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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**

**RESULTS OF THE FIRST GRANT OF THE 2023 RESTRICTED SHARE INCENTIVE SCHEME AND 2023 SHARE OPTION INCENTIVE SCHEME**

Reference is made to the announcements of Great Wall Motor Company Limited (the “**Company**” or “**Great Wall Motor**”) dated 12 December 2023 and 26 January 2024 as well as the circular of the Company dated 5 January 2024 (the “**Circular**”) in relation to, among others, the proposed adoption of 2023 Restricted Share Incentive Scheme and 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited and the granting of Restricted Shares and Share Options to Participants. Unless otherwise defined in this announcement, capitalised terms used herein have the same meanings as those defined in the Circular.

**I. FIRST GRANT OF THE RESTRICTED SHARES AND SHARE OPTIONS**

**First grant of the Restricted Shares**

1. Source of Shares: The ordinary A Shares issued by the Company to the Participants
2. First Grant Date: 26 January 2024
3. Grant Price: RMB13.61 per share
4. List of Participants and actual grant

In the process of capital contribution, a total of 715 Participants have actually subscribed, of which 145 Participants have partially subscribed, and 71 Participants did not participate in the subscription due to personal reasons. Therefore, the Company actually granted a total of 45,557,500 Restricted Shares to 715 Participants with the specific distribution as follows:

<b>Name</b>	<b>Position</b>	<b>Actual number of Restricted Shares subscribed under the grant (0'000 shares)</b>	<b>Percentage of the actual total number of the Restricted Shares subscribed</b>	<b>Percentage of the current total number of Shares</b>
Mu Feng	General manager	80	1.7560%	0.0094%
Other management, core technical (business) backbone staff (714 people)		4,475.75	98.2440%	0.5239%
<b>Total</b>		<b>4,555.75</b>	<b>100%</b>	<b>0.5332%</b>

Except for 71 Participants who did not participate in the subscription, the number of Participants under the first grant of Restricted Shares is consistent with the List of Participants under the First Grant of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited disclosed on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the designated media on 26 January 2024.

After the completion of the first grant of the Restricted Shares, 14,000,000 Restricted Shares would be available for future grants under the 2023 Restricted Share Incentive Scheme.

### **First grant of the Share Options**

1. Source of Shares: The ordinary A Shares issued by the Company to Participants
2. First Grant Date: 26 January 2024
3. Grant price: RMB27.22 per share
4. Grant of the Share Options

In total 1,131 people were actually granted the Share Options, and 13 Participants did not participate in the subscription due to personal reasons. Therefore, the Company actually granted a total of 69,794,000 Share Options to 1,118 Participants with the specific distribution as follows:

<b>Position</b>	<b>Actual number of Share Options subscribed under the grant (0'000 share options)</b>	<b>Percentage of the actual total number of the Share Options subscribed</b>	<b>Percentage of the current total number of Shares</b>
Core management, core technical (business) backbone staff (1,118 people)	6,979.4	100%	0.8169%
Total	<u>6,979.4</u>	<u>100%</u>	<u>0.8169%</u>

Except for 13 Participants who did not participate in the subscription, the number of Participants under the first grant of Share Options is consistent with the List of Participants under the First Grant of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited disclosed on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the designated media on 26 January 2024.

After the completion of the first grant of the Share Options, 19,375,000 Share Options would be available for future grants under the 2023 Share Option Incentive Scheme.

## **II. VALIDITY PERIOD, LOCK-UP PERIOD, RESTRICTED PERIOD AND UNLOCKING ARRANGEMENT OF THE RESTRICTED SHARES AND THE VALIDITY PERIOD, LOCK-UP PERIOD, VESTING PERIOD AND EXERCISE ARRANGEMENT OF THE SHARE OPTIONS**

### **1. Validity Period, Lock-up Period, Restricted Period and Unlocking Arrangement of the Restricted Shares**

- (1) The validity period of the Incentive Scheme commences on the date on which the Restricted Shares are first granted and ends on the date of unlocking of all the Restricted Shares granted to the Participants or the repurchase and cancellation of such shares, which must not exceed 48 months.

(2) Lock-up Period of the Incentive Scheme

The lock-up arrangement under this Incentive Scheme will be implemented in accordance with the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents as well as the requirements of the Articles of Association. Specific contents are as follows:

- ① Where a Participant is a Director or a member of the senior management of the Company, the number of Shares of the Company which may be transferred by the Participant each year during his/her term of office must not exceed 25% of the total number of the Shares of the Company held by him/her. No Shares of the Company held by him/her must be transferred within six months after his/her termination of office.
  - ② Where a Participant is a Director or a member of the senior management of the Company and he/she disposes of any Shares of the Company within six months after acquisition or buys back such Shares within six months after disposal, all gains arising therefrom will be accounted to the Company and the Board will collect all such gains.
  - ③ If, during the Validity Period of the Incentive Scheme, there is any amendment to the requirements regarding transfer of Shares by a Director or a member of the senior management of the Company under the Company Law, the Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association, such amended requirements thereunder will apply to the Shares transferred by the Participants during the relevant times.
- (3) The Restricted Period for the Restricted Shares granted under the first grant of the Incentive Scheme will be 12 months, 24 months or 36 months respectively.

The shares and dividends obtained by the Participants due to the grant of the not yet unlocked Restricted Shares to them arising from capitalisation issue, bonus issue, share sub-division, etc. are subject to locking in accordance with this Incentive Scheme, and must 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 will be repurchased at the same time.

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

Upon expiry of the Restricted Period, the Company will 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 will be repurchased and cancelled by the Company.

- (4) The Unlocking Period and unlocking schedule for the Restricted Shares under the first grant of the Incentive Scheme is shown in the table below:

<b>Unlocking arrangement</b>	<b>Unlocking time</b>	<b>Unlocking proportion</b>
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%
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%

- (5) In addition to satisfying the relevant requirements consistent with the conditions on grant, the unlocking of the Restricted Shares must also satisfy the following conditions:

① Performance appraisal at company level

The unlocking appraisal period of the Incentive Scheme covers three accounting years from 2024 to 2026. The unlockable proportion at company level (X) will be determined according to the completion rate of performance targets (P) in each performance appraisal year. The performance appraisal target of each year for Restricted Shares under the first grant is as follows:

<b>Selection of performance indicators</b>	<b>Sales volume</b>	<b>Net profit</b>
Weights of performance indicators	50%	50%
Completion rate of performance targets (P)	$\Sigma$ (actual value of performance indicator/target value of performance indicator) $\times$ weight of performance indicator	
First Unlocking Period	The sales volume of automobiles of the Company must not be less than 1.90 million units in 2024	The net profit must not be less than RMB7.2 billion in 2024

<b>Selection of performance indicators</b>	<b>Sales volume</b>	<b>Net profit</b>
Second Unlocking Period	The sales volume of automobiles of the Company must not be less than 2.16 million units in 2025	The net profit must not be less than RMB8.5 billion in 2025
Third Unlocking Period	The sales volume of automobiles of the Company must not be less than 2.49 million units in 2026	The net profit must not be less than RMB10.0 billion in 2026

*Note:* The “net profit” mentioned above refers to the audited net profit attributable to shareholders of the listed company. The “sales volume” mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

<b>Performance indicator</b>	<b>Achievement of annual performance targets</b>	<b>Unlocking proportion at company level (X)</b>
Completion rate of performance targets (P)	$P \geq 100\%$	$X=100\%$
	$80\% \leq P < 100\%$	$X=P$
	$P < 80\%$	$X=0$

If the Company fails to achieve the above performance appraisal targets, all the Restricted Shares held by the Participants that are unlockable in the relevant appraisal year will not be unlocked and will be repurchased and cancelled by the Company.

If unlocking conditions are not satisfied in any Unlocking Period within the Validity Period of the Incentive Scheme, such portion of the Restricted Shares unlockable in the current period cannot be deferred to the next year and will be repurchased and cancelled by the Company.

② Performance appraisal at individual level

The annual performance appraisal results of the Participants are classified into five grades, i.e., A, B, C, D and E. The unlocking proportion at individual level (N) is determined based on the appraisal results set out in the table below:

<b>Annual performance appraisal results</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Unlocking proportion at individual level (N)</b>	100%	100%	80%		0%

Actual unlocking proportion of individual Participants for the year = unlockable proportion for the current period × unlocking proportion at company level (X) × unlocking proportion at individual level (N).

Restricted Shares of Participants not eligible for unlocking in the year will be repurchased and cancelled by the Company.

## **2. Validity Period, Lock-up Period, Vesting Period and Exercise Arrangement of the Share Options**

- (1) The Validity Period of the 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) Lock-up Period of the Incentive Scheme

The lock-up arrangement under the Incentive Scheme will be implemented in accordance with the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents as well as the requirements of the Articles of Association. Specific contents are as follows:

- ① Where a Participant is a Director or a member of the senior management of the Company, the number of Shares of the Company which may be transferred by the Participant each year during his/her term of office must not exceed 25% of the total number of the Shares of the Company held by him/her. No Shares of the Company held by him/her must be transferred within six months after his/her termination of office.
  - ② Where a Participant is a Director or a member of the senior management of the Company and he/she disposes of any Shares of the Company within six months after acquisition or buys back such Shares within six months after disposal, all gains arising therefrom will be accounted to the Company and the Board will collect all such gains.
  - ③ If, during the Validity Period of the Incentive Scheme, there is any amendment to the requirements regarding transfer of Shares by a Director or a member of the senior management of the Company under the Company Law, the Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association, such amended requirements thereunder will apply to the Shares transferred by the Participants during the relevant times.
- (3) The Vesting Period of Share Options first granted under the Incentive Scheme shall be 12, 24 or 36 months from the Grant Date. During the Vesting Period, the Share Options which are granted to the Participants under the Incentive Scheme shall not be transferred, pledged for guarantees, charged or used for repayment of debt.

- (4) The Exercise Period and exercise schedule for the Share Options first granted are shown in the table below:

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.

<b>Exercise arrangement</b>	<b>Exercise schedule</b>	<b>Exercise proportion</b>
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

- (5) In addition to satisfying the relevant requirements consistent with the conditions on grant, the exercise of the Share Options must also fulfill the following conditions:

① Performance appraisal at company level

The exercising appraisal period of the Incentive Scheme covers three accounting years from 2024 to 2026. The exercisable proportion at company level (X) shall be determined according to completion rate of performance targets (P) in each performance appraisal year. The performance appraisal target of each year for Share Options under the first grant is as follows:

<b>Selection of performance indicators</b>	<b>Sales volume</b>	<b>Net profit</b>
Weight of performance indicators	50%	50%
Completion rate of performance targets (P)	$\Sigma$ (actual value of performance indicator/target value of performance indicator) $\times$ weight of performance indicator	
First exercise period	The sales volume of automobiles of the Company must not be less than 1.90 million units in 2024	The net profit must not be less than RMB7.2 billion in 2024



<b>Selection of performance indicators</b>	<b>Sales volume</b>	<b>Net profit</b>
Second exercise period	The sales volume of automobiles of the Company must not be less than 2.16 million units in 2025	The net profit must not be less than RMB8.5 billion in 2025
Third exercise period	The sales volume of automobiles of the Company must not be less than 2.49 million units in 2026	The net profit must not be less than RMB10.0 billion in 2026

*Note:* The “net profit” mentioned above refers to the audited net profit attributable to shareholders of the listed company. The “sales volume” mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

<b>Appraisal indicators</b>	<b>Achievement of annual performance targets</b>	<b>Exercisable proportion at company level (X)</b>
Completion rate of performance targets (P)	$P \geq 100\%$	$X=100\%$
	$80\% \leq P < 100\%$	$X=P$
	$P < 80\%$	$X=0$

If the Company fails to achieve the above performance appraisal targets, all the Share Options held by the Participants that are exercisable in relevant appraisal year shall not be exercised and shall be cancelled by the Company.

If any exercise condition cannot be satisfied in any exercise period within the Validity Period of the Incentive Scheme, such portion of the exercisable Share Options in the current period cannot be deferred to the next year and will be cancelled by the Company.

② Performance appraisal at individual level

The annual performance appraisal results of the Participants are classified into five grades, i.e., A, B, C, D and E. The exercisable proportion (N) at individual level is determined based on the appraisal results set out in the table below:

<b>Annual performance appraisal results</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Exercisable proportion at individual level (N)</b>	100%	100%	80%		0%

Actual exercisable proportion of individual Participants for the year = exercisable proportion for the current period × exercisable proportion at company level (X) × exercisable proportion at individual level (N).

Share Options of Participants not exercisable in the appraisal year shall be cancelled by the Company.

### **III. CAPITAL VERIFICATION FOR SHARE SUBSCRIPTION AMOUNTS RECEIVED FOR THE FIRST GRANT OF RESTRICTED SHARES**

According to the Capital Verification Report issued by Zhongxi Certified Public Accountants (Special General Partnership) (Zhong Xi Yan Zi No. 2024Y0003), as of 2 February 2024, the Company has received 715 Participants in monetary subscriptions of RMB620,037,575, of which, a total of RMB45,557,500.00 was included in the newly increased registered capital and paid-in capital (share capital) and RMB574,480,075.00 was included in capital reserve. The cumulative registered capital upon the change of registration was RMB8,543,774,986.00 and the paid-in capital (share capital) was RMB8,543,774,986.00.

### **IV. REGISTRATION OF RESTRICTED SHARES AND SHARE OPTIONS FOR THE FIRST GRANT**

The 45,557,500 Restricted Shares for the First Grant under the 2023 Restricted Share Incentive Scheme have been registered and the registration was completed at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (the “CSDCC”) on 20 February 2024. On the same day, the registration procedures for 69,794,000 Share Options first granted by the Company under the 2023 Share Option Incentive Scheme was completed at the Shanghai Branch of CSDCC, details of which are as follows:

1. Share Option Abbreviation: Great Wall Motor Options
2. Share Option Code (exercisable in three tranches): 1000000572 , 1000000573 , 1000000574
3. Share Option Registration Completion Date: 20 February 2024

### **V. EFFECTS ON THE CONTROLLING SHAREHOLDER OF THE COMPANY BEFORE AND AFTER THE FIRST GRANT**

Upon completion of the grant of the Restricted Shares, the total number of shares capital of the Company increased from 8,498,217,486 Shares to 8,543,774,986 Shares. Before the First Grant, the controlling shareholder of the Company was Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), with a shareholding of 60.19%. After the First Grant, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) remains the controlling shareholder of the Company, with a shareholding of 59.87%. The grant of the Restricted Shares will not result in any changes in control over the Company.

## VI. TABLE ON CHANGES IN SHAREHOLDING STRUCTURE

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

Class of securities (Unit: shares)	Before the Change		Change	After the Change	
	Number (Shares)	Proportion (%)		Number (Shares)	Proportion (%)
Circulating shares subject to selling restrictions (A shares)	10,984,110	0.13	45,557,500	56,541,610	0.66
Circulating shares not subject to selling restrictions (A shares)	6,168,457,376	72.58	0	6,168,457,376	72.20
H shares	2,318,776,000	27.29	0	2,318,776,000	27.14
Total shares	8,498,217,486	100.00	45,557,500	8,543,774,986	100.00

After the completion of registration of the Restricted Shares, the shareholding structure of the Company will remain eligible for listing.

## VII. USE OF FUNDS RAISED BY THE COMPANY'S FIRST GRANT OF RESTRICTED SHARES

The funds raised by the Company's first grant of Restricted Shares in 2023 have been used to replenish working capital.

## VIII. EFFECTS OF THE NEWLY INCREASED SHARES AFTER THE GRANT ON THE FINANCIAL REPORT

### 1. Restricted Shares

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11 – Share-based Payments (《企業會計準則第 11 號 – 股份支付》) and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (《企業會計準則第 22 號 – 金融工具確認和計量》), at each balance sheet date within the Restricted Period, the Company shall revise the number of the Restricted Shares which are expected to be unlocked according to the change in the latest available number of persons eligible to unlock the Restricted Shares, completion of the performance targets and other subsequent information, and recognise the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

The Company will measure the fair value of the Restricted Shares based on the closing price of A shares on the Grant Date, and the fair value of share-based payment for each Restricted Share = market price of the shares of the Company – the grant price.

Based on the above calculation, the expected amortisation of costs from 2024 to 2027 due to the Restricted Shares granted under the First Grant is shown in the table below:

*Currency: RMB*

<b>Number of Restricted Shares under the first grant (0'000 shares)</b>	<b>Total cost to be amortised (RMB0'000)</b>	<b>2024 (RMB0'000)</b>	<b>2025 (RMB0'000)</b>	<b>2026 (RMB0'000)</b>	<b>2027 (RMB0'000)</b>
4,555.75	38,040.51	19,026.76	12,641.15	5,202.12	1,170.48

*Notes:*

- (1) 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.
- (2) 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.

## **2. Share Options**

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11 – Share-based Payments (《企業會計準則第 11 號 – 股份支付》) and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (《企業會計準則第 22 號 – 金融工具確認和計量》), the Company will adopt the “Black-Scholes” option pricing model to determine the fair value of Share Options.

The Company will, at each balance sheet date within the Vesting Period, revise the number of the Share Options which are expected to be exercisable according to the change in the latest available number of persons eligible to exercise the Share Options, completion of the performance targets and other subsequent information, and recognise the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Share Options on the Grant Date.

The expected amortisation of costs from 2024 to 2027 due to the Share Options under the first grant is shown in the table below:

*Currency: RMB*

<b>Number of Share Options under the first grant</b> <i>(0'000)</i>	<b>Total cost to be amortised</b> <i>(RMB0'000)</i>	<b>2024</b> <i>(RMB0'000)</i>	<b>2025</b> <i>(RMB0'000)</i>	<b>2026</b> <i>(RMB0'000)</i>	<b>2027</b> <i>(RMB0'000)</i>
6,979.40	19,068.74	7,956.59	6,581.49	3,635.14	895.52

*Notes:*

- (1) 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.
- (2) 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.
- (3) 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.

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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, 21 February 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*