

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**GEELY**

**吉利汽車控股有限公司**

**GEELY AUTOMOBILE HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 175)

**(1) PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME;  
AND  
(2) PROPOSED AMENDMENTS TO 2021 SHARE AWARD SCHEME**

**INTRODUCTION**

Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules will be amended to govern both share option schemes and share award schemes with effect from 1 January 2023.

The Board is pleased to announce that on 23 December 2022, it resolved to propose (i) adopting the 2023 Share Option Scheme with terms prepared in accordance with the Amended Rules; and (ii) amending the 2021 Share Award Scheme to bring it in line with the Amended Rules.

**PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME**

The purpose of the 2023 Share Option Scheme is to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group.

The 2023 Share Option Scheme will constitute a share scheme. Pursuant to the Amended Rules, share schemes involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2023 Share Option Scheme will be subject to, among others, the Shareholders' approval at the EGM.

The 2023 Share Option Scheme shall take effect on the Adoption Date and is conditional upon (i) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be allotted and issued by the Company pursuant to the 2023 Share Option Scheme; and (ii) the passing of the necessary resolution to approve and adopt the 2023 Share Option Scheme by the Shareholders at the EGM.

## **PROPOSED AMENDMENTS TO 2021 SHARE AWARD SCHEME**

The Board has proposed to seek approval from the Shareholders at the EGM for certain amendments to be made to the 2021 Share Award Scheme to, among other things, bring it in line with the Amended Rules.

As the Award Scheme Amendments are of a material nature and may adversely affect certain rights of the Grantee under the 2021 Share Award Scheme which accrued prior to the Award Scheme Amendments becoming effective, they shall be subject to approval by the Shareholders at the EGM in accordance with the 2021 Share Award Scheme and the Amended Rules.

### **EGM**

The EGM will be convened to consider and, if thought fit, approve the adoption of the 2023 Share Option Scheme and the Award Scheme Amendments. A circular of the Company containing, among others, (i) details of the principal terms of the 2023 Share Option Scheme; (ii) details of the Award Scheme Amendments; and (iii) a notice convening the EGM are expected to be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

## **INTRODUCTION**

Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules will be amended to govern both share option schemes and share award schemes with effect from 1 January 2023.

The Board is pleased to announce that on 23 December 2022, it resolved to propose (i) adopting the 2023 Share Option Scheme with terms prepared in accordance with the Amended Rules; and (ii) amending the 2021 Share Award Scheme to bring it in line with the Amended Rules.

## **PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME**

A summary of the principal terms of the 2023 Share Option Scheme is set out below. Further details of the terms of the 2023 Share Option Scheme will be set out in a circular to be despatched to the Shareholders in due course.

### **Purpose**

The purpose of the 2023 Share Option Scheme is to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group.

## **Eligible Participants**

Eligible Participants under the 2023 Share Option Scheme include any Employee Participant, Related Entity Participant or Service Provider who the Board or the Committee considers, in their sole discretion, to have contributed or will contribute to the Group.

## **Overall Scheme Limit, Service Provider Sub-limit and Individual Limit**

The total number of Shares which may be allotted and issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other share scheme(s) (including the 2021 Share Award Scheme) must not exceed 10% of the number of Shares in issue as at the date of approval of this limit by the Shareholders at a general meeting (the “**Overall Scheme Limit**”). Within such limit, the total number of Shares which may be allotted and issued in respect of all options and awards to be granted to the Service Providers under the 2023 Share Option Scheme and any other share scheme(s) (including the 2021 Share Award Scheme) must not exceed 1% of the number of Shares in issue as at the date of approval of this sub-limit by the Shareholders at a general meeting (the “**Service Provider Sub-limit**”). Options lapsed in accordance with the terms of the 2023 Share Option Scheme will not be regarded as utilised for the purpose of calculating the aforesaid limits.

Where any Offer of Options to a Grantee would result in the Shares issued and to be issued in respect of all options and awards granted to such person under the 2023 Share Option Scheme and any other share scheme(s) (including the 2021 Share Award Scheme) (excluding any options or awards lapsed in accordance with the terms of the respective share schemes) in the 12-month period up to and including the date of such Offer representing in aggregate over 1% of the relevant class of Shares in issue (the “**Individual Limit**”), such Offer must be separately approved by the Shareholders in general meeting with such Grantee and his/her close associates (or associates if the Grantee is a connected person) abstaining from voting.

## **Offers to Connected Persons**

Any Offer of Option(s) to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the INEDs (excluding any INED who is the proposed Grantee of an Option).

Where any Offer of Option(s) to a substantial shareholder of the Company or an INED, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted to such person under the 2023 Share Option Scheme and all other share schemes (excluding any options or awards lapsed in accordance with the terms of the respective share schemes) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such Offer must be approved by the Shareholders in general meeting in the manner set out in rule 17.04(4) of the Amended Rules. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

## **Scheme Life, Option Period and Vesting Period**

The 2023 Share Option Scheme shall be valid and effective until the earlier of (i) the Termination Date; and (ii) such date of early termination as determined by resolution in general meeting of the Company, after which period no further Options may be issued or granted, but the provisions of the 2023 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior to such termination or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme.

The Option Period of an Option may not end later than ten (10) years from the Offer Date of that Option.

The vesting period for all Options shall not be less than twelve (12) months, subject to a shorter vesting period at the discretion of the Board or the Committee under the circumstances specified in the 2023 Share Option Scheme in relation to Offers to the Employee Participants.

## **Performance Targets and Clawback**

The exercise of the Options is subject to the Eligible Participants remaining, at all times after the Offer Date and on the Exercise Date (as the case may be, on each relevant Exercise Date), Eligible Participants and all of the exercise conditions (including but not limited to performance targets) as set out in the Offer (if any) have been fulfilled, without triggering any clawback mechanism.

## **Exercise Price**

The Exercise Price in respect of any Option shall, subject to any applicable adjustments made pursuant to the terms under the 2023 Share Option Scheme, be at the discretion of the Board or the Committee, provided that it must be at least the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the Offer Date, which must be a Business Day; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Offer Date.

## **Adjustments**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the 2023 Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation or sub-division of the Shares, or reduction of the share capital of the Company, then, in any such case the Company shall instruct the Assessment Agent to certify in writing the necessary adjustments, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to be made to the Exercise Price and/or the number of Shares under each outstanding Option.

## **Black-out Period**

The Board or the Committee shall not make any Offer of Option(s) after inside information has come to the Company's knowledge until (and including) the trading day after the Company has announced the information pursuant to the requirements under the Listing Rules. In particular, the Company may not make any Offer during the period commencing one (1) month immediately before the earlier of:

- (a) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. No Option may be granted during any period of delay in publishing a results announcement.

The Board or the Committee may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company; in particular, no Options shall be granted to the Directors:

- (a) 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
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

## **Lapse and Cancellation of Options**

An Option (to the extent not already exercised) shall lapse on the earliest of the expiry of the Option Period or the occurrence of certain events as specified under the 2023 Share Option Scheme.

Subject to the terms of the 2023 Share Option Scheme and the Amended Rules, any Option granted but not exercised may not be cancelled by the Company unless there is appropriate arrangement to compensate and/or replace the cancelled Option.

## **Rights Attaching to the Options**

The Options held by Grantees pursuant to the 2023 Share Option Scheme are not Shares and do not confer rights related to voting, share allotment and dividends to the Grantees.

## **Transferability**

An Option granted under the 2023 Share Option Scheme shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement to do so.

## **Alteration**

The 2023 Share Option Scheme may be altered in any respect by a resolution of the Board except for, inter alia, alterations (i) of a material nature; (ii) relating to the matters set out in rule 17.03 of the Amended Rules to the advantage of the Grantees; or (iii) relating to the authority of the Board or relevant administrator to alter the scheme, which shall otherwise be approved by the Shareholders in general meeting.

## **Conditions Precedent**

The 2023 Share Option Scheme will constitute a share scheme. Pursuant to the Amended Rules, share schemes involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2023 Share Option Scheme will be subject to, among others, the Shareholders' approval at the EGM.

The 2023 Share Option Scheme shall take effect on the Adoption Date and is conditional upon (i) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be allotted and issued by the Company pursuant to the 2023 Share Option Scheme; and (ii) the passing of the necessary resolution to approve and adopt the 2023 Share Option Scheme by the Shareholders at the EGM.

## **PROPOSED AMENDMENTS TO 2021 SHARE AWARD SCHEME**

The 2021 Share Award Scheme was adopted by the Company on 30 August 2021. Details of the existing 2021 Share Award Scheme are set out in the announcement of the Company dated 30 August 2021. The purposes of 2021 Share Award Scheme are: (i) to provide the Grantees with an opportunity to acquire a proprietary interest in the Company; (ii) to encourage and retain such individuals to work with the Company; and (iii) to provide additional incentive for the Grantees to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the Grantees directly to the Shareholders through ownership of Shares.

The Board has proposed to seek approval from the Shareholders at the EGM for certain amendments to be made to the 2021 Share Award Scheme to, among other things, bring it in line with the Amended Rules. Key changes to the 2021 Share Award Scheme pursuant to the Award Scheme Amendments include, without limitation, the following:

- (i) amendment of the definition of Eligible Participants to include only Employee Participants, Related Entity Participants and Service Providers;
- (ii) inclusion of the Overall Scheme Limit and the Service Provider Sub-limit applicable to the Shares which may be allotted and issued in respect of all options and award to be granted under the 2021 Share Award Scheme (as amended by the Award Scheme Amendments) and all other share schemes;
- (iii) requirement to seek the Independent Shareholders' approval for refreshment of the Overall Scheme Limit and the Service Provider Sub-limit within three (3) years from the date of the Shareholders' approval for such limits or for their last refreshment (as the case may be);
- (iv) requirement to seek the Shareholders' approval for any Offer of Award(s) which would result in exceeding the Individual Limit;
- (v) requirements to seek the INED's approval for any Offer of Award(s) to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, and to seek the Shareholders' approval for any Offer of Award(s) to:
  - a. a Director (other than an INED) or chief executive of the Company, or any of his/her associates that would result in the Shares issued and to be issued in respect of all awards granted to such person under the 2021 Share Award Scheme (as amended by the Award Scheme Amendments) and all other share award schemes (excluding any awards lapsed in accordance with the terms of the respective share award schemes) in any 12-month period up to and including the date of such Offer, representing in aggregate over 0.1% of the issued share capital of the Company; and
  - b. an INED or substantial shareholder of the Company, or any of his/her associates that would result in the Shares issued and to be issued in respect of all options and awards granted to such person under the 2021 Share Award Scheme (as amended by the Award Scheme Amendments) and all other share schemes (excluding any awards lapsed in accordance with the terms of the respective share schemes) in any 12-month period up to and including the date of such Offer, representing in aggregate over 0.1% of the issued share capital of the Company;
- (vi) inclusion of a minimum vesting period of twelve (12) months, subject to a shorter vesting period at the discretion of the Board or the Committee under specified circumstances in relation to Offer of Award(s) to Employee Participants;

- (vii) clarification that the Board or the Committee may set performance targets and/or clawback mechanism as part of the vesting conditions of the Awards;
- (viii) clarification that the Selected Participants shall not be required to bear or pay any price or fee for the acceptance of the Grant Shares. but they shall pay the amount payable upon vesting of the relevant Grant Shares in favour of the Company as stipulated in the offer document, which shall be determined taking into account factors including, amount others, the par value of each Share, the closing price of Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant (or, if the date of grant is not a Business Day, the Business Day immediately preceding the date of grant), and the relevant costs and fees incurred in managing and vesting of Grant Shares;
- (ix) provision for equitable adjustment to the Awards granted under the 2021 Share Award Scheme (as amended by the Award Scheme Amendments) in the event of any alteration in the capital structure of the Company, such as capitalisation issue, rights issue, consolidation, sub-division and reduction of the share capital of the Company;
- (x) requirement to seek the Shareholders' approval for any alteration of the 2021 Share Award Scheme (as amended by the Award Scheme Amendments):
  - a. of a material nature;
  - b. relating to the matters set out in rule 17.03 of the Amended Rules to the advantage of the Grantees or the Eligible Participants; or
  - c. relating to the authority of the Board or relevant administrator/trustee to alter the scheme; and
- (xi) house-keeping amendments to align the wording of the 2021 Share Award Scheme with that of the Amended Rules and other consequential amendments in connection with the Award Scheme Amendments.

Further details of the Award Scheme Amendments will be set out in a circular to be despatched to the Shareholders in due course.

The Board has also proposed that the Award Scheme Amendments shall apply to the unvested Awards and Awards to be granted under the Share Option Scheme with effect from the date of the EGM. As the Award Scheme Amendments are of a material nature and may adversely affect certain rights of the Grantees under the 2021 Share Award Scheme which accrued prior to the Award Scheme Amendments becoming effective (including, without limitation, the vesting period, equitable adjustment and cancellation of the Awards), they shall be subject to approval by the Shareholders at the EGM in accordance with the 2021 Share Award Scheme and the Amended Rules.



## EGM

The EGM will be convened to consider and, if thought fit, approve the adoption of the 2023 Share Option Scheme and the Award Scheme Amendments. A circular of the Company containing, among others, (i) details of the principal terms of the 2023 Share Option Scheme; (ii) details of the Award Scheme Amendments; and (iii) a notice convening the EGM are expected to be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

**As at the date of this announcement, the 2023 Share Option Scheme and the Award Scheme Amendments remain subject to the approval of the Shareholders. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.**

## DEFINITIONS

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

“2021 Share Award Scheme”	the Company's restricted share award scheme adopted on 30 August 2021, which is subject to the Shareholders' approval of the Award Scheme Amendments at the EGM
“2023 Share Option Scheme”	the Company's share option scheme proposed to be approved and adopted by the Shareholders, the principal terms of which are set out in this announcement
“Adoption Date”	the date on which the 2023 Share Option Scheme and/or the Award Scheme Amendments (as the case may be) is approved and adopted by ordinary resolutions to be passed by the Shareholders at the EGM
“Amended Rules”	the amendments to the Listing Rules relating to share schemes of listed issuers, which will take effect on 1 January 2023 pursuant to the Consultation Conclusions
“Assessment Agent”	the independent financial advisers or auditors appointed by the Company for the purposes of certifying certain adjustments
“associate(s)”	shall bear the meaning as defined in the Listing Rules
“Award”	an award of Grant Shares to a Grantee pursuant to the 2021 Share Award Scheme (as amended by the Award Scheme Amendments), on such terms and conditions as the Board or the Committee may from time to time determine

“Award Scheme Amendments”	the proposed amendments to the 2021 Share Award Scheme, key changes of which are set out in this announcement
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“chief executive”	shall bear the meaning as defined in the Listing Rules
“close associate(s)”	shall bear the meaning as defined in the Listing Rules
“Committee”	a committee of the Directors or persons to which the Board has delegated its authority to administer the share scheme(s) adopted by the Group
“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 175)
“connected person(s)”	shall bear the meaning as defined in the Listing Rules
“Consultation Conclusions”	consultation conclusions on the proposed amendments to Listing Rules relating to share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022
“core connected person(s)”	shall bear the meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to consider and, if thought fit, approve, among other things, the adoption of the 2023 Share Option Scheme and the Award Scheme Amendments
“Eligible Participant”	any person who is eligible to receive an Award or an Option under the 2021 Share Award Scheme (as amended by the Award Scheme Amendments) or the 2023 Share Option Scheme (as the case may be), who could be (i) an Employee Participant; (ii) a Related Entity Participant; or (iii) a Service Provider

“Employee Participant”	any director or employee (whether full time or part time, but explicitly excludes any former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of the Company or any of its subsidiaries (and including persons who are granted award(s) or options(s) under the share schemes as an inducement to enter into employment contracts with these companies)
“Exercise Date”	the date on which the Option is duly exercised or if that date falls on a day when the Company’s register of members is closed, the first day of the re-opening of the Company’s register of members
“Exercise Price”	the price per Share at which a Grantee may subscribe for the new Shares on the exercise of an Option
“Grant Shares”	such number of new Shares as awarded pursuant to the Award or as granted upon the exercise of an Option (as the case may be) to a Grantee, to be determined by the Board or the Committee
“Grantee”	any Eligible Participant who accepts an Offer in accordance with the terms of the 2021 Share Award Scheme (as amended by the Award Scheme Amendments) or the 2023 Share Option Scheme (as the case may be)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than any controlling shareholders and their associates
“Individual Limit”	a limit on the total number of Shares which may be allotted and issued in respect of all options and awards to be granted under all share scheme(s) to any Grantee in the 12-month period up to and including the date of relevant Offer, which must not exceed 1% of the issued Shares
“INED(s)”	independent non-executive Director(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

“Offer”	an offer for the grant of an Award or an Option (as the case may be)
“Offer Date”	the date, which must be a Business Day, on which an Offer of Award(s) or Option(s) (as the case may be) is made to an Eligible Participant
“Option”	a right granted to a Grantee pursuant to the 2023 Share Option Scheme, which right permits (but does not obligate) such Grantee to subscribe for Grant Shares, on such terms and conditions as the Board or the Committee may from time to time determine
“Option Period”	the period within which an Option may be exercised by the Grantee under the 2023 Share Option Scheme
“Overall Scheme Limit”	a limit on the total number of Shares which may be allotted and issued in respect of all options and awards to be granted under all share scheme(s), which must not exceed 10% of the issued Shares as at the date of approval of this limit by the Shareholders at a general meeting
“principal subsidiary(ies)”	shall bear the meaning as defined in the Amended Rules
“Related Entity Participant”	any director or employee (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company
“Service Provider”	any person (whether a natural person, a corporate entity or otherwise) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group
“Service Provider Sub-limit”	a sub-limit (which is subject to the Overall Scheme Limit) on the total number of Shares which may be allotted and issued in respect of all options and awards to be granted under all share scheme(s) to the Service Providers, which must not exceed 1% of the issued Shares as at the date of approval of this sub-limit by the Shareholders at a general meeting
“Share(s)”	the ordinary share(s) of HK\$0.02 each in the share capital of the Company

“share award scheme”	shall bear the meaning as defined in the Amended Rules
“share scheme”	a share award scheme or a share option scheme involving issue of new shares by the Company or its principal subsidiaries (as the case may be)
“share option scheme”	shall bear the meaning as defined in the Amended Rules
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	shall bear the meaning as defined in the Listing Rules
“substantial shareholder(s)”	shall bear the meaning as defined in the Listing Rules
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date
“%”	per cent

By Order of the Board of  
**Geely Automobile Holdings Limited**  
**David C.Y. Cheung**  
*Company Secretary*

Hong Kong, 23 December 2022

*As at the date of this announcement, the executive Directors are Mr. Li Shu Fu (Chairman), Mr. Li Dong Hui, Daniel (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Mr. An Cong Hui, Mr. Ang Siu Lun, Lawrence, Ms. Wei Mei and Mr. Gan Jia Yue; and the independent non-executive Directors are Mr. An Qing Heng, Mr. Wang Yang, Ms. Lam Yin Shan, Jocelyn and Ms. Gao Jie.*