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## **SINOTRUK (HONG KONG) LIMITED**

**中國重汽(香港)有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 03808)**

### **GRANT OF AWARDED SHARES PURSUANT TO THE RESTRICTED SHARE AWARD SCHEME**

#### **I. GRANT OF AWARDED SHARES**

Reference is made to the announcements of the Company dated 23 January 2024 and 17 March 2024 in relation to the adoption of the Restricted Share Award Scheme, which is a share scheme solely funded by existing Shares of the Company.

On 6 June 2024, the Company granted a total of 27,170,000 Awarded Shares to 188 Selected Participants in accordance with the terms of the Scheme (the “Grant”), subject to acceptance by the Selected Participants. The details of the Grant are set out below:

<b>Grant Date</b>	:	6 June 2024
<b>Number of Awarded Shares granted</b>	:	27,170,000
<b>Number of grantees</b>	:	188 Selected Participants
<b>Grant price</b>	:	RMB6.896 per Share <i>(Note)</i>

- Closing price of the Shares on the Grant Date** : HK\$18.78 (equivalent to approximately RMB17.101) per Share. Based on the closing price of Share on the Grant Date, the market value of 27,170,000 Awarded Shares in aggregate was approximately HK\$510 million (equivalent to approximately RMB465 million)
- Source of Awarded Shares** : Acquisition of existing Shares by the Trustee through on-market transactions conducted on the Stock Exchange
- Grant Conditions** : The grant of an Award is subject to the following conditions (the “**Grant Conditions**”):
- (a) none of the following specified events has occurred in relation to the Company: (i) the Company fails to engage an auditor to audit the Company’s financial statements and accounting records as required by the applicable laws or regulations of the PRC or Hong Kong; (ii) the issuance of a qualified opinion, an adverse opinion or a disclaimer of opinion by the Auditors in respect of the consolidated financial statements of the Company for the most recent financial year; (iii) material dispute has been raised by the PRC state-owned assets and supervision authority or audit department on the financial results and/or financial reports of the Company; (iv) the imposition of penalty on the Company by the securities regulatory authority and other relevant regulatory authorities as a result of a material breach of laws or regulations of the PRC or Hong Kong; and (v) situations occur where the implementation of the Scheme is prohibited by the applicable laws or regulations of the PRC or Hong Kong; and

- (b) none of the following specified events has occurred in relation to the Selected Participant:
- (i) results of the relevant 經濟責任審計 (accountability audit) or similar assessments indicate that the Selected Participant has not effectively performed his duties, or has been grossly negligent or committed malfeasance in performing his duties;
  - (ii) the Selected Participant has breached the relevant laws or regulations of the PRC or Hong Kong or the Articles of Association of the Company;
  - (iii) the Company has sufficient evidence to prove that during the employment of the Selected Participant by any member of the Group, the Selected Participant, due to bribery, corruption or theft, divulging operational or technical secrets of the Group, or conducting connected transactions or any other acts, has caused harm to the Group's interests or reputation, and which has caused a material adverse effect on the Group's image, resulting in a loss for the Group; and
  - (iv) a failure to perform or incorrectly perform duties, causing significant asset losses and other serious adverse consequences to the Group.

As at the Grant Date, the above Grant Conditions have been satisfied for the Grant.

**Financial assistance** : None of the members of the Group has provided any financial assistance to the Selected Participants to facilitate the purchase of the Awarded Shares under the Scheme.

*Note:*

1. As disclosed in the Announcement and in accordance with the requirement of the State-owned Assets Supervision and Administration Commission of Shandong Provincial Government, the grant price (i.e the purchase price per the Awarded Shares granted) for the Grant shall not be less than the higher of:
  - (a) 50% of the closing price of the Shares as quoted on the Stock Exchange as at the date of the Announcement (i.e. 23 January 2024); and
  - (b) 50% of the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Announcement.

Accordingly, based on the Share price information as at the date of the Announcement, the grant price for the Grant has been determined at RMB6.896.

### **Vesting conditions**

The Awarded Shares shall vest on a Selected Participant only if:

- (a) none of the following specified events has occurred in relation to the Company: (i) the Company has failed to engage an auditor to audit the Company's financial statements and accounting records as required by the applicable laws or regulations of the PRC or Hong Kong; (ii) the issuance of a qualified opinion, an adverse opinion or a disclaimer of opinion by the Auditors in respect of the consolidated financial statements of the Company for the most recent financial year; (iii) material dispute has been raised by the PRC state-owned assets and supervision authority or audit department on financial results and/or financial reports of the Company; (iv) the imposition of penalty on the Company by the securities regulatory authority and other relevant regulatory authorities as a result of a material breach of laws or regulations of the PRC or Hong Kong; and (v) situations occur where the implementation of the Scheme is prohibited by the applicable laws or regulations of the PRC or Hong Kong; and
  
- (b) none of the following specified events has occurred in relation to the Selected Participant: (i) results of the relevant 經濟責任審計 (accountability audit) or similar assessments indicate that the Selected Participant has not effectively performed his duties, or has been grossly negligent or committed malfeasance in performing his duties; (ii) the Selected Participant has breached the relevant laws or regulations of the PRC or Hong Kong or the Articles of Association of the Company; (iii) the Company has sufficient evidence to prove that during the employment of the Selected Participant by any member of the Group, the Selected Participant, due to bribery, corruption or theft, divulging operational or technical secrets of the Group, or has conducted connected transactions or any other acts, has caused harm to the Group's interests or reputation, and which has caused a material adverse effect on the Group's image, resulting in a loss for the Group; and (iv) a failure to perform or incorrectly perform duties, causing significant asset losses and other serious adverse consequences to the Group.

## Vesting period and performance targets

Subject to the fulfilment of the above and following conditions, the vesting of the Awarded Shares for the Grant under the Scheme are as follows:

Vesting Period	Vesting Date	Condition (a): Performance target of the Company	Condition (b): Individual performance assessment <sup>(Note 7)</sup>	Percentage of Awarded Shares to be vested <sup>(Note 7)</sup>
24 months from the Grant Date	Any day falling between the first trading day after 24 months from the Grant Date to the last trading day within 36 months from the Grant Date	<p>(1) The operating revenue in the year 2024 shall not be less than RMB94.8 billion.</p> <p>(2) The sales profit margin shall not be less than 7.5%.</p> <p>(3) The indicators set out in (1) and (2) above shall not be lower than the average industry performance for 2024 and the industry level as at the Grant Date.</p>	The results of the individual performance assessment of the Selected Participant is a “Pass”	30%
36 months from the Grant Date	Any day falling between the first trading day after 36 months from the Grant Date to the last trading day within 48 months from the Grant Date	<p>(1) The operating revenue in the year 2025 shall not be less than RMB109.1 billion.</p> <p>(2) The sales profit margin shall not be less than 8%.</p> <p>(3) The indicators set out in (1) and (2) above shall not be lower than the average industry performance for 2025 and the industry level as at the Grant Date.</p>	The results of the individual performance assessment of the Selected Participant is a “Pass”	30%
48 months from the Grant Date	Any day falling between the first trading day after 48 months from the Grant Date to the last trading day within 60 months from the Grant Date	<p>(1) The operating revenue in the year 2026 shall not be less than RMB125.5 billion.</p> <p>(2) The sales profit margin shall not be less than 8.5%.</p> <p>(3) The indicators set out in (1) and (2) above shall not be lower than the average industry performance for 2026 and the industry level as at the Grant Date.</p>	The results of the individual performance assessment of the Selected Participant is a “Pass”	40%

*Notes:*

1. The financial indicators as mentioned above shall be based on the Company's published audited consolidated financial statements for the respective financial years, excluding the impact of share-based payment expenses.
2. The "sales profit margin" as mentioned above refers to the ratio of the Company's total profit to operating revenue for the financial year. The formula for calculating the "sales profit margin" is:  $(\text{Total profit} / \text{Operating revenue}) \times 100\%$ .
3. During the term of the Scheme, in the event of extreme circumstances that significantly affect the Company's performance indicators (such as public offerings, private placements, material asset restructurings based on decisions by superior authorities, or strategic initiatives implemented in response to national policy, significant changes in policies, etc.) resulting in incomparable performance indicators, the Remuneration Committee as authorised by the Board may adjust or restore the corresponding performance indicators accordingly.
4. The "total profit" and the "operating revenue" as mentioned above refers to the consolidated profit before tax and revenue of continuing operations of the Company, respectively.
5. According to the industry classification standard set by the China Securities Regulatory Commission, the Company falls within the industry of "Automobile Manufacturing" under the "Manufacturing" category. The aforementioned "average industry performance" refers to the average performance of all PRC A-share listed companies within the same industry.
6. 20% of the total number of Awarded Shares granted to a Selected Participant who is a Director or senior management of the Group shall not be vested until the end of his term of office (which shall be considered as at the relevant grant date and excluding any subsequent re-elected or renewed term of office, if applicable) and subject to him passing the individual performance assessment at that time.
7. The number of Shares to be vested is subject to scale-back based on the individual's performance assessment results, as follows:

**Annual  
performance  
assessment  
results**

	<b>"Pass"</b>				<b>"Fail"</b>
Class	S (Distinction)	A (Excellent)	B (Good)	C (Acceptable)	D (Unacceptable)
Vesting proportion	100%	100%	100%	80%	0

The actual number of the Awarded Shares to be vested for an individual in a given year is calculated as the "vesting proportion" multiplied by the number of Awarded Shares scheduled to be vested for the relevant period.

## **Clawback mechanism**

The Awarded Shares granted are subject to clawback in the following circumstances:

- (a) If the Selected Participant becomes (i) an independent non-executive Director; (ii) an actual controller of the Company or becomes the spouse, parent or child of such actual controller; or (iii) a Shareholder who, individually holds, or is deemed by the applicable Hong Kong or PRC laws or regulations to be interested in, 5% or more of the total number of issued Shares as at the relevant date, or becomes the spouse, parent or child of such Shareholder, and therefore is not qualified to hold the Awarded Shares, the Awarded Interests granted (but not yet vested) to the Selected Participant shall lapse.
- (b) If the Selected Participant's employment with any member of the Group is terminated for objective reasons such as the Selected Participant is redeployed or dismissed, has retired, dies or has become incapacitated for civil conduct, the Awarded Interests granted that will have satisfied the vesting period and performance evaluation conditions in the same year can be vested within six months from the date of termination of employment (or the date when the Awarded Interests can be vested), after six months, such Awarded Interests shall lapse; for Awarded Interests granted but will not have satisfied the vesting period and performance evaluation conditions in the same year, they shall not be vested and shall lapse accordingly.
- (c) If the Selected Participant's employment with any member of the Group is terminated because he resigns of his own accord or because of other personal reasons, the Awarded Interests granted (but not yet vested) to the Selected Participant shall lapse.
- (d) Upon the occurrence of any of the following circumstances, in respect of any vested Awarded Interests, the Board shall, at its sole and absolute discretion, have the right to require the relevant Selected Participant to return the gains. The Awarded Interests granted (but not vested) to the Selected Participant shall lapse.
  - (i) where the Selected Participant has violated laws or regulations of the PRC or Hong Kong, has violated professional ethics, has been negligent or committed malfeasance, or engaged in any other act, that has severely damaged the interests or reputation of the Group and/or caused direct or indirect economic loss for the Group and/or had adverse impact on the society;

- (ii) where the Selected Participant was dismissed because of serious breach of the rules or regulations of the Group, pursuant to the relevant employee reward and punishment management provisions applicable to the employees of the Group;
  - (iii) where the Company has sufficient evidence to prove that during the employment of the Selected Participant by any member of the Group, the Selected Participant has engaged in any act in breach of applicable laws or disciplinary rules, including but not limited to bribery, corruption or theft, divulging operational or technical secrets of the Group, or has conducted connected transactions, that has caused harm to the Group's interests or reputation and a loss for the Group directly or indirectly, and which has a material adverse effect on the Group's image or has adverse impact on the society;
  - (iv) where the Selected Participant has been convicted of any criminal offence; and
  - (v) where the Selected Participant has breached the relevant laws or regulations or the Articles of Association of the Company, which has caused harm to the Group.
- (e) Where there has been any false records, misleading statements or material omissions in the documents of the Company disclosed, under which the conditions to the grant of the Awards or the vesting conditions in respect of the Awards would not have been fulfilled, the Awarded Interests granted (but not vested) to the Selected Participant shall lapse.

In each of the situations as mentioned above, the Company shall refund to the Selected Participants in accordance with the terms of the Scheme. For details of the aforementioned refund, please refer to the sections headed "Handling procedures for changes in the individual status of the Selected Participant" and "Handling procedures for changes in the Company" in the Announcement.



## Allocation of the Awarded Shares granted to the Selected Participants

The allocation of the Awarded Shares granted among all Selected Participants is set out in the table below:

Selected Participants	Relationship with the Company	Number of Awarded Shares granted	Percentage in the total number of Awarded Shares to be granted <sup>(Note 1)</sup>	Percentage in total number of issued Shares <sup>(Note 2)</sup>
<b>Directors</b>				
Mr. LIU Zhengtao (劉正濤)	Executive Director, who is also concurrently in charge of the Group's businesses related to manufacture and production	500,000	1.84%	0.018%
Mr. LIU Wei (劉偉)	Executive Director, who is also concurrently in charge of the Group's businesses related to international sales	500,000	1.84%	0.018%
Mr. ZHANG Wei (張偉)	Executive Director, who is also concurrently in charge of the Group's businesses related to domestic sales	500,000	1.84%	0.018%
Ms. LI Xia (李霞)	Executive Director, financial controller	350,000	1.29%	0.013%
<b>Board secretary</b>				
Ms. WANG Li (王麗)	Board secretary	150,000	0.55%	0.005%
<b>Other Selected Participants</b>				
Other key employees of the Group occupying or involved in research and development, technical, sales and management roles (183 persons in total) <sup>(Note 3)</sup>		25,170,000 <sup>(Note 4)</sup>	92.64%	0.912%
<b>Total (188 persons in total)</b>		<b>27,170,000</b>	<b>100%</b>	<b>0.984%</b>

*Notes:*

1. The formula for calculating the relevant percentage is the number of Awarded Shares granted to the relevant Selected Participant/the total number of Awarded Shares granted (i.e 27,170,000).
2. As at the date of this announcement, the total number of issued Shares of the Company is 2,760,993,339. The formula for calculating the relevant percentage is the number of Awarded Shares granted to the relevant Selected Participant/the total number of issued Shares.
3. Among the 183 key employees of the Group occupying or involved in research and development, technical, sales and management roles, 17 are directors of Subsidiaries of the Company and therefore are connected persons of the Company.
4. 4,500,000 out of 25,170,000 Awarded Shares are granted to 17 employees (except for the Directors) who are connected persons of the Company.

Save as disclosed above, no Selected Participants involved in the Grant fall within any of the following categories described in Rule 17.06A(2) of the Listing Rules, namely (i) a director, chief executive or substantial shareholder of the Company, or an associate of any of them, (ii) a participant of whom the total number of Awards granted and to be granted thereto exceeds the 1% individual limit as prescribed under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider participant of whom the total number of Awards granted and to be granted thereto in any 12-month period exceeds 0.1% of the relevant class of shares in issue.

Allocation of the Awarded Shares was determined by the Remuneration Committee after considering (i) each of the Selected Participant's position, tenure, contributions, responsibility and his/her role in the Group's ordinary and usual course of business; and (ii) the Scheme shall grant the majority of the Awarded Shares to key employees of the Group occupying or involved in research and development, technical, sales and management roles.

For the avoidance of doubt, the grant of the Awarded Shares to the Directors or directors of the Subsidiaries of the Company forms part of their remuneration packages under their respective service contracts with the Company, and is therefore exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.73(6) and Rule 14A.95 of the Listing Rules.

The total number of Shares to be granted under the Scheme shall not exceed 1% of the total number of issued Shares from time to time.

## II. REASONS FOR AND BENEFITS OF THE GRANT OF THE AWARDED SHARES

The purposes of the Scheme are (i) to retain and attract talents through an enhanced remuneration structure; (ii) to better align the interests of the officers and employees, and of the Shareholders; and (iii) to effectively motivate the management team and key employees of the Group, and thereby promoting the long-term development of the Group and maximising the interests of the Shareholders. The Remuneration Committee is of the view that the Grant is consistent with the purposes of the Scheme and is able to encourage and retain the Selected Participants to make contributions to the long-term growth and development of the Group.

## III. DEFINITIONS

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

“Announcement”	the announcement of the Company dated 23 January 2024 in relation to the proposed adoption of the Restricted Share Award Scheme
“Articles of Association”	the articles of association of the Company, as supplemented or amended from time to time
“Auditors”	the auditors of the Company from time to time
“Award”	an award of the Awarded Interests by the Board to a Selected Participant in accordance with the Scheme Rules
“Awarded Interests”	in respect of an Award, the Awarded Shares (and any and all cash and non-cash income, dividends or distributions, and non-cash and non-scrip distributions in respect of any Shares (other than any cash dividend (including scrip dividend for which cash option is selected) already distributed to the Selected Participant in accordance with the Scheme Rules) less any tax, fees, levies, stamp duty and other charges applicable, if any) as awarded under the Award
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares as awarded to him/her by the Board

“Board”	the board of Directors of the Company, and if the context so permits, it shall include the Remuneration Committee or such committee or person(s) as from time to time delegated with the power and authority by Board to administer the Scheme and/or to deal with the trust(s) /Trustee in any manner as authorised by the Board
“Company”	Sinotruk (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	the Directors, senior management, and key employees occupying or involved in research and development, technical, sales and management roles within the Company or any of its Subsidiaries, as determined by the Board from time to time, provided that such persons have entered into employment contracts or service contracts with the Company or any of its Subsidiaries. Notwithstanding the foregoing, the Eligible Participants shall not include: (i) the independent non-executive Directors; (ii) the actual controllers (has the meaning ascribed to “實際控制人” under the company laws of the PRC from time to time) of the Company and spouses, parents and children of such actual controllers; and (iii) any Shareholder who, individually holds, or is deemed by the applicable Hong Kong or PRC laws or regulations to be interested in, 5% or more of the total number of issued Shares as at the relevant grant date, and spouse, parents and children of such Shareholder. A connected person of the Company is an “Eligible Participant” only if his employment contract or service contract with the Group provides for a grant of Award as a possible form of his remuneration.

“Grant”	has the meaning ascribed to it in the section headed “I. Grant of Awarded Shares” in this announcement
“Grant Conditions”	has the meaning ascribed to it in the section headed “I. Grant of Awarded Shares — Grant Conditions” in this announcement
“Grant Date”	6 June 2024
“Group”	the Company and its Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Restricted Share Award Scheme” or the “Scheme”	the restricted share award scheme adopted by the Company on 17 March 2024, the details of which are set out in the announcements of the Company dated 23 January 2024 and 17 March 2024
“Scheme Rules”	the rules relating to the Restricted Share Award Scheme, as amended from time to time
“Selected Participant(s)”	the Eligible Participant(s) selected by the Board pursuant to the Scheme Rules for participation in the Restricted Share Award Scheme
“Share(s)”	the ordinary share(s) in the capital of the Company (or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary share capital of the Company)
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) or the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere
“Trustee”	Futu Trustee Limited, being the trustee appointed by the Company for the relevant trusts under the Scheme, and is a third party independent of the Company and its connected persons
“%”	per cent

*For illustration purpose, amounts in HK\$ in this announcement have been translated to RMB at HK\$1.00 = RMB0.91061.*

By order of the Board  
**Sinotruk (Hong Kong) Limited**  
**Wang Zhijian**  
*Chairman of the Board*

Ji’nan, PRC, 6 June 2024

*As at the date of this announcement, the board of the Company consists of seven executive directors of the Company including Mr. Wang Zhijian, Mr. Wang Chen, Mr. Liu Zhengtao, Mr. Liu Wei, Mr. Zhang Wei, Ms. Li Xia and Mr. Richard von Braunschweig; four non-executive directors of the Company including Mr. Cheng Guangxu, Mr. Alexander Albertus Gerhardus Vlaskamp, Mr. Karsten Oellers and Mr. Mats Lennart Harborn; and six independent non-executive directors of the Company including Dr. Wang Dengfeng, Mr. Zhao Hang, Mr. Liang Qing, Mr. Lyu Shousheng, Mr. Zhang Zhong and Dr. Liu Xiaolun.*