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GCL TECHNOLOGY HOLDINGS LIMITED

協鑫科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)

GRANT OF AWARD SHARES PURSUANT TO THE SHARE AWARD SCHEME

Reference is made to the announcement of GCL Technology Holdings Limited (the “**Company**”) dated 16 January 2017 (the “**Announcement**”) in relation to the adoption of the Scheme (the “**Scheme**”) and the subsequent announcements of the Company dated 19 May 2017, 2 June 2017, 11 June 2018, 14 June 2018 and 16 February 2022 in relation to the share purchase and the grant of Award Shares pursuant to the Scheme. Unless otherwise defined herein, capitalised terms used in this announcement have the same meanings defined in the Announcement.

On 6 July 2022, the board of directors of the Company (the “**Board**”) has resolved to award an aggregate of 76,530,000 Award Shares (the “**2022 2nd Award Shares**”) at a grant price of HK\$0.86 per Award Share to 81 Eligible Persons (the “**2022 2nd Award**”) pursuant to the terms and conditions of the Scheme.

The 2022 2nd Award Shares represent approximately 0.28% of the Company’s total number of issued Shares as at the date of this announcement. Based on the closing price of HK\$3.83 per Share as quoted on the Stock Exchange on the date of grant of the 2022 2nd Award Shares, the market value of the 2022 2nd Award Shares is approximately HK\$293,109,900.

The Eligible Persons of the 2022 2nd Award mainly comprise the senior management and core operation staff of the Group, including several directors of the Company, namely Mr. Zhu Gongshan (朱共山), Mr. Zhu Zhanjun (朱戰軍), Mr. Zhu Yufeng (朱鈺峰), Ms. Sun Wei (孫瑋), Mr. Yeung Man Chung, Charles (楊文忠); Ir. Dr. Ho Chung Tai, Raymond (何鍾泰), Mr. Yip Tai Him (葉棣謙), Dr. Shen Wenzhong* (沈文忠) and several directors of the Company's significant subsidiaries.

Under the 2022 2nd Award, out of the 76,530,000 Award Shares granted to the 81 Eligible Persons, 48,800,000 Award Shares were granted to the following connected persons of the Company with details as follows:

	Number of Award Shares granted
Directors of the Company	
<i>Executive Directors</i>	
Zhu Gongshan (朱共山)	6,300,000
Zhu Zhanjun (朱戰軍)	3,300,000
Zhu Yufeng (朱鈺峰)	3,500,000
Sun Wei (孫瑋)	3,300,000
Yeung Man Chung, Charles (楊文忠)	3,000,000
<i>Independent Non-Executive Directors</i>	
Ho Chung Tai, Raymond (何鍾泰)	500,000
Yip Tai Him (葉棣謙)	500,000
Shen Wenzhong* (沈文忠)	500,000

Directors of the Company's significant subsidiaries	Number of Award Shares granted
HU Xiaoyan* (胡晓艷)	2,800,000
Hu Zeyi* (胡澤義)	1,700,000
Zhao Ming* (趙明)	1,700,000
Zhu Kun* (朱坤)	1,000,000
Zhang Xi* (張溪)	1,000,000
Song Yunbo* (宋贇波)	900,000
Ren Yulong* (任玉龍)	900,000
Li Kecun* (李克存)	900,000
Xie Guodong* (謝國棟)	500,000
Xia Zongqiang* (夏宗強)	900,000
Zhou Guodong* (周國棟)	1,300,000
Cao Jie* (曹潔)	500,000
Zhang Huiyu* (張回予)	800,000
Zhangxi* (張喜)	2,300,000
Qu Shuliang* (瞿述良)	2,300,000
Zhang Jihong* (張繼弘)	900,000
Xu Junwu* (徐軍武)	400,000
Hu Jianxi* (胡建喜)	1,200,000
Zhu Yong* (朱勇)	700,000
Yuan Zhongming* (袁仲明)	1,000,000
Zhou Xiaoxue* (周效學)	1,000,000
Jin Xiaojun* (金小俊)	1,000,000
Liu Fu* (劉福)	800,000
Zhang Qiang* (張強)	600,000
Xu Jihai* (許繼海)	800,000
Total:	48,800,000

Save as disclosed above, as at the date of this announcement, none of the Eligible Persons is a connected person of the Company or its associates (as defined under the Listing Rules).

Since the above directors of the Company and directors of significant subsidiaries of the Company are connected persons of the Company, the grant of the Award Shares to them constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The grant of the Award Shares to such directors forms part of their remuneration packages under their respective service contracts with the Group 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.

Under the Scheme, the maximum number of Award Shares which may be granted to (i) a Grantee but unvested under the Scheme shall not exceed 0.1 per cent of the total number of issued shares of the Company from time to time (the “**Individual Limit**”) and (ii) a Grantee who is a Director shall not, in aggregate, exceed 0.5 per cent of the total number of issued Shares in any 12-month period (the “**Director Limit**”). The grant of the 2022 2nd Award Shares to the Eligible Persons is in compliance with the Individual Limit and Director Limit.

The grant of the 2022 2nd Award Shares to the Eligible Persons has been approved by the Board. Save and except for the above directors of the Company who had abstained from voting at the Board meeting in relation to each resolution for approval of the grant of the Award Shares to themselves and their respective associates respectively, no other Directors are required to abstain from voting in relation to the grant of 2022 2nd Award Shares to the Eligible Persons.

Subject to the satisfaction of the vesting conditions of the 2022 2nd Award, the Trustee shall transfer the 2022 2nd Award Shares or pay the Actual Selling Price of the 2022 2nd Award Shares to the Eligible Persons under the 2022 2nd Award upon expiry of the following vesting periods:

Vesting Period	Percentage of Award Shares to be vested under the 2022 2nd Award
1st vesting period: From the Grant Date to the last trading day within 12 months from the Grant Date	20%
2nd vesting period: From the first trading day after 12 months from the Grant Date to the last trading day within 24 months from the Grant Date	20%
3rd vesting period: From the first trading day after 24 months from the Grant Date to the last trading day within 36 months from the Grant Date	20%
4th vesting period: From the first trading day after 36 months from the Grant Date to the last trading day within 48 months from the Grant Date	20%
5th vesting period: From the first trading day after 48 months from the Grant Date to the last trading day within 60 months from the Grant Date	20%

The vesting of the 2022 2nd Award Shares is subject to the satisfaction of the following vesting conditions:

- (1) Corporate and personal performance (applicable to all the Eligible Persons of the 2022 2nd Award Shares except the independent non-executive directors of the Company):
 - (a) the Company accomplishes its annual business target;
 - (b) the annual performance appraisal grade of the Eligible Persons is B or above.
- (2) the Eligible Persons shall, on each vesting date, continue to meet the eligibility of Eligible Persons as defined in the Scheme and its ancillary documents;
- (3) the 2022 2nd Award Shares granted to the Eligible Persons have not lapsed or been cancelled in accordance with the Scheme;
- (4) the Eligible Persons strictly abide by the obligations under the employment agreement(s) signed with the Group, as well as the internal management regulations of the Group, and there is no violation of law and discipline by the Eligible Persons;
- (5) the Eligible Persons have not disclosed the trade secrets of the Group or directly or indirectly engaged in business that has a competitive relationship with the Group during the vesting period;
- (6) the Board has not found that the Eligible Persons have seriously violated the relevant regulations of the Group or seriously harmed the interests of the Group;
- (7) all other prerequisites set out in the award letter to the Eligible Persons have been fulfilled, and there is no other circumstances determined by the Board that are not suitable for holding the Award Shares; and
- (8) vesting of the Award Shares has been approved by the Board.

Under the following circumstances, all unvested Award Shares and all vested Award Shares (but not yet transferred to the Eligible Persons) shall lapse immediately, and the Eligible Persons shall also, at the request of the Company, return the equivalent cash of the Award Shares vested and transferred to the Eligible Persons under the rules of the Scheme or part of such equivalent cash to the Company within a certain period of time:

- (1) where the Eligible Persons resign from his/her position in the Group voluntarily within 10 years from the execution of the acceptance letter for the 2022 2nd Award Shares or before the statutory retirement age under the PRC law (whichever is earlier), or cease to render services voluntarily before the expiration of the employment contracts, director's appointment letters and other agreements entered into with the Group;

- (2) where the Eligible Persons explicitly refuse to follow the reasonable work arrangement and transfer due to organisational restructuring by the Group, refuse to carry out tasks rationally assigned by the Group, slack off at work and fail to rectify upon receipt of rectification notice in written (applicable to all Eligible Persons of the 2022 2nd Award Shares other than the independent non-executive directors of the Company);
- (3) where the Eligible Persons are dismissed or their directorship appointments are terminated by the Group due to negligence or misconduct or damage caused to the interests and reputation of the Group on their part in performing their work or discharging their duties as directors (including violation of occupational ethics, breach of confidentiality obligations, divulgence of trade secrets, dereliction of duties, malpractice or any other actions that may impair the interests or reputation of the Group), or the Group decides not to renew their contracts upon expiry of their labour contracts, employment contracts or director's appointment letters under the aforesaid circumstances;
- (4) where the Eligible Persons make serious violation of the rules and policies of the Group (including but not limited to the Director Manual), labour contracts, employment contracts, director's appointment letters, anti-competition agreements, the Listing Rules or the laws and regulations as well as other significant misconducts (including bribery, solicitation, corruption, theft, breach of anti-competition agreements or other significant misconducts);
- (5) where the Group is held criminally liable for any criminal offence committed by the Eligible Persons or terminates the contracts or appointment letters entered into with the Eligible Persons on any other grounds under the laws, labour contracts, employment contracts or director's appointment letters, or the Eligible Persons are convicted of or are held liable for any offence under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time or breach of such ordinance, laws or regulations (including but not limited to the Listing Rules) by the competent courts or relevant regulatory authorities; or
- (6) where the Eligible Persons fail to take any actions or execute any documents in accordance with the Scheme or the award letter, or the Board, at its absolute discretion, determines that the Eligible Persons have violated any provisions under the Scheme or the award letter.

The 2022 2nd Award Shares shall be granted by way of transfer of Shares already acquired through on-market transactions by the Trustee, which have been held on trust and will be vested in the Eligible Persons and delivered in accordance with the terms of the Scheme. Please refer to the Share Repurchase Announcements for further details. The grant of the 2022 2nd Award Shares will not result in any issue of new Shares or any dilution effect on the shareholdings of existing shareholders of the Company.

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

By order of the Board
GCL Technology Holdings Limited
協鑫科技控股有限公司
Zhu Gongshan
Chairman

* *English name for identification only*

Hong Kong, 6 July 2022

As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Zhanjun, Mr. Lan Tianshi, Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Zheng Xiongjiu as executive Directors; Ir. Dr. Ho Chung Tai, Raymond, Mr. Yip Tai Him and Dr. Shen Wenzhong as independent non-executive Directors.