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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)

**(1)ADJUSTMENTS TO THE LIST OF PARTICIPANTS AND
THE NUMBER OF GRANT OF
THE 2023 RESTRICTED SHARE INCENTIVE SCHEME AND
THE 2023 SHARE OPTION INCENTIVE SCHEME
(2)GRANTING OF RESTRICTED SHARES TO PARTICIPANTS OF
THE 2023 RESTRICTED SHARE INCENTIVE SCHEME AND
GRANTING OF SHARE OPTIONS TO PARTICIPANTS OF
THE 2023 SHARE OPTION INCENTIVE SCHEME**

References are made to the announcement dated 12 December 2023 of Great Wall Motor Company Limited (the “**Company**” or “**Great Wall Motor**”), the circular of the Company dated 5 January 2024 (the “**Circular**”) as well as the announcement on the resolutions of the EGM and the announcement on the resolutions of the Class Meetings of the Company dated 26 January 2024, in relation to, among others, the proposed adoption of the 2023 Restricted A Share Incentive Scheme and the proposed adoption of the 2023 A Share Option Incentive Scheme. Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meaning as those defined in the Circular.

**ADJUSTMENTS TO THE LIST OF PARTICIPANTS AND THE NUMBER OF GRANT OF
THE 2023 RESTRICTED SHARE INCENTIVE SCHEME AND THE 2023 SHARE OPTION
INCENTIVE SCHEME**

On 26 January 2024, the Board considered and approved the “Resolution on Adjustments to the List of Participants and the Number of Grant of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited” and “Resolution on Adjustments to the List of Participants and the Number of Grant of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited” at the 11th meeting of the 8th session of the Board and the 11th meeting of the 8th session of the Supervisory Committee. Among the original 810 Participants under the first grant of the Restricted Shares, 24 Participants ceased to be qualified for participating in the 2023 Restricted Share Incentive Scheme due to changes in their jobs or dismissal. Among the original 1,195 Participants under the first grant of the Share Options, 64 Participants ceased to be qualified for participating in the 2023 Share Option Incentive Scheme due to changes in their jobs or dismissal. Accordingly, the number of grantees under the first grant of Restricted Shares was adjusted from the original 810 to 786, and the number of grantees under the first grant of Share Options was adjusted from the original 1,195 to 1,131, all of whom were determined in the “Resolution on the 2023 Restricted Share Incentive Scheme (Draft) of Great Wall Motor Company Limited and its Summary” and “Resolution on the 2023 Share Option Incentive Scheme (Draft) of Great Wall Motor Company Limited and its Summary” considered and approved at the 1st EGM

in 2024, the 1st H Shareholders' Class Meeting in 2024 and the 1st A Shareholders' Class Meeting in 2024 of the Company convened on 26 January 2024. The number of Restricted Shares under the first grant was adjusted from 56,000,000 to 54,886,000, and the number of Share Options under the first grant was adjusted from 77,500,000 to 70,577,000.

The above adjustments to the Participants and the number of the entitlements proposed to be granted would have no material impact on the financial position and operating results of the Company.

The EGM and the Class Meetings of the Company authorized the Board to make the above adjustments, and there was no need to submit the same to the Company's general meeting for consideration.

GRANTING OF RESTRICTED SHARES TO PARTICIPANTS OF THE 2023 RESTRICTED SHARE INCENTIVE SCHEME AND GRANTING OF SHARE OPTIONS TO PARTICIPANTS OF THE 2023 SHARE OPTION INCENTIVE SCHEME

On 26 January 2024, the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme were approved on the Extraordinary General Meeting and the Class Meeting of Shareholders by way of special resolutions passed at the relevant meetings. Thereafter, the Board resolved and passed the "Resolution on Granting of Restricted Shares to Participants of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited" and "Resolution on Granting of Share Options to Participants of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited" under the authorization of the general meeting. The Board is of the view that all conditions of such grant have been satisfied and has determined Friday, 26 January 2024 as the Grant Date. Details of which are as follows:

First Grant of the 2023 Restricted Shares

1. Grant Date:

Restricted Shares: 26 January 2024

2. Number of entitlements under the first grant:

Restricted Shares: 54,886,000

3. Number of grantees under the first grant:

Restricted Shares: 786 persons

4. Price:

Grant price of Restricted Shares: RMB13.61 per Share

5. Source of Shares: The Company issues RMB ordinary shares of the Company (A Shares) to Participants

6. Others

(1) Validity Period, Lock-up Period and Unlocking Arrangement of Restricted Shares

- ① The validity period of the 2023 Restricted Share Incentive Scheme shall commence on the Grant Date of the first grant and end on the date of unlocking all the Restricted Shares or the date of repurchase and cancellation of such Shares, which shall not exceed 48 months.
- ② The Lock-up Period of the Restricted Shares under the first grant of the 2023 Restricted Share Incentive Scheme shall be 12, 24 or 36 months, respectively; if the reserved restricted shares are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the Lock-up Period of the restricted shares under reserved grant will be consistent with those of the initially granted portion; if the reserved restricted shares are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the Lock-up Period of the restricted shares under reserved grant shall be 12 or 24 months, both commencing from the Grant Date. The Shares and dividends obtained by the Participants due to the grant of the Restricted Shares not yet unlocked to them arising from capitalization issue, bonus issue, share sub-division, etc., shall be subject to locking in accordance with the 2023 Restricted Share Incentive Scheme at the same time, and shall not be sold in the secondary market or otherwise transferred. The Unlocking Period of such Shares is the same as that of the Restricted Shares. If the Company repurchases the Restricted Shares not yet unlocked, such Shares shall be repurchased at the same time.

During the Lock-up Period, the Restricted Shares which are granted to the Participants under the 2023 Restricted Share Incentive Scheme and remain unlocked shall not be transferred, pledged for guarantees, charged or used for repayment of debt.

Upon expiry of the Lock-up Period, the Company shall proceed with the unlocking for the Participants who satisfy unlocking conditions, and the Restricted Shares held by the Participants who do not satisfy the unlocking conditions shall be repurchased and cancelled by the Company.

- ③ The Unlocking Period and unlocking schedule for the Restricted Shares under the first grant of the 2023 Restricted Share Incentive Scheme are shown in the table below:

Unlocking arrangement	Unlocking schedule	Unlocking proportion
First Unlocking Period for the Restricted Shares 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	40%

Unlocking arrangement	Unlocking schedule	Unlocking proportion
Second Unlocking Period for the Restricted Shares 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	30%
Third Unlocking Period for the Restricted Shares 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	30%

7. List of Participants and Granting Status

Name	Position	Number of the Restricted Shares granted (0'000 Shares)	Percentage to the total number of the Restricted Shares granted	Percentage to the current total number of Shares
Mu Feng	General Manager	80.00	1.1613%	0.0094%
Other management, core technical (business) backbone staff (785 people)		5,408.60	78.5152%	0.6364%
Total		5,488.60	79.6766%	0.6459%

Notes:

- ① The total Shares of the Company to be granted under the Share Incentive Scheme within the Validity Period to any one of the above-mentioned Participants will not exceed 1% of the total number of Shares of the Company. The total underlying Shares of the Company involved under the fully effective Incentive Schemes will not exceed 10% of the total number of Shares of the Company as at the date of the proposal of the Share Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.
- ② The Participants of the Restricted Share Incentive Scheme exclude the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding more than 5% of the Shares of the Company or the de facto controllers and their spouses, parents or children.

First Grant of the 2023 Share Option

1. Grant Date:
Share Options: 26 January 2024
2. Number of entitlements under the first grant:
Share Options: 70,577,000
3. Number of grantees under the first grant:
Share Options: 1,131 persons
4. Price:
Grant price of Share Options: RMB27.22 per Share
5. Source of Shares: The Company issues RMB ordinary shares of the Company (A Shares) to Participants
6. Others

(1) Validity Period, Vesting Period and Exercise Arrangement of Share Options

- ① The validity period of the 2023 Share Option Incentive Scheme shall commence on the date on which the Share Options have been first granted and end on the date of exercising all the Share Options or the cancellation of such Share Options, which shall not exceed 48 months.
- ② The Vesting Period of Share Options first granted under the 2023 Share Option Incentive Scheme shall be 12, 24 or 36 months from the Grant Date; if the reserved Share Options are granted before the disclosure of the third quarterly report of 2024 (the disclosure date inclusive), the Vesting Period of reserved Share Options will be consistent with that of the first grant; if the reserved Share Options are granted after the disclosure of the third quarterly report of 2024 (the disclosure date exclusive), the Vesting Period of the reserved Share Options shall be 12 or 24 months from the Grant Date.

During the Vesting Period, the Share Options which are granted to the Participants under the 2023 Share Option Incentive Scheme shall not be transferred, pledged for guarantees, charged or used for repayment of debt.

- ③ On the Exercisable Date, the Participants can exercise their Share Options in three tranches within 36 months after the expiry of 12 months commencing from the date of the first grant of the Share Options, upon the fulfillment of the Exercise Conditions under the Scheme.

The Exercise Period and exercise schedule for the Share Options first granted under the 2023 Share Option Incentive Scheme 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

7. List of Participants and Granting Status

Name	Position	Number of the Share Options to be granted (0'000)	Percentage to the total number of the Share Options to be granted	Percentage to the current total number of Shares
Other management personnel and core technical (business) backbone staff (1,131 people)		7,057.70	78.4607%	0.8305%
Total		7,057.70	78.4607%	0.8305%

Notes:

- ① The total Shares of the Company to be granted under the Share Incentive Scheme within the Validity Period to any one of the above-mentioned Participants will not exceed 1% of the total number of Shares of the Company. The total underlying Shares of the Company involved under the fully effective Incentive Schemes will not exceed 10% of the total number of Shares of the Company as at the date of the proposal of the Share Incentive Scheme at the general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.
- ② The Participants of this incentive scheme exclude the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding more than 5% of the Shares of the Company or the de facto controllers and their spouses, parents or children.

Impact on the Financial Condition of the Company upon the Grant of Entitlements

1. Restricted Shares

In accordance with the relevant requirements of the Accounting Standards for Enterprises No.11 – Share-based Payment and the Accounting Standards for Enterprises No.22 – Recognition and Measurement of Financial Instruments, the Company measures the fair value of the Restricted Shares based on the market price of the Shares. On the measurement date, the fair value of share-based payment for each Restricted Share = market price of the Shares of the Company – the grant price.

The Company has made the first grant of Restricted Shares on 26 January 2024. Based on the data on 26 January 2024, the total amount of fair value of the equity instruments first granted by the Company to the Participants is RMB458,298,100.

Based on the calculation above, the total cost of 54,886,000 Restricted Shares first granted under the Restricted Share Incentive Scheme is RMB458,298,100 and details of amortization from 2024 to 2027 are set out below:

Currency: RMB

Number of the Restricted Shares under the first grant (0'000 Shares)	Total cost to be amortized (RMB0'000)	2024 (RMB0'000)	2025 (RMB0'000)	2026 (RMB0'000)	2027 (RMB0'000)
5,488.60	45,829.81	22,922.74	15,229.60	6,267.32	1,410.15

Notes: (1) For the consideration of the principle of prudent accounting, the estimated cost and amortization above have not taken into account the future locking of the Restricted Shares.

(2) The results above do not represent the final accounting costs. The actual accounting costs are related to the actual Grant Date, the grant price and the amount granted, as well as the actual effective and lapsed quantities. Shareholders are also advised to note that dilutive effects are possible.

(3) The final result of the above impact on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

2. Share Options

In accordance with the requirements of the Accounting Standards for Enterprises No.11 – Share-based Payment and the Accounting Standards for Enterprises No.22 – Recognition and Measurement of Financial Instruments, no accounting treatment will be made by the Company to the Share Options on the Grant Date. The Company will use the “Black-Scholes” option pricing model to determine the fair value of the Share Options on the Grant Date.

The Company made the first grant of Share Options on 26 January 2024. The Company used the “Black-Scholes” model to measure the fair value of the Share Options and estimated the fair value of 70,577,000 Share Options first granted by the Company based on the data as at 26 January 2024. Selection of specific parameters is as follows:

- a) Current price of subject Shares: RMB21.96 per Share (the closing price as at the Grant Date, i.e., 26 January 2024);
- b) Exercise Price of the Share Options: RMB27.22 per Share as determined under the Management Measures for Share Incentives of Listed Companies;
- c) Validity period: 2, 3 and 4 years, adopting the period from the grant date to the last trading day of each exercise period, respectively;
- d) Historical volatility: 26.80%, 29.07% and 30.99%, respectively (the volatility of the Wind automobile manufacturing industry index for the latest two, three and four years);
- e) Risk-free rate: 2.19%, 2.24% and 2.29%, respectively (the yield of PRC treasury bond for two, three and four years, respectively);
- f) Dividend yield: 1.36% (the average dividend yield of the Company for the latest 12 months before this announcement).

Note: The calculation results of the value of the Share Options are subject to the option pricing model adopted and a number of assumptions on the parameters used herein. Therefore, the estimated value of the Share Options may be subjective and uncertain.

Based on the calculation above, the total cost of 70,577,000 Share Options first granted is RMB192,826,700 and details of amortization from 2024 to 2027 are as follows:

Currency: RMB

Number of the grant of Share Options under the first grant (0'000)	Total cost to be amortized (RMB0'000)	2024 (RMB0'000)	2025 (RMB0'000)	2026 (RMB0'000)	2027 (RMB0'000)
7,057.70	19,282.67	8,045.85	6,655.33	3,675.92	905.57

The results above do not represent the final accounting costs. The actual accounting costs are related to the actual Grant Date, the grant price and the amount granted, as well as the actual effective and lapsed quantities. Shareholders are also advised to note that dilutive effects are possible. The final result of the impact on the Company’s operating results mentioned above is subject to the annual audit report issued by the accounting firm.

The estimate is calculated based on certain parameters. The Company will disclose specific accounting methods and their impact on the financial data of the Company in the regular reports.

CONCLUSION OF THE LEGAL OPINION OF THE PRC LEGAL ADVISOR

Lawyers of Jincheng Tongda & Neal Law Firm is of the view that: “The Company has performed the necessary approval procedures for the adjustments and granting of the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme. The adjustments and granting of the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme have complied with the relevant provisions of the Company Law, the Securities Law, the Management Measures for Share Incentives of Listed Companies and the relevant requirements of the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme.”

This announcement is available on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and on the 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 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 purposes only*