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Ming Yuan Cloud Group Holdings Limited

明源雲集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 909)

(1) GRANT OF RESTRICTED SHARE UNITS UNDER THE SHARE INCENTIVE PLAN; AND

(2) GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Listing Rules. The Board hereby announces that on 17 January 2023, the Company granted (i) a total of 75,037 RSUs to two (2) Share Incentive Grantees under the Share Incentive Plan; and (ii) a total of 41,200,000 Share Options to subscribe for an aggregate of 41,200,000 Shares to fifty nine (59) Share Option Grantees under the Share Option Scheme.

(1) GRANT OF RESTRICTED SHARE UNITS UNDER THE SHARE INCENTIVE PLAN

On 17 January 2023, the Board resolved to grant a total of 75,037 RSUs, representing an aggregate of 75,037 Shares, to two (2) Share Incentive Grantees who are employees of the Group pursuant to the Share Incentive Plan.

The purpose of the Share Incentive Plan is to enable the Group to grant awards to selected participants as incentives or rewards for their contribution to the Group, in particular, (i) to motivate them to optimize their performance and efficiency for the benefit of the Group; (ii) to attract and retain them whose contributions are or will be beneficial to the Group; and (iii) to encourage them to enhance cooperation and communication amongst team members for the growth of the Group. A summary of the terms of the Share Incentive Plan was set out in the section headed “*Statutory and General Information – D. Share Incentive Plan*” in Appendix IV to the Prospectus.

A summary of the aforesaid grant is set out below:

Date of grant	:	17 January 2023
Closing price of the Shares on the date of grant	:	HK\$8.030 per Share
Consideration of the RSUs granted	:	Nil
Vesting date of the RSUs	:	75,037 RSUs to be vested on 17 January 2025
Approximate percentage of the RSUs to the total number of issued Shares as of the date of this announcement	:	0.004%
Performance target, clawback/lapse mechanism	:	Provided that a Share Incentive Grantee remains as an eligible participant under the Share Incentive Plan and employed with the Group at the time of vesting of the RSUs, for the RSUs granted to the Share Incentive Grantees, the vesting of the RSUs is conditional upon the achievement of certain performance targets (including (i) not having been graded “C” or worse for his or her personal evaluations, if applicable, in accordance with the performance management policies of the Group; and/or (ii) where applicable, achieving the prescribed performance targets and/or passing the corresponding rank certification), in each case as determined by the Board at its absolute discretion and during each of the two financial years ending 31 December preceding the vesting date of the RSUs as contemplated above.
		The grants to the Share Incentive Grantees are not subject to any clawback mechanism for the Company to recover but would be subject to tax withholding by the Company pursuant to the terms and conditions of the Share Incentive Plan and the award letters thereof. The Remuneration Committee is of the view that the grant of the RSUs to the Share Incentive Grantees without a clawback mechanism is market competitive, consistent with the Company’s customary practice at the time of adoption of the Share Incentive Plan, and aligns with the overall purpose and objective of the Share Incentive Plan.
Financial assistance	:	There are no arrangements for the Company or any of its subsidiaries to provide financial assistance to the Share Incentive Grantees to facilitate the purchase of Shares under the Share Incentive Plan.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Share Incentive Grantees is (i) a Director, nor a chief executive, nor a substantial shareholder of the Company, nor an associate of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

As of the date of this announcement, 75,037 Shares underlying the said grants of RSUs to the Share Incentive Grantees pursuant to the Share Incentive Plan were directly held by MYC, so no new Shares are otherwise required to be issued by the Company pursuant to the aforesaid grant of RSUs on 17 January 2023. Accordingly, the aforesaid grant of the RSUs will not result in any dilution effect to the number of total issued Shares upon vesting thereof.

After the grant above, 12,549,823 underlying Shares will be available for future grants under the Share Incentive Plan.

(2) GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

On 17 January 2023, the Board resolved to grant a total of 41,200,000 Share Options to fifty nine (59) eligible participants, being the employees of the Group, to subscribe for a total of 41,200,000 Shares pursuant to the Share Option Scheme.

The purpose of the Share Option Scheme is to provide incentives and/or rewards to the Directors, executives or officers and employees of the Group for their contributions to, and continuing efforts to promote the interest of the Group. A summary of the terms of the Share Option Scheme was set out in the section headed "*PRINCIPAL TERMS OF SHARE OPTION SCHEME*" in Appendix III to the circular of the Company dated 12 May 2021.

A summary of the aforesaid grant is set out below:

Date of grant	:	17 January 2023
Total number of Share Options granted	:	41,200,000
Exercise price of Share Options granted	:	HK\$8.196 per Share, being the highest of (i) the closing price of HK\$8.030 per Share as stated in the Stock Exchange's daily quotations sheet on the grant date; (ii) the average closing price of HK\$8.196 per Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date of the relevant Share Options; and (iii) the nominal value per Share on the grant date which is HK\$0.0001

- Total number of Shares to be issued upon exercise of the Share Options in full : 41,200,000, which represent approximately 2.10% of the total issued Shares as at the date of this announcement
- Closing price of the Shares on the date of grant : HK\$8.030 per Share
- Average closing price of the Shares for the five consecutive business days prior to the date of grant : HK\$8.196 per Share
- Validity period of Share Options : Share Options shall automatically lapse upon the expiry of the tenth anniversary of the grant date
- Vesting period of the Share Options : (1) 25% of the Share Options to be vested on 17 January 2025;
- (2) 25% of the Share Options to be vested on 17 January 2026;
- (3) 25% of the Share Options to be vested on 17 January 2027; and
- (4) 25% of the Share Options to be vested on 17 January 2028

Upon vesting, the Share Options are only exercisable at the exercise price set out above if the trading price per Share once reaching HK\$12 and upon exercise (whether in whole or in part) of the relevant Share Options.

- Performance Targets : Provided that a Share Option Grantee remains as an eligible participant under the Share Option Scheme and employed with the Group at the time of vesting of the Share Options, the vesting of each tranche shall be subject to fulfilment of performance targets, including (i) not having been graded “C” or worse for his or her personal evaluations in accordance with the performance management policies of the Group; or (ii) not having received any assessment which, by nature, indicates a failure to meet prescribed performance targets or standards, in each case, for each financial year ending 31 December preceding the aforesaid vesting dates (collectively, the “**Performance Targets**”).

Subject to the Listing Rules and the Share Option Scheme, the Board reserves the rights to specify the Performance Targets and conditions required to be achieved by each Share Option Grantee prior to the vesting of and the exercise of the Share Options at its absolute discretion.

Clawback/lapse Mechanism : If a Share Option Grantee does not achieve the Performance Targets during the respective vesting periods contemplated above, such outstanding Share Options granted but not yet vested will automatically lapse for such Share Option Grantee.

In addition, in the event a Share Option Grantee ceases to be an eligible participant under the Share Option Scheme by reason of the termination of his or her employment on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay debts or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty, any Share Options granted to him or her shall lapse forthwith and not exercisable (to the extent not already exercised), with immediate effect. The Share Options granted to the Share Option Grantees are also subject to tax withholding by the Company pursuant to the terms and conditions of the Share Option Scheme and the grant letters thereof.

Financial Assistance : There are no arrangements for the Company or any of its subsidiaries to provide financial assistance to any of the Share Option Grantees to facilitate the purchase of Shares under the Share Option Scheme.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Share Option Grantees is (i) a Director, a chief executive, a substantial shareholder of the Company, or an associate of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

After the grant above, 55,157,499 Share Options will be available for future grants under the Share Option Scheme.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Ming Yuan Cloud Group Holdings Limited (明源雲集團控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange with stock code 909
“Director(s)”	director(s) of the Company
“Group”	the Company, its subsidiaries and consolidated affiliated entity from time to time or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries and consolidated affiliated entity, such subsidiaries and consolidated affiliated entity as if they were subsidiaries and consolidated affiliated entity of the Company at the relevant time
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	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
“MYC”	MYC Marvellous Limited, a limited liability company incorporated in the British Virgin Islands and a special purpose vehicle wholly owned by TMF Trust, the trustee appointed by the Company for the administration of the Share Incentive Plan
“Prospectus”	the prospectus of the Company dated 15 September 2020 in relation to the global offering
“Remuneration Committee”	the remuneration committee of the Board, consisting Mr. GAO Yu, Mr. LI Hanhui and Mr. ZHAO Liang as members thereof
“RSU(s)”	restricted share unit(s) granted under the Share Incentive Plan

“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of HK\$0.0001 each
“Shareholders”	the shareholders of the Company
“Share Incentive Grantee(s)”	two (2) employees of the Group who are granted with a total of 75,037 RSUs under the Share Incentive Plan
“Share Incentive Plan”	the share incentive plan of the Company approved and adopted by the Board on 29 March 2020, in its present form or as amended from time to time in accordance with the Share Incentive Plan
“Share Option(s)”	option(s) granted under the Share Option Scheme to purchase the Shares
“Share Option Grantee(s)”	fifty nine (59) eligible participants granted with the Share Options pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme approved by an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 11 June 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“TMF Trust”	TMF Trust (HK) Limited
“%”	per cent.

By order of the Board
Ming Yuan Cloud Group Holdings Limited
GAO Yu
Chairman

Shenzhen, PRC, 17 January 2023

As of the date of this announcement, the Board comprises Mr. GAO Yu, Mr. JIANG Haiyang, Mr. CHEN Xiaohui and Mr. JIANG Keyang as executive Directors, Mr. LIANG Guozhi and Mr. YI Feifan as non-executive Directors, and Mr. LI Hanhui, Mr. ZHAO Liang and Ms. TONG Naqiong as independent non-executive Directors.