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Edianyun Limited

易點雲有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2416)

GRANT OF SHARE OPTIONS AND SHARE AWARDS UNDER THE 2023 SHARE SCHEME

This announcement is made by Edianyun Limited pursuant to Rule 17.06A, Rule 17.06B and Rule 17.06C of the Listing Rules.

GRANT OF SHARE OPTIONS

The Board hereby announces that a total of 11,638,900 Share Options were granted by the Company to 175 Eligible Participants (the “**Grantees**”) under the 2023 Share Scheme on 26 April 2024 to subscribe for ordinary Shares of US\$0.00005 each in the share capital of the Company, subject to and conditional upon the acceptance of the Share Options by the Grantees.

A summary of the grant of Share Options is set out below:

Grant Date	:	26 April 2024
Grantees	:	175 employees of the Group (including 1 senior manager and 174 other employees of the Group), being Employee Participants under the 2023 Share Scheme
Purchase price of the Share Options granted	:	Nil
Total number of the Share Options granted	:	11,638,900 Share Options
Total number of Shares which may be issued upon exercise in full of the Share Options granted	:	11,638,900 Shares

- Exercise Price of the Share Options granted : The Exercise Price of 5,328,000 Share Options granted is HK\$5.606-5.637 per Share.
- The Exercise Price of 140,000 Share Options granted is HK\$3.070-4.764 per Share.
- The Exercise Price of 6,170,900 Share Options granted is HK\$3.070 per Share.
- (not less than the higher of (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date, being HK\$3.070 per Share; or (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Grant Date, being HK\$2.872 per Share)
- Closing price of the Shares on the Grant Date : HK\$3.070 per Share
- Exercise period of the Share Options : The Share Options granted shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the 10th anniversary from the Grant Date
- Vesting period of the Share Options : (1) The 9,600,000 Share Options granted will be vested upon the achievement of relevant business and financial milestones and subject to the clawback mechanisms disclosed below, and will be vested in five equal tranches of 20% each upon the achievement of each milestone;
- The Board and the Remuneration Committee of the Board believe that it is appropriate to determine the vesting period of the Share Options granted to the relevant Grantees based on performance milestones, which is consistent with the purpose of the 2023 Share Scheme, because (i) such performance milestones are determined based on the Group's business and financial growth targets, which will motivate such Grantees to make further necessary contributions to the long-term strategic development of the Group; (ii) it rewards such Grantees for their significant contributions to the development and growth of the Group; and (iii) it is consistent with the Group's remuneration policy.

- (2) 2,038,900 Share Options granted have a mixed vesting schedule with a total vesting period of 48 months, during which the Share Options granted will be vested in four equal tranches of 25% each subject to the clawback mechanisms disclosed below. Certain tranche will be vested within 12 months from the Grant Date, and the last tranche will be vested after 12 months following the Grant Date.

Under the 2023 Share Scheme, the Board may, in its sole discretion, determine that the vesting period of the Awards granted to the Employee Participants can be less than 12 months under certain circumstances, including circumstances where the Awards are granted with a mixed or accelerated vesting schedule. Certain of the 2,038,900 Share Options granted above have vesting periods shorter than 12 months due to the Board's decision to adopt a mixed vesting schedule for the Share Options granted to the Employee Participants, which is permitted under the 2023 Share Scheme.

Performance targets

- (1) The vesting of the 9,600,000 Share Options granted as mentioned above is subject to the following relevant business and financial milestones:

Business milestones – number of subscribed devices <i>(in 10,000 units)</i>	Financial milestones – monthly revenue from subscription services <i>(RMB100 million)</i>	Financial milestones – monthly gross profit from subscription services <i>(RMB100 million)</i>	Number of Share Options to be vested
120*	0.94*	0.48*	
147	1.15	0.59	20%
180	1.41	0.72	20%
220	1.72	0.88	20%
270	2.11	1.08	20%
330	2.58	1.32	20%

* *The levels of selected performance at the end of the previous financial year are set out here for reference.*

- (2) There is no performance target attached to the 2,038,900 Share Options granted as mentioned above.

Clawback mechanisms : Subject to the rules of the 2023 Share Scheme, an Award shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Award or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Award or any part thereof granted to such Grantee to the extent not already exercised. In the event that prior to or on the Vesting Date, a Grantee is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant, the relevant Award made to such Grantee shall automatically lapse forthwith and the relevant Awarded Shares shall not be vested on the relevant Vesting Date. In respect of a Grantee who died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Interests of the relevant Grantee shall be deemed to be vested and exercised on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

In the event of the death of a Grantee, the Trustee shall directly or indirectly hold the vested Awarded Interests upon trust to transfer the same to the legal personal representatives or lawful successors of the Grantee within (i) 2 years of the death of the Grantee; (ii) the duration of the 2023 Share Scheme; or (iii) the Trust Period (whichever is shorter). If such vested Awarded Interests fail to be transferred or would otherwise become bona vacantia for any reason, such vested Awarded Interests shall be forfeited and cease to be transferable.

Unless otherwise determined by the Board: (i) if a Grantee ceases to be an Eligible Participant, or where the Grantee's employment or contractual engagement with the Group is terminated, for reasons other than those set out above; or (ii) where the Grantee's employment or contractual engagement with the Group has been suspended, or the Grantee's position within or in relation to the Group has been vacated, for more than six months:

A Grantee may exercise any vested Share Options within 6 months of such termination or within the Exercise Period, whichever is shorter, or such other period as the Board may decide in its sole and absolute discretion. If a Share Option is not exercised within the period mentioned above, the Share Option shall lapse automatically.

Financial assistance : The Group did not provide any financial assistance to the Grantees for the purchase of Shares under the 2023 Share Scheme.

GRANT OF SHARE AWARDS

The Board hereby announces that a total of 1,842,491 Share Awards were granted by the Company to 188 Eligible Participants (the “**Grantees**”) under the 2023 Share Scheme on 26 April 2024 to subscribe for ordinary Shares of US\$0.00005 each in the share capital of the Company, subject to and conditional upon the acceptance of the Share Awards by the Grantees.

A summary of the grant of Share Awards is set out below:

Grant Date	:	26 April 2024
Grantees	:	188 employees of the Group (including 1 senior manager and 187 other employees of the Group), being Employee Participants under the 2023 Share Scheme
Purchase price of the Share Awards granted	:	Nil
Total number of the Share Awards granted	:	1,842,491 Share Awards
Total number of Shares related to the Share Awards granted	:	1,842,491 Shares
Vesting Price of the Share Awards granted	:	Nil
Closing price of the Shares on the Grant Date	:	HK\$ 3.070 per Share

Vesting period of the Share Awards : (1) 1,290,991 Share Awards granted shall be vested in full at the end of four months after the Grant Date.

The Board considers that a vesting period of less than 12 months for the Share Awards granted is appropriate and consistent with the purpose of the 2023 Share Scheme, because (i) there were administrative and compliance reasons (including the Company's undertaking to the Stock Exchange not to issue any Shares within six months following the listing (the "**Listing**") of the Company's Shares on the Stock Exchange, the compliance process required for the 2023 Share Scheme to be adopted with the approval of the Company's shareholders, and the blackout period immediately following the adoption of the 2023 Share Scheme as approved by the Company's shareholders and prior to the announcement of the Company's annual results), the Company was unable to grant the Share Awards to such Grantees immediately upon Listing, therefore, the Board and the Remuneration Committee of the Board have decided to shorten the vesting period of the Share Awards granted so as to put such Grantees in the same position as they would have been in had the grant been made at an earlier time; (ii) it serves to reward such Grantees for their significant contributions to the development and growth of the Group; (iii) it serves to incentivize such Grantees to further provide their necessary commitments to the long-term strategic development of the Group; and (iv) it is in line with the Group's remuneration policy.

(2) 551,500 Share Awards granted have a mixed vesting schedule with a total vesting period of 48 months, during which the Share Awards granted will be vested in four equal tranches of 25% each subject to the clawback mechanisms disclosed below. Certain tranche will be vested within 12 months from the Grant Date, and the last tranche will be vested after 12 months following the Grant Date.

Under the 2023 Share Scheme, the Board may, in its sole discretion, determine that the vesting period of the Awards granted to the Employee Participants can be less than 12 months under certain circumstances, including circumstances where the Awards are granted with a mixed or accelerated vesting schedule. Certain of the 551,500 Share Awards granted above have vesting periods shorter than 12 months due to the Board's decision to adopt a mixed vesting schedule for the Share Awards granted to such Employee Participants, which is permitted under the 2023 Share Scheme.

Performance targets : There are no performance targets attached to the Share Awards granted.

The purpose of the 2023 Share Scheme is to provide incentive to the Eligible Participants in order to promote the development and success of the business of the Group. The Share Awards granted to the Grantees are awarded to them based on their work performance, historical and potential contributions and thus no additional performance target is imposed before the Share Awards are vested to the Grantees. In view of the above, the Board and the Remuneration Committee of the Board considered the grant of Share Awards aligns with the purpose of the 2023 Share Scheme.

Clawback mechanisms : Subject to the rules of the 2023 Share Scheme, any Award shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or enter into any agreement in this regard in favour of any third party. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Award or any part thereof granted to such Grantee to the extent not already exercised. In the event that prior to or on the Vesting Date, a Grantee is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant, the relevant Award made to such Grantee shall automatically lapse forthwith and the relevant Awarded Shares shall not be vested on the relevant Vesting Date and, in the case of a Share Award, shall remain part of the Trust Fund. In respect of a Grantee who died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Interests of the relevant Grantee shall be deemed to be vested and (in the case of Share Options) deemed to be exercised on the day immediately prior to his retirement with the relevant member of the Group.

In the event of the death of a Grantee, the Trustee shall directly or indirectly hold the vested Awarded Interests upon trust and transfer the same to the legal personal representatives or lawful successors of the Selected Participant within (i) 2 years of the death of the Grantee (or such longer period as the Trustee and the Board shall agree from time to time); (ii) the duration of the 2023 Share Scheme; or (iii) the Trust Period (whichever is shorter). If such vested Awarded Interests fail to be transferable or would otherwise become bona vacantia for any reason, such vested Awarded Interests shall be forfeited and cease to be transferable and the Awarded Interests shall remain part of the Trust Fund.

Unless otherwise determined by the Board: (i) if a Grantee ceases to be an Eligible Participant, or where the Grantee's employment or contractual engagement with the Group is terminated, for reasons other than those set out above; or (ii) where the Grantee's employment or contractual engagement with the Group has been suspended, or the Grantee's position within or in relation to the Group has been vacated, for more than six months:

Any Share Awards not yet vested shall be forfeited forthwith and shall lapse automatically, and any Awarded Interests thereof shall remain part of the Trust Fund, unless the Board determines otherwise at its sole and absolute discretion.

Financial assistance : The Group did not provide any financial assistance to the Grantees for the purchase of shares under the 2023 Share Scheme.

REASONS FOR THE GRANT OF SHARE OPTIONS AND SHARE AWARDS

The Company granted the above Share Options and Share Awards after considering: (a) the Grantees are all employees of the Group, the promotion and appraisal of relevant Grantees, the length of service provided by the Grantees to the Group and their contributions to the development of the Group, as well as the provision of services provided by the Grantees which are beneficial to the establishment of sound corporate governance by the Group and the long-term development of the Group's business; and (b) certain Grantee's Share Options will be exercisable upon the achievement of the performance targets after the grant. The Board believes that the grant of the above Share Options and Share Awards can align the interests of the Grantees with the interests of the Company and its shareholders, motivate the Grantees to commit to the Company's future sustainable competitiveness, operating results and growth, and strengthen their commitment to long-term service to the Company, and is therefore consistent with the purpose of the 2023 Share Scheme.

To the best knowledge of the Directors, as of the date of this announcement, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company or their respective associates (as defined in the Listing Rules); (ii) a participant with Share Options and Share Awards granted and to be granted exceeding the individual limit of 1% of the Shares in issue under Rule 17.03D of the Listing Rules within the 12-month period up to and including the date of grant; or (iii) a Related Entity Participant with Share Options and Share Awards granted and to be granted in any 12-month period exceeding 0.1% of the Shares in issue.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

As at the date of this announcement, upon the grant of the above Share Options and Share Awards, the number of Shares available for future grant under the 2023 Share Scheme is 17,597,166 Shares.

DEFINITIONS

“2023 Share Scheme”	the 2023 Share Scheme adopted by the Company on 26 January 2024 (in its present form or as amended from time to time)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Award(s)”	an award, which may take the form of a Share Option or a Share Award, granted under the 2023 Share Scheme by the Board to a Selected Participant in accordance with these Scheme Rules
“Awarded Interests”	in respect of a Share Award, the Awarded Shares and/or Awarded Cash, and the Related Income (if any) as awarded under the Award, and in respect of an Award taking the form of a Share Option, the Share Option
“Awarded Share(s)”	new Shares underlying an Award
“Board”	the board of directors of the Company
“Company”	Edianyun Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Stock Exchange (stock code: 2416)
“Director(s)”	a director of the Company
“Eligible Participant(s)”	any individual being an Employee Participant or a Related Entity Participant at any time during the duration of the 2023 Share Scheme
“Employee Participant(s)”	directors and employees (including full-time employees and part-time employees) of the Company or any of its subsidiaries (including persons who are granted awards under the 2023 Share Scheme as an inducement to enter into employment contracts with these companies)

“Excluded Participant”	any Eligible Participant who resides in a place where the grant of an Award and/or the vesting and transfer of the Awarded Interests pursuant to the terms of the 2023 Share Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Exercise Period”	in respect of any Share Option under an Award, the period during which the Selected Participant may exercise the Share Option under an Award
“Grant Date”	the date (which shall be a Business Day) on which the grant of an Award is made to an Eligible Participant, being the date of the grant instrument
“Group”	the Company and its subsidiaries from time to time, and “member of the Group” means any or a specific one of them
“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 of Hong Kong Limited
“PRC”	the People’s Republic of China
“Purchase Price”	the consideration, if any, as determined at the sole and absolute discretion of the Board, payable by a Selected Participant to the Company for acceptance of an Award
“Related Entity(ies)”	a holding company (as defined in the Listing Rules), a fellow subsidiary or an associated company of the Company
“Related Entity Participant(s)”	directors and employees of Related Entities
“Related Income”	any and all cash and non-cash income, dividends or distributions, and non-cash and non-scrip distributions in respect of any Shares less any tax, fees, levies, stamp duty and other charges applicable
“Scheme Rules”	the rules relating to the 2023 Share Scheme as amended from time to time
“Selected Participant(s)”	Eligible Participant(s) selected by the Board for participation in the 2023 Share Scheme (or his legal personal representative or lawful successor as the case may be)

“Share(s)”	ordinary shares of US\$0.00005 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Share Award(s)”	share award(s) to be granted under the 2023 Share Scheme to subscribe for Shares in accordance with the terms thereof
“Share Option(s)”	share option(s) to be granted under the 2023 Share Scheme to subscribe for Shares in accordance with the terms thereof
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Trust”	the trust constituted by the trust deed
“Trust Fund”	the funds and properties held directly or indirectly under the Trust and managed by the Trustee for the benefit of the Selected Participants (other than the Excluded Participants)
“Trust Period”	the duration of the Trust to be set out in the trust deed
“Trustee”	the trustee to be appointed under the trust deed to act as trustee of the Trust, and any additional or alternative trustees, being the trustee or trustees for the time being of the trusts declared in the trust deed, or such other person(s) who for the time being is duly appointed to be the trustee(s) of the Trust
“Vesting Date”	in respect of a Selected Participant, the date on which his entitlement to the relevant Award is vested in such Selected Participant in accordance with the Scheme Rules
“Vesting Price”	the price payable by a Selected Participant to the Company at the vesting of a Share Award
“%”	per cent

By Order of the Board
Edianyun Limited
Ji Pengcheng
Chairman and Chief Executive Officer

Beijing, the PRC, 26 April 2024

As at the date of this announcement, the Board comprises Dr. Ji Pengcheng, Mr. Zhang Bin and Mr. Xiang Wang as executive Directors; and Mr. Hong Weili, Mr. Song Shiji, Mr. Wang Jingbo and Ms. Li Dan as independent non-executive Directors.