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明源雲

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;
(2) GRANT OF AWARD SHARES UNDER THE SHARE AWARD SCHEME;
AND
(3) ISSUE AND ALLOTMENT OF NEW SHARES
UNDER GENERAL MANDATE**

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Listing Rules. The Board hereby announces that on 15 November 2023, the Company granted (i) a total of 1,742,618 RSUs to 13 Share Incentive Grantees under the Share Incentive Plan; and (ii) a total of 14,418,796 Award Shares to 4 Share Award Grantees under the Share Award Scheme.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Grantees is (i) a Director, chief executive, 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 issued Shares.

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

On 15 November 2023, the Board resolved to grant a total of 1,742,618 RSUs, subject to acceptance, to 13 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	:	15 November 2023
Closing price of the Shares on the date of grant	:	HK\$3.52 per Share
Consideration of the RSUs granted	:	Nil
Vesting date of the RSUs	:	1,742,618 RSUs to be vested on 15 November 2025
Approximate percentage of the RSUs to the total number of issued Shares as of the date of this announcement	:	0.09%
Performance target and clawback mechanism	:	Provided that a Share Incentive Grantee remains (i) as an eligible participant under the Share Incentive Plan; and (ii) employed with the Group at the time of vesting of the RSUs, 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 (iii) where applicable, 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, chief executive, 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 issued Shares.

As of the date of this announcement, 1,742,618 Shares underlying 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. Accordingly, the aforesaid grant of RSUs will not result in any dilution effect to the Shares upon vesting thereof.

After the grant above, 11,019,624 underlying Shares will be available for future grants under the Share Incentive Plan.

(2) GRANT OF AWARD SHARES UNDER THE SHARE AWARD SCHEME

On 15 November 2023, the Board resolved to grant a total of 14,418,796 Award Shares, subject to acceptance, to 4 Share Award Grantees who are employees of the Group pursuant to the Share Award Scheme.

A summary of the aforesaid grant is set out below:

Date of grant	:	15 November 2023
Closing price of the Shares on the date of grant	:	HK\$3.52 per Share
Consideration of the Award Shares granted	:	Nil
Vesting date of the Award Shares	:	As permitted under the Share Award Scheme, the Award Shares granted to employees of the Group have a mixed vesting schedule with a total vesting period more than 12 months with certain Award Shares to be vested (i) within 12 months of the grant date and (ii) from 12 months to 24 months from the grant date.

In particular, the Remuneration Committee is of the view that the grant of certain Award Shares with a shorter vesting period of less than 12 months is (i) specifically permitted under the Share Award Scheme and consistent with previous customary practice of the Company in terms of equity-based compensation to eligible participants; (ii) serves as a recognition of past contribution of the relevant Grantee(s) to the Groups' relevant business segment(s), and can motivate and incentivise the relevant Grantee(s) to continuously contribute to the operation, development and long-term growth of the Group; and (iii) is in line with the overall purpose of attracting, motivating and retaining core talents of the Group.

Approximate percentage of the Award Shares to the total number of issued Shares as of the date of this announcement

: 0.75%

Performance target and/or clawback mechanism

: No performance targets are imposed on Award Shares granted to selected employee participant(s) recognized for their past contribution to the Group. In respect of the Award Shares granted to other employee participants, provided that a Share Award Grantee remains (i) as an eligible person under the Share Award Scheme; and (ii) employed with the Group at the time of vesting of the Award Shares, the vesting of the Award Shares is conditional upon the achievement of certain performance targets during the one or two (as the case may be) financial years ending 31 December preceding the vesting date of the Award Shares as contemplated above in accordance with the performance management policies of the Group, including the relevant Share Award Grantee (i) not having been graded "C" or worse for his or her personal evaluations, if applicable; and/or (ii) where applicable, achieving the prescribed performance targets; and/or (iii) where applicable, passing the corresponding rank certification, in each case as determined by the Board at its absolute discretion.

The grants to the Share Award Grantees are not subject to any clawback mechanism but would be subject to tax withholding by the Company pursuant to the terms and conditions of the Share Award Scheme and the award letters thereof.

In respect of those Award Shares without any performance targets and/or clawback mechanism attached, the Remuneration Committee is of the view that such grants are (i) market competitive, (ii) permitted under the Share Award Scheme and consistent with the Company's customary practice, and (iii) aligns with the purpose of the Share Award Scheme, for the reason that (a) the relevant Award Shares were granted by reference to past performance and contribution achieved by the selected Share Award Grantee(s) and thus performance targets are considered not necessary for certain grant to selected Share Awards Grantee(s); and (b) clawback mechanism is not necessary considering the lapse and cancellation of the Award Shares under various scenarios have already been provided for under the Share Award Scheme, which would sufficiently safeguard the interests of the Company.

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

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Share Award Grantees is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) 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 issued Shares.

Once vested, the Award Shares or, at the determination of the Board or its delegate(s), the sale proceeds of the Award Shares shall be transferred to the relevant Share Award Grantees from MYC.

After the grant above, 27,429,790 underlying Shares will be available for future grants under the Share Award Scheme.

(3) ISSUE OF NEW SHARES UNDER GENERAL MANDATE PURSUANT TO THE SHARE AWARD SCHEME

The Board has resolved to issue up to 14,418,796 new Shares to MYC pursuant to the General Mandate (assuming that all the Grantees accept the Awards in accordance with the terms as set out in the Award letters), under which the maximum number of Shares that can be issued and allotted as at the date of this announcement is 376,002,811 Shares, for the purpose of awarding a total of 14,418,796 Award Shares to 4 Grantees under the Share Award Scheme.

The issue of the Award Shares is not subject to the Shareholders' approval. Prior to the proposed issue of new Shares as aforesaid, an aggregate of 8,032,650 Shares had been utilized under the General Mandate pursuant to the Share Award Scheme, as disclosed in the announcement of the Company dated 7 July 2023. Save and except for such 8,032,650 Shares, as of the date of this announcement, no other Shares have been issued or allotted under the General Mandate.

Pursuant to the Share Award Scheme, the Board shall cause to be paid the subscription money of HK\$1,441.88 for the Award Shares, representing the nominal value of the Share multiplied by the number of Award Shares issued, from the Company's resources. Upon the allotment of 14,418,796 new Shares, MYC will hold the said new Shares on trust for the Grantees and will transfer such Shares at no cost or at the determination of the Board or its delegate(s), the sale proceeds of such Shares to the Grantees upon vesting and satisfaction of the vesting conditions specified at the time of making the Award, if any.

MYC, TMF Trust and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons under the Listing Rules.

The number of the Award Shares to be allotted and issued by the Company to MYC represents: (i) approximately 0.75% of the issued Shares as of the date of this announcement; and (ii) approximately 0.74% of the issued Shares as enlarged by the issue and allotment of the Award Shares. The Award Shares, when allotted and issued, shall rank *pari passu* among themselves and with the other Shares in issue.

Pursuant to the Share Award Scheme, each of the Grantees shall not have any interest or rights (including the right to receive dividends, except the Board or its delegates determine otherwise) in the Award Shares allocated to him/her, prior to the vesting of the Award Shares granted to him/her.

The Company has not engaged in any fund-raising activity(ies) by any issue of Shares in the 12 months immediately preceding the date of this announcement.

Application will be made by the Company to the Stock Exchange for approval of the listing of, and permission to deal in, the 14,418,796 Award Shares. Other than such approval to be granted by the Stock Exchange, the allotment of the Award Shares is not subject to any conditions or approval of the Shareholders.

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
“Award(s)”	an award granted to a selected participant under the Share Award Scheme, which may vest in the form of Award Shares or the actual selling price of the Award Shares in cash, as the Board may determine in accordance with the terms of the Share Award Scheme
“Award Shares”	a total of 14,418,796 Awards granted to the Grantees under the Share Award Scheme
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	a general unconditional mandate granted to the Directors at the annual general meeting of the Company held on 29 May 2023, under which the maximum number of Shares that can be issued and allotted are 376,002,811 Shares as at the date of this announcement
“Grantee(s)”	collectively, the Share Incentive Grantees and the Share Award Grantees
“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 relevant share schemes of the Company
“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 of Mr. LI Hanhui, Mr. GAO Yu 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 Award Grantee(s)”	4 employees of the Group who are granted with 14,418,796 Award Shares pursuant to the Share Award Scheme
“Share Award Scheme”	the share award scheme of the Company approved and adopted by the Board on 11 June 2021, in its present form or as amended from time to time in accordance with the Share Award Scheme
“Share Incentive Grantees”	13 employees of the Group who are granted with a total of 1,742,618 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
“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, 15 November 2023

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