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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**

### **PROPOSED ADOPTION OF 2023 ESOP**

### **PROPOSED ADOPTION OF MANAGEMENT MEASURES FOR 2023 ESOP**

### **PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS IN RELATION TO 2023 ESOP**

The Board is pleased to announce that at the Board meeting held on April 26, 2023, it has resolved to propose (i) the adoption of the ESOP; (ii) the adoption of the Management Measures for the ESOP; and (iii) the authorization to the Board to handle matters related to 2023 ESOP, subject to approval by the Shareholders at the extraordinary general meeting by relevant resolutions.

### **PROPOSED ADOPTION OF THE ESOP**

The principal terms of the ESOP are set out as follows:

#### **1. 2023 EMPLOYEE STOCK OWNERSHIP PLAN**

##### ***1.1 Purposes of the ESOP***

- (I) To further improve the corporate governance structure, improve the Company's long-term incentive and restraint mechanism, and ensure the Company's long-term, stable and healthy developments;
- (II) To improve mechanisms for sharing benefits between workers and owners, align the long-term interests of the Company, Shareholders, and employees, and promote the Company's long-term and sustainable development, so as to bring returns to Shareholders; and
- (III) To attract and to retain outstanding management and business key staffs, meet the Company's demand for core technical talents and management talents through comprehensive and accurate coverage of high-value positions and key talents, establish the Company's human resources advantages, further stimulate the Company's innovation vitality, and inject new impetus into the sustained and rapid development of the Company.

## ***1.2 Participants and Determination Criteria***

### ***I. Legal Basis for Determining Participants***

The Participants of this ESOP are determined by the Company in accordance with the provisions of the Company Law, Securities Law, the Guiding Opinions, the Regulatory Guidelines and other laws, regulations, normative documents and the Articles of Association, and with consideration of the actual situations.

### ***II. Determination of the Scope of Participants***

Participants under the ESOP shall be either:

- (I) Directors (excluding independent Directors), Supervisors and senior management of the Company; or
- (II) core management and key employees.

Qualified employees' participation in the ESOP complies with the principles of lawfulness, voluntary participation and self-bearing of risk. There is no apportionment, forced distribution or other circumstances in which employees are forced to participate in the ESOP. The Company will decide the short list of Participants from qualified employees.

### ***III. Verification of Participants***

The Supervisory Committee of the Company shall verify the list of Participants and state the verification results at the general meeting. The lawyers engaged by the Company shall issue their legal opinions on whether the qualifications and other conditions of the Participants comply with the Company Law, the Securities Law, the Guiding Opinions, the Regulatory Guidelines and other laws, administrative regulations, rules, normative documents and the Articles of Association as well as the ESOP.

### ***IV. Allocation under the ESOP***

The total number of Participants of the ESOP shall be no more than 5,424, among which 2 are Directors (excluding independent Directors), Supervisors and senior management of the Company, and 5,422 are other employees in aggregate.

The ESOP is held in units, with 1 unit for 1 share. The number of Underlying Shares under the ESOP will be no more than 31,031,140 shares.

The Participants of the ESOP and the allocation of shares are as follows:

<b>No.</b>	<b>Participants</b>	<b>Shares to be allocated (shares)</b>	<b>Proposed proportion to the total ESOP shares</b>
1	Li Hong Shuan (executive Director, chief financial officer, joint company secretary, and the secretary to the Board) and Lu Cai Juan (chairman of the Supervisory Committee)	70,000	0.23%
2	5,422 core management and key employees	30,961,140	99.77%
3	<b>Total</b>	<b>31,031,140</b>	<b>100%</b>

*Note:* The final number of Participants and the allocation under the ESOP shall be subject to the actual implementation.

Upon completion of the implementation of the ESOP, the total number of all valid shares held under the ESOP of the Company will not exceed 10% of the total share capital of the Company in aggregate, and the total number of shares corresponding to the equity interest in shares of any individual Participant shall not exceed 1% of the total share capital of the Company in aggregate. The total number of the shares held under the ESOP does not include the shares acquired by Participants prior to the initial public offering for listing, the shares purchased by Participants on secondary market, and the shares acquired by Participants through equity incentives.

No Shareholders holding more than 5% of the Company's shares or de facto controller participate in the ESOP.

### ***1.3 Source and Size of Underlying Shares , Source of Funds and the Reasonableness of Price***

#### ***I. Source and Number of Underlying Shares***

##### ***(I) Source of Underlying Shares***

The shares of the ESOP come from the ordinary A shares repurchased in the Company's special securities account for repurchase. After the ESOP is considered and approved by the general meeting, repurchased shares of the Company will be transferred to the ESOP through non-trading transfer and other methods permitted by laws and regulations.

On 15 July 2022, the Company held the 44th meeting of the seventh session of the Board and the 40th meeting of the seventh session of the supervisory committee of the Company, at which the Plan on Repurchase of A Shares by Way of Centralized Bidding was considered and approved, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 10 million shares (inclusive) and not more than 15 million shares (inclusive). For details, please refer to the Announcement on Plan for Repurchase of A Shares through Centralized Price Bidding published by the Company on 15 July 2022. As of 15 September 2022, the Company had repurchased 12,000,089 A shares in aggregate through the special securities account for repurchase through centralized bidding, accounting for 0.13% of the Company's total share capital. The highest repurchase price was RMB35.04 per share, the lowest repurchase price was RMB30.22 per share, and the average repurchase price was RMB32.71 per share, with a total amount of funds used of RMB392,565,200 (net of transaction expenses). The repurchase plan has been completed.

On 14 October 2022, the Company held the 51th meeting of the seventh session of the Board and the 44th meeting of the seventh session of the supervisory committee of the Company, at which the Plan on Repurchase of A shares by Way of Centralized Bidding was considered and approved, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 20 million shares (inclusive) and not more than 40 million shares (inclusive). For details, please refer to the Announcement on Plan for Repurchase of A Shares through Centralized Price Bidding published by the Company on 16 October 2022. As of 21 February 2023, the Company had repurchased 27,999,954 A shares in aggregate through the special securities account for repurchase through centralized bidding, accounting for 0.32% of the Company's total share capital. The highest repurchase price was RMB31.00 per share, the lowest repurchase price was RMB27.60 per share, and the average repurchase price was RMB29.35 per share, with a total amount of funds used of RMB821,854,000 (net of transaction expenses). The repurchase plan has been completed.

## **(II) Number of Underlying Shares**

The number of Underlying Shares under the ESOP shall be no more than 31,031,140 shares, representing 0.364% of the total share capital of the Company. The final number of shares held by the ESOP shall be subject to the actual number of shares transferred, and the Company will fulfill information disclosure obligations according to the requirements of relevant laws and regulations in a timely manner.

## ***II. Explanation on the Source of Funds and the Reasonableness of Price***

The ESOP shall transfer the shares in the Company's special securities account for repurchase through non-trading transfer and other methods permitted by laws and regulations. The transfer price is RMB0 per share, and the Participants do not need to make payments.

In recent years, the competition in the industry in which the Company operates has been increasingly intense despite new development opportunities being emerging. How to achieve better results in the fierce industry competition depends on the quality and competence of the Company's talents to a large extent. On top of the existing remuneration and incentive system, the Company further improves the long-term incentive mechanism making the interests of employees aligned with and that of Shareholders, which is conducive to fully mobilizing the initiative, enthusiasm and creativity of existing employees, and also attracting high-skilled talents in the industry to join the Company and enhancing its core competitiveness.

The Participants to the ESOP include directors, supervisors, senior management, core management and key employees of the Company, all of whom are the key employees in the strategic development and industrial layout of the Company and play a vital role in the overall performance and long-term sustainable and stable development of the Company. With reference to relevant regulations and market practices and taking into consideration the development trend of the industry and the actual operation situation of the Company, the Company determined that the transfer price of the ESOP is RMB0 per share.

Targets of the Company's performance appraisal and individual performance appraisal have been set based on the principle of reciprocity between incentive and restraint. The equities will be unlocked in tranches and can only be unlocked if the targets of the Company's performance appraisal and individual performance appraisal have been achieved. The performance appraisal target of the Company is set to be challenging, and the gains of the Participants depend on the achievement of the future performance of the Company, which ensure that the long-term interests of employees and Shareholders are aligned, so that it will bring positive impact on the achievement of the Company's development goals and the rights and interests of all Shareholders, and will not prejudice the interests of the Company and its Shareholders as a whole.

Based on the foregoing, the pricing principle of the ESOP is in line with the actual incentive needs of the Company, which can further stimulate the enthusiasm and potential of the Company's employees, and promote the sustainable and stable development of the Company, thus is considered reasonable and scientific and will not prejudice the interests of the Company and its Shareholders as a whole.

## ***1.4 Duration, Lock-Up Period, Performance Appraisal and Trading Restrictions***

### ***I. Duration***

- (I) The term of the ESOP shall be 36 months commencing from the date on which the ESOP is considered and approved at the general meeting and the Company announces the last tranche of the Underlying Shares has been transferred to the ESOP.
- (II) The term of the ESOP may be extended before the expiry of the term of the ESOP, as agreed by the Holders holding more than two-thirds (inclusive) of the total units and attending the Holders' Meeting, and as considered and approved by the Board.

### ***II. Lock-up periods***

The lock-up period of the ESOP is 12 months commencing from the date when the Company announces the registration of the transfer of the last tranche of the Underlying Shares to the ESOP. The equity of Underlying Shares held shall be unlocked in two tranches. The time point of unlocking is 12 months and 24 months respectively from the date of the Company's announcement of the registration of the transfer of the last tranche of the Underlying Shares to the ESOP, and the proportion of the Underlying Shares to be unlocked for each tranche is 50% and 50%, respectively. The actual proportion and number of shares to be unlocked for each tranche are determined according to the Company's performance and the results of the individual performance of the Participants.

Regarding the Underlying Shares transferred to the ESOP, the shares derived from the situations including distribution of dividends and the capitalization of capital reserves of the Company etc. shall also be subject to the above-mentioned lock-up arrangements.

### III. Performance Appraisal of the ESOP

#### (I) Company-level performance appraisal

The ESOP is based on two accounting years from 2023 to 2024 as the performance appraisal year, and the proportion to be unlocked at the company level is determined according to the completion of the Company's performance targets in each appraisal year. The performance appraisal indicators for each year are shown in the table below:

Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	55%	45%
Completion rate of performance targets (P)	$\Sigma$ (actual value of performance indicator/target value of performance indicator) $\times$ weight of performance indicator	
First unlocking period	The sales volume of automobiles of the Company shall not be less than 1.60 million units in 2023	The net profit shall not be less than RMB6 billion in 2023
Second unlocking period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2024	The net profit shall not be less than RMB7.2 billion in 2024

*Note:* The “net profit” mentioned above refers to the audited net profit attributable to shareholders of the listed company. The “sales volume” mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

Completion rate of performance targets (P)	Unlocking proportion at company level (X)
$P \geq 100\%$	$X = 100\%$
$80\% \leq P < 100\%$	$X = P$
$P < 80\%$	$X = 0$

If the company-level performance appraisal indicators meet the unlocking conditions, the equity of Underlying Shares for such unlocking period will be unlocked in proportion accordingly. If the company-level performance appraisal indicators fail to meet the unlocking conditions, the equity of Underlying Shares for such unlocking period shall not be unlocked, and shall be recovered by the Management Committee. Such recovered Underlying Shares can be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations.

## (II) Individual-level performance appraisal

The ESOP will assess unlocking proportion of individual (N) in accordance with the results of the individual-level performance appraisal, with details as follows:

Annual performance appraisal results	A	B	C	D	E
Individual-level unlocking proportion (N)	100%	100%	80%	0%	0%

Subject to the achievement of the above-mentioned company-level performance appraisal indicators, the actual amount of the Underlying Share equity to be unlocked by the Participants for the period = the amount of Underlying Share equity to be unlocked by the Participants for the period  $\times$  the company-level unlocking proportion (X)  $\times$  the individual-level unlocking proportion (N) .

The equity of Underlying Share that cannot be unlocked due to the results of the individual-level performance appraisal shall be recovered by the Management Committee. Such recovered Underlying Shares can be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations.



#### ***IV. Trading restrictions of the ESOP***

The implementation of ESOP will strictly abide by the market trading rules, and comply with the provisions of the CSRC and the SSE on the prohibition of trading of stocks during the sensitive period of information. No person is permitted to engage in insider trading, market manipulation and other securities fraud through the ESOP. The ESOP shall not deal in the shares of the Company during the following periods:

- (I) Within 60 days preceding the announcement of the Company's annual report, 30 days preceding the announcement of the semi-annual report and quarterly report, if the date of the annual report is postponed due to special reasons, it shall be from 60 days preceding the original announcement date to the date of publication of the announcement; if the announcement date of the semi-annual report and quarterly report is postponed due to special reasons, it shall be from 30 days preceding the original announcement date of the semi-annual report and quarterly report to the date of publication of the announcement;
- (II) within 10 days preceding the announcement of results forecast or preliminary results of the Company;
- (III) from the date of a major event which may have a material impact on the trading price of the shares or derivatives of the Company or during the relevant decision-making process until the date of the legal disclosure thereof; and
- (IV) other periods as may be required by the CSRC, the SSE and the Stock Exchange.

#### ***1.5 Management Model***

The ESOP shall be managed by the Company itself. The Holders' Meeting is the highest internal management authority of the ESOP. The Holders' Meeting shall establish the Management Committee and authorize the Management Committee as the management body of the ESOP to supervise the daily management of the ESOP and exercise Shareholders' rights on behalf of the Holders. The Board is responsible for drafting and amending the Plan and handling other relevant matters of the ESOP within the scope authorized by the general meeting.

#### ***1.6 Amendment and Termination of the ESOP and Measures for the Disposition of Holders' Interests***

##### ***I. Amendment to the ESOP***

Any amendment to the ESOP shall be passed by more than two-thirds (inclusive) of the units held by the Holders attending the Holders' Meeting and be submitted to the Board for consideration and approval.

## ***II. Termination of the ESOP***

- (I) The ESOP will be automatically terminated if it fails to extend upon expiry;
- (II) If all the assets of the ESOP are monetary assets upon the expiry of the lock-up period, the ESOP may be terminated early;
- (III) Subject to the requirements of the policy, the ESOP may be terminated early upon proposal by the Management Committee, the approval by more than two-thirds (inclusive) of the units held by the Holders attending the Holders' Meeting and the submission to the Board for consideration and approval.

## ***III. Disposition of the Holders' interests***

- (I) Within the term of the ESOP, unless otherwise stipulated in laws, administrative regulations, and departmental rules or upon approval of the Management Committee, the units of the ESOP held by the Holders shall not be transferred, used for guarantee, repayment of debts or other similar disposals.
- (II) Within the lock-up period of the ESOP, the Holders shall not request the distribution of rights and interests of the ESOP.
- (III) During the lock-up period, when the Company converts capital reserve into share capital and distributes bonus shares, the newly acquired shares under the ESOP due to the holding of shares of the Company shall be locked up together. The unlocking period of such shares is the same as the corresponding Underlying Shares.
- (IV) Upon expiration of the lock-up period of the ESOP, the Management Committee shall realize the assets under the ESOP successively and distribute them to the Holders in proportion to their units; or the Management Committee shall apply to the securities depository and clearing institution to transfer the Underlying Shares to the personal account of the Holders according to the proportion of their units pursuant to the requirements of relevant laws and regulations for the Holders to dispose at their own discretion.
- (V) If all Underlying Shares held under the ESOP are sold and the liquidation and distribution of the assets under the ESOP have been completed according to the preceding paragraph, the ESOP shall be terminated immediately upon being approved by the Management Committee and filed with the Board.
- (VI) During the term of the ESOP, cash dividends received by the ESOP for holding the Underlying Shares are included in the assets of the ESOP. The Management Committee has the right to decide whether to allocate cash dividends.
- (VII) During the term of the ESOP, if cash or other distributable proceeds are obtained from the sale of the Company's shares held by the ESOP, they shall be used in priority to pay the relevant taxes, transaction costs and other expenses incurred by the ESOP.

(VIII) Disposal of Interests under the ESOP in Special Circumstances

- (1) During the term of the ESOP, in the event of demotion and removal of any Holder, the Management Committee shall have the right to re-approve the locked units which could be held by such Holder; if the locked units held by the Holder are more than the locked units after re-approval, the Management Committee shall be entitled to recover the surplus units. Such recovered Underlying Shares may be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations; the Holder may continue to enjoy the unlocked share equity under the ESOP held by him/her.
- (2) If any Holder is involved in one of the following circumstances within the term of the ESOP, the units under the ESOP held by the Holder shall remain the same, the unlocking procedures shall be conducted as stipulated in the ESOP, and their individual performance appraisal shall not be included in the unlocking conditions:
  - 1) where the Holder loses working capacity due to work;
  - 2) where the Holder died due to work (his/her legal heirs will inherit and continue to enjoy such share equity and such heirs are not subject to the qualifications to participate in the ESOP).
- (3) If the Holder retires within the term of the ESOP:
  - 1) if the Holder leaves the Company due to retirement, he/she shall continue to enjoy the rights of the unlocked units; the units granted but unlocked shall be recovered by the Management Committee. Such recovered Underlying Shares can be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations;
  - 2) where the Holder is reappointed after his/her retirement, the granted units shall be handled in accordance with the procedures and appraisal conditions as stipulated in the ESOP.
- (4) Where the Holder terminates the employment contract with the Company other than due to (2) and (3) above during the term of the ESOP, the Management Committee shall disqualify the Holder from participating in the ESOP and recover all the units held by such Holder (whether unlocked or not). Such recovered Underlying Shares can be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations.

- (5) During the term of the ESOP, if one of the following circumstances occurs, the Management Committee has the right to disqualify the Holder from participating in the ESOP, and the Holder shall continue to enjoy the rights of the unlocked units; the units granted but unlocked shall be recovered by the Management Committee. Such recovered Underlying Shares can be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations.
- 1) where the Holder ceases to work in Great Wall Motor but still holds a position within the group due to job rotation;
  - 2) Where the Holder holds a position in a wholly-owned or majority-controlled subsidiary of Great Wall Motor, Great Wall Motor loses control over such subsidiary and the Holder still works in such subsidiary;
  - 3) Other circumstances as determined by the Management Committee.
- (6) During the term of the ESOP, in the event of violation of laws, regulations and bottom lines of the Company or negligence or dereliction of duty by the Holder during his/her term, the Management Committee has the right to disqualify the Holder from participating in the ESOP and recover all the units held by such Holder (whether unlocked or not). Such recovered Underlying Shares can be disposed of as appropriate with gains arising therefrom belonging to the Company, or the relevant Underlying Shares shall be disposed of in other manners as permitted by the laws and regulations; where significant economic losses and serious harm are caused to the Company, the Company has the right to investigate the legal liability of the Holder.
- (7) If the Holder violates non-competition restrictions after leaving the Company or is found to be involved in the disclosure of business secrets of the Company, serious violation of laws and regulations, cross of the bottom line of Company and other negligence or dereliction of duty, causing serious losses or damaging the reputation of the Company, the Company shall have the right to request the Holder to return all his/her income from the units under the ESOP and reserve the right to hold such Holder liable for legal responsibilities.
- (8) During the term of the ESOP, in the event of other circumstances not expressly agreed in the ESOP or the Management Measures, the disposal of the interests held by the Holder under the ESOP shall be determined by the Management Committee.

## **2. PROPOSED ADOPTION OF MANAGEMENT MEASURES FOR 2023 ESOP**

To standardize the implementation of the ESOP, the Management Measures for the ESOP is prepared in accordance with the requirements of the Company Law, the Securities Law, the Guiding Opinions, the Self-regulatory Guidelines for the Companies Listed on the Shanghai Stock Exchange No. 1 – Standardized Operation, relevant laws, administrative regulations, rules, normative documents, the Articles of Association and the 2023 ESOP. The full text of the Management Measures for the ESOP will be set out in the circular to be despatched to the Shareholders in due course.

## **3. PROPOSED AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS IN RELATION TO 2023 ESOP**

The Board proposed that the general meeting authorizes the Board to handle all matters in relation to the ESOP in full discretion, including but not limited to the following:

- (I) to authorize the Board to handle matters in relation to the establishment, amendment and termination of the ESOP;
- (II) to authorize the Board to make decisions on the term extension of the ESOP;
- (III) to authorize the Board to go through the procedures for the securities accounts and capital accounts involved in the ESOP and to handle all matters concerning the lock-up and unlocking of the shares purchased under the ESOP;
- (IV) upon approval at the general meeting, to authorize the Board to make corresponding adjustments to the ESOP according to new policies in the event of any change to the relevant laws, regulations or policies during the term of implementation;
- (V) to authorize the Board to change the Participants and the determination criteria for the ESOP;
- (VI) to authorize the Board to sign agreements and documents related to the ESOP; and
- (VII) to authorize the Board to handle other matters necessary for the ESOP, except for those rights to be exercised by the general meeting that are expressly provided in the relevant documents.

The above authorizations shall be valid from the date when the ESOP is considered and approved at the general meeting of the Company to the completion of the implementation of the ESOP. The above-mentioned authorized matters, except for those to be resolved and approved by the Board as expressly required by laws, administrative regulations, rules of the CSRC, the ESOP and the Articles of Association, may be directly handled by the chairman of the Board or any appropriate person authorized by the chairman on behalf of the Board.

#### **4. REASONS AND BENEFITS OF THE ADOPTION OF THE ESOP**

The ESOP aims to enhance the cohesion of employees and the competitiveness of the Company. By adopting the ESOP, the Company is able to further improve the corporate governance structure, improve the Company's long-term incentive and restraint mechanism, ensure the Company's long-term, stable and healthy development, improve mechanisms for sharing benefits between workers and owners, achieve the long-term interests of the Company, shareholders, and employees as a whole, and promote the Company's long-term and sustainable development, so as to bring returns to shareholders. Also, the adoption and implementation of the ESOP can help the Company to attract and retain outstanding management and business key staffs, meet the Company's demand for core technical talents and management talents through comprehensive and accurate coverage of high-value positions and key talents, establish the Company's human resources advantages, further stimulate the Company's innovation vitality, and inject new impetus into the sustained and rapid development of the Company.

The Company considers that the adoption of the ESOP can achieve the above purposes and the terms and conditions of the ESOP are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole. As Participants of the ESOP, Ms. Li Hong Shuan, an executive Director, has abstained from voting on the relevant Board resolutions to approve the ESOP, and Ms. Lu Cai Juan, a Supervisor of the Company, has abstained from voting on the relevant resolutions of the Supervisory Committee to approve the ESOP. Save as disclosed above, no Directors or Supervisors are required to abstain from voting on the relevant Board resolutions or resolutions of the Supervisory Committee for their participation in the ESOP. Saved as disclosed above, no Directors or Supervisors have material interests in the ESOP.

#### **5. HONG KONG LISTING RULES IMPLICATION**

The ESOP will involve existing A shares repurchased by the Company. The ESOP does not involve any grant of new A shares or options over new A shares or any issuance of new A shares by the Company. As the ESOP only involves existing A shares of the Company, it is subject to Rule 17.12 of Chapter 17 of the Hong Kong Listing Rules.

As certain Holders are Directors and Supervisors of the Company and directors, supervisors and chief executives of the subsidiaries of the Company, such Holders' participation in the ESOP shall constitute a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As the applicable percentage ratios (as defined under Hong Kong Listing Rules) on an individual basis are less than 0.1%, thus they are fully exempted from shareholders' approval, annual review and all disclosure requirements. Save for the above fully exempted connected transaction, other Holders' participation in the ESOP does not constitute a connected transaction under Chapter 14A of the Hong Kong Listing Rules.



## 6. GENERAL MEETING AND CIRCULAR

Pursuant to the relevant requirements of the SSE, the ESOP and Management Measures are subject to the approval by the Shareholders at the general meeting of the Company.

Relevant resolutions will be proposed at the extraordinary general meeting for the Shareholders to consider and, if thought fit, approve, among other things, the proposed (i) adoption of the ESOP; (ii) adoption of the Management Measures for the ESOP; and (iii) authorization to the Board to handle matters related to 2023 ESOP. A circular containing, among other things, details of the above resolutions, will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

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

“A share(s)”	domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in Renminbi (Stock Code: 601633);
“Articles of Association”	articles of association of Great Wall Motor Company Limited;
“Board”	the board of directors of the Company;
“Company” or “Great Wall Motor”	Great Wall Motor Company Limited;
“Company Law”	the Company Law of the PRC;
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“connected transaction(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“core management”	(i) other management personnel of the Company other than Directors, Supervisors and senior management of the Company and (ii) directors, supervisors, chief executives and other management of the subsidiaries of the Company;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	director(s) of the Company;
“ESOP”, “Plan” or “2023 ESOP”	the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Draft);
“Guiding Opinions”	the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plans by Listed Companies;
“Holders/Participants”	employees of the Company and its subsidiaries who shall participate in the ESOP as determined by the Board;

“Holders’ Meeting”	meeting of Holders of the ESOP;
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“Management Committee”	the management committee of the ESOP;
“Management Measures”	Management Measures for the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited;
“PRC”	the People’s Republic of China;
“Regulatory Guidelines”	the Self-regulatory Guidelines for the Companies Listed on the Shanghai Stock Exchange No. 1 – Standardized Operation;
“RMB”	Renminbi, the lawful currency of the PRC;
“Securities Depository and Clearing Corporation”	Shanghai Branch of China Securities Depository and Clearing Corporation Limited;
“Shareholders”	holders of the Company’s Shares;
“SSE”	the Shanghai Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supervisor(s)”	supervisor(s) of the Company;
“Supervisory Committee”	supervisory committee of the Company;
“Underlying Shares”	the ordinary A shares repurchased by the Company and to be transferred to the ESOP through non-trading transfer or other means permitted by laws and regulations; and
“%”	percent.

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

Baoding, Hebei Province, the PRC, 26 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.*

*All currencies in the announcement are RMB.*

\* *For identification purpose only*