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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
ON UNLOCKING AND LISTING OF THE THIRD TRANCHE
OF RESTRICTED SHARES UNDER THE FIRST GRANT AND
THE SECOND TRANCHE OF RESTRICTED SHARES UNDER THE
RESERVED GRANT OF THE 2020 RESTRICTED SHARE AND
SHARE OPTION INCENTIVE SCHEME**

Reference is made to the 2020 Restricted Shares and Share Options Incentive Scheme (the “**2020 Incentive Scheme**”) of Great Wall Motor Company Limited (the “**Company**”) which became effective on 15 April 2020.

The Company held the sixty-third meeting of the seventh session of the board of directors (the “**Board**”), at which the Resolution on the Achievement of the Unlocking Conditions of the Third Tranche of Restricted Shares under the First Grant and the Achievement of the Unlocking Conditions of the Second Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the unlocking conditions of the third tranche of restricted shares under the first grant and the unlocking conditions of the second tranche of restricted shares under the reserved grant of the 2020 Incentive Scheme of the Company have been achieved. According to the authorisation of the Company’s general meeting, the Company is authorised to handle the matters relating to the unlocking of restricted shares in accordance with the relevant requirements of the 2020 Incentive Scheme. The relevant matters are explained as follows:

I. EXPLANATION OF THE ACHIEVEMENT OF THE UNLOCKING CONDITIONS OF THE THIRD TRANCHE OF RESTRICTED SHARES UNDER THE FIRST GRANT AND THE SECOND TRANCHE OF RESTRICTED SHARES UNDER THE RESERVED GRANT OF THE 2020 INCENTIVE SCHEME

In accordance with relevant requirements of the 2020 Incentive Scheme, the unlocking conditions of the third tranche of restricted shares under the first grant of the 2020 Incentive Scheme the Company have been achieved, with the third unlocking period commencing on 27 April 2023, and the unlocking conditions of the second tranche of restricted shares under the reserved grant have been achieved, with the second unlocking period commencing on 28 January 2023:

Explanation of the achievement of the unlocking conditions of restricted shares:

There is no occurrence of any of the following events on the part of the Company: As there is no occurrence of any of the relevant events on the part of the Company, the unlocking conditions are fulfilled

- ① issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
- ② issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
- ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
- ④ prohibition from implementation of a share incentive scheme by laws and regulations;
- ⑤ other circumstances determined by the CSRC.

<p>There is no occurrence of any of the following events on the Participants:</p>	<p>As there is no occurrence of any of the relevant events on the part of the participants of restricted shares under the first grant and the reserved grant, the unlocking conditions are fulfilled</p>
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- ① he or she has been determined by any stock exchange as the first grant and the reserved grant, an ineligible person in the last 12 months;
- ② he or she has been determined by CSRC and its delegated agencies as an ineligible person in the last 12 months;
- ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance with laws or regulations;
- ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the Company Law;
- ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
- ⑥ he or she is under other circumstances determined by the CSRC.

Performance appraisal at company level:

Selection of performance indicators	Sales volume	Net profit	Threshold
Selection of performance indicators	40%	60%	–
Weights of performance indicators	$\Sigma(\text{actual value of performance indicator} / \text{target value of performance indicator}) \times \text{weight of performance indicator}$		
First unlocking period	The sales volume of automobiles of the Company shall not be less than 1.35 million units in 2022	The net profit shall not be less than RMB5.5 billion in 2022	Combined performance coefficient ≥ 1

In 2022, sales volume of automobiles of the Company reached 1.0617 million units, and the net profit attributable to shareholders of the listed company was RMB8.266 billion.

Combined performance coefficient = 1.22 > 1, meeting the requirements for performance appraisal of the Company

Note: The “net profit” mentioned above refers to the audited net profit attributable to Shareholders of the listed company, and the “sales volume” mentioned above refers to the audited annual sales volume.

Performance appraisal at individual level:

The performance appraisal results of the Participants for 2022 are classified into five grades, i.e., A, B, C, D and E. The individual performance appraisal results of the Participants are determined as per the table below:

Whether Qualified	Qualified			Unqualified	
Appraisal results	A	B	C	D	E
Unlocking proportion	100%			0%	

(1) Of the 281 participants of restricted shares under the first grant:

- ① a total of 33 participants resigned, were redesignated, were demoted, or failed in individual performance appraisal prior to the expiry of the lock-up period. The Company repurchased and cancelled all or part of their restricted shares which have been granted but not yet unlocked (the repurchase and cancellation have not been completed for 3 participants);
- ② 254 participants have met the requirements of individual performance appraisal and fulfilled the unlocking conditions hereof.

(2) Of the 149 participants of restricted shares under the reserved grant:

- ① a total of 7 participants resigned or failed in performance appraisal at individual level prior to the expiry of the lock-up period. The Company repurchased and cancelled all or part of their restricted shares which have been granted but not yet unlocked (the repurchase and cancellation have not been completed for 1 participant);
- ② 142 participants have met the requirements of individual performance appraisal and fulfilled the unlocking conditions hereof.

In conclusion, a total of 396 participants under the first grant and reserved grant meet the unlocking conditions, and their restricted shares can be unlocked.

The Board is of the view that the unlocking of restricted shares by the Company is in compliance with the Administrative Measures on Share Incentives of Listed Companies and other relevant laws, regulations and regulatory documents as well as the Articles of Association of Great Wall Motor Company Limited (“**Articles of Association**”) and the 2020 Incentive Scheme, and the unlocking conditions for the third tranche of the restricted shares under the first grant and unlocking conditions for the second tranche of the restricted shares under the reserved grant of the 2020 Incentive Scheme have been satisfied. According to the authorisation of the Company’s general meeting, the Company is authorised to handle the matters relating to the unlocking of the third tranche of the restricted shares under the first grant and the second tranche of the restricted shares under the reserved grant in accordance with the relevant requirements of the 2020 Incentive Scheme.

II. PARTICIPANTS INVOLVED IN THE UNLOCKING AND THE NUMBER OF RESTRICTED SHARES ELIGIBLE FOR UNLOCKING

Among the 281 participants of restricted shares under the first grant, 254 participants met the requirements of individual performance appraisal and fulfilled the unlocking conditions hereof. The number of unlockable shares is 8,380,920 shares. Among the 149 participants of restricted shares under the reserved grant, 142 participants met the requirements of individual performance appraisal and fulfilled the unlocking conditions hereof. The number of unlockable shares is 554,675 shares. The details are as follows:

Details of unlocking under the first grant are as follows:

Name	Position	Actual number of restricted shares granted (0’000 shares)	Number of restricted shares eligible for unlocking (0’000 shares)	Number of restricted shares unlocked and the percentage in restricted shares granted (%)
Zhao Guo Qing	Executive director and deputy general manager	138.00	27.60	20.00
Zheng Chun Lai	Director and general manager of subsidiaries	40.00	8.00	20.00
Zhang De Hui	Director and general manager of subsidiaries	40.00	8.00	20.00
Li Rui Feng	Director and general manager of subsidiaries	126.00	25.20	20.00
Core management, core technical (business) backbone staff (250 people)		4,586.35	769.2920	16.77
Total		<u>4, 930.35</u>	<u>838.0920</u>	<u>17.00</u>

Details of unlocking under the reserved grant are as follows:

Name	Position	Actual number of restricted shares granted (0'000 shares)	Number of restricted shares eligible for unlocking (0'000 shares)	Number of restricted shares unlocked and the percentage in restricted shares granted (%)
Core management, core technical (business) backbone staff (142 people)		114.915	55.4675	48.27
Total		114.915	55.4675	48.27

III. ARRANGEMENT FOR LISTING AND CIRCULATION OF RESTRICTED SHARES TO BE UNLOCKED AND CHANGE IN SHARE CAPITAL STRUCTURE

- (I) The date of listing and circulation of restricted shares to be unlocked under the first grant and reserved grant: 27 April 2023
- (II) The number of restricted shares to be unlocked for listing and circulation: 8,935,595 shares
Specifically: The number of restricted shares under the first grant to be unlocked for listing and circulation: 8,380,920 shares
The number of restricted shares under the reserved grant to be unlocked for listing and circulation: 554,675 shares
- (III) Lock-up and transfer restrictions on the restricted shares of Directors and the senior management to be unlocked
 - 1 Where a participant is a Director or senior executive of the Company, he/she shall not transfer more than 25% of the total number of shares held by him/her in the Company each year during his/her term of office. He/she shall not transfer the shares held by him/her in the Company within six months after leaving the Company;
 - 2 Where a participant is a Director or senior executive of the Company, if he/she sells shares in the Company within six months after purchasing such shares, or purchases shares in the Company within six months after selling such shares, the gains (if any) therefrom shall belong to the Company and be confiscated by the Board of the Company;

- 3 During the term of this incentive scheme, in the case of any changes in the provisions of the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China (the "**Securities Law**") and other relevant laws, regulations and regulatory documents as well as the Articles of Association relating to the transfer of shares held by the Company's Directors and senior management personnel, the affected participants shall comply with the provisions of the amended Company Law, Securities Law and other relevant laws, regulations and regulatory documents as well as Articles of Association when transferring their shares in the Company.

(IV) Changes in the share capital of the Company after the unlocking of the restricted shares

The changes in the shares of the Company after the unlocking are as follows:

Unit: share

Class of securities (Unit: Share)	Before the Change	Change	After the Change
Restricted circulating shares (A shares)	35,107,635	-8,935,595	26,172,040
Unrestricted circulating shares (A shares)	6,132,501,265	8,935,595	6,141,436,860
H Shares	2,318,776,000	0	2,318,776,000
Total shares	<u>8,486,384,900</u>	<u>0</u>	<u>8,486,384,900</u>

IV. OPINION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors of the Company are of the view that the unlocking arrangement of the Company is in compliance with laws and regulations including the Administrative Measures on Incentive Scheme of Listed Companies and meets the requirements of 2020 Incentive Scheme and Appraisal Measures for Implementation of the 2020 Restricted Share and Share Option Incentive Scheme of Great Wall Motor Company Limited, relevant unlocking conditions have been achieved, the Company's application for unlocking restricted shares for participants complies with relevant requirements, and there is no prejudice on the interests of the Company and shareholders as a whole. As such, the independent Directors approve the unlocking of the 8,380,920 restricted shares of 254 participants under the first grant within the third unlocking period and the 554,675 restricted shares of 142 participants under the reserved grant within the second unlocking period of 2020 Incentive Scheme of the Company in accordance with relevant requirements.

V. OPINION OF THE SUPERVISORY COMMITTEE

The supervisory committee of the Company is of the view that the unlocking conditions have been achieved, the qualifications of 254 participants of the third tranche of restricted shares under the first grant and 142 participants of the second tranche of restricted shares under the reserved grant of the 2020 Incentive Scheme are lawful and effective except for certain participants who failed to meet the unlocking conditions due to resignation, job re-designations, demotion or failure in performance appraisal prior to the expiry of the lock-up period, the unlocking arrangement for all participants under the Incentive Scheme do not violate the requirements of relevant laws and regulations, and the unlocking does not prejudice the interests of the Company and shareholders. The supervisory committee approves the unlocking of the 8,380,920 restricted shares of 254 participants under the first grant within the third unlocking period and the 554,675 restricted shares of 142 participants under the reserved grant within the second unlocking period of 2020 Incentive Scheme of the Company within the first unlocking period in accordance with relevant regulations.

VI. CONCLUSIVE VIEWS OF THE LEGAL OPINION

Jincheng Tongda & Neal Law Firm, Beijing is of the opinion that the relevant procedures for the unlocking have been performed and the unlocking has fulfilled the required conditions. Therefore, the unlocking is in compliance with the relevant provisions of the Company Law, the Securities Law, the Administrative Measures on Incentive Scheme of Listed Companies and the 2020 Incentive Scheme.

This announcement is available on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk), the website of Shanghai Stock Exchange (www.sse.com.cn) and the website of the Company (www.gwm.com.cn).

By order of the Board
Great Wall Motor Company Limited
Li Hong Shuan
Joint Company Secretary

Baoding, Hebei Province, the PRC, 21 April 2023

As at the date of this announcement, members of the Board comprise:

Executive Directors: Mr. Wei Jian Jun, Mr. Zhao Guo Qing and Ms. Li Hong Shuan.

Non-executive Director: Mr. He Ping.

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

* *For identification purposes only*