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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)

VOLUNTARY ANNOUNCEMENT ADOPTION OF SHARE AWARD SCHEME

The Board has adopted the Scheme to, among other things, recognise the contributions by, and to attract, motivate and retain, Selected Participants. The Scheme shall initially be valid and effective for a period of ten (10) years commencing on the Adoption Date.

The number of Shares which may be awarded under the Scheme shall not exceed 24,764,500 Shares, representing approximately 5% of the total issued share capital on the Adoption Date. Grant of awards are also subject to an annual limit of 3% of the total number of issued shares at the relevant time.

Pursuant to the Scheme, the Awards may be settled by (i) new Shares to be allotted and issued to the Trustee (which holds the same on behalf of the Selected Participants) by the Company or (ii) existing Shares to be purchased by the Trustee on the market.

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No shareholders' approval is required to adopt the Scheme.

ADOPTION OF SHARE AWARD SCHEME

The Board has adopted the Scheme to, among other things, recognise the contributions by, and to attract, motivate and retain, Selected Participants. The Scheme shall initially be valid and effective for a period of ten (10) years commencing on the Adoption Date.

The number of Shares which may be awarded under the Scheme shall not exceed 24,764,500 Shares. This represents approximately 5% of the total issued shares of the Company and approximately 6% of Class B Shares on the Adoption Date. Grant of awards are also subject to an annual limit of 3% of the total number of issued shares of the Company at the relevant time.

Listing Rules implications

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No shareholders' approval is required to adopt the Scheme.

The grant of Awards to a Director and other connected persons (as defined under the Listing Rules) of the Company will be done in compliance with Chapter 14A of the Listing Rules.

An application will be made to the Listing Committee for the listing of, and permission to deal in, any Class B Shares which may be issued pursuant to the Scheme (as appropriate).

SUMMARY OF THE SCHEME

Purpose

The purposes of the Share Award Scheme are (a) to align the interests of Eligible Persons with those of the Group through ownership of Class B Shares, dividends and other distributions paid on Shares and/or the increase in value of the Class B Shares, and (b) to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

Administration

The Board has the power to administer the Share Award Scheme in accordance with the rules of the Share Award Scheme and, where applicable, the Trust deed, including the power to construe and interpret the rules of the Share Award Scheme and the terms of the Awards granted under the Share Award Scheme. The Board may delegate the authority to administer the Share Award Scheme to a committee of the Board or any person(s) as deemed appropriate at the sole discretion of the Board. The Board or its delegate(s) may also appoint one or more independent third party contractors to assist in the administration of the Share Award Scheme as they think fit.

Maximum number of Shares to be granted

The aggregate number of Class B Shares underlying all grants made pursuant to the Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the Share Award Scheme) will not exceed 24,764,500 Shares (the “**Share Award Scheme Limit**”) subject to an annual limit of 3% of the total number of issued Shares at the relevant time.

Grant of Award

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to a Selected Participant (in the case of the Board's delegate(s), to any Selected Participant other than a Director or an officer of the Company) by way of an award letter (“**Award Letter**”). The Award Letter will specify the Grant Date, the number of Award Shares underlying the Award, the vesting criteria and conditions, the Vesting Date and such other details as the Board or its delegate(s) may consider necessary.

Each grant of an Award to any Director or the chairman of the Company shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of an Award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of shares to connected persons of the Company.

Restrictions on grant

The Board and its delegate(s) may not grant any Award Shares to any Selected Participant in any of the following circumstances: (i) where any requisite approval from any applicable regulatory authorities has not been granted; (ii) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Share Award Scheme, unless the Board determines otherwise; (iii) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction; (iv) where such grant of Award would result in a breach of the Share Award Scheme Limit or would otherwise cause the Company to issue Class B Shares in excess of the permitted amount in the mandate approved by the Shareholders; (v) where an Award is to be satisfied by way of issue of new Shares to the Trustee, in any circumstances that cause the total Shares issued or allotted to connected persons to be in excess of the amount permitted in the mandate approved by the Shareholders; (vi) where any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws, rules or regulations; (vii) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (viii) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

Satisfaction of Award

Where a Trust has been established for the purposes of the Share Award Scheme and if so determined by the Company, the Company shall, as soon as reasonably practicable, inform the Trustee of the means by which the Awards will be satisfied. The Company may (i) issue and allot Class B Shares to the Trustee and/or (ii) transfer to the Trustee the necessary funds and instruct the Trustee to acquire Class B Shares through on-market transactions at the prevailing market price, so as to satisfy the Awards.

Vesting

The Board or its delegate(s) may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

To the extent that, at the determination of the Board or its delegate(s), it is not practicable for the Selected Participant to receive the Award in Class B Shares, solely due to legal or regulatory restrictions with respect to the Selected Participant's ability to receive the Award in Class B Shares or the Trustee's ability to give effect to any such transfer to the Selected Participant, the Board or its delegate(s) will direct and procure the Trustee to sell, on-market at the prevailing market price, the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds arising from such sale based on the actual selling price of such Award Shares in cash as set out in the vesting notice.

If there is an event of change in control of the Company by way of a merger, a privatization of the Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall at their sole discretion determine whether the Vesting Dates of any Awards will be accelerated to an earlier date.

Voting rights

Neither the Selected Participant nor the Trustee may exercise any voting rights in respect of any Award Shares that have not yet vested.

Assignment of Awards

Any Award Shares granted under the Share Award Scheme but not yet vested are personal to the Selected Participants to whom they are granted and cannot be assigned or transferred. A Selected Participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

Alteration of the Scheme

The Share Award Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Participant unless otherwise provided for in the rules of the Share Award Scheme, except: (1) with the consent in writing of Selected Participants amounting to three-fourths in nominal value of all Award Shares held by the Trustee on that date; or (2) with the sanction of a special resolution that is passed at a meeting of the Selected Participants amounting to three-fourths in nominal value of all Award Shares held by the Trustee on that date.

Duration and termination

The Share Award Scheme shall terminate on the earlier of: (1) the end of the period of ten years commencing on the Adoption Date, except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the Share Award Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Share Award Scheme; and (2) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the rules of the Share Award Scheme.

DEFINITIONS

“Award”	An award granted by the Board to a Selected Participant, which may vest in the form of Award Shares or the actual price at which the Award Shares are sold in cash, as the Board may determine in accordance with the terms of the Scheme Rules
“Award Share(s)”	the Class B Shares granted to a Selected Participant in an Award
“Adoption Date”	May 28, 2021, being the date on which the Scheme was adopted
“Board”	the board of Directors
“Class A Share(s)”	class A ordinary share(s) in the share capital of the Company with a par value of US\$0.00002 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to ten votes per share on any resolution tabled at the Company’s general meetings, save for resolutions with respect to any reserved matters, in which case they shall be entitled to one vote per share
“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
“Company”	Bairong Inc., a company with limited liability incorporated in the Cayman Islands on June 21, 2018
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	Any individual, being an employee or director (including executive Directors, non-executive Directors and independent non-executive Directors of any member of the Group or any Affiliate of the Group (including nominees and/or trustees of any employee benefit trust established for them), and any) officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an Award. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme.

“Grant Date”	the date on which the grant of an Award is made to a Selected Participant
“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
“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
“Selected Participant”	any Eligible Person approved for participation in the Scheme and who has been granted any Award
“Scheme Rules”	the rules of the share award scheme adopted by the Board on the Adoption Date
“Scheme” or “Share Award Scheme”	the share award scheme constituted by the Scheme Rules as amended from time to time
“Share(s)”	the Class A Shares and Class B Shares in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed to service the Scheme
“Trustee”	the trustee appointed or to be appointed by the Company for the purpose of the Trust, which is expected to be independent of and not connected with the Company
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Scheme
“Vesting Date”	the date or dates, as determined from time to time by the Board, on which the Award (or part thereof) is to vest in the relevant Selected Participant

By order of the Board
Bairong Inc.
Zhang Shaofeng
Chairman

Hong Kong, May 31, 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhang Shaofeng, Mr. Zhao Hongqiang and Ms. Zhao Jing as executive directors, Mr. Bai Linsen, Mr. Ren Xuefeng and Mr. Li Qiang as non-executive directors, and Professor Chen Zhiwu, Mr. Zhou Hao and Professor Guo Yike as independent non-executive directors.