

*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.*



長 城 汽 車 股 份 有 限 公 司

**GREAT WALL MOTOR COMPANY LIMITED\***

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 2333)**

**ANNOUNCEMENT  
REVISION OF THE ANNUAL CAP OF THE CONTINUING  
CONNECTED TRANSACTIONS**

The Board is pleased to announce that, on 15 January 2021, the Company entered into the Further Supplemental Agreement with Great Wall Holdings in relation to revision of the annual cap of the Group's purchase of services from Great Wall Holdings in 2021.

Great Wall Holdings is a company held as to 99% by Mr. Wei Jian Jun, the Chairman of the Board of the Company. Meanwhile, Innovation Great Wall, a controlling Shareholder of the Company, holds 55.74% of issued share capital of the Company, which is in turn held as to 62.854% by Great Wall Holdings, accordingly, Great Wall Holdings is a connected person (as defined under the Hong Kong Listing Rules) of the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) of the revised annual cap of the purchasing services transactions under the Further Supplemental Agreement are higher than 0.1% but less than 5%, therefore, these continuing connected transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but are exempted from the Independent Shareholders' approval requirement.

**THE FURTHER SUPPLEMENTAL AGREEMENT**

References are made to announcements in relation to the Framework Agreement and the Supplemental Agreement entered into between the Company and Great Wall Holdings dated 20 February 2019 and 19 June 2020, respectively.

On 15 January 2021, the Company entered into the Further Supplemental Agreement with Great Wall Holdings. According to the Further Supplemental Agreement, the Company revised the annual cap of the continuing connected transactions for 2021 in relation to the purchasing services by the Group from Great Wall Holdings.

## **Parties**

The Company (for itself and its subsidiaries) and Great Wall Holdings (for itself and its subsidiaries and associates).

## **Term of the Framework Agreement, Supplemental Agreement and Further Supplemental Agreement**

The Company entered into the Framework Agreement with Great Wall Holdings on 20 February 2019, with a term from 20 February 2019 to 31 December 2021. And the term of the Supplemental Agreement is from 19 June 2020 to 31 December 2021.

The term of the Further Supplemental Agreement will be from the date of signing of the Further Supplemental Agreement to 31 December 2021.

## **Content of Transactions**

Pursuant to the terms of the Framework Agreement, the Supplemental Agreement and the Further Supplemental Agreement, the Company shall purchase the following services from Great Wall Holdings: including mainly pipeline construction, testing, processing, hazardous wastes disposal, direct power purchase services, logistics, warehousing services, car use by enterprises services, greening services, services through a tendering process, transportation services, software development services, technology development services, management and renovation services for expert rooms of the Company.

## **Pricing Policies**

The pricing policies are consistent with those in the Framework Agreement entered into between the Company and Great Wall Holdings on 20 February 2019.

The pricing shall be in compliance with the requirements of relevant laws, regulations and the Hong Kong Listing Rules, with reference to the prevailing market price charged by the Company for the purchase of similar services from the Independent Third Parties in the ordinary course of business in accordance with normal commercial terms, and is determined based on fair and reasonable principles and normal commercial terms:

<b>Transaction Category</b>	<b>Pricing Policies</b>
Purchase of services by the Company from Great Wall Holdings	The transaction price will be determined by the Company through open tendering, or by its business departments through reviewing and (if practicable) comparing at least two identical or comparable product quotations with reference to industry standards, market conditions and the Company's operation strategies, which is subject to the final negotiation with Great Wall Holdings.

## Proposed Revision of Annual Cap and Historical Amounts:

The table below sets out the proposed annual caps before and after revision for the year ended 31 December 2021 in relation to the purchase of services by the Group from Great Wall Holdings:

*RMB0' 000*

Category	For the year ended 31 December 2021	
	Before revision	After revision
Purchase of services	5,500.00	38,500.00

The table below sets out the historical amounts for the three years ended 31 December 2018, 2019 and 2020 of the transactions in relation to the purchase of services by the Group from Great Wall Holdings:

*RMB0' 000*

Category	For the year ended 31 December		
	2018	2019	2020
Purchase of services	1,708.58	4,707.40	3,263.35

## BASIS FOR DETERMINING THE CAP

### The basis for the increased cap for purchase of services by the Group

The proposed annual cap for the purchase of services by the Group from Great Wall Holdings has been determined mainly with reference to (1) the purchase of services through a tendering process from Great Wall Holdings; testing and inspection services to be provided by Honeycomb Energy (with its subsidiaries); power purchase management and the disposal of hazardous wastes services to be provided by Kelin Heat Supplying; the purchase of transportation services and software development services from Great Wall Sharing (with its subsidiaries); purchase of greening services from Furui Landscape and Bochuang Park Construction; the pipeline construction services to be provided by Wan Wei Municipal; technology development services to be provided by the Baoding Branch of Honeycomb Energy; technology development services to be provided by Haomo Zhixing and the Baoding Branch of Haomo Zhixing; the purchase of car use by enterprises services from Oula Information Service Co., Ltd.; technology development services to be provided by Yunshi Chelian; management services for the expert building to be provided by Aiqing Property; renovation services for the expert building to be provided by Baoding Jiangren Jiangxin; and (2) the expected level of the respective service prices of the above mentioned services of the Group for 2021.

After revision, the annual cap for 2021 for the continuing connected transactions of purchase of services by the Group from Great Wall Holdings has been changed from RMB55.00 million to RMB385.00 million. The revision of the cap for the continuing connected transactions of purchase of services for 2021 is mainly due to the disposal of hazardous wastes services to be provided by Kelin Heat Supplying, technology development services to be provided by the Baoding Branch of Honeycomb Energy, technology development services to be provided by Haomo Zhixing and the Baoding Branch of Haomo Zhixing, technology development services to be provided by Yunshi Chelian, and the purchase of car use by enterprises services from Oula Information Service Co., Ltd. by the Group.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Group has entered into the Further Supplemental Agreement with Great Wall Holdings in relation to revision of the cap of purchasing services for 2021.

The continuing connected transactions between the Group and Great Wall Holdings (including the revision of cap thereof) were entered into in the ordinary course of business, which is conducive to the reasonable allocation of resources pursuant to the advantages on resources of the parties and the improvement of manufacturing efficiency, and the revision of the cap for the continuing connected transactions is in line with the Company's business development needs. The relevant transactions are conducted in accordance with normal commercial terms or better, which are fair and reasonable and in the interests of the Group and Shareholders as a whole.

## **INFORMATION OF THE PARTIES INVOLVED**

### **(i) Information on the Company**

The Company is an integrated automobile manufacturer and together with its subsidiaries, the Group also engages in the production and sales of certain automotive parts and components.

### **(ii) Information on Great Wall Holdings**

Great Wall Holdings is engaged in corporate headquarter management; IT consulting services; internet information services; internet lifestyle services platform, internet innovative technology platform, internet public services platform; technical services for Internet of Things; decoration and renovations for homes; wholesale of cultural and sports supplies and equipment, machines and facilities, hardware products and appliances, computers, software and supporting devices; real estate agency services; operation and leasing of medical equipment; leasing of cultural and sports equipment and supplies; consultancy services for healthcare; promotion services for energy-efficient technologies; greenery management; domestic trading agency services; integration services for information system; R&D and design of education equipment; services for digital contents; R&D and design of drawing, computing and surveying equipment; development and sales of hardware and software for computer; construction and management of park infrastructure; development of education software; plantation of garden plants; sales of various household supplies; enterprise management consulting; leasing of owned houses; park industrial services; health management services; energy conservation management services; public relation services; conference & exhibition services; leasing of owned equipment (the projects, which are subject to approval in accordance with the laws, shall be operated only after receiving approval from relevant authorities).

## HONG KONG LISTING RULES IMPLICATIONS

Great Wall Holdings is a company held as to 99% by Mr. Wei Jian Jun, the Chairman of the Board of the Company. Meanwhile, Innovation Great Wall, a controlling Shareholder of the Company, holds 55.74% of issued share capital of the Company, which is in turn held as to 62.854% by Great Wall Holdings, accordingly, Great Wall Holdings is a connected person (as defined under the Hong Kong Listing Rules) of the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) of the revised annual cap of the purchasing services transactions under the Further Supplemental Agreement are higher than 0.1% but less than 5%, therefore, these continuing connected transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but are exempted from the Independent Shareholders' approval requirement.

The Directors (including the independent non-executive Directors) are of the view that the relevant transactions are conducted in the ordinary and usual course of business of the Company and the terms under the Further Supplemental Agreement are normal commercial terms, fair and reasonable and are in the interests of the Company and its Shareholders as a whole, which will have no impact on the independence of the Company and will not lead to any circumstances that will undermine interests of the Company or Shareholders of the Company, especially minority Shareholders.

As Great Wall Holdings is the associate of Mr. Wei Jian Jun, the Director of the Company, and Mr. Wei Jian Jun has material interests in the transactions under the Further Supplemental Agreement, he has abstained from voting on the Board resolutions in relation to the continuing connected transactions as specified in this announcement.

## DEFINITIONS

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

“Aiqing Property”	Beijing Aiqing Property Services Co., Ltd. (北京愛情物業服務有限公司), a company incorporated in the PRC on 4 January 2012 and a company established under the laws of the PRC, and is an indirect wholly-owned subsidiary of Great Wall Holdings;
“Baoding Branch of Haomo Zhixing”	the Baoding Branch of Haomo Zhixing Technology Co., Ltd. (毫末智行科技有限公司保定分公司), a branch of Haomo Zhixing, which was incorporated in the PRC on 17 January 2020;
“Baoding Branch of Honeycomb Energy”	the Baoding Branch of Honeycomb Energy Technology Co., Ltd. (蜂巢能源科技有限公司保定分公司), a branch of Honeycomb Energy, which was incorporated in the PRC on 28 June 2018;

“Baoding Jiangren Jiangxin”	Baoding Jiangren Jiangxin Decoration Engineering Co., Ltd. (保定匠人匠心裝飾工程有限公司), a company incorporated in the PRC on 6 March 2020 and is a company established under the laws of the PRC, and is an indirect wholly-owned subsidiary of Great Wall Holdings;
“Board”	the board of directors of the Company;
“Bochuang Park Construction”	Baoding Bochuang Park Construction and Development Company Limited (保定博創園區建設開發有限公司), a company incorporated in the PRC on 21 May 2015 and a company established under the laws of the PRC, and is an indirect wholly-owned subsidiary of Great Wall Holdings;
“Company”	Great Wall Motor Company Limited (長城汽車股份有限公司);
“Director(s)”	the director(s) of the Company;
“Framework Agreement”	the framework agreement entered into between the Company and Great Wall Holdings on 20 February 2019, pursuant to which, the Group shall purchase certain products and services from Great Wall Holdings and sell certain products to Great Wall Holdings during the term of the agreement;
“Further Supplemental Agreement”	the further supplemental agreement to the Framework Agreement entered into between the Company and Great Wall Holdings on 15 January 2021, pursuant to which the Group shall revise the cap of transactions in respect of purchasing services from Great Wall Holdings for 2021;
“Furui Landscape”	Baoding Furui Landscape Co., Ltd. (保定市富瑞園林有限公司), a company incorporated in the PRC on 17 January 2006 and is a company established under the laws of the PRC, and is a wholly-owned subsidiary of Great Wall Holdings;
“Great Wall Holdings”	Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司), holds 62.854% equity interest in Innovation Great Wall, is a connected person of the Company;

“Great Wall Sharing”	Tianjin Great Wall Sharing Car Service Company Limited (天津長城共享汽車服務有限公司), which is a wholly-owned subsidiary of Great Wall Holdings, and which was incorporated under the PRC laws on 21 December 2017;
“Group”	Great Wall Motor Company Limited and its subsidiaries;
“Haomo Zhixing”	Haomo Zhixing Technology Co., Ltd. (毫末智行科技有限公司), a company incorporated in the PRC on 29 November 2019 and a company established under the laws of the PRC, and is a wholly-owned subsidiary of Great Wall Holdings;
“Honeycomb Energy”	Honeycomb Energy Technology Co., Ltd. (蜂巢能源科技有限公司), a company incorporated in the PRC on 12 February 2018 and a company established under the laws of the PRC, and is an indirect subsidiary of Great Wall Holdings;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;
“Independent Shareholders”	independent Shareholders who are not involved or interested in the Further Supplemental Agreement;
“Independent Third Parties”	the parties who are independent from and not connected with the Group, its substantial Shareholders, Directors and their respective associates;
“Innovation Great Wall”	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), a substantial Shareholder of the Company holding approximately 84.17% of the A Shares of the Company, which accounts for 55.74% of the issued share capital of the Company;
“Kelin Heat Supplying”	Baoding Kelin Heat Supplying Co., Ltd. (保定科林供熱有限公司), a company incorporated in the PRC on 20 July 2012 and a company established under the laws of the PRC, and is an indirect wholly-owned subsidiary of Great Wall Holdings;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi yuan, the lawful currency of the PRC;
“Shares”	ordinary share(s) of RMB1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Company’s Shares;
“Supplemental Agreement”	the supplemental agreement to the Framework Agreement entered into between the Company and Great Wall Holdings on 19 June 2020;

“subsidiary(ies)”	unless the context requires otherwise, has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Yunshi Chelian”	Yunshi Chelian Technology Co., Ltd. (雲視車聯科技有限公司), a company incorporated in the PRC on 12 May 2020 and a company established under the laws of the PRC, and is an indirect wholly-owned subsidiary of Great Wall Holdings;
“Wan Wei Municipal”	Baoding Wan Wei Municipal Engineering Co., Ltd. (保定市萬維市政工程有限公司), a company incorporated in the PRC on 19 May 2014 and a company established under the laws of the PRC, and is an indirect wholly-owned subsidiary of Great Wall Holdings;
“%”	per cent.

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the official website of the Company ([www.gwm.com.cn](http://www.gwm.com.cn)).

By order of the Board  
**Great Wall Motor Company Limited**  
*Company Secretary*  
**Xu Hui**

Baoding, Hebei Province, the PRC, 15 January 2021

*As at the date of this announcement, members of the Board comprises:*

*Executive Directors: Mr. Wei Jian Jun, Ms. Wang Feng Ying and Ms. Yang Zhi Juan.*

*Non-executive Director: Mr. He Ping.*

*Independent Non-executive Directors: Ms. Yue Ying, Mr. Li Wan Jun and Mr. Ng Chi Kit.*

\* *For identification purpose only*