vesting conditions specified by the Board at the time of granting the Award Shares. HK\$138,625 will be raised from the issue of the new Shares. The Stock Exchange has previously granted approval for the listing of, and permission to deal in, the new Shares which may be issued pursuant to the vesting of the Award Shares which may be granted pursuant to the Post-IPO Share Award Scheme on July 5, 2022.

The new Shares that may be allotted and issued by the Company to satisfy the Grant represent approximately 2.36% of the total issued Shares of the Company as at the date of this announcement. The new Shares, when issued and allotted, shall rank pari passu among themselves and with the fully paid Shares in issue. Neither the Grantee nor the trustee may exercise any voting rights in respect of any Award Shares that have not yet vested.

The aggregate number of Shares underlying all grants made pursuant to the Post-IPO Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme) will not exceed 58,703,821 Shares without Shareholders' approval, subject to an annual limit of 3% of the total number of issued Shares at the relevant time. As of the date of this announcement, 44,841,321 Award Shares are available for future grant under the aforementioned scheme mandate limit.

(II) GRANT OF RESTRICTED SHARE UNITS

The Board announces that on December 30, 2022, the Board granted a total of 2,000,000 RSUs to Mr. Kuang under the Pre-IPO Equity Incentive Scheme. The principal terms of the Pre-IPO Equity Incentive Scheme were set out in the section headed "Appendix IV – Statutory and General Information – D. Share Incentive Plans

– 1. Pre-IPO Equity Incentive Scheme” of the prospectus of the Company dated June 23, 2022. Mr. Kuang is the chief executive officer and an executive Director of the Company and therefore is a connected person of the Company.

The 2,000,000 RSUs represent 2,000,000 underlying Shares, and approximately 0.34% of the total issued share capital of the Company as of the date of this announcement. Each RSU was granted at a consideration of HK\$0.01. Subject to the vesting conditions being met, 25% of the RSUs will vest each year from the vesting commencement date which is December 30, 2022 over the next four years on the anniversary of the vesting commencement date as specified in the share award agreement entered into between Mr. Kuang and the Company.

As (i) grant of the RSUs to Mr. Kuang forms part of his remuneration; and (ii) the grant of RSUs is to recognize and reward him for his past contributions to the Company, and can incentivize and retain Mr. Kuang, whose contributions are crucial to the continual operation, development and long-term growth of the Group, the remuneration committee of the Company is of the view that it is not necessary to set performance targets for the grant of RSUs to Mr. Kuang.

Based on the share award agreement entered into between Mr. Kuang and the Company, upon (i) the material breach of any term of the employment agreement or any other agreements entered into between the Company and Mr. Kuang, or (ii) any of Mr. Kuang’s acts materially and adversely affect the Company (or any of its affiliates), the grant of RSUs shall terminate immediately and Mr. Kuang shall return any of the Shares obtained under the share award agreement to the Company upon such event.

The grant of 2,000,000 RSUs to Mr. Kuang has been unanimously approved by all members of the remuneration committee of the Company and the Board (except Mr. Kuang who has abstained from voting on the remuneration committee and board resolutions approving the grant of the RSUs to himself). The grant of 2,000,000 RSUs to Mr. Kuang will be satisfied with existing Shares held by Prime Forest Assets Limited and no new Shares will be issued. The grant and vesting of such RSUs are not subject to approval of Shareholders of the Company.

Market value

Based on the closing price of HK\$13.42 per Share as quoted on the Stock Exchange on the date of grant, the market value of the 2,000,000 RSUs granted to Mr. Kuang amounts to approximately HK\$26,840,000.

Number of Shares available for future grant

The overall limit on the number of underlying Shares pursuant to the Pre-IPO Equity Incentive Schemes is 84,254,735 Shares. As of the date of this announcement, 3,314,118 Shares are available for future grant under the aforementioned scheme mandate limit.

Reasons for and benefits of the grant to Mr. Kuang

The reasons for the grant of RSUs to Mr. Kuang are to provide incentives for him to exert maximum efforts and reward continued efforts for the success of the Group, and to promote the success of the Company's business by providing Mr. Kuang an opportunity to increase his proprietary interest in the success of the Company by permitting him to acquire additional Shares through the granting of the RSUs.

Listing Rules Implications

The Pre-IPO Equity Incentive Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

Mr. Kuang is an executive director of the Company, and therefore is a connected person of the Company under Rule 14A.07 of the Listing Rules. The grant of the RSUs to Mr. Kuang constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. However, as the grant of RSUs to Mr. Kuang forms part of the remuneration package under his service contract with the Company, such grant is exempt from the reporting, announcement and independent Shareholders' approval requirements pursuant to Rules 14A.73(6) and 14A.95 of the Listing Rules.

As the vesting of RSUs granted to Mr. Kuang will be satisfied by the existing Shares held by Prime Forest Assets Limited, no new Shares will be issued by the Company, and accordingly, the granting of the RSUs to Mr. Kuang will not result in any dilution effect on the shareholdings of existing Shareholders.

The Board considers that the grant of RSUs to Mr. Kuang has been entered into in the ordinary and usual course of business of the Company, on normal commercial terms, and is fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

DEFINITIONS

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

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| “associate(s)” | has the same meaning as ascribed to it under the Listing Rules |
| “Award Share(s)” | award shares, each representing a contingent right to receive one Share, which are awarded under the Post-IPO Share Award Scheme |
| “Board” | board of Directors |
| “Company” | ClouDr Group Limited (stock code: 9955), an exempted company with limited liability incorporated in the Cayman Islands on August 24, 2015, the Shares of which are listed on the Main Board of the Stock Exchange |
| “connected person(s)” | has the same meaning as ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Grant” | the grant of 13,862,500 Award Shares to Grantees in accordance with the Post-IPO Share Award Scheme |
| “Grantee(s)” | the employee(s) of the Group who was (were) granted Award Shares in accordance with the Post-IPO Share Award Scheme |
| “Group” | the Company, its subsidiaries and the consolidated affiliated entities 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, as amended from time to time |
| “Mr. Kuang” | Mr. Kuang Ming, an executive Director, chairman and chief executive officer of the Company |

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| “Pre-IPO Equity Incentive Scheme” | the pre-IPO equity incentive scheme approved and adopted by the Company on August 24, 2015 |
| “Post-IPO Share Award Scheme” | the post-IPO share award scheme approved and adopted by the Company on June 10, 2022 |
| “RSU(s)” | restricted share unit(s) granted under the Pre-IPO Equity Incentive Scheme |
| “Shareholder(s)” | holder(s) of the Shares |
| “Share(s)” | the ordinary share(s) in the share capital of the Company, currently of a nominal value of US\$0.0001 each |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “US\$” | U.S. dollars, the lawful currency of the United States of America |

By order of the Board
ClouDr Group Limited
Kuang Ming
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, December 30, 2022

As at the date of this announcement, the Board comprises Mr. Kuang Ming as the executive Director, Mr. Lee Kar Chung Felix as the non-executive Director, and Dr. Hong Weili, Mr. Zhang Saiyin and Mr. Ang Khai Meng as the independent non-executive Directors.

* *For identification purpose only*