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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  
REVISION OF THE ANNUAL CAP FOR THE CONTINUING  
CONNECTED TRANSACTIONS**

The Board is pleased to announce that, on 23 January 2024, the Company entered into the Supplemental Agreement with Great Wall Holdings in relation to the revision of the annual cap for the Provision of Services by the Group to and the Leasing (Long-term) by the Group from Great Wall Holdings for the year 2024.

Innovation Great Wall, a controlling shareholder of the Company, is held as to 62.854% by Great Wall Holdings. Accordingly, Great Wall Holdings is a connected person (as defined under the Hong Kong Listing Rules) of the Company. The Provision of Services and the Leasing (Long-term) transactions under the Supplemental Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the revised annual cap for the Provision of Services and the Leasing (Long-term) transactions under the Supplemental Agreement are higher than 0.1% but less than 5%, these continuing connected transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but are exempted from the Independent Shareholders' approval requirement.

Reference is made to the announcement in relation to the Framework Agreement entered into between the Company and Great Wall Holdings dated 31 December 2021, in respect of, among other things, the Provision of Services by the Group to and the Leasing (Long-term) by the Group from Great Wall Holdings with a term commencing from 1 January 2022 to 31 December 2024.

**SUPPLEMENTAL AGREEMENT**

On 23 January 2024, the Company entered into the Supplemental Agreement with Great Wall Holdings. According to the Supplemental Agreement, the Group and Great Wall Holdings agreed to revise the annual cap for the continuing connected transactions for the year 2024 in relation to the Provision of Services and the Leasing (Long-term) under the Framework Agreement.

**Parties**

The Company (for itself and its subsidiaries) and Great Wall Holdings (for itself and its subsidiaries and associates).

## Content of Transactions

Pursuant to the Framework Agreement and the Supplemental Agreement, (i) the Provision of Services by the Group to Great Wall Holdings mainly includes testing and inspection, vehicle repair and maintenance, consulting services, operation and maintenance services, development training services, legal services, software development services, technical consultancy services, warehousing, transportation and packaging services, logistics, light-current services, assembly and processing services, etc.; and (ii) the Leasing (Long-term) by the Group from Great Wall Holdings mainly includes leasing of houses, venues, and vehicles, etc.

## Pricing Policies

The pricing policies for the Provision of Services and the Leasing (Long-term) under the Supplemental Agreement are consistent with those for the Provision of Services and the Leasing (Long-term) under the Framework Agreement. Pursuant to the Framework Agreement, the pricing policies for the Provision of Services and the Leasing (Long-term) shall be in compliance with the requirements of relevant laws, regulations and the Hong Kong Listing Rules, with reference to the prevailing market price charged by the Company for the similar services from the Independent Third Parties in the ordinary course of business in accordance with normal commercial terms, and are determined based on fair and reasonable principles and normal commercial terms:

Transaction Category	Pricing Policies
Provision of Services by the Group to Great Wall Holdings	The Company will determine and negotiate the selling price with reference to the prevailing fair market price of the comparable services and in accordance with the normal commercial terms that are in the interest of the Company. The price at which the Company provides services will not be lower than the above fair market price range. When conducting such transactions, the fees negotiated and collected by the Company from the service recipient are based on (i) the prevailing market price for the same or similar services provided by Independent Third Parties (which will obtain and refer to the quotations of at least two independent service providers) or the average market price for the same or similar services provided in the relevant industry; and (ii) the amount of such services used by each service recipient.
Leasing (Long-term) by the Group from Great Wall Holdings	The transaction price will be determined by the Company through open tendering, or by its business departments through reviewing and comparing at least two (if practicable) identical or comparable product quotations with reference to industry standards, market conditions and the Company's operation strategies, which is subject to the final negotiation with Great Wall Holdings. When conducting such transactions, the Group will determine the rent payable of each lease based on normal commercial terms and after arm's length negotiation, with reference to the prevailing market price of similar leases (which will obtain and refer to the quotations provided by at least two independent lessors) and other commercial considerations (such as the floor area, location and type of property involved).

## Proposed Revised Annual Cap and Historical Amounts

According to the “Accounting Standard for Business Enterprises No. 21 – Leases” promulgated by the Ministry of Finance of the PRC, the Group, as the lessee of the Leasing (Long-term), has recognized the asset leasing right during the term of the Leasing (Long-term) as the right-of-use asset, and had set the annual caps for the Leasing (Long-term) for the three years ending 31 December 2024 accordingly.

The table below sets out the existing annual cap and the proposed revised annual cap for the year ending 31 December 2024 for the Provision of Services and the Leasing (Long-term):

*Currency: RMB Unit: 0'000*

Category	For the year ending 31 December 2024	
	Existing annual cap	Revised annual cap
Provision of Services	4,770	47,000
Leasing (Long-term)	1,683	49,000

For the years ended 31 December 2021, 31 December 2022 and 31 December 2023, the historical transaction amounts for the Provision of Services were RMB71,683,100, RMB69,593,600 and RMB97,482,000 (unaudited), respectively; the historical transaction amounts for the Leasing (Long-term) were RMB223,727,700, RMB884,215,200 and RMB72,677,800 (unaudited), respectively.

## BASIS FOR DETERMINING THE REVISED CAP

The revised annual cap for the Provision of Services has been mainly determined with reference to the followings: (i) for the period from 1 January 2024 to 31 December 2024, the expected provision of transportation, maintenance and warranty services of repair, replacement and return by the Group to SVOLT Energy Technology and its subsidiaries, etc., which is estimated at an amount of approximately RMB157.10 million; the provision of light-current services to Hebei Wanwei, Aiqing Real Estate Group, etc., which is estimated at an amount of approximately RMB120 million; the provision of technological development services to FTXT Energy and Haomo Zhixing, which is estimated at an amount of approximately RMB32.50 million; the provision of assembly and processing services to Great Wall Heavy Industry, which is estimated at an amount of approximately RMB63.40 million; the provision of experimental services to FTXT Energy, Haomo Zhixing, Great Wall Commercial Factoring, etc., which is estimated at an amount of approximately RMB23.00 million; (ii) the historical transaction amounts for the transactions under Provision of Services for the three years ended 31 December 2023; and (iii) a reasonable buffer (approximately 10%) for possible trading volatility.

The revised annual cap for the Leasing (Long-term) has been mainly determined with reference to: (i) the leasing of houses, land, etc., from Baoding Great Wall Smart Technology Co., Ltd. and its subsidiaries for the period from 1 January 2024 to 31 December 2024, which is estimated at an amount of approximately RMB440 million.

## **REASONS FOR AND BENEFITS OF THE REVISION OF THE CAP**

The Group has entered into the Supplemental Agreement with Great Wall Holdings in relation to revision of the annual cap for the Provision of Services and the Leasing (Long-term) for the year ending 31 December 2024 and believes that the proposed revision of the annual cap for the Provision of Services will help the Company rationally allocate resources according to the resource advantages of all parties. The proposed revision of the annual cap for the Leasing (Long-term) will help the Group save capital expenditure, maximize capital use efficiency, implement asset-light operations, while expanding production scale and improving production efficiency, thereby meeting the needs of business development. The Directors are of the view that relevant transactions under the Supplemental Agreement between the Group and Great Wall Holdings are conducted in accordance with normal commercial terms or better, are fair and reasonable and in the interests of the Group and Shareholders as a whole.

## **INFORMATION OF THE PARTIES INVOLVED**

### **(i) Information on the Company**

The Company is an integrated automobile manufacturer and together with its subsidiaries, the Group also engages in the production and sales of certain automotive parts and components. The ultimate beneficial owner of the Company is Mr. Wei Jian Jun, the Chairman of the Board.

### **(ii) Information on Great Wall Holdings**

Great Wall Holdings is primarily engaged in corporate headquarter management; IT consulting services; internet information services; internet lifestyle services platform, internet innovative technology platform, internet public services platform; technical services for Internet of Things; decoration and renovations for homes; wholesale of cultural and sports supplies and equipment, machines and facilities, hardware and electronic products, computers, software and supporting devices; real estate agency services; operation and leasing of medical equipment; leasing of cultural and sports equipment and supplies; consultancy services for healthcare; promotion services for energy-efficient technologies; greenery management; domestic trading agency services; integration services for information system; R&D and design of education equipment; services for digital contents; R&D and design of drawing, computing and surveying equipment; development and sales of hardware and software for computer; construction and management of park infrastructure; development of education software; plantation of garden plants; sales of various household supplies; enterprise management consulting; leasing of owned houses; park industrial services; health management services; energy conservation management services; public relation services; conference & exhibition services; and leasing of owned equipment (the projects, which are subject to approval in accordance with the laws, shall be operated only after receiving approval from relevant authorities).

Great Wall Holdings is a company ultimately held as to 99% by Mr. Wei Jian Jun, the Chairman of the Board of the Company.

## HONG KONG LISTING RULES IMPLICATIONS

Innovation Great Wall, a controlling shareholder of the Company, is held as to 62.854% by Great Wall Holdings. Accordingly, Great Wall Holdings is a connected person (as defined under the Hong Kong Listing Rules) of the Company. The Provision of Services and the Leasing (Long-term) transactions under the Supplemental Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the revised annual cap for the Provision of Services and the Leasing (Long-term) transactions under the Supplemental Agreement are higher than 0.1% but less than 5%, these continuing connected transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but are exempted from the Independent Shareholders' approval requirement.

The Directors (including the independent non-executive Directors) are of the view that the relevant transactions under the Supplemental Agreement and the proposed revision of annual cap are conducted by the Company on a continuing basis in its ordinary and usual course of business and the relevant transactions are entered into on normal commercial terms, are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

As Great Wall Holdings is the associate of Mr. Wei Jian Jun and Mr. Wei Jian Jun has material interests in the transactions under the Supplemental Agreement, he has abstained from voting on the Board resolutions in relation to the Supplemental Agreement and the transactions thereunder. Save as disclosed above, as at the date of consideration of the above Board resolutions, no other Directors had material interest in the Supplemental Agreement and the transactions thereunder, or was required to abstain from voting on the relevant Board resolutions.

## DEFINITIONS

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

“Aiqing Real Estate Group”	Baoding Aiqing Real Estate Group Co., Ltd. (保定市愛情地產集團有限公司), a company established on 4 May 2009 under the laws of the PRC and is a subsidiary of Great Wall Holdings;
“Baoding Great Wall Smart Technology Co., Ltd. (保定市長城智能科技有限公司)”	a company established in the PRC on 21 November 2018 under the laws of the PRC, and is an indirect subsidiary of Great Wall Holdings;
“Board”	the board of directors of the Company;
“Company”	Great Wall Motor Company Limited (長城汽車股份有限公司);
“Director(s)”	director(s) of the Company;
“Framework Agreement”	the continuing connected transactions framework agreement entered into between the Company and Great Wall Holdings on 31 December 2021 in relation to, among other things, the Provision of Services and the Leasing (Long-term) between the Group and Great Wall Holdings;

“FTXT Energy Technology”	FTXT Energy Technology Co., Ltd.* (未勢能源科技有限公司), a company established on 10 May 2019 under the laws of the PRC and is a subsidiary of Great Wall Holdings;
“Great Wall Commercial Factoring”	Great Wall Commercial Factoring (Tianjin) Co., Ltd.* (長城商業保理(天津)有限公司), a company established on 24 August 2021 under the laws of the PRC and a subsidiary of Great Wall Holdings;
“Great Wall Heavy Industry”	Great Wall Heavy Industry Co., Ltd. (長城重工有限公司), a company established on 21 August 2023 under the laws of the PRC and a subsidiary of Great Wall Holdings;
“Great Wall Holdings”	Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司), which holds 62.854% equity interest in Innovation Great Wall;
“Group”	the Company and its subsidiaries;
“Haomo Zhixing”	Haomo Zhixing Technology Co., Ltd. (毫末智行科技有限公司), a company established on 29 November 2019 under the laws of the PRC and a subsidiary of Great Wall Holdings;
“Hebei Wanwei”	Hebei Wanwei Municipal Engineering Co., Ltd.* (河北萬維建築工程有限公司), a company established on 19 May 2014 under the laws of the PRC and a subsidiary of Great Wall Holdings;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;
“Independent Shareholders”	Independent Shareholders who do not participate in or have an interest in the Supplemental Agreement;
“Independent Third Parties”	the parties who are independent from and not connected with the Group, its substantial Shareholders, Directors and their respective associates;
“Innovation Great Wall”	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), holds 5.115 billion shares of the Company as of the date of this announcement, which accounts for 60.20% of the issued share capital of the Company;
“Leasing (Long-term)”	leasing by the Group from Great Wall Holdings with a lease term of more than 12 months (with reference to the classification under the “Accounting Standards for Business Enterprises No. 21 – Leases” as amended by the Ministry of Finance of the PRC in 2018);
“PRC”	the People’s Republic of China;



“Provision of Services”	the provision of a series of services by the Group to Great Wall Holdings (mainly includes testing and inspection, vehicle repair and maintenance, consulting services, operation and maintenance services, development training services, legal services, software development services, technical consultancy services, warehousing, transportation and packaging services, logistics, light-current services, assembly processing services, etc.) as defined under the Framework Agreement and the Supplemental Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Company’s Shares;
“subsidiary(ies)”	unless the context requires otherwise, has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Supplemental Agreement”	Supplemental Agreement to the Framework Agreement entered into between the Company and Great Wall Holdings on 23 January 2024, in relation to the adjustment of the cap for the transactions under the Leasing (Long-term) and the Provision of Services between the Company and Great Wall Holdings for the year 2024;
“SVOLT Energy Technology”	SVOLT Energy Technology Co., Ltd.* (蜂巢能源科技股份有限公司), a company established on 12 February 2018 under the laws of the PRC and is a subsidiary of Great Wall Holdings; and
“%”	per cent.

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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, 23 January 2024

*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 purpose only