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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

CANCELLATION OF CERTAIN SHARE OPTIONS UNDER THE FIRST GRANT AND THE RESERVED GRANT OF THE 2021 SHARE OPTIONS INCENTIVE SCHEME OF THE COMPANY

Reference is made to the 2021 Share Options Incentive Scheme of Great Wall Motor Company Limited (the “**2021 Share Options Incentive Scheme**”) which became effective on 22 July 2021 of Great Wall Motor Company Limited (the “**Company**”), the announcements in relation to the adjustments to the exercise price of share options under the first grant published by the Company on 22 October 2021, 13 May 2022 and 18 July 2023, and announcements in relation to adjustments to the exercise price of share options under the reserved grant published by the Company on 13 May 2022 and 18 July 2023.

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 Cancellation of Certain Share Options under the First Grant and Reserved Grant of the 2021 Share Options Incentive Scheme of the Company was considered and approved, and pursuant to the above resolution, due to the resignation or job rotation, or possession of share options which remained unexercised after the end of the relevant exercise period of certain participants of the Company, the Company intends to cancel certain share options under the first grant and reserved grant of the 2021 Share Options 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 Share Options Incentive Scheme. The number of certain share options to be cancelled under the first grant that have been granted but not yet exercised is 79,677,919 and that under the reserved grant is 1,803,400.

Details of relevant matters are described as follows:

I. INFORMATION ON CANCELLATION

(I) Basis of the cancellation of share options

According to the provisions of “Chapter 6 – Validity Period, Grant Date, Exercise Arrangement and Lock-up Period of the Incentive Scheme” of the 2021 Share Options Incentive Scheme:

The exercise periods of the share options under the first grant and the schedule for each exercise period are shown in the table below:

Exercise arrangement	Exercise schedule	Exercise proportion
First exercise period of share options under the first grant	Commencing from the first trading day upon the expiry of 12 months from the date of the first grant to the last trading day upon the expiry of 24 months from the date of the first grant	1/3
Second exercise period of share options under the first grant	Commencing from the first trading day upon the expiry of 24 months from the date of the first grant to the last trading day upon the expiry of 36 months from the date of the first grant	1/3
Third exercise period of share options under the first grant	Commencing from the first trading day upon the expiry of 36 months from the date of the first grant to the last trading day upon the expiry of 48 months from the date of the first grant	1/3

The exercise period of the reserved share options under the incentive scheme and the schedule for each exercise period are shown in the table below:

Exercise arrangement	Exercise schedule	Exercise proportion
First exercise period of share options under the reserved grant	Commencing from the first trading day upon the expiry of 12 months from the date of the reserved grant to the last trading day upon the expiry of 24 months from the date of the reserved grant	1/2
Second exercise period of share options under the reserved grant	Commencing from the first trading day upon the expiry of 24 months from the date of the reserved grant to the last trading day upon the expiry of 36 months from the date of the reserved grant	1/2

For share options that have not been applied for exercise within the above-mentioned agreed period, or share options for the current period that cannot be applied for exercise due to failure to meet the exercise conditions, the Company will cancel the corresponding unexercised share options of the participants according to the principles under the scheme.

According to the provisions of “Chapter 13 – Handling Unusual Changes to the Participants” of the 2021 Share Options 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 subsidiary but still holds a position within the Group due to job rotation, the share options which have been granted but not yet exercised shall be cancelled by the Company.

(II) Reasons and the number in respect of the cancellation of the share options

1. Reasons for the cancellation

- (1) As 7,346 participants possessed share options for the current period which remained unexercised after the end of the first exercise period under the first grant of 2021 Share Options Incentive Scheme, in accordance with the provision of “Chapter 6 – Validity Period, Grant Date, Exercise Arrangement and Lock-up Period of the Incentive Scheme” of the 2021 Share Options Incentive Scheme, for share options that participants have not applied for exercise within the agreed period, the Company will cancel the corresponding unexercised share options of the participants. Upon consideration and approval by the eighth session of the Board at its 5th meeting, the Company intends to cancel the above 7,346 participants’ 75,536,609 share options in total under the first grant which were granted but not yet exercised for the current period.
- (2) As 379 participants resigned or were reassigned prior to the expiry of the vesting period of share options under the first grant of the 2021 Share Options Incentive Scheme and 315 participants resigned or were reassigned prior to the expiry of the vesting period of share options under the reserved grant of the 2021 Share Options Incentive Scheme, in accordance with the provision of “Chapter 13 – Handling Unusual Changes to the Participants” of the 2021 Share Options Incentive Scheme, the above participants no longer meet the relevant conditions of the 2021 Share Options Incentive Scheme. Upon consideration and approval by the eighth session of the Board at its 5th meeting, the Company intends to cancel the above 379 participants’ 4,141,310 share options in total under the first grant which were granted but not yet exercised, and the above 315 participants’ 1,803,400 share options in total under the reserved grant which were granted but not yet exercised.

2. Cancellation number

The number of share options to be cancelled by the Company is 81,481,319 in total, representing approximately 39.37% of the aggregate 206,969,093 A share options of the Company under registration as at 25 September 2023, and representing approximately 0.96% of the total share capital of the Company as at 25 September 2023.

II. EFFECT OF THE CANCELLATION ON THE COMPANY

The cancellation of share options does not affect the share capital structure of the Company, will not cause the shareholding structure of the Company to become ineligible for listing, will not affect the continued implementation of the 2021 Share Options 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.

III. THE OPINION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Independent Non-executive Directors of the Company expressed their independent opinion that pursuant to the 2021 Share Options Incentive Scheme, due to the resignation or job rotation, or possession of share options which remain unexercised after the end of the relevant exercise period of certain participants of the Company, the Company's cancellation of certain share options under the first grant and the reserved grant was in compliance with the provisions of the Administrative Measures on Incentive Scheme of Listed Companies and the 2021 Share Options Incentive Scheme. The reasons for and the number and price of cancellation of the share options are legal and effective. The above matters will not cause the Company's shareholding structure to become ineligible for listing and will not affect the continued implementation of the 2021 Share Options 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 cancel the share options granted to certain participants subject to the corresponding cancel conditions.

IV. EXAMINATION OPINION OF THE SUPERVISORY COMMITTEE

The Supervisory Committee of the Company was of the view that pursuant to the 2021 Share Options Incentive Scheme, due to the resignation or job rotation, or possession of share options which remain unexercised after the end of the relevant exercise period of certain participants of the Company, the Company's cancellation of certain share options under the first grant and the reserved grant was in compliance with the provisions of the Administrative Measures on Incentive Scheme of Listed Companies and the 2021 Share Options Incentive Scheme. The reasons for and the number and price of cancellation of the share options are legal and effective. The above matters will not cause the Company's shareholding structure to become ineligible for listing and will not affect the continued implementation of the 2021 Share Options 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 cancel the share options granted to certain participants subject to the corresponding cancel conditions.

V. CONCLUSIVE VIEWS OF THE LEGAL OPINION

Legal advisors from Jincheng Tongda & Neal Law Firm, Beijing are of the opinion that the Company has obtained the necessary approval and authorization in respect of the cancellation, and the cancellation was 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 Share Options 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*