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Flowing Cloud Technology Ltd
飛天雲動科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6610)

GRANT OF OPTIONS

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Flowing Cloud Technology Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on July 14, 2023, the Company granted a total of 72,497,000 options (the “**Options**”) to eligible grantees (the “**Grantees**”), subject to acceptance of the Grantees, to subscribe for a total of 72,497,000 ordinary shares of US\$0.00001 each of the Company (the “**Shares**”) under the post-IPO share option scheme of the Company adopted on September 8, 2022 (the “**Post-IPO Share Option Scheme**”). Details of the Options granted are as follows:

Date of grant	July 14, 2023
Exercise price of the Options granted	HK\$1.78 per Share, being the higher of: (i) the closing price HK\$1.78 per Share as stated in the Stock Exchange’s daily quotations sheet on the date of grant; (ii) the average closing price of HK\$1.734 per Share as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share, which is US\$0.00001
Number of Options granted	72,497,000
Closing price of the Shares on the date of grant	HK\$1.78 per Share

Exercise period of the Options	The exercise period of the Options shall be five years from the date of grant (the “ Option Period ”) and the Options shall lapse at the expiry of the Option Period.
Vesting period of the Options	<p>The Options shall be vested in three tranches:</p> <p>(a) 30% shall be vested on the first anniversary of the date of grant and be exercisable at any time during the period from the first anniversary of the date of grant to the end of the Option Period;</p> <p>(b) 30% shall be vested on the second anniversary of the date of grant and be exercisable at any time during the period from the second anniversary of the date of grant to the end of the Option Period; and</p> <p>(c) 40% shall be vested on the third anniversary of the date of grant and be exercisable at any time during the period from the third anniversary of the date of grant to the end of the Option Period.</p>
Performance targets	<p>The vesting of each tranche of the Options granted shall be subject to such Grantee not having been graded “D” for his/her monthly individual performance appraisal for more than two times during the 12-month period prior to the end of each vesting period. The Company has established an appraisal mechanism which uses a scoring system based on a matrix of qualitative and quantitative indicators that vary according to the roles and responsibilities of each individual in improving the Group’s operational results and/or linked to the Group’s strategic goals. The indicators include, but are not limited to, individual key performance indicators specific to each individual determined in accordance with the department he/she belongs to and the position held, as well as an overall evaluation on work attitude. In particular, individual key performance indicators evaluate each individual’s regular duties and/or tasks assigned during the appraisal period in terms of work quality, efficiency, completion status and timeliness and/or team management, while factors such as compliance with the Company’s rules and regulations and work commitment are taken into account for overall evaluation on work attitude.</p>

Clawback mechanism	There is no clawback mechanism for the Options. The Options are subject to certain vesting conditions and the terms of the Post-IPO Share Option Scheme, which provided for the circumstance which the Options shall lapse if the Grantees cease to be an employee of the Group. The remuneration committee of the Board and the Board consider that it is not necessary to have additional clawback mechanism.
Number of Shares available for future grants	Upon the grant of Options, the number of Shares available for future grants under the Post-IPO Share Option Scheme is 108,503,000 Shares.
Financial assistance	There is no arrangement for the Group to provide any financial assistance to the Grantees to facilitate their purchase of Shares under the Post-IPO Share Option Scheme.

Among the Options granted above, a total of 7,200,000 Options were granted to the Directors, chief executives and/or substantial shareholders of the Company, details of which are as follows:

Name	Position held in the Company	No. of Options granted
Mr. Wang Lei	Executive Director, chairman of the Board and chief executive officer	1,800,000
Mr. Li Yanhao	Executive Director, senior vice president and chief technology officer	1,800,000
Ms. Xu Bing	Executive Director, vice president and chief officer for data	1,800,000
Mr. Li Yao	Executive Director, vice president, secretary to the Board and joint company secretary	1,800,000

Note: Mr. Wang Lei and Mr. Li Yanhao are also substantial shareholders of the Company. Mr. Wang Lei, Mr. Li Yanhao, Ms. Xu Bing and Mr. Li Yao are also senior managers (as defined under the Listing Rules) of the Company.

The grant of Options to the above Directors, chief executives and/or substantial shareholders of the Company has been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules. Each of the above Directors has abstained from voting on the relevant resolutions relating to the grant of Options to himself/herself. The remaining 65,297,000 Options are granted to employees of the Group (including senior managers of the Company).

Save as disclosed above, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries: as at the date of this announcement, (i) none of the Grantees is a Director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) none of the Grantees is a participant with Options and awards granted and to be granted in any 12-month period exceeding the 1% individual limit under the Listing Rules; and (iii) none of the Grantee is a related entity participant or service provider (as defined under the Listing Rules).

By Order of the Board
Flowing Cloud Technology Ltd
飛天雲動科技有限公司
Wang Lei
Chairman

Hong Kong, July 14, 2023

As at the date of this announcement, the Board comprises Mr. Wang Lei, Mr. Li Yanhao, Ms. Xu Bing and Mr. Li Yao as executive Directors and Mr. Jiang Yi, Mr. Tan Deqing and Ms. Wang Beili as independent non-executive Directors.