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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 FULFILLMENT OF EXERCISE CONDITIONS OF THE THIRD EXERCISE PERIOD OF SHARE OPTIONS UNDER THE FIRST GRANT AND THE SECOND EXERCISE PERIOD OF SHARE OPTIONS UNDER THE RESERVED GRANT OF THE 2020 RESTRICTED SHARE AND SHARE OPTION INCENTIVE SCHEME

Reference is made to the 2020 Restricted Shares and Share Option 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 Fulfillment of the Exercise Conditions of the Third Exercise Period of Share Options under the First Grant and the Fulfillment of the Exercise Conditions of Second Exercise Period of Share Options 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 exercise conditions of the third exercise period of share options under the first grant and the exercise conditions of the second exercise period of share options under the reserved grant of the 2020 Incentive Scheme of the Company have been fulfilled. According to the authorisation of the Company's general meeting, the Company is authorised to handle the matters relating to the exercise of share options in accordance with the relevant requirements of the 2020 Incentive Scheme. The relevant matters are explained as follows:

I. EXPLANATION OF THE FULFILLMENT OF THE EXERCISE CONDITIONS OF THE THIRD EXERCISE PERIOD OF SHARE OPTIONS UNDER THE FIRST GRANT AND THE SECOND EXERCISE PERIOD OF SHARE OPTIONS UNDER THE RESERVED GRANT OF THE 2020 INCENTIVE SCHEME

In accordance with relevant requirements of the 2020 Incentive Scheme, the exercise conditions of the third exercise period of share options under the first grant of the 2020 Incentive Scheme of the Company have been fulfilled, with the exercise period commencing on 27 April 2023, and the exercise conditions of the second exercise period of share options under the reserved grant have been fulfilled, with the exercise period commencing on 28 January 2023. Explanation of the fulfillment of the exercise conditions of share options:

<p>There is no occurrence of any of the following events on the part of the Company:</p> <ol style="list-style-type: none"> (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>As there is no occurrence of any of the relevant events on the part of the Company, the exercise conditions are fulfilled</p>
<p>There is no occurrence of any of the following events on the part of the participants:</p> <ol style="list-style-type: none"> (1) he or she has been determined by any stock exchange as 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 and 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. 	<p>As there is no occurrence of any of the relevant events on the part of the participants of share options under the first grant and reserved grant, the exercise conditions are fulfilled</p>

Performance appraisal at company level:					<p>In 2022, sales volume of automobiles of the Company were 1.0617 million units and the net profit attributable to shareholders of the listed company was RMB8.266 billion.</p> <p>Combined performance coefficient = 1.22 >1, meeting the requirements for performance appraisal of the Company</p>	
Selection of performance indicators	Sales volume		Net profit			Threshold
Weights of performance indicators	40%		60%			—
Combined performance coefficient	Σ(actual value of performance indicator/ target value of performance indicator) x weight of performance indicator					
Exercise 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	
<p>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.</p>						
Performance appraisal at individual level					<p>(1) Of the 1,651 participants of share options under the first grant:</p> <p>① a total of 125 participants resigned, were re-designated, were demoted, or failed the individual performance appraisal prior to the expiry of the vesting period. The Company cancelled all or part of their share options which have been granted but not yet exercised;</p> <p>② 1,531 participants have met the requirements of individual performance appraisal and fulfilled the exercise conditions hereof.</p>	
<p>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:</p>						
Whether Qualified	Qualified			Unqualified		
Appraisal results	A	B	C	D		E
Exercise proportion	100%			0%		

	<p>(2) Of the 497 participants of share options under the reserved grant:</p> <p>① a total of 60 participants resigned, were re-designated, were demoted, or failed the performance appraisal at individual level prior to the expiry of the vesting period. The Company cancelled all or part of their share options which have been granted but not yet exercised;</p> <p>② 439 participants have met the requirements of individual performance appraisal and fulfilled the exercise conditions hereof.</p> <p>In conclusion, a total of 1,970 participants under the first grant and reserved grant have met the exercise conditions and can exercise their share options.</p>
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In conclusion, the Board is of the view that the exercise of share options by the Company are 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 and the 2020 Incentive Scheme, and the exercise conditions of the third exercise period of share options under the first grant and the second exercise period of share options 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 exercise of share options for the third exercise period under the first grant and share options for the second exercise period under the reserved grant in accordance with the relevant requirements of the 2020 Incentive Scheme.

II. PARTICIPANTS ELIGIBLE FOR EXERCISE, NUMBER OF EXERCISEABLE SHARES AND OTHER MATTERS

(I) Third Exercise Period of Share Options under the First Grant

1. Grant date: 27 April 2020
2. Option code: 0000000482
3. Number of exerciseable options: 27,079,634
4. The number of participants eligible for exercise: 1,531
5. Exercise price: RMB7.83 per share
6. Exercise method: “Discretionary exercise” is adopted. Haitong Securities Co., Ltd. is engaged as the agent broker for the discretionary exercise
7. Source of shares: The ordinary A Shares issued by the Company to the participants
8. Validity period: 8 May 2023 to 26 April 2024. Shares obtained from the exercise can be listed and traded on the third trading day (T+2) after the exercise date (T)

(II) Second Exercise Period of Share Options under the Reserved Grant

1. Grant date: 28 January 2021
2. Option code: 0000000702
3. Number of exerciseable options: 6,892,500
4. The number of participants eligible for exercise: 439
5. Exercise price: RMB41.50 per share
6. Exercise method: “Discretionary exercise” is adopted. Haitong Securities Co., Ltd. is engaged as the agent broker for the discretionary exercise
7. Source of shares: The ordinary A Shares issued by the Company to the participants
8. Validity period: 8 May 2023 to 27 January 2024. Shares obtained from the exercise can be listed and traded on the third trading day (T+2) after the exercise date (T)

(III) List of participants and exercise of options:

(1) Third exercise period of share options under the first grant

Position	Number of exercisable options (0'000 shares)	Percentage in the total number of share options granted under the first grant of the 2020 Incentive Scheme(%)	Percentage in the total share capital (%)
Core management, core technical (business) backbone staff (1,531 people)	2,707.9634	31.10	0.32
Total	2,707.9634	31.10	0.32

(2) Second exercise period of share options under the reserved grant

Position	Number of exercisable options (0'000 shares)	Percentage in the total number of share options granted under the reserved grant of the 2020 Incentive Scheme (%)	Percentage in the total share capital (%)
Core management, core technical (business) backbone staff (439 people)	689.25	43.84	0.08
Total	689.25	43.84	0.08

The exercise will not have a significant impact on the Company's shareholding structure, will not change the Company's controlling shareholders and de facto controllers, and will not lead to failure of the Company's shareholding distribution to meet the listing conditions.

Note: the participants who are eligible for exercise of share options do not include Directors and senior management of the Company.

III. AMORTIZED COST OF SHARE OPTIONS UNDER THE SECOND GRANT AND RESERVED GRANT

1. First Grant

As 1,941,955 share options were cancelled due to the resignation, job re-designation, demotion, or failure in the annual individual performance appraisal of participants, the amortized cost plan of share options under the first grant must be adjusted accordingly. Details are as follows:

Currency: RMB Unit: 0'000

Amortized costs of share options under the first grant	2020	2021	2022	2023
9,009.15	3,278.48	3,592.53	1,750.98	387.17

2. Reserved Grant

As 968,000 share options were cancelled due to the resignation, job re-designation, demotion, or failure in the annual individual performance appraisal of participants, the amortized cost plan of share options under the reserved grant must be adjusted accordingly. Details are as follows:

Currency: RMB Unit: 0'000

Amortized costs of share options under the reserved grant	2021	2022	2023
8,965.31	6,028.14	2,738.08	199.10

Note: the above amortized costs are subject to the audit results of the accounting firm.

IV. OPINION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent directors of the Company are of the view that the exercise 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 exercise conditions have been achieved, the Company's application for exercising share options 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 exercise of the 27,079,634 share options of 1,531 participants in the third exercise period under the first grant and the exercise of the 6,892,500 share options of 439 participants in the second exercise period under the reserved grant 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 opinion that the exercise conditions have been fulfilled, the qualifications of 1,531 participants of the share options in the third exercise period under the first grant and the qualifications of 439 participants of the share options in the second exercise period under the reserved grant of the 2020 Incentive Scheme are lawful and effective except for certain participants who failed to meet the exercise conditions due to resignation, job re-designation, demotion or failure in the annual individual performance appraisal prior to the expiry of the vesting period, the exercise arrangement for all participants under the Incentive Scheme do not violate the requirements of relevant laws and regulations, and the exercise does not prejudice the interests of the Company and shareholders. The supervisory committee approves the exercise of the 27,079,634 share options of 1,531 participants in the third exercise period under the first grant and the exercise of the 6,892,500 share options of 439 participants in the second exercise period under the reserved grant of 2020 Incentive Scheme of the Company in accordance with relevant requirements.

VI. CONCLUSIVE VIEWS OF THE LEGAL OPINION

Jincheng Tongda & Neal Law Firm, Beijing is of the opinion that the exercise meets the conditions required under the 2020 Incentive Scheme and Appraisal Measures for Implementation of the 2020 Restricted Share and Share Option Incentive Scheme of Great Wall Motor Company Limited, and the Company has performed the necessary procedures for the exercise in accordance with laws including the Administrative Measures on Incentive Scheme of Listed Companies and the 2020 Incentive Scheme. The resolutions made by the Company are lawful and effective.

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 official 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, 27 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 purpose only*