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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: 02333 (HKD counter) and 82333 (RMB counter)**

## **ANNOUNCEMENT**

### **REPURCHASE AND CANCELLATION OF CERTAIN RESTRICTED SHARES UNDER THE FIRST GRANT AND THE RESERVED GRANT OF THE 2021 RESTRICTED SHARE INCENTIVE SCHEME OF THE COMPANY**

Reference is made to the 2021 Restricted Share Incentive Scheme (the “**2021 Restricted Share Incentive Scheme**”) which became effective on 22 July 2021 of Great Wall Motor Company Limited (the “**Company**”), the announcements dated 22 October 2021, 13 May 2022 and 18 July 2023 issued by the Company in relation to adjustments to the repurchase price of restricted shares under the first grant, and the announcement dated 13 May 2022 and 18 July 2023 issued by the Company in relation to adjustments to the grant price of restricted shares under the reserved grant.

The 5th meeting of the eighth session of the Board was held by the Company on 26 September 2023, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, due to the resignation or job rotation of certain participants, the Company intends to repurchase and cancel certain restricted shares under the first grant and the reserved grant of the 2021 Restricted Share Incentive Scheme in accordance with the relevant requirements of the Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited and the 2021 Restricted Share Incentive Scheme. The total numbers of restricted shares under the first grant and the reserved grant intended to be repurchased and cancelled are 331,200 and 123,650, respectively. The repurchase prices of the restricted shares under the first grant and the reserved grant to be repurchased and cancelled are RMB16.11 per share and RMB12.36 per share, respectively, plus the interests for bank deposits for the same period (the benchmark deposit interest rate published by the People's Bank of China for the same period) in accordance with the provisions of the 2021 Restricted Share Incentive Scheme.

None of the participants for the proposed cancellation of restricted shares are connected persons as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The relevant matters are explained as follows:

## **I. INFORMATION ON REPURCHASE AND CANCELLATION**

### **(I) Basis of the repurchase and cancellation of restricted shares under the first grant and the reserved grant**

According to the provisions of “Chapter 13 – Handling Unusual Changes to the Participants” of the 2021 Restricted Share Incentive Scheme, when the labour contract of a participant is terminated or released by the Company due to resignation (except for civil incapacity arising out of work, death arising out of work and normal retirement or early retirement of a participant), or when a participant ceases to work in the listed company and its subsidiaries but still holds a position within the Group due to job rotation, the restricted shares which have been granted but not yet unlocked shall be repurchased and cancelled by the Company.

### **(II) Reasons, prices and numbers and sources of funds for repurchase and cancellation of the restricted shares under the first grant and the reserved grant**

#### ***1. Reasons for the repurchase and cancellation***

As 21 participants resigned or were reassigned prior to the expiry of the lock-up period of restricted shares under the first grant and 12 participants resigned or were reassigned before the expiry of the lock-up period of the restricted shares under the reserved grant, in accordance with the provision of “Chapter 13 – Handling Unusual Changes to the Participants” of the 2021 Restricted Share Incentive Scheme, the above participants no longer meet the relevant conditions of the 2021 Restricted Share Incentive Scheme. Upon consideration and approval by the eighth session of the Board at its 5th meeting, the Company intends to repurchase from the above 21 participants 331,200 restricted shares in total under the first grant which were granted but not yet unlocked and cancel the same; and the Company also intends to repurchase from the 12 participants 123,650 restricted shares in total under the reserved grant which were granted but not yet unlocked and cancel the same.

#### ***2. Repurchase price***

Pursuant to relevant provisions of the 2021 Restricted Share Incentive Scheme, upon completion of registration of the restricted shares granted to the participants, in case of dividend distribution and other matters affecting the share price of the Company, the repurchase price of restricted shares yet to be unlocked shall be adjusted by the Company accordingly, details of which are as follows:

$$P=P_0-V$$

Where:  $P_0$  represents the repurchase price per restricted share prior to adjustment;  $V$  represents the dividend per share;  $P$  represents the adjusted repurchase price per restricted share.  $P$  shall be greater than 1 after the dividend distribution.

As the Company's A share interest distribution for 2022 had been completed, in accordance with the relevant provisions of the 2021 Restricted Share Incentive Scheme, the repurchase prices of the restricted shares under the first grant and the reserved grant are adjusted to RMB16.11 per share and RMB12.36 per share, respectively, plus the interests for bank deposits for the same period (the benchmark deposit interest rate published by the People's Bank of China for the same period) in accordance with the provisions of the 2021 Restricted Share Incentive Scheme.

If the repurchase prices have to be adjusted accordingly due to matters that require making adjustments when the repurchase and cancellation of restricted shares under the first grant and the reserved grant are implemented, the Company will make corresponding adjustments based on the 2021 Restricted Share Incentive Scheme.

### 3. *Repurchase number*

The total number of restricted shares intended to be repurchased and cancelled by the Company is 454,850, representing approximately 3.98% of the registered aggregate restricted A shares of the Company as at 25 September 2023 (11,438,960 shares), and representing approximately 0.01% of the total share capital of the Company as at 25 September 2023.

### 4. *Source of funds for repurchase*

The source of funds for the payment of repurchase of the restricted shares of the Company is self-financed.

## II. TABLE ON CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company before and after the repurchase and cancellation of the Restricted Shares are as follows:

Class of Securities (Unit: Share)	Before the Change		Current Change	After the Change	
	Number (Share)	Proportion (%)		Number (Share)	Proportion (%)
Circulating shares subject to selling restrictions (A shares)	11,438,960	0.13	-454,850	10,984,110	0.13
Circulating shares not subject to selling restrictions (A shares)	6,165,816,896	72.58	0	6,165,816,896	72.58
H shares	2,318,776,000	27.29	0	2,318,776,000	27.29
Total shares	<u>8,496,031,856</u>	<u>100.00</u>	<u>-454,850</u>	<u>8,495,577,006</u>	<u>100.00</u>

*Note:* The data of total shares is up to 25 September 2023.

### **III. EFFECT OF THE REPURCHASE AND CANCELLATION ON THE COMPANY**

The repurchase and cancellation of certain restricted shares will not cause the shareholding structure of the Company to become ineligible for listing, will not affect the continued implementation of the 2021 Restricted Share Incentive Scheme of the Company, nor have a significant impact on the operating results of the Company. The management of the Company will continue to work diligently and responsibly and strive to create value for shareholders.

### **IV. THE OPINION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Independent Non-executive Directors of the Company expressed their independent opinion that pursuant to the 2021 Restricted Share Incentive Scheme, due to the resignation or job rotation of certain participants, the Company's repurchase and cancellation of certain restricted shares under the first grant and the reserved grant were in compliance with the provisions of the Administrative Measures on Incentive Scheme of Listed Companies and the 2021 Restricted Share Incentive Scheme. The reasons for and the number and price of the repurchase and cancellation of the restricted shares are legal and valid, which will not cause the Company's shareholding structure to become ineligible for listing, and will not affect the continued implementation of the 2021 Restricted Share Incentive Scheme of the Company and there will not be any prejudice to the interest of the Company and its shareholders. The Independent Directors agreed that the Company could repurchase and cancel the restricted shares granted to certain participants under the first grant and the reserved grant that have been issued.

### **V. EXAMINATION OPINION OF THE SUPERVISORY COMMITTEE**

The Supervisory Committee of the Company was of the view that pursuant to the 2021 Restricted Share Incentive Scheme, due to the resignation or job rotation of certain participants, the Company's repurchase and cancellation of certain restricted shares under the first grant and the reserved grant were in compliance with the provisions of the Administrative Measures on Incentive Scheme of Listed Companies and the 2021 Restricted Share Incentive Scheme. The reasons for and the number and price of the repurchase and cancellation of the restricted shares are legal and valid, which will not cause the Company's shareholding structure to become ineligible for listing, and will not affect the continued implementation of the 2021 Restricted Share Incentive Scheme of the Company and there will not be any prejudice to the interest of the Company and its shareholders. The Supervisory Committee agreed that the Company could repurchase and cancel the restricted shares granted to certain participants under the first grant and the reserved grant that have been issued.

### **VI. CONCLUSIVE VIEWS OF THE LEGAL OPINION**

Legal advisors from Jincheng Tongda & Neal Law Firm, Beijing are of the opinion that the Company has obtained necessary approval and authorization in respect of the repurchase and cancellation, and the repurchase and cancellation were in compliance with the relevant provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures on Incentive Scheme of Listed Companies, Articles of Association of Great Wall Motor Company Limited and the 2021 Restricted Share 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 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, 26 September 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. Fan Hui and Mr. Tom Siulun Chau.*

*\* For identification purposes only*