



长城汽车
专注 专业 专家

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)

H Share Stock Code: 02333 (HKD counter) and 82333 (RMB counter)

A Share Stock Code: 601633

2023 ANNUAL REPORT



* For identification purpose only

IMPORTANT NOTICE

- I. **The Board, the Supervisory Committee and the directors, supervisors and senior management of the Company warrant that the contents of this annual report are true, accurate and complete and do not contain any false representations, misleading statements or material omissions, and jointly and severally take legal liability for its contents.**
- II. **All the directors of the Company attended the Board meeting.**
- III. **Deloitte Touche Tohmatsu Certified Public Accountants LLP has issued standard audited report for the Company without qualified opinion.**
- IV. **Wei Jian Jun, person-in-charge of the Company, Li Hong Shuan, person-in-charge of the accounting affairs and Wang Hai Ping, person-in-charge of the accounting department (head of the accounting department), warrant the truthfulness, accuracy and completeness of the financial report in this annual report.**
- V. **Proposal of profit distribution or capitalisation of capital reserve during the Reporting Period reviewed and approved by the Board**

As audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the net profit attributable to the shareholders of the Company for the year 2023 amounted to RMB7,021,559,679.84, and the undistributed profits of the Company as at 31 December 2023 amounted to RMB52,728,780,842.33. The Company proposed to distribute cash dividends for the year 2023 to all of the shareholders in an amount of RMB0.30 (tax inclusive) per share with the total share capital as at the record date for implementation of the profit distribution less the number of shares in the Company's specific securities account for repurchase after the completion of repurchase of shares as the basis of dividend distribution. This proposal is subject to the approval at the 2023 annual general meeting of the Company.

VI. Risks relating to forward-looking statements

Applicable Not applicable

Forward-looking statements, such as future plans and development strategies, contained in this annual report do not constitute any actual commitment of the Company to its investors. Investors should be aware of the investment risks.

VII. Was there any non-operational appropriation of the Company's funds by controlling shareholders and its related parties?

No

VIII. Was there any provision of guarantee for external parties in violation of the stipulated decision-making procedures?

No

IX. Was there over half of the directors unable to guarantee the truthfulness, accuracy, and completeness of the annual report disclosed by the Company?

No

X. Reminder of material risks

During the Reporting Period, there were no material risks resulting in any significant impact on the production and operation of the Company. Risks that the Company may encounter in the course of production and operation and its corresponding measures have been detailed in "Discussion and Analysis concerning the Future Development of the Company" under item VI of Section 4 headed "Management Discussion and Analysis" of this report.

XI. Others

Applicable Not applicable

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Available for Inspection

The original financial statements signed and sealed by the legal representative, person-in-charge of the accounting affairs and person-in-charge of the accounting department.

The original auditor’s report with the seal of the accounting firm and signatures and seals of the certified public accountants.



WEY Blue Mountain DHT-PHEV

**Zero-Anxiety
Intelligent Electric
SUV**





Tank 700 Hi4-T

**Luxury
Off-road
SUV**





Tank 500 Hi4-T

**Luxury
Off-road
SUV**





Section 1 Definitions

I. DEFINITIONS

In this report, unless the context otherwise requires, the following expressions shall have the following meanings:

Definitions for commonly used terms

“A Share(s)”	domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in Renminbi (Stock Code: 601633);
“A Shareholder(s)”	holder(s) of A Share(s);
“Articles of Association”	articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
“Board”	the board of directors of the Company;
“Company” or “Great Wall Motor”	Great Wall Motor Company Limited (長城汽車股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively;
“Company Law”	Company Law of the People’s Republic of China;
“Competing Business”	a business that is identical with or similar to the principal business and other businesses of Great Wall Motor Company Limited;
“CSRC”	China Securities Regulatory Commission;
“Group”	Great Wall Motor Company Limited and its subsidiaries;
“H Share(s)”	the overseas-listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars or Renminbi (Stock Code: 02333 (HKD counter) and 82333 (RMB counter));
“H Shareholder(s)”	holder(s) of H Share(s);
“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;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules;
“PRC”	the People’s Republic of China;

Section 1 Definitions

“Reporting Period” or “Current Period” or “the Year”	twelve months ended 31 December 2023;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Shanghai Stock Exchange”	Shanghai Stock Exchange; and
“Spotlight Automotive”	Spotlight Automotive Limited (光東汽車有限公司).

Section 2 Corporate Profile and Key Financial Indicators

I. CORPORATE INFORMATION

Chinese name of the Company	長城汽車股份有限公司
Abbreviation of Chinese name of the Company	長城汽車
English name of the Company	Great Wall Motor Company Limited
Abbreviation of English name of the Company	Great Wall Motor
Legal representative of the Company	Wei Jian Jun

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Representative of Securities Affairs
Name	Li Hong Shuan (Joint Company Secretary) No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC	Chen Yong Jun and Jiang Li No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC
Address		
Telephone	86(312)-2197813	86(312)-2197813
Fax	86(312)-2197812	86(312)-2197812
E-mail address	zqb@gwm.com.cn	zqb@gwm.com.cn

III. BASIC INFORMATION

Registered address of the Company	No. 2266 and No. 2299 Chaoyang Road South, Lianchi District, Baoding City, Hebei Province, the PRC
Historical changes in the registered address of the Company	None
Office address of the Company	No. 2266 Chaoyang Road South, Lianchi District, Baoding City, Hebei Province, the PRC
Postal code of the office address of the Company	071000
Company's website	www.gwm.com.cn
E-mail address	zqb@gwm.com.cn
Principal place of business in Hong Kong	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

Section 2 Corporate Profile and Key Financial Indicators

IV. INFORMATION DISCLOSURE AND PLACE OF DOCUMENT INSPECTION

Designated newspapers for information disclosure	China Securities Journal, Shanghai Securities News and Securities Daily
Website designated by the CSRC for disclosing this annual report	www.sse.com.cn
Place for inspection of the Company's annual reports	Securities Investment Department of Great Wall Motor Company Limited No. 2266 Chaoyang Road South, Lianchi District, Baoding City, Hebei Province, the PRC
Website designated by the Hong Kong Stock Exchange for publishing this annual report	www.hkexnews.hk
The Company's website for publishing this annual report	www.gwm.com.cn

V. INFORMATION ON THE COMPANY'S SHARES

Information on the Company's Shares

Stock classes	Stock exchanges for the listing of the Company's shares	Stock abbreviation	Stock code	Previous stock abbreviation
A Shares	Shanghai Stock Exchange	Great Wall Motor	601633	–
H Shares (HKD counter)	Hong Kong Stock Exchange	GWMOTOR	02333	–
H Shares (RMB counter)	Hong Kong Stock Exchange	GWMOTOR-R	82333	–

Stock classes	Stock exchanges for the listing of the Company's shares	Listing date	Number of issued shares	Board lot
A Shares	Shanghai Stock Exchange	28 September 2011	6,178,752,597 A Shares *	100 shares
H Shares (HKD counter)	Hong Kong Stock Exchange	15 December 2003	2,318,776,000 H Shares *	500 shares
H Shares (RMB counter)	Hong Kong Stock Exchange	19 June 2023 *		

Note: The Company launched a RMB counter for H Shares on the Hong Kong Stock Exchange on 19 June 2023, which became effective on the same day. As at 31 December 2023, the Company issued 8,497,528,597 shares, including 6,178,752,597 A Shares and 2,318,776,000 H Shares.

Section 2 Corporate Profile and Key Financial Indicators

VI. OTHER RELEVANT INFORMATION

Domestic accounting firm appointed by the Company	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, 222 Yan An Road East, Huangpu District, Shanghai
	Names of the signing accountants	Li Xu Yin Li Li
Sponsoring institution assuming the role of continuous supervision during the Reporting Period	Name	Guotai Junan Securities Co., Ltd
	Office address	Guotai Junan Building, 768 Nanjing West Road, Jing'an District, Shanghai
	Names of signing representatives of the sponsor	Chen Liang, Wu Tong Xin
	Period for continuous supervision	From 8 July 2021 to 31 December 2022 (if the conversion of convertible corporate bonds was not yet completed or the proceeds were not yet fully utilised upon the expiry of the period for continuous supervision, the period shall be extended to the date of completion of such matters)
Legal adviser to the Company (as to Hong Kong law)	Fangda Partners (ceased to be the Company's legal adviser as to Hong Kong law since 1 January 2024)	
	Tian Yuan Law Firm LLP (served as the Company's legal adviser as to Hong Kong law since 1 January 2024)	
Legal adviser to the Company (as to the PRC law)	Beijing Zhong Lun Law Firm (ceased to be the Company's legal adviser as to the PRC law since 1 January 2024)	
	Jincheng Tongda & Neal Law Firm, Beijing (served as the Company's legal adviser as to the PRC law since 1 January 2024)	

Section 2 Corporate Profile and Key Financial Indicators

H Share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
A Share registrar and transfer office	Shanghai Branch of China Securities Depository and Clearing Corporation Limited 14/F, East Tower, China Settlement Building, No. 188 South Yanggao Road, Pudong New Area, Shanghai
Investor and media relations consultant (H Shares)	CorporateLink Limited 5/F, Chung Nam Building, 1 Lockhart Road, Wanchai, Hong Kong
Principal bankers	Bank of China Limited, Baoding Yuhua sub-branch Industrial and Commercial Bank of China Limited, Baoding Yonghua sub-branch China Construction Bank Corporation, Baoding Hengxiang South Street sub-branch China Everbright Bank Company Limited, Shijiazhuang branch China CITIC Bank Corporation Limited, Baoding branch China Merchants Bank Co., Ltd., Shijiazhuang branch Ping An Bank Co., Ltd., Guangzhou branch Shanghai Pudong Development Bank Co., Ltd.
Authorised representatives	Ms. Li Hong Shuan Mr. Zhao Guo Qing
Financial year-end date	31 December
Executive Directors	Mr. Wei Jian Jun (Chairman) Mr. Zhao Guo Qing (Vice Chairman) Ms. Li Hong Shuan
Non-Executive Director	Mr. He Ping

Section 2 Corporate Profile and Key Financial Indicators

Independent Non-Executive Directors	Mr. Fan Hui (appointed on 16 June 2023) Mr. Li Wan Jun (resigned on 16 June 2023) Mr. Tom Siulun Chau (appointed on 16 June 2023) Mr. Ng Chi Kit (resigned on 16 June 2023) Ms. Yue Ying
Employee Representative Supervisor	Ms. Lu Cai Juan
Independent Supervisors	Ms. Liu Qian Mr. Ma Yu Bo
Audit Committee	Mr. He Ping Mr. Fan Hui (appointed on 16 June 2023) Mr. Li Wan Jun (resigned on 16 June 2023) Mr. Tom Siulun Chau (appointed on 16 June 2023) Mr. Ng Chi Kit (resigned on 16 June 2023) Ms. Yue Ying
Remuneration Committee	Mr. Wei Jian Jun Mr. Fan Hui (appointed on 16 June 2023) Mr. Li Wan Jun (resigned on 16 June 2023) Ms. Yue Ying
Nomination Committee	Mr. Wei Jian Jun Mr. Tom Siulun Chau (appointed on 16 June 2023) Mr. Ng Chi Kit (resigned on 16 June 2023) Ms. Yue Ying
Strategy and Sustainable Development Committee	Mr. Wei Jian Jun Ms. Li Hong Shuan Mr. He Ping Mr. Fan Hui (appointed on 16 June 2023) Mr. Li Wan Jun (resigned on 16 June 2023) Ms. Yue Ying

Section 2 Corporate Profile and Key Financial Indicators

VII. KEY ACCOUNTING INFORMATION AND FINANCIAL INDICATORS OF THE COMPANY IN THE LAST FIVE YEARS

(I) Key accounting information

Unit: RMB0'000 Currency: RMB

Key accounting information	2023	2022	Increase/decrease for the Reporting Period as compared with the corresponding period last year (%)	2021	2020	2019
Total operating revenue	17,321,207.68	13,733,998.52	26.12	13,640,466.30	10,330,760.72	9,621,068.88
Operating revenue	17,321,207.68	13,733,998.52	26.12	13,640,466.30	10,330,760.72	9,510,807.86
Net profit attributable to shareholders of the Company	702,155.97	826,604.18	-15.06	672,609.39	536,249.02	449,687.49
Net profit attributable to shareholders of the Company after extraordinary gains/losses	483,369.88	447,652.51	7.98	420,274.30	383,631.94	398,675.10
Net cash flow from operating activities	1,775,378.90	1,231,125.45	44.21	3,531,567.32	518,123.29	1,397,230.24
Total operating costs	16,770,826.40	13,058,696.91	28.43	13,187,809.18	9,884,334.31	9,140,898.60
Operating costs	14,077,312.77	11,073,933.34	27.12	11,436,747.28	8,553,096.38	7,968,448.73
Tax and surcharges	598,625.39	512,066.52	16.90	423,411.60	319,187.61	316,860.30
Selling expenses	828,537.71	587,616.08	41.00	519,217.59	410,338.68	389,666.99
Administrative expenses	473,514.74	489,345.28	-3.24	404,306.94	255,267.46	195,545.34
Research and development expenses	805,425.26	644,516.30	24.97	448,956.52	306,747.96	271,622.04
Financial expenses	-12,589.48	-248,780.61	-	-44,830.75	39,696.22	-35,102.91
Impairment losses on assets (losses stated with "-")	-48,760.82	-33,701.92	-	-47,059.61	-67,639.68	-50,361.76
Impairment losses on credit (losses stated with "-")	-6,246.74	-2,578.86	-	-12,240.01	-3,528.69	-4,934.87
Gains or losses from changes in fair value (losses stated with "-")	-2,603.64	5,033.75	-151.72	30,644.09	16,520.86	-7,330.20

Section 2 Corporate Profile and Key Financial Indicators

Key accounting information	2023	2022	Increase/decrease for the Reporting Period as compared with the corresponding period last year (%)	2021	2020	2019
Investment gains	76,092.75	67,123.76	13.36	110,910.90	95,638.51	1,550.51
Share of investment gains of associates and joint ventures	74,413.74	72,097.63	3.21	101,654.78	91,194.63	30,370.69
Other income	151,223.86	85,035.91	77.84	104,733.24	88,663.24	54,269.70
Gains from disposal of assets (losses stated with "-")	9.96	485.86	-97.95	-2,768.98	-919.92	4,320.70
Operating profit	720,096.66	796,700.11	-9.62	636,876.75	575,160.73	477,684.36
Non-operating income	74,371.20	88,594.72	-16.05	116,079.52	49,387.18	34,212.43
Non-operating expenses	12,062.58	4,639.63	159.99	4,746.04	1,819.17	1,841.15
Losses from disposal of non-current assets	5,454.40	12,912.68	-57.76	7,708.90	3,630.78	7,107.44
Total profit	782,405.28	880,655.20	-11.16	748,210.23	622,728.74	510,055.64
Income tax expenses	80,124.00	55,374.44	44.69	75,708.78	86,479.72	56,982.35
Net profit	702,281.27	825,280.76	-14.90	672,501.45	536,249.02	453,073.29
Profit or loss attributable to minority interests	125.30	-1,323.42	-	-107.94	-	3,385.80

	As at the end of 2023	As at the end of 2022	Increase/ decrease as at the end of the Reporting Period as compared with the end of the corresponding period last year (%)	As at the end of 2021	As at the end of 2020	As at the end of 2019
Net assets attributable to shareholders of the Company	6,850,061.44	6,520,125.73	5.06	6,212,438.21	5,734,184.76	5,439,922.99
Total assets	20,127,028.86	18,535,730.05	8.59	17,540,802.06	15,401,149.06	11,309,640.95
Total liabilities	13,276,150.46	12,014,139.24	10.50	11,327,953.78	9,666,964.30	5,869,717.96
Total share capital as at the end of the Period	849,752.86	876,451.25	-3.05	923,571.33	917,595.33	912,726.90

Section 2 Corporate Profile and Key Financial Indicators

(II) Key financial indicators

Key financial indicators	2023	Increase/decrease for the Reporting Period as compared with the corresponding period last year (%)		2021	2020	2019
		2022				
Basic earnings per share (RMB/share)	0.82	0.91	-9.89	0.73	0.59	0.49
Diluted earnings per share (RMB/share)	0.82	0.91	-9.89	0.73	0.58	N/A
Basic earnings per share after extraordinary gains/losses (RMB/share)	0.56	0.49	14.29	0.46	0.42	0.44
Weighted average return on net assets (%)	10.61	12.66	Decreased by 2.05 percentage points	11.26	9.58	8.45
Weighted average return on net assets after extraordinary gains/losses (%)	7.30	6.86	Increased by 0.44 percentage points	7.02	6.85	7.49

Description of key accounting information and financial indicators of the Company in the last five years as at the end of the Reporting Period

√ Applicable □ Not applicable

During the Reporting Period, as the Company comprehensively transformed into the direction of new energy, intelligentization and globalization, remarkable results were achieved. In 2023, the Company intensified its efforts on the investment in the sectors of new energy and intelligentization, and meanwhile sped up its channel and brand building in the field of new energy. With the launch of new models and continuously improved product mix, the unit price and sales volume of vehicles continued to grow, and as a result, operating revenue increased by 26.12%, and net profit attributable to shareholders of the Company after extraordinary gains/losses increased by 7.98% as compared to the same period last year, although net profit for the Reporting Period was lower than that in the same period last year, mainly due to the impact of exchange gains.

Section 2 Corporate Profile and Key Financial Indicators

VIII. DIFFERENCE IN ACCOUNTING INFORMATION UNDER CHINA ACCOUNTING STANDARDS AND OVERSEAS ACCOUNTING STANDARDS

(I) Differences between the net profit and net assets attributable to shareholders of the Company in the financial report disclosed in accordance with the International Accounting Standards and the China Accounting Standards

Applicable Not applicable

(II) Differences between the net profit and net assets attributable to shareholders of the Company in the financial report disclosed in accordance with the overseas accounting standards and the China Accounting Standards

Applicable Not applicable

(III) Description on differences between overseas and domestic accounting standards:

Applicable Not applicable

IX. QUARTERLY KEY FINANCIAL INFORMATION IN 2023

Unit: Yuan Currency: RMB

	First Quarter (January to March) (Unaudited)	Second Quarter (April to June) (Unaudited)	Third Quarter (July to September) (Unaudited)	Fourth Quarter (October to December) (Unaudited)
Total operating revenue	29,038,525,580.90	40,932,591,581.88	49,532,433,420.29	53,708,526,174.90
Operating revenue	29,038,525,580.90	40,932,591,581.88	49,532,433,420.29	53,708,526,174.90
Net profit attributable to shareholders of the Company	174,233,291.21	1,187,054,504.53	3,633,570,487.19	2,026,701,396.91
Net profit attributable to shareholders of the Company after extraordinary gains/losses	-216,996,763.35	966,473,681.76	3,057,965,058.20	1,026,256,853.50
Net cash flow from operating activities	-8,204,257,916.44	5,768,068,079.49	565,657,629.32	19,624,321,236.34

Description on differences between quarterly data and information disclosed in regular reports

Applicable Not applicable

Section 2 Corporate Profile and Key Financial Indicators

X. ITEMS AND AMOUNT OF EXTRAORDINARY GAINS/LOSSES

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Extraordinary gains/losses	2023	2022	2021
Profit or loss from disposal of non-current assets (including the portion written off for provision for impairment on assets)	99,593.13	4,858,556.38	-27,689,757.55
Government grants accounted for in profit and loss account of the Current Period, except for government grants closely related to the Company's normal operations that were granted on an ongoing basis at a fixed standard in accordance with the State's policies and regulations	2,030,864,860.91	1,814,561,079.19	2,195,683,034.22
Net profit and loss of a subsidiary that is acquired in a business combination involving enterprises under common control from the beginning of the period to the date of the combination	-	-	-7,272,273.67
Gain or loss from changes in fair value arising from the disposal of financial assets and financial liabilities held by subsidiaries and non-financial enterprises, and gain or loss arising from the disposal of financial assets and financial liabilities	55,952,925.23	198,794,765.68	520,516,237.77
Other non-operating income and expenses other than the above items	86,230,898.15	89,680,874.61	93,115,357.65
Other profit or loss items that fall within the meaning of extraordinary gain or loss	311,983,713.79	1,932,055,618.26	17,118,415.66
Minus: Effect of income tax	-295,261,503.17	-250,386,753.96	-268,120,123.40
Effect of minority interests (after tax)	-2,009,638.31	-47,442.19	-
Total	2,187,860,849.73	3,789,516,697.97	2,523,350,890.68

Explanation on the Company's extraordinary gain or loss items with significant amounts not stated in the Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No.1 – Extraordinary Gain or Loss 《公開發行證券的公司信息披露解釋性公告第1號 – 非經常性損益》 and defining extraordinary gain or loss items illustrated in the Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No.1 – Extraordinary Gain or Loss 《公開發行證券的公司信息披露解釋性公告第1號 – 非經常性損益》 as recurring gain or loss items.

□ Applicable √ Not applicable

Section 2 Corporate Profile and Key Financial Indicators

XI. ITEMS MEASURED AT FAIR VALUE

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Balance as at the beginning of the Year	Balance as at the end of the Year	Changes in the Current Period	Effect on profit for the Current Period
Financial assets classified as at fair value through profit or loss				
Including: Equity instrument investments	494,949,000.00	–	-494,949,000.00	2,432,096.19
Debt instrument investment – wealth management products	1,558,604,807.44	4,112,386,017.05	2,553,781,209.61	3,781,209.61
Derivative financial assets	13,170,797.64	11,834,681.50	-1,336,116.14	9,022,608.00
Other non-current financial assets	133,328,692.28	207,928,692.28	74,600,000.00	14,600,000.00
Financial assets at fair value through other comprehensive income				
Including: Financing with receivables – notes receivable	22,152,492,848.09	28,923,599,369.45	6,771,106,521.36	
Other equity instrument investments	1,481,976,762.81	1,920,519,915.82	438,543,153.01	
Financial liabilities at fair value through profit or loss				
Including: Derivative financial liabilities	-28,800,759.63	-84,400,226.04	-55,599,466.41	-55,872,323.78
Total	25,805,722,148.63	35,091,868,450.06	9,286,146,301.43	-26,036,409.99

XII. OTHERS

Applicable Not applicable

Section 3 Chairman's Statement

To all shareholders:

I am pleased to present the audited consolidated results of the Group for the year ended 31 December 2023.

BUSINESS REVIEW:

In 2023, with the support of the government's various policies implemented to expand domestic demand, improve the economic structure, and bolster confidence, the Chinese economy has sustained the momentum of recovery. Steady progress has been made in pursuing high-quality development. In the meantime, China's automobile industry achieved remarkable results. The production and sales volume of automobiles both exceeded 30,000,000 units, representing increases of 11.6% and 12.0% year-on-year respectively and hitting historical highs. The export of automobiles reached 4,910,000 units, representing an increase of 57.9% year-on-year, effectively driving the growth of the entire industry.

In 2023, Great Wall Motor achieved steady growth in both sales volume and operating results, reaching a new height of high-quality development. The Company's annual sales volume reached 1,229,982 units, representing an increase of 15.85% as compared to 2022, and its total operating revenue amounted to RMB173,212 million, representing an increase of 26.12% year-on-year. Meanwhile, the sales volume for vehicles priced over RMB200,000 amounted to 225,767 units, accounting for 18.36% of the total sales volume of the Group, which was 3.09% higher than that of 2022 and hitting a historical high. The average unit price of vehicles rose by RMB12,000 year-on-year to RMB141,400, also hitting a historical high.

NEW ENERGY:

The replacement of traditional fuel vehicles with new energy vehicles was an irresistible trend in 2023. The production and sales volume of new energy vehicles in China amounted to 9,587,000 units and 9,495,000 units, representing increases of 35.8% and 37.9% year-on-year, respectively. New energy vehicles continued to maintain rapid growth. With its own forest-like ecosystem as support in 2023, Great Wall Motor fully stepped up its efforts in intelligence and new energy development, sped up in the optimization of product mix and launched 15 new energy models, achieving the coverage of all scenarios and all categories. Its annual sales volume of new energy vehicles doubled with total sales of 256,400 units, representing an increase of 113.88% year-on-year.

In March 2023, the Company officially released its new energy declaration: GWM intelligent new energy vehicles, more economical, driving farther and safer. Leveraging on continuous and high-quality R&D and innovation in electric and intelligent sectors for years, the Company officially launched GWM Hi4 hybrid technology system, the solution for travelling with new energy vehicles, including the intelligent four-wheel drive electric hybrid architecture GWM Hi4, GWM Hi4 performance edition and the off-road super hybrid architecture GWM Hi4-T, which covers all categories from daily driving in urban areas to fashionable and cool off-road driving, catering to diversified driving demands of different users.

Looking into 2024, Great Wall Motor will continue the iteration of technology and constantly improve the forest-like ecosystem. With the focus on creating value for users, it will launch more high-quality new energy products, continue to comprehensively boost efforts in intelligence and new energy development and support the sustainable and high-quality development of the Company.

Section 3 Chairman's Statement

INTELLIGENTIZATION:

In 2023, the transformation of functional vehicles to intelligent vehicles accelerated and the second half of the revolution of the automotive industry has begun. During the year, Great Wall Motor sped up its pace in investment in R&Ds in intelligent sector, and made comprehensive layout on electronic and electrical architecture, intelligent assisted driving, intelligent chassis by wire and smart cockpits. The Group ranked the first among private auto companies in China for three consecutive years in terms of the number of automobile patents published and granted. It also ranked the first among auto companies in China for three consecutive years in terms of the number of patents published and granted in the new energy vehicle industry and the first among private auto companies in China in terms of the number of patents published in the intelligent sector.

The cumulative intelligent driving distance of the Company's users has surpassed 100 million kilometers. Meanwhile, breakthroughs have been achieved in the Company's self-developed and self-manufactured in-vehicle cameras and 4D millimeter-wave radar. Coupled with its independently developed high computing power platform, this lays the foundation for intelligent navigation functions from highways to urban roads.

In 2024, Great Wall Motor will continue to intensify new energy and intelligent development, boost inputs in technological innovation, focus on users' real-world driving scenarios and apply more innovation results into models of the Company to allow users to fully enjoy extraordinary experience brought about by new energy and intelligent development.

GLOBALIZATION:

In 2023, China's automobile export further improved, and it has surpassed Japan to be the world's largest auto exporter. Great Wall Motor entered the harvest season in high-quality development worldwide and achieved results in "overseas promotion of ecosystems". The annual overseas sales volume of the Company amounted to 314,010 units, representing a year-on-year increase of 82.37% and hitting a historical high.

In 2023, the Company continued to explore new markets, achieving full coverage of ASEAN and GCC regions. The Company initiated the "ONE GWM" brand strategy globally. The Company fully integrated advantageous resources and comprehensively improved the power of brands from product planning, transmission efficiency, channel efficiency, user services and other dimensions. Looking ahead to 2024, Great Wall Motor will unswervingly implement the new model of "overseas promotion of ecosystems", continuously expand its markets, launch more intelligent and new energy products, develop new growth drivers to overseas sales and earn the trust of more global users through superior experiences and services.

In 2024, Great Wall Motor will pursue its long-term strategic approach to achieve high-quality development. It will further devote itself to new energy, intelligentization and globalization and build its global brand influence to accelerate the Company's advancement and embark on a new journey.

Wei Jian Jun

Chairman

Baoding, Hebei Province, the PRC

28 March 2024

Section 4 Management Discussion and Analysis

I. DISCUSSION AND ANALYSIS OF THE BUSINESS OPERATION

Operating Environment

In 2023, as the iteration speed of products competing in the market accelerated, market competition intensified. Despite the adverse environment, China's automotive market in general recovered and improved, owing to the enhanced driving experience brought by electric, intelligent technology and the export growth driven by price performance. Sales of vehicles during the Year amounted to 30,094,000 units, representing a year-on-year increase of 12.0%.

Financial Review

Unit: Yuan Currency: RMB

	From 1 January 2023 to 31 December 2023 (Audited)	From 1 January 2022 to 31 December 2022 (Audited)	Changes %
Total operating revenue	173,212,076,757.97	137,339,985,187.76	26.12
Operating revenue	173,212,076,757.97	137,339,985,187.76	26.12
Revenue generated from the sale of automobiles	153,278,811,270.64	121,890,861,864.98	25.75
Revenue generated from the sale of automotive parts and components and others	19,933,265,487.33	15,449,123,322.78	29.03
Selling expenses (Note 1)	8,285,377,067.45	5,876,160,763.57	41.00
Administrative expenses	4,735,147,440.20	4,893,452,838.49	-3.24
Research and development expenses	8,054,252,649.82	6,445,163,014.77	24.97
Financial expenses (Note 2)	-125,894,809.86	-2,487,806,138.52	
Gross profit	32,438,949,008.32	26,600,651,764.44	21.95
Income tax expenses (Note 3)	801,240,038.06	553,744,409.69	44.69
Net profit attributable to shareholders of the Company	7,021,559,679.84	8,266,041,808.18	-15.06
Basic earnings per share	0.82	0.91	-9.89
Diluted earnings per share	0.82	0.91	-9.89
Gross profit margin (%)	18.73	19.37	Decreased by 0.64 percentage points
Percentage of selling expenses to operating revenue (%)	4.78	4.28	Increased by 0.50 percentage points
Percentage of administrative expenses to operating revenue (%)	2.73	3.56	Decreased by 0.83 percentage points

(Note 1) The increase in selling expenses was mainly due to increased investment in new energy vehicle models during the Reporting Period.

(Note 2) The increase in financial expenses was mainly due to a decrease in exchange gains during the Reporting Period.

(Note 3) The increase in income tax expenses was mainly due to an increase in taxable income during the Reporting Period.

Section 4 Management Discussion and Analysis

Current assets and current liabilities

Unit: Yuan Currency: RMB

	31 December 2023 (Audited)	31 December 2022 (Audited)
Current Assets	118,583,843,848.95	107,680,723,551.36
Including:		
Cash and bank balances	38,337,235,066.54	35,773,467,830.28
Held-for-trading financial assets	4,112,386,017.05	2,053,553,807.44
Accounts receivable	7,193,193,843.92	6,611,191,147.15
Financing with receivables	28,923,599,369.45	22,152,492,848.09
Prepayments	3,872,727,438.14	2,228,893,811.88
Other receivables	2,113,975,772.93	2,415,575,628.26
Inventories	26,627,754,349.95	22,374,522,377.01
Non-current assets due within one year	1,827,661,501.49	1,928,674,676.06
Other current assets	2,559,503,451.38	9,389,221,535.55
Current Liabilities	110,835,137,893.78	95,802,048,905.40
Including:		
Short-term borrowings	5,700,850,933.24	5,943,335,783.46
Accounts payable	40,546,651,118.94	29,305,857,540.98
Notes payable	27,939,790,253.08	30,061,481,322.24
Contract liabilities	9,583,075,738.92	7,752,836,116.70
Employee benefits payable	4,393,889,722.37	4,208,573,006.72
Taxes payable	2,390,118,827.57	1,898,129,278.86
Other payables	6,217,886,256.09	6,163,920,243.68
Other current liabilities	7,088,140,056.33	5,555,585,325.06

Section 4 Management Discussion and Analysis

Gearing ratio

Unit: Yuan Currency: RMB

	31 December 2023 (Audited)	31 December 2022 (Audited)
Total liabilities	132,761,504,625.02	120,141,392,357.77
Total equity	68,508,783,945.19	65,215,908,115.30
Gearing ratio	193.79%	184.22%

Note: Gearing ratio refers to the proportion of total liabilities to total equity in the consolidated balance sheet.

Acquisition and disposal of assets

The Company and its subsidiaries did not have material acquisition or disposal of assets during the Reporting Period.

Capital structure

The Group primarily finances its day-to-day operations with its own cash and bank borrowings. As at 31 December 2023, the Company secured short-term borrowings of RMB5,700,850,933.24, mainly used to improve daily liquidity. The Company secured long-term borrowings (including long-term borrowings due within one year) of RMB19,394,807,701.96, mainly used for the construction of plants and improvement of daily liquidity. For details of interest rates of the borrowings, please refer to the relevant descriptions of notes to the financial statements in this annual report.

Section 4 Management Discussion and Analysis

Exposure to foreign exchange risk

Foreign exchange risk represents risks of loss incurred as a result of changes in exchange rates. In addition, there are current account balances denominated in foreign currencies between companies under the Group, which also exposes the Group to the foreign currency risk. Foreign currency assets and liabilities (including internal current account denominated in foreign currencies) which may influence the Group's operating results due to foreign exchange risk are set out as below:

Unit: Yuan Currency: RMB

Item	31 December 2023 (Audited)	31 December 2022 (Audited)
Cash and bank balances	3,336,276,222.56	2,219,296,294.13
Accounts receivable	4,949,191,124.35	2,614,085,412.12
Other receivables	777,920,211.92	5,059,674,680.89
Accounts payable	-2,310,309,436.13	-3,219,437,693.00
Other payables	-296,633,563.80	-148,055,491.69
Short-term borrowings	-491,460,113.28	–
Long-term borrowings	-84,409,351.98	–

The Group paid close attention to the impact of exchange rate changes on the Group's foreign exchange risk. Except for the above items, currency risk is not involved in the Group's other financial instruments.

Employment, training and development

As at 31 December 2023, the Group employed a total of 82,439 employees (31 December 2022: 87,367 employees). Employees were remunerated by the Group based on their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed on a regular basis. As an incentive for employees, cash awards may also be given to employees based on individual performance evaluation. Total staff cost (not including share incentive costs) accounted for 10.60% of the Group's total operating revenue as at 31 December 2023 (31 December 2022: 12.46%).

Section 4 Management Discussion and Analysis

Segment information

The Group is mainly engaged in the manufacture and sale of automobiles and automotive parts and components in the PRC, and the majority of its assets are located in the PRC. The management determined the reporting segments according to the internal organization structure, management requirements and internal reporting system of the Group for the purposes of resource allocation and performance evaluation. As the resource allocation and performance evaluation of the Group are carried out based on the overall operation of the production and sales of automobiles and automotive parts and components, the Group has only one business segment for internal reporting purpose.

Revenue from external customers by location of revenue sources and non-current assets classified by location of assets:

Unit: Yuan Currency: RMB

	2023 (Audited)	2022 (Audited)
Revenue from external transactions in China	119,600,944,128.15	110,589,888,838.80
Revenue from external transactions in other countries	53,611,132,629.82	26,750,096,348.96
Total	173,212,076,757.97	137,339,985,187.76

Unit: Yuan Currency: RMB

	31 December 2023 (Audited)	31 December 2022 (Audited)
Non-current assets located in China	67,516,132,165.68	63,768,462,054.50
Non-current assets located in other countries	4,792,486,560.85	4,495,812,774.06
Total	72,308,618,726.53	68,264,274,828.56

Non-current assets do not include financial instruments and deferred income tax assets.

The Group is not dependent on one or a few major customers.

Section 4 Management Discussion and Analysis

Business Review

Product sales

Unit: units

Car classification	Item	Sales volume			Production volume		
		Total for the Year	Total for last year	Increase/Decrease (%)	Total for the Year	Total for last year	Increase/Decrease (%)
Pick-up trucks	Domestic sales	158,160	147,490	7.23			
	Export	43,225	48,963	-11.72			
	Sub-total	201,385	196,453	2.51	194,182	201,598	-3.68
SUVs	Domestic sales	668,757	646,903	3.38			
	Export	250,074	115,784	115.89			
	Sub-total	918,831	762,687	20.47	951,044	795,702	19.52
Sedans and others (mostly new energy automobiles)	Domestic sales	89,055	95,165	-6.42			
	Export	20,711	7,440	178.37			
	Sub-total	109,766	102,605	6.98	111,040	114,320	-2.87
Total	Domestic sales	915,972	889,558	2.97			
	Export	314,010	172,187	82.37			
	Sub-total	1,229,982	1,061,745	15.85	1,256,266	1,111,620	13.01

Note: The sales volume of 1,229,982 units recorded for the Reporting Period included 4,775 vehicles leased to external customers.

Against the backdrop of industry reform, in 2023, Great Wall Motor adhered to a long-term strategic approach to achieve high-quality development. The Group sold 1.23 million vehicles, increased by 15.85% year-on-year. Overseas sales volume for the Year amounted to 314,000 units, representing a year-on-year increase of 82.37%, reaching a historic high. With more global strategic car models successfully launched in overseas markets, Great Wall Motor's cumulative overseas sales volume has now surpassed 1.40 million units. For the entire year of 2023, the total sales volume of the Company's new energy vehicles amounted to 256,400 units, representing a year-on-year increase of 113.88%. Great Wall Motor's intelligent and new energy transformation showed initial signs of effectiveness, continuing to enhance the market influence of the Group's brands. In 2023, Great Wall Motor's total operating revenue amounted to RMB173,212 million, increased by 26.12% year-on-year. Its average revenue per vehicle was RMB141,400, which rose by RMB12,000 over that of the previous year. The upward effect of the brand had been significant.

Section 4 Management Discussion and Analysis

The Group has five major automobile brands, namely Haval, WEY, ORA, Great Wall Pickup and TANK. Its product portfolio covers four main categories, namely SUVs, sedans, pick-up trucks and MPVs. Power type includes traditional energy and new energy. In 2023, Great Wall Motor leveraged the comprehensive product portfolio under its five major brands to cater to different market segments, including offering both commercial and passenger vehicles, and new models were successively launched. Its product offerings could meet a diverse range of driving conditions and scenarios and cater to different market segments. The Company had also been fully committed to intelligent and new energy development. Its brand influence has been growing, laying a solid foundation for Great Wall Motor's continued quality development in 2024.

(1) Haval brand

The annual sales volume of the Haval brand in 2023 reached 720,506 units, representing a year-on-year increase of 16.69%; among which the annual sales volume of Haval new energy vehicles amounted to 76,479 units, increased by 1,014.85% year-on-year. In 2023, the cumulative global sales volume of Haval exceeded 9 million units, making Haval the first Chinese SUV brand with global sales volume nearing 10 million units. Haval H6 has been launched into the market for 12 years, and its global users has now exceeded 4 million. Haval, being a global SUV expert, underwent a strategic expansion in 2023 by officially launching a brand new product series of new energy vehicles. By leveraging its comprehensive SUV lineup which covers urban + off-road + light off-road segments, the Haval brand has achieved milestones in the new energy era.

(2) TANK brand

The TANK brand achieved a year-on-year growth rate of 29.58% in total sales volume to reach 162,859 units in 2023. TANK Hi4-T model's total sales volume amounted to 33,993 units. As at the end of 2023, the TANK brand's cumulative sales volume exceeded 370,000 units, enabling the brand to continue to rank No. 1 in China's off-road SUV market sales for 36 consecutive months. It has now become the first choice for users of new energy off-road SUVs. In 2023, TANK established a matrix of off-road new energy vehicles and expanded the range of driving scenarios for off-road users by adopting a "off-road + new energy" technological approach and building on the off-road super hybrid architecture Hi4-T. TANK has become a new choice of vehicles that combine urban and off-road capabilities, cater to both business and family use, and offer luxury and energy efficiency.

(3) WEY brand

The total sales volume of the WEY brand in 2023 amounted to 35,466 units, representing a year-on-year increase of 81.26%. The WEY brand has been consolidating its image in the high-end smart, new energy segment through two flagship car models – 6-seat/7-seat Blue Mountain and High Mountain. It has won trust from families worldwide and uphold its proposition of "An amazing journey begins with WEY" through actions. The extended version of High Mountain four-wheel drive ("4WD") was the first to install Hi4 Performance Edition, Great Wall Motor's leading's intelligent 4WD hybrid technology, creating the niche for medium and large-sized new energy vehicles to tap into high-end segments. By leveraging a brand new exclusive platform for new energy MPVs, versatile and spacious interiors, safety features of the highest standard, luxurious first-class cockpits, and 4WD electric hybrid technology, the Group aims to redefine the new standards for MPVs in the era of new energy. In 2024, WEY will continue iteration on intelligent cockpits, intelligent driving, intelligent hybrid technologies, creating more pleasant and enjoyable travel experiences for more families.

Section 4 Management Discussion and Analysis

(4) Great Wall Pickup

As the market leader in pick-up trucks, Great Wall Pickup in 2023 sold a total of 201,385 units, representing a year-on-year increase of 2.51%, and ranked No. 1 for 26 consecutive years in sales volume in China. Its end-user market share in China was almost 50%. Being the first Chinese high-end pickup brand to surpass the 500,000 mark, Great Wall Cannon had achieved a monthly sales of over 10,000 units for 40 months as at the end of 2023, and continued to be the best selling pick-up truck in China. In 2023, Great Wall Cannon released the first 6x6 super off-road platform in China and the first large high-performance hybrid pickup in China, Shanghai Cannon PHEV built on Hi4-T. It led the era of "Pickup 4.0: Intelligent, New Energy for All Scenarios". Simultaneously, Great Wall Cannon's user management system has fully evolved, forming a Shanghai (mountain and sea) cultural system that includes Shanghai Camp, Shanghai Travel and Shanghai Goods.

(5) ORA brand

In 2023, the ORA brand had achieved a total sales volume of 109,215 units, up by 6.61% year on year. In 2023, ORA continued to adopt a bottom-line thinking and long-term perspective approach to explore high-quality development path. The brand also cultivated differentiated brand value and comprehensively advanced into the era of Brand 2.0. ORA brand has been established for five years and its global customer base has now reached 446,000. 2024 will be an important year for ORA's product development. ORA plans to launch A-Class, C-Class and other brand new premium models, to pursue a comprehensive coverage from A0-class to C-class market segments, to create more splendid experience to users.

Accelerated implementation of new energy strategy, with simultaneous development of pure electric, hybrid power, hydrogen energy

Hybrid power: In 2023, Great Wall Motor, through continuous technological innovation, developed and applied "Hi4 technology system" in its mass production. This system includes the intelligent 4WD hybrid architecture Hi4, the brand new intelligent 4WD hybrid architecture Hi4 Performance Edition and the off-road super hybrid architecture Hi4-T. These technologies can be applied to various car models of Great Wall Motor to meet the needs of different user groups and to adapt to different driving scenarios. Great Wall Motor's Hi4 hybrid technology system is rooted in the Company's years of continuous high-quality research and development and innovation in the field of new energy and intelligentization. It is a world's leading new energy 4WD hybrid technology system. It is a technology product developed with careful consideration of the overall requirements of a vehicle, providing users with a driving experience that is "smooth, "efficient," fast", "quiet," and "safe."

Pure electric: Great Wall Motor has developed the capabilities in research, development, production and supply of three electric system, and strategically positioned itself in the core value chain of semiconductor technology. Great Wall Motor self-developed core components including electronic control systems and electric powertrain. Simultaneously, the Company also strategically expanded its presence in the upstream and downstream sectors of the energy sector to establish a comprehensive industry chain layout, with the aim to enhance user experience by focusing on addressing user concerns. All this is to strengthen user confidence in pure electric vehicles.

Section 4 Management Discussion and Analysis

Hydrogen: Great Wall Motor is one of the earliest domestic automobile companies to have strategic planning for the development of core technologies throughout the entire hydrogen energy industry chain. With FTXT Energy as the main support, the Company has established an integrated industrial chain development model encompassing production, storage, transportation, refueling, and application. This model achieves comprehensive coverage across various domains and scenarios, aiming to empower the entire industry chain. Hydrogen LEMON Technology, a vehicle-grade hydrogen power system that offers solutions to diverse driving scenarios boasts the features of high performance, high safety, long-range capability, adaptability to different weather conditions, and wide applications across various fields. Great Wall Motor's hydrogen fuel cell vehicles utilised the highly efficient fuel cell system and Type IV hydrogen storage tanks, which are independently developed by FTXT Energy. A dual-energy platform that can run on both hydrogen and electricity has been developed, offering a pure hydrogen range of over 400 km and a total driving range of no less than 700 km.

Intelligentization: Great Wall Motor possesses comprehensive intelligence research and development and market promotion capacity

With respect to intelligent driving technology, Great Wall Motor possesses comprehensive in-house research and development capabilities, from perception hardware to computing platforms. In terms of perception hardware, Great Wall Motor self-developed and self-produced the first car-mounted camera in China that utilises a 17-million-pixel photosensitive chip, as well as the first high-resolution 4D millimetre-wave radar within the industry that is comparable to laser radar in performance. All these, together with the Group's self-developed high-performance computing platform, form the hardware architecture for intelligent driving. Great Wall Motor launched Coffee Pilot, a COFFEE Intelligence driving system. Coffee Pilot is an industry leading intelligent driving system fully developed by Great Wall Motor. It serves as a total solution to Great Wall Motor's intelligent driving technology. It includes intelligent perception architecture, intelligent driving computing platforms, intelligent driving software systems, and other hardware and software components. Coffee Pilot boasts robust perception ability, advanced safety features and rapid iteration capability, and can enable intelligent navigation from highways to urban roads. In 2023, Great Wall Motor car owners' cumulative intelligent driving-powered distance exceeded 100 million kilometers. The Company will continue to base on user mobility scenarios, with a specific emphasis on exploring high-frequency user scenarios. Through the research and development and application of a complete sensor system, and integration and coordination of computing power, algorithms, perception, and data, the Company will insist on using the most suitable computing power and algorithm configurations to address users' pain points. This approach aims to provide consumers with products having high performance, cost-effectiveness and offering premium experience.

In terms of intelligent cockpit technology, Great Wall Motor has in-house full-stack software and hardware development capabilities. On the aspect of hardware, Great Wall Motor self-developed V3.5 high-performance computing cockpit platform. Over 200,000 vehicles that have been installed with it have been sold. V4 cockpit platform with even higher computing performance is now ready for deployment. In terms of software, Great Wall Motor, together with its ecosystem partners, has involved in deep-level collaboration in the development of the cockpit operating system Coffee OS, and the formation of a foundation for the system to be scalable, modular, capable of enabling seamless ecosystem integration, and compatible between software and hardware components. On the front of interaction methods, there are multi-dimensional and immersive interactions such as expandable touch control, voice commands, gaze, head gesture, as well as gesture-based interactions. All this can enable ultra-fast response, creating stress-free user experience and realizing natural and effortless conversations. The intelligent cockpit system also adheres to the concept of "scene-driven services" and "proactive service delivery". Through a self-developed platform-based algorithm framework, the Company developed AI algorithms for visual and natural language processing and AI scene engine that delivers proactive services, meeting users' needs in different aspects and promoting a more proactive and engaging interaction between humans and vehicles.

Section 4 Management Discussion and Analysis

In terms of smart chassis, Great Wall Motor has incorporated core technologies including steer by wire, braking system by wire, etc. Additionally, basing on a new electronic and electrical architecture and the IDC3.0 autonomous driving system, the Company has developed a smart chassis with advanced perception, high integration and strong scalability features.

Globalization gradually progressing, embarked on a “new” million mark journey

Great Wall Motor exported its automobiles to over 170 countries and regions, with more than 1,000 overseas distribution channels and cumulative overseas sales volume of over 1.4 million units. In 2023, with regard to new market development, the Group made achievements in GCC, Latin America, and ASEAN regions, realising full market coverage in the ASEAN and GCC regions. In 2023, Great Wall Motor’s overseas annual sales volume surpassed 300,000 units for the first time. Aimed at the global market, Great Wall Motor announced a global brand strategy and “ONE GWM” global brand action plan. Based on the new strategy, Great Wall Motor will focus on the GWM brand and set development paths for different product categories under its brand portfolio with the aim to expand these categories globally. In view of the markets and industrial policies of different countries and regions, the Company will carry out differentiated marketing and establish a localized ecosystem. The “ONE GWM” global brand action plan takes into account Great Wall Motor’s overseas brand strengths and resources. The key actions focus on aspects including brand potential, product portfolio, scale of distribution channels, efficiency enhancement and policy support. These initiatives will enable Great Wall Motor’s brand to have a broader global reach, and result in greater efficiency in global touchpoints and a more unified global image.

Outlook

In 2024, Great Wall Motor will continue to intensify its development in the fields of new energy and intelligent development. It will increase investment in technological innovation, and put emphasis on users’ real-world driving scenarios. The Company will apply more forward-looking innovations to its car models, allowing users to fully experience the revolutionary changes brought about by new energy and intelligent technologies. By collaborating with global partners and supported by the technology prowess of forest-like ecological system, the Company will push ahead with the implementation of a series of global initiatives that aim to establish an ecosystem comprising products, technologies and services across the entire supply chain. This will help accelerate the Company’s global development and enhance GWM brand’s global influence. In future, Great Wall Motor will continue to uphold a long-term strategic vision, striving to provide better products and services to its customers, transform into a global intelligent technology company, and make greater contributions to the development of the global automotive industry.

Section 4 Management Discussion and Analysis

New Models Launched by the Group in 2023



« Tank 700 Hi4-T

Tank 700 Hi4-T, equipped with the world-leading off-road vehicle technology, is flagship model among China's off-road vehicles with its unique and superior performance, establishes a new benchmark for luxurious off-road vehicles and provide top-class driving and riding experience for off-road vehicle lovers and urban elites.



« Tank 500 Hi4-T

Tank 500 Hi4-T is the first new energy off-road SUV equipped with the super Hi4-T plug-in hybrid system for off-road vehicles under the Tank brand. Tank 500 Hi4-T positions itself as a "medium-to-large luxurious off-road new energy SUV", aims to fully meet the diversified needs of users in urban commuting, suburb travel, long journey, cross-country camping and caravans, expand the boundary among human, vehicle and living, and bring powerful, full-scenario, extremely reliable and benchmarked driving experience. Together with Tank 500 of 2023 version, Tank 500 Hi4-T provides a complete medium-to-large luxurious off-road SUV solution for the consumer market.



« Tank 400 Hi4-T

Tank 400 Hi4-T positions itself as an urban function off-road SUV equipped with the super plug-in hybrid system exclusive for off-road vehicles under the Tank brand. Tank 400 Hi4-T have four advantages in urban function aesthetic design, driving performance in urban and rural road, intelligent recreational space and safety protection in all terrains. As the second off-road new energy SUV under the Tank brand, Tank 400 Hi4-T reshapes user's recognition of off-road new energy SUVs and provide users a new choice for travel.



« WEY High Mountain

WEY High Mountain MPV aims to provide passengers with first class travel comfort and is a unique MPV with two versions based on the world's first new energy high-end MPV model exclusive platform. The Executive Extended Edition of the WEY High Mountain is equipped with the cutting-edge intelligent four-wheel electric hybrid technology Hi4 for the first time, and provides unique, luxurious and comfortable experience in all scenarios leveraging on its most expansive interior space in the world and top configurations. The WEY High Mountain MPV family redefines the standard of a high-end MPV in new era with its product value.



« WEY Blue Mountain DHT-PHEV

WEY Blue Mountain DHT-PHEV is a high-end new energy large SUV developed based on the "COFFEE Intelligence Platform" and positioned as a "large six-seat comfortable electric SUV". With the design concept of "streamlining, technology", the high-quality super-large comfortable space, world-leading intelligent DHT technology and other core product advantages, Blue Mountain strives to meet the household needs under various scenarios.

Section 4 Management Discussion and Analysis



« WEY New Mocca DHT-PHEV

WEY New Mocca DHT-PHEV is a five-seat flagship electric SUV, equipped with the only electric four-wheel drive technology in the industry. The model has strong power and operating stability, and can achieve 0-100km/h acceleration in 4.7 seconds. It is also equipped with power batteries to achieve the longest driving range among SUVs of the same class, and advanced driver assistance systems, to provide users with “0 anxiety driving” experience in all scenarios by its superior performance.



« Haval Raptor

Positioned as a “popularizer of new energy off-road SUV”, Haval Raptor boasts a fashionable and fun square-shaped design and core powertrain featuring “1.5T+Hi4+rear axle differential lock”. With its strong product strength of being off-road and fuel efficient, distinctive and stylish, comfortable and intelligent, safe and reliable, it seamlessly integrates users’ two driving scenarios of family use and outdoor travel for new energy SUVs, providing users with a “worry-free” experience in both life and travel.



« Haval Xiaolong MAX

Positioned as an almighty electric four-wheel drive new energy SUV, Xiaolong MAX is equipped with the world’s first-in-class intelligent control and electric hybrid technology Hi4 for the first time. With the strong four-wheel drive and almighty technological experience, the new model has accelerated the implementation of equal access to technology with four-wheel drive and two-wheel price and establish new standards on purchase of urban family new energy SUV.



« Second-generation Haval DARGO PHEV

The Second-generation Haval Dargo PHEV is positioned as an urban, off-road and electric SUV. Its comprehensive fuel consumption is as low as 1.85L/100km under WLTC. With fast charging power of 33 kW, it can be fully charged quickly. Its 3.3 kW of electricity for external use enables users to embark on a new lifestyle of “5+2+e”, meeting users’ electricity demands for 5 days’ commuting and 2 days’ countryside excursion. It creates a scene-based marketing approach that evokes longing and unlocks a new experience of camping with electricity.



« New Haval H5

The new Haval H5, Haval’s first large all-purpose hardcore SUV, advances in an all-round way with its more superior comprehensive product strength of being “extraordinary, long, strong and large” than other SUVs at the same level, pioneering a new “all-purpose” vehicle model. It truly achieves the integration of diverse needs for “business, family and leisure”, creating a user benefit perception of almighty SUVs of “one car equaling three cars”, and opening up a new track in the fiercely competitive market of SUVs priced at around RMB150,000.

Section 4 Management Discussion and Analysis

Tax Incentives for High-tech Enterprises

In accordance with the announcement on the Filing of the First Batch Of High-tech Enterprises Accredited by the Hebei Provincial Accreditation Authority in 2022 《(關於對河北省認定機構 2022 年認定的第一批高新技術企業進行備案的公告)》 issued by the Torch High-tech Industry Development Center of the Ministry of Science and Technology (科技部火炬高技術產業開發中心) on 8 November 2022, the Company was re-accredited as a high-tech enterprise in 2022 (valid for three years) and hence was entitled to an applicable income tax rate of 15% from 2022 to 2024.

II. SITUATION OF THE INDUSTRY IN WHICH THE COMPANY OPERATED DURING THE REPORTING PERIOD

(1) Automobile production and sales hit historical highs

The preferential purchase tax on traditional fuel vehicles and new energy vehicle subsidies were cancelled in 2023. The “wave of promotion” in March and April facilitated the slow recovery of automobile consumption. Subsequently, driven by national and local policies and local promotion activities on automobile purchase, the market demand was gradually unleashed. In addition, as automobile manufacturers boosted sales efforts in the end of the year, the improvement trend of the automobile market outperformed the expectation.

The production and sales volume of automobiles in 2023 amounted to 30,161,000 units and 30,094,000 units, representing increases of 11.6% and 12.0% year-on-year, respectively. The annual production and sales volume both exceeded 30,000,000 units and hit historical highs, achieving high double-digit increases. Total production and sales volume of automobiles in China have been ranking the first in the world for 15 consecutive years.

(2) Passenger vehicle market maintained sound growth momentum

As the overall demand in the automobile market gradually recovered and increased, the production and sales volume of passenger vehicles amounted to 26,124,000 units and 26,063,000 units, representing increases of 9.6% and 10.6% year-on-year, respectively, and hitting historical highs in total production and sales volume. The sales volume of Chinese brand passenger vehicles amounted to 14,596,000 units, representing an increase of 24.1% year-on-year with a market share of 56%, 6.1% higher than last year.

(3) The production and sales volume of new energy vehicles maintained strong momentum

In 2023, the production and sales volume of new energy vehicles amounted to 9,587,000 units and 9,495,000 units, representing increases of 35.8% and 37.9% year-on-year, respectively. Its market share reached 31.6%, 5.9% higher than last year. In particular, the production and sales volume of new energy passenger vehicles accounted for 34.9% and 34.7% of the production and sales volume of passenger vehicles. The production and sales volume of new energy commercial vehicles accounted for 11.5% and 11.1% of the production and sales volume of commercial vehicles.

Section 4 Management Discussion and Analysis

(4) Pickup trucks saw a slight increase in sales volume year-on-year

In 2023, the production of pickup trucks was 522,000 units, representing a decrease of 0.9% year-on-year, while the sales volume was 521,000 units, representing an increase of 0.3% year-on-year. By fuel, the production and sales volume of diesel vehicles were 363,000 units and 364,000 units, representing decreases of 8.4% and 7.2% year-on-year, respectively. The production and sales volume of gasoline vehicles were 147,000 units and 146,000 units, representing increases of 20.8% and 21.5% year-on-year, respectively.

(5) Automobile exports achieved new highs

In 2023, automobile exports hit new highs and became a key driver to the growth in the production and sales volume of automobiles. The export of automobiles was 4,910,000 units, representing an increase of 57.9% year-on-year. The contribution of exports to the growth in the total sales volume of automobiles reached 55.7%.

By vehicle model, the export of passenger vehicles amounted to 4,140,000 units, up 63.7% year-on-year; the export of commercial vehicles was 770,000 units, up 32.2% year-on-year. By fuel, the export of traditional fuel vehicles was 3,707,000 units, up 52.4% year-on-year; the export of new energy vehicles was 1,203,000 units, up 77.6% year-on-year.

Note: The above industry data is sourced from China Association of Automobile Manufacturers.

III. SITUATION OF THE BUSINESS IN WHICH THE COMPANY ENGAGED DURING THE REPORTING PERIOD

1. Principal business of the Company

Great Wall Motor is a global intelligent technology company, and its business covers the design, research and development, production and sales of automobiles and related parts and components, as well as the provision of relevant services.

2. Operating model

Upholding the “user-centered” concept, the Company adheres to a long-term strategy for high-quality development. It attaches great importance to innovation and brand building, continuously promotes the innovation and upgrading of products to meet the diversified demands of consumers and develop leading advantages in various market segments. The Company is committed to establishing a global network integrating R&D, production, supply and sales.

Section 4 Management Discussion and Analysis

In respect of R&D, the Company insists on “making targeted investments” and emphasizes R&D effectiveness to pursue leading position in the industry. Based on three technology brands, namely, “LEMON”, “TANK” and “COFFEE Intelligence”, the Company developed a value innovation technology system that encompasses the entire industry chain process. It launched a groundbreaking new technology Hi4, an intelligent four-wheel-drive electric hybrid technology, which was awarded the 2nd World Top 10 Hybrid Power System and the 2023 “China Heart” Top Ten Engines and Hybrid Systems. In addition, Great Wall Motor determined the development strategy on the simultaneous development of pure electric, hybrid power and hydrogen energy as well as various technological routes in the track of new energy vehicles. It deployed on the entire industrial chains covering intelligent driving, intelligent cockpits and intelligent chassis. In particular, it is carrying out in-depth R&D and application in data intelligence systems and other cutting-edge industries with overseas centers in Europe, ASEAN and South America, striving to build a global R&D system.

In respect of production layout, the Company owns a number of vehicles and KD plants across the world. In China, it has ten full-process automobile production bases. It has set up three full-process automobile production bases in Thailand, Brazil and other regions and owns various KD plants in Ecuador, Pakistan and other countries.

In respect of supply chain systems, the Company deeply carried out the establishment of vertical systems and deployed on motors, electric bridges, full-link self-driving and cockpits. It provided comprehensive technological innovation and industrial support in the fields of chassis, power, cockpits, self-driving and fundamental vehicle structures.

In respect of sales, Great Wall Motor achieved a sales volume of 1.23 million new vehicles in 2023, with total sales exceeding 13,000,000 units. Supported by the forest-like ecosystem, Great Wall Motor fully boosted efforts in the development of intelligent new energy vehicles and sped up in the optimization of product mix, and the annual volumes of new energy vehicles doubled. It launched 15 new energy models, including Haval Xiaolong/MAX, Haval Raptor, WEY High Mountain, WEY Blue Mountain DHT-PHEV, TANK 400 Hi4-T, TANK 500 Hi4-T and Great Wall Pickup Shanghai Cannon PHEV, ranking the first in terms of the sales volume of off-road new energy vehicles, hard-core SUVs, pickups and other subcategories.

In respect of overseas markets, the sales volume of the Company in overseas markets exceeded 300,000 units for the first time in 2023 and total sales volume in overseas markets exceeded 1,400,000 units. Great Wall Motor solidly advanced overseas promotion of ecosystems. Currently, it has exported to over 170 countries with over 1,000 sales outlets worldwide. All of its five brands have achieved overseas sales.

Section 4 Management Discussion and Analysis

IV. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

Applicable Not applicable

1. Fair, impartial and featured culture

The Company aims to “boost synergy with integrity and pursue development with synergy” and safeguards the sustainable and healthy development of the enterprise through creating a fair, impartial, simple and transparent work environment. With the corporate culture of “Rock the World with Our GIFT (Green Intelligent Future Technology), Anti-corruption, Honesty, Innovation, Changes, Sharing and Improving Little by Little Every Day”, it created a work atmosphere with more vitality and encouraging innovation.

2. Speeding up in building a user-centric enterprise through comprehensive ToC

The Company promoted the user-centric organizational reform, upgraded the single experience management of users into comprehensive experience management, optimized the full-process experience of users, explored the lifecycle incremental value of users and improved user experience and the reputation among users through comprehensive ToC.

3. Comprehensive transformation towards new energy vehicles

The Company focused on opportunities in new energy vehicles, returned to the market with principal prices and principal grades and public models, seized principal tracks, concentrated resources on mainstream models, expanded market sales and developed star products. It improved the internal efficiency to respond to market pressures. Based on the development investment return management, the lifecycle management and the iteration management on modules, the Company achieved integrated and modularized models newly developed with fewer modules, improved the use of single products, displayed the scale effect and bolstered the industrial efficiency.

Section 4 Management Discussion and Analysis

4. Strengthening quality culture and focusing on quality improvement

Upholding the quality culture of “constant refinement”, the Company continuously improves its quality management to “drive performance growth and sustainable development with high-quality products”.

5. Well-established global supply chain system

The Company has long been committed to independent R&D and production of core parts and components, which greatly enhances the competitiveness of its automobiles in terms of technology, quality and cost and lays a foundation for its auto parts companies to develop external markets. Meanwhile, Great Wall Motor maintains a good partnership with Bosch, Continental and other global parts groups to jointly build a mature global parts supply system.

6. Developing the forest-like ecosystem based on new energy and intelligentization

The Company has developed an industrial layout with a forest-like ecosystem featured by crossover integration or vertical integration covering pure electric models, hydrogen energy, smart cockpits, operating systems, intelligent driving and transmission steering, to drive the leading edge in core technologies such as intelligentization and new energy.

7. Talent cultivation

Focusing on strategic measures on “strengthening the enterprise with talents” and adhering to the concept of “cultivating personnel before making cars” in talent cultivation, the Company recruited and cultivated various talents worldwide through the talent systems on external introduction and international cultivation and created a unique and efficient talent cultivation system to provide the Company with various talent teams. For the long-term development and governance in the future, the Company established innovative long-term incentive mechanisms and effectively promoted the conversion of “employees” into “partners” and “doing works” into “creating a career” through granting rights and obligations to participants. It gathered fighters of the times and professional leaders with common values, facilitated the long-term and steady development of the Company and achieved alignment with the interests of all shareholders.

Section 4 Management Discussion and Analysis

V. THE PRINCIPAL OPERATION DURING THE REPORTING PERIOD

During the Reporting Period, the total operating revenue, operating profit and net profit attributable to shareholders of the Company were RMB173,212 million, RMB7,201 million and RMB7,022 million, representing a year-on-year increase of 26.12%, decrease of 9.62%, and decrease of 15.06%, respectively.

(I) Analysis of principal business

1. Analysis of changes in relevant items in income statement and cash flow statement

Unit: Yuan Currency: RMB

Item	For the			2021	2020	2019
	Current Period	corresponding period last year	Changes (%)			
Total operating revenue	173,212,076,757.97	137,339,985,187.76	26.12	136,404,663,038.67	103,307,607,209.70	96,210,688,818.80
Operating revenue	173,212,076,757.97	137,339,985,187.76	26.12	136,404,663,038.67	103,307,607,209.70	95,108,078,639.52
Operating costs	140,773,127,749.65	110,739,333,423.32	27.12	114,367,472,827.89	85,530,963,755.03	79,684,487,295.85
Selling expenses	8,285,377,067.45	5,876,160,763.57	41.00	5,192,175,874.72	4,103,386,826.19	3,896,669,879.09
Administrative expenses	4,735,147,440.20	4,893,452,838.49	-3.24	4,043,069,363.44	2,552,674,590.65	1,955,453,366.52
Financial expenses	-125,894,809.86	-2,487,806,138.52	-	-448,307,517.96	396,962,230.25	-351,029,083.69
Research and development expenses	8,054,252,649.82	6,445,163,014.77	24.97	4,489,565,228.62	3,067,479,582.21	2,716,220,367.89
Net cash flows from operating activities	17,753,789,028.71	12,311,254,519.44	44.21	35,315,673,246.13	5,181,232,925.84	13,972,302,434.79
Net cash flows from investing activities	-10,450,749,296.73	-10,504,887,458.38	-	-11,174,745,612.88	-11,588,320,756.01	-15,801,684,305.19
Net cash flows from financing activities	1,052,044,013.17	-3,132,968,026.33	-	-9,632,107,664.53	11,367,524,972.75	3,943,947,671.02

The change in selling expenses was mainly due to increased investment in new energy models

The change in financial expenses was mainly due to a decrease in exchange gains during the Reporting Period

The change in net cash flows from operating activities was mainly due to an increase in cash received from sales of goods resulting from the increased sales volume during the Reporting Period

The change in net cash flows from financing activities was mainly due to a decrease in restricted funds during the Reporting Period

Section 4 Management Discussion and Analysis

Detailed explanation of major changes in the Company's business type, profit composition or profit source during the Current Period

Applicable Not applicable

2. Revenue and cost analysis

Applicable Not applicable

Refer to the following table for details

(1) Principal businesses by industries, products, regions, and sales models

Unit: Yuan Currency: RMB

Principal businesses by industries						
Industry	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating costs over last year (%)	Increase/decrease in gross profit margin over last year (%)
Automotive industry	171,226,515,049.27	139,075,576,085.24	18.78	27.10	27.93	-0.53

Principal businesses by products						
Product	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating costs over last year (%)	Increase/decrease in gross profit margin over last year (%)
Sales of automobiles	153,278,811,270.64	125,099,856,267.79	18.38	25.75	26.34	-0.38
Sales of automotive parts and components	12,614,402,986.78	9,655,487,512.17	23.46	57.52	63.96	-3.01
Sales of moulds and others	2,479,931,449.72	2,074,812,620.21	16.34	9.80	19.60	-6.85
Rendering of labour services	2,853,369,342.13	2,245,419,685.07	21.31	11.22	8.33	2.10

Section 4 Management Discussion and Analysis

Principal businesses by regions						
Region	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating costs over last year (%)	Increase/decrease in gross profit margin over last year (%)
The PRC	118,112,122,155.14	99,776,846,026.80	15.52	8.99	11.48	-1.88
Overseas	53,114,392,894.13	39,298,730,058.44	26.01	101.53	104.59	-1.11

Description of principal businesses by industries, products, regions and sales models

The Company is mainly engaged in the research and development, manufacture and sale of automobiles and key automotive parts and components. The principal business of the Company belongs to the automobile industry and its products include automobiles, automotive parts and components, moulds, labour services and others.

The domestic business of the Company is mainly located in the mainland China.

(2) Analysis of output and sales volume

Applicable Not applicable

Major product	Unit	Output	Sales volume	Inventory	Increase/decrease in output over last year (%)	Increase/decrease in sales volume over last year (%)	Increase/decrease in inventory over last year (%)
Pick-up trucks	unit	194,182	201,385	16,928	-3.68	2.51	-25.96
SUVs	unit	951,044	918,831	90,830	19.52	20.47	68.39
Sedans and others (mostly new energy automobiles)	unit	111,040	109,766	9,993	-2.87	6.98	20.60
Total	unit	1,256,266	1,229,982	117,751	13.01	15.85	38.39

Note: The sales volume of 1,229,982 units recorded for the Reporting Period included 4,775 vehicles leased to external customers.

(3) Performance of major procurement contracts and sales contracts

Applicable Not applicable

Section 4 Management Discussion and Analysis

(4) Cost analysis

Currency: RMB Unit: Yuan

		By industries					
Industry	Cost item	Amount for the Current Period	Proportion to total costs for the Current Period (%)	Amount for the corresponding period last year	Proportion to total costs for the corresponding period last year (%)	Changes in the amount for the Current Period over the corresponding period last year (%)	Description
Automotive industry	Raw materials, labour wages, depreciation, energy, etc.	139,075,576,085.24	98.79	108,711,321,141.10	98.17	27.93	-

		By products					
Product	Cost item	Amount for the Current Period	Proportion to total costs for the Current Period (%)	Amount for the corresponding period last year	Proportion to total costs for the corresponding period last year (%)	Changes in the amount for the Current Period over the corresponding period last year (%)	Description
Finished automobiles	Raw materials, labour wages, depreciation, energy, etc.	125,099,856,267.79	88.87	99,014,967,604.22	89.41	26.34	-
Parts and components	Raw materials, labour wages, depreciation, energy, etc.	9,655,487,512.17	6.86	5,888,785,879.99	5.32	63.96	-
Moulds and others	Raw materials, labour wages, depreciation, energy, etc.	2,074,812,620.21	1.47	1,734,807,387.92	1.57	19.60	-
Labour services	Finished automobile maintenance service costs, transportation tolls, fuel costs, travel expenses, labour wages, etc.	2,245,419,685.07	1.60	2,072,760,268.98	1.87	8.33	-

(5) Changes in the ownership of major subsidiaries causing changes in the scope of consolidation during the Reporting Period

Applicable Not applicable

Section 4 Management Discussion and Analysis

(6) Major changes or adjustments of the Company's business, products or services during the Reporting Period

Applicable Not applicable

(7) Major customers and suppliers

A. Major customers

Applicable Not applicable

Currency: RMB Unit: Yuan

Name of customer	Operating revenue	Proportion to total operating revenue of the Company (%)
Customer 1	3,266,156,140.83	1.89
Customer 2	2,584,174,957.21	1.49
Customer 3	2,041,078,223.85	1.18
Customer 4	1,474,252,060.32	0.85
Customer 5	1,451,615,422.69	0.84
Total	10,817,276,804.90	6.25

Sales to the five largest customers amounted to RMB10,817.2768 million, accounting for 6.25% of the total sales of the Year, in which sales of RMB0 came from the related parties, accounting for 0% of the total sales of the Year.

During the Year, sales to the Group's five largest customers accounted for less than 30% of the Group's annual total sales. The directors did not consider that any customer had significant influence on the Group.

None of the directors, their associates or any shareholders (which, to the knowledge of the directors, own more than 5% of the Company's issued share capital) were interested in the major customers mentioned above.

Situations in which the proportion of sales to a single customer exceeds 50% of the total sales, the top 5 customers include new customers, or the Company is heavily dependent on a few customers during the Reporting Period.

Applicable Not applicable

Section 4 Management Discussion and Analysis

B. Major suppliers

Applicable Not applicable

Currency: RMB Unit: Yuan

Name of supplier	Purchases	Proportion to total purchases for the Year (%)
Supplier 1	4,817,940,985.55	3.53
Supplier 2	3,017,813,228.78	2.21
Supplier 3	2,705,969,072.26	1.98
Supplier 4	2,455,165,283.06	1.80
Supplier 5	1,187,753,384.86	0.87
Total	14,184,641,954.51	10.40

Purchases from the five largest suppliers amounted to RMB14,184.6420 million, accounting for 10.40% of the total purchases of the Year, of which RMB2,705.9691 million of purchases came from the related parties, accounting for 1.98% of the total purchases of the Year.

During the Year, purchases from the Group's five largest suppliers accounted for less than 30% of the Group's annual total purchases. The directors did not consider that any supplier had significant influence on the Group.

One of the above suppliers is a company indirectly controlled by Mr. Wei Jian Jun, a director of the Company. The Company has carried out reporting, annual review, announcement and independent shareholders' approval in accordance with the requirements of Chapter 14A of the Hong Kong Listing Rules. Save as disclosed above, the directors and their associates or any shareholder (who, to the knowledge of directors, owns more than 5% of the issued equity interests in the Company) do not have any interest in any of the abovementioned major suppliers.

Situations in which the proportion of purchases from a single supplier exceeds 50% of the total purchases, top 5 suppliers include new suppliers, or the Company is heavily dependent on a few suppliers during the Reporting Period.

Applicable Not applicable

Section 4 Management Discussion and Analysis

3. Expenses

√ Applicable Not applicable

Currency: RMB Unit: Yuan

Items	2023	2022	Changes	Reasons
Selling expenses	8,285,377,067.45	5,876,160,763.57	41.00	The change in selling expenses was mainly due to increased investment in new energy models
Administrative expenses	4,735,147,440.20	4,893,452,838.49	-3.24	-
Research and development expenses	8,054,252,649.82	6,445,163,014.77	24.97	-
Financial expenses	-125,894,809.86	-2,487,806,138.52	-	The change in financial expenses was mainly due to a decrease in exchange gains during the Reporting Period

4. Research and development expenses

(1) Statement of research and development expenses

√ Applicable Not applicable

Currency: RMB Unit: Yuan

Research and development expenses for the Current Period	5,059,102,575.30
Research and development expenses capitalised for the Current Period	5,974,925,153.79
Total research and development expenses	11,034,027,729.09
Percentage of total research and development expenses over operating revenue (%)	6.37
Percentage of research and development expenses capitalised (%)	54.15

Section 4 Management Discussion and Analysis

(2) *Research and development personnel*

Applicable Not applicable

Total number of research and development personnel of the Company	24,157
Proportion of research and development personnel to the total employees of the Company (%)	29.30

Education level of research and development personnel

Education level	Number
Doctor postgraduate	55
Master postgraduate	2,213
Bachelor's degree	17,660
Degree from a technical college	3,851
Secondary schools and below	378

Age group of research and development employees

Age group	Number
Below 30 (excluding 30)	8,474
30-40 (including 30 but excluding 40)	13,523
40-50 (including 40 but excluding 50)	1,991
50-60 (including 50 but excluding 60)	151
60 and above	18

(3) *Description*

Applicable Not applicable

In 2023, the Company's total research and development investment was approximately RMB11.034 billion, representing a year-on-year decrease of 9.41%.

As at 31 December 2023, Great Wall Motor Company Limited had been granted a total of 15,119 patents, including 2,508 invention patents, 9,025 utility model patents and 3,586 industrial design patents.

In 2023, Great Wall Motor Company Limited submitted 4,369 patent applications, and was granted 2,444 patents, including 342 invention patents, 1,818 utility model patents and 284 industrial design patents.

(4) *Reasons for the significant change in the composition of research and development personnel and its impact on the Company's future development*

Applicable Not applicable

Section 4 Management Discussion and Analysis

5. Cash flow

Applicable Not applicable

Currency: RMB Unit: Yuan

Items	2023	2022	Changes	Explanation of the reasons
Net cash flows from operating activities	17,753,789,028.71	12,311,254,519.44	44.21	Mainly due to an increase in cash received from sales of goods resulting from the increased sales volume during the Reporting Period
Net cash flows from investing activities	-10,450,749,296.73	-10,504,887,458.38	-	-
Net cash flows from financing activities	1,052,044,013.17	-3,132,968,026.33	-	Mainly due to a decrease in restricted funds during the Reporting Period

(II) Description of significant changes in profit of non-principal businesses

Applicable Not applicable

(III) Analysis of assets and liabilities

Applicable Not applicable

1. Assets and liabilities

Currency: RMB Unit: Yuan

Item	Amount as at the end of the Current Period	Proportion to total assets for the amount as at the end of the Current Period (%)	Amount as at the end of the corresponding period last year	Proportion to total assets for the amount as at the end of the corresponding period last year (%)	Changes in the amount as at the end of the Current Period over the end of the corresponding period last year (%)	Description
Cash and bank balances	38,337,235,066.54	19.05	35,773,467,830.28	19.30	7.17	-
Held-for-trading financial assets	4,112,386,017.05	2.04	2,053,553,807.44	1.11	100.26	The change in held-for-trading financial assets was mainly due to the increase in wealth management products during the Reporting Period
Notes receivable	2,951,761,611.60	1.47	2,735,886,300.00	1.48	7.89	-
Accounts receivable	7,193,193,843.92	3.57	6,611,191,147.15	3.57	8.80	-
Financing with receivables	28,923,599,369.45	14.37	22,152,492,848.09	11.95	30.57	The change in financing with receivables was mainly due to an increase in notes receivable driven by increased sales volume

Section 4 Management Discussion and Analysis

Item	Amount as at the end of the Current Period	Proportion to total assets for the amount as at the end of the Current Period (%)	Amount as at the end of the corresponding period last year	Proportion to total assets for the amount as at the end of the corresponding period last year (%)	Changes in the amount as at the end of the Current Period over the end of the corresponding period last year (%)	Description
Prepayments	3,872,727,438.14	1.92	2,228,893,811.88	1.20	73.75	The change in prepayments was mainly due to the increases in prepaid import taxes and prepayments for goods of overseas subsidiaries as a results of the growth of overseas business of the Group during the Reporting Period
Other receivables	2,113,975,772.93	1.05	2,415,575,628.26	1.30	-12.49	–
Inventories	26,627,754,349.95	13.23	22,374,522,377.01	12.07	19.01	–
Contract assets	52,210,745.00	0.03	4,072,792.00	0.00	1,181.94	The change in contract assets was mainly due to the increase in the new energy subsidies of the Group pending approval by the relevant government authorities and expected to be collected within one year during the Reporting Period
Other current assets	2,559,503,451.38	1.27	9,389,221,535.55	5.07	-72.74	The change in other current assets was mainly due to the decrease in deposits in non-bank financial institutions
Current assets	118,583,843,848.95	58.92	107,680,723,551.36	58.09	10.13	–
Other non-current financial assets	207,928,692.28	0.10	133,328,692.28	0.07	55.95	The change in other non-current financial assets was mainly due to the increased investment of the Company during the Reporting Period
Right-of-use asset	735,708,393.90	0.37	1,092,940,845.53	0.59	-32.69	The change in right-of-use asset was mainly due to the provision made for the depreciation of leased assets during the Reporting Period
Intangible assets	11,310,336,232.21	5.62	8,197,265,268.36	4.42	37.98	The change in intangible assets was mainly due to the increase in non-patent technologies during the Reporting Period
Deferred income tax assets	4,660,192,442.29	2.32	3,252,650,505.92	1.75	43.27	The change in deferred income tax assets was mainly due to the increase in deductible tax base during the Reporting Period

Section 4 Management Discussion and Analysis

Item	Amount as at the end of the Current Period	Proportion to total assets for the amount as at the end of the Current Period (%)	Amount as at the end of the corresponding period last year	Proportion to total assets for the amount as at the end of the corresponding period last year (%)	Changes in the amount as at the end of the Current Period over the end of the corresponding period last year (%)	Description
Other non-current assets	1,798,032,216.09	0.89	3,524,071,126.20	1.90	-48.98	The change in other non-current assets was mainly due to the decreases in purchase deposits receivable and new energy subsidies which are expected to be recovered over one year during the Reporting Period
Derivative financial liabilities	84,400,226.04	0.04	28,800,759.63	0.02	193.05	The change in derivative financial liabilities was due to the change in the fair value of the forward foreign exchange contracts signed by the Group as at the end of Reporting Period
Notes payable	27,939,790,253.08	13.88	30,061,481,322.24	16.22	-7.06	-
Accounts payable	40,546,651,118.94	20.15	29,305,857,540.98	15.81	38.36	The change in accounts payable was mainly due to the increased material purchases during the Reporting Period
Employee benefits payable	4,393,889,722.37	2.18	4,208,573,006.72	2.27	4.40	-
Tax payable	2,390,118,827.57	1.19	1,898,129,278.86	1.02	25.92	-
Other payables	6,217,886,256.09	3.09	6,163,920,243.68	3.33	0.88	-
Non-current liabilities due within one year	6,890,334,761.20	3.42	4,883,529,528.07	2.63	41.09	The change in non-current liabilities due within one year was mainly due to the increase in long-term borrowings reclassified to those due within one year during the Reporting Period
Other current liabilities	7,088,140,056.33	3.52	5,555,585,325.06	3.00	27.59	-
Current liabilities	110,835,137,893.78	55.07	95,802,048,905.40	51.69	15.69	-
Long-term payables	26,013,927.49	0.01	-	-	100.00	-
Lease liabilities	661,565,279.50	0.33	978,708,416.66	0.53	-32.40	The change in lease liabilities was due to the decrease in lease liabilities resulting from payment of rental during the Current Period
Deferred income tax liabilities	1,064,463,059.59	0.53	770,879,408.34	0.42	38.08	The change in deferred income tax liabilities was mainly due to the taxable temporary difference between the accelerated depreciated of fixed assets and the increase in fair value of financial assets during the Reporting Period

Section 4 Management Discussion and Analysis

Item	Amount as at the end of the Current Period	Proportion to total assets for the amount as at the end of the Current Period (%)	Amount as at the end of the corresponding period last year	Proportion to total assets for the amount as at the end of the corresponding period last year (%)	Changes in the amount as at the end of the Current Period over the end of the corresponding period last year (%)	Description
Other non-current liabilities	179,578,980.44	0.09	46,458,912.59	0.03	286.53	The change in other non-current liabilities was mainly due to the increased sales business with repurchase obligations during the Reporting Period
Treasury shares	804,050,463.01	0.40	2,459,965,985.56	1.33	-67.31	The change in treasury shares was due to the cancellation of repurchased shares during the Reporting Period
Other comprehensive income	12,192,749.99	0.01	234,443,844.95	0.13	-94.80	The change in other comprehensive income was mainly due to the change in the translation differences in foreign currency statements
Special reserve	162,768,426.67	0.08	5,673,833.25	0.00	2,768.76	The change in special reserve was due to the increased provision made for safe production cost during the Reporting Period
Minority interests	8,169,534.73	0.00	14,650,782.77	0.01	-44.24	The change in minority interests was mainly due to the decrease in the investment of the minority shareholders of subsidiaries of the Company during the Reporting Period

2. Overseas assets

Applicable Not applicable

(1) Asset size

Including: overseas assets of 38,232,343,607.71 (unit: Yuan, currency: RMB), accounting for 19.00% of the total assets.

(2) Description of high proportion of overseas assets

Applicable Not applicable

Section 4 Management Discussion and Analysis

3. Restrictions on major assets as at the end of the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Carrying amount at the end of the Year	Reasons for the restrictions
Cash and bank balances	3,065,057,109.19	Security and margin deposits for bank acceptances and L/C, letter of guarantee deposits and others
Notes receivable	2,247,819,619.71	Used for issuance of notes payable, endorsed, or discounted
Financing with receivables	18,302,701,191.70	Used for issuance of notes payable
Long-term receivables	674,529,024.64	Used for borrowings and asset-backed securities
Total	24,290,106,945.24	

4. Description of other matters

Applicable Not applicable

Section 4 Management Discussion and Analysis

(IV) Analysis of operation information by industries

Applicable Not applicable

Refer to the following table for details

Analysis of operation information of automobile manufacturing industry

1. Production capacity

Applicable Not applicable

Current production capacity

Applicable Not applicable

Unit: 0'000 units

Major factory	Designated production capacity	Production capacity during the Reporting Period	Utilisation rate of production capacity (%)
Baoding (including Xushui Vehicle Factory)	60	50.68	84.46
Tianjin	30	15.57	51.90
Chongqing	16	21.92	137.00
Taizhou	10	14.17	141.72
Pinghu	10	1.89	18.90
Rizhao	10	0.20	2.00
Jingmen	10	10.46	104.60
Russia	8	9.89	123.60
Total	154	124.78	81.02

Note: Pinghu Factory has a designed production capacity of 100,000 vehicles, of which the production capacity of 20,000 vehicles is yet to be built.

Production capacity of factories under construction

Applicable Not applicable

Section 4 Management Discussion and Analysis

Calculation standards of production capacity

Applicable Not applicable

The designated production capacity is calculated based on two shifts (a total of 16 hours) per day for 250 days.

By types of vehicles

Applicable Not applicable

For details, please refer to the relevant description in "Analysis of production and sales volume of automobiles" in "Business Review" of item I "Discussion and Analysis of the Business Operation" of this section.

By regions

Applicable Not applicable

For details, please refer to the relevant description in "Analysis of production and sales volume of automobiles" in "Business Review" of item I "Discussion and Analysis of the Business Operation" of this section.

2. Output and sales volume of parts and components

Applicable Not applicable

The revenue from external sales of manufacturing of automotive parts and components accounted for 7.28% of the total operating revenue of the Company, which is not subject to disclosure.

3. New energy automobile business

Applicable Not applicable

Production capacity of new energy automobile

Applicable Not applicable

Note: Currently, new energy products and traditional automobile products are manufactured on the same production line to share production capacity. The Company adopts a flexible approach to coordinate the production of these two types of products in response to market conditions.

Section 4 Management Discussion and Analysis

Output and sales volume of new energy automobiles

Applicable Not applicable

Car classification	Sales Volume (unit)			Production Volume (unit)		
	Total for the Year	Total for last year	Increase/decrease year-on-year (%)	Total for the year	Total for last year	Increase/decrease year-on-year (%)
New energy automobiles	256,432	119,894	113.88	267,658	134,920	98.38

Revenue from and subsidy for new energy automobile business

Applicable Not applicable

Unit: Yuan Currency: RMB

Car classification	Revenue	Subsidy for new energy automobile business	Percentage of subsidy to revenue (%)
New energy automobiles	42,769,045,168.31	–	–

4. Auto financial business

Applicable Not applicable

5. Description of other matters

Applicable Not applicable

(V) Analysis of investments

General analysis of external equity investments

Applicable Not applicable

During the Reporting Period, the total equity investment of the Group was RMB859,447,632.11, representing a decrease of 64.29% as compared with RMB2,583,750,100 in the corresponding period of last year.

1 Major equity investment

Applicable Not applicable

Section 4 Management Discussion and Analysis

2 Major investment in non-equity interest

Applicable Not applicable

3 Financial assets measured at fair value

Applicable Not applicable

Unit: Yuan Currency: RMB

Asset class	Amount at the beginning of the period	Gains or losses from changes in fair value for the Current Period	Accumulated changes in fair value included in equity	Impairment loss provided during the Current Period	Purchase amount during the Current Period	Selling/redemption amount during the Current Period	Other changes	Balance at the end of the period
Financial assets classified as at fair value through profit or loss								
Stocks	494,949,000.00	2,432,096.19	-	-	-	-497,381,096.19	-	-
Others	1,558,604,807.44	3,781,209.61	-	-	14,079,000,000.00	-11,529,000,000.00	-	4,112,386,017.05
Derivative instruments	13,170,797.64	9,022,608.00	-	-	-	-	-10,358,724.14	11,834,681.50
Private equity funds	133,328,692.28	14,600,000.00	-	-	60,000,000.00	-	-	207,928,692.28
Financial assets at fair value through other comprehensive income								
Others	22,152,492,848.09	-	-4,179,802.20	-	107,297,199,677.34	-100,521,913,353.78	-	28,923,599,369.45
Others	1,481,976,762.81	-	433,300,257.80	-	-	-	5,242,895.21	1,920,519,915.82
Financial liabilities at fair value through profit or loss								
Including: Derivative financial liabilities								
	-28,800,759.63	-55,872,323.78	-	-	-	-	272,857.37	-84,400,226.04
Total	25,805,722,148.63	-26,036,409.99	429,120,455.60	-	121,436,199,677.34	-112,548,294,449.97	-4,842,971.55	35,091,868,450.06

Securities investment

Applicable Not applicable

Section 4 Management Discussion and Analysis

Unit: Yuan Currency: RMB

Type of securities	Securities code	Abbreviation of securities	Initial investment cost	Source of funds	Opening book value	Profit or loss arising from fair value change for the period	Cumulative fair value change charged to equity	Purchase amount for the period	Sales amount for the period	Investment gain or loss for the period	Closing book value	Accounting and auditing subject
Stock	PLS.ASX	PLS	142,573,200.00	Self-owned	494,949,000.00	2,432,096.19	-	-	-497,381,096.19	-	-	Held-for-trading financial assets
Total	/	/	142,573,200.00	/	494,949,000.00	2,432,096.19	-	-	-497,381,096.19	-	-	/

Description of securities investment

Applicable Not applicable

Privately-offered fund investment

Applicable Not applicable

Privately-offered fund investment represents Advanced Manufacturing Industry Investment Fund Phase II (Limited Partnership) invested by the Company.

Derivative investment

Applicable Not applicable

The Company held the 5th meeting of the eighth session of the Board and the 4th meeting of the eighth session of the Supervisory Committee on 26 September 2023, at which the Resolution on Conducting Foreign Exchange Derivatives Trading Business was considered and approved, pursuant to which the Group would conduct foreign exchange derivatives trading business within twelve month from the date on which the resolution was considered and approved by the Board, during which the maximum contractual value held on any trading day shall not exceed RMB19.5 billion or in other currency equivalent, representing approximately 29.90% of the latest audited net assets of the Company.

According to the principle of risk-neutral management, in order to hedge the risk of exchange rate fluctuation, the Company conducted the foreign exchange derivatives trading business with high correlation with the receipt and payment of major foreign currencies in 2023.

(1) Derivative investments for hedging purposes during the Reporting Period

Applicable Not applicable

(2) Derivative investments for speculative purposes during the Reporting Period

Applicable Not applicable

4. Progress of material asset organisation during the Reporting Period

Applicable Not applicable

Section 4 Management Discussion and Analysis

(VI) Disposal of major assets and equity interest

Applicable Not applicable

(VII) Major subsidiaries and investees

Applicable Not applicable

Information of subsidiaries and investees contributing more than 10% of net profit of the Company

Currency: RMB Unit: Yuan

Major subsidiaries and investees	Business nature	Registered capital	Proportion of shareholding (%)	Proportion of voting rights (%)	Total assets as at the end of the Year	Total net assets as at the end of the Year	Operating revenue for the Year	Operating profit for the Year	Net profit for the Year
Russia Haval Automobile Manufacturing Co., Ltd. (俄羅斯哈弗汽車製造有限責任公司)	Manufacture of automobiles	2,254,662,459.77	100.00	100.00	8,775,265,016.25	4,103,320,937.55	15,139,360,931.90	1,555,661,884.96	1,492,158,188.68
Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司)	Manufacture of automobile parts and components	1,000,000,000.00	100.00	100.00	13,704,593,063.85	4,985,308,990.98	11,660,733,442.19	1,216,035,742.77	1,103,992,148.21
Nobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司)	Manufacture of automobile parts and components	2,283,000,000.00	100.00	100.00	11,500,515,939.34	6,370,289,078.55	7,455,557,629.92	1,114,264,725.20	1,007,594,866.35
Tianjin Great Wall Binyin Automotive Finance Company Limited (天津長城濱銀汽車金融有限公司)	Automotive finance	6,600,000,000.00	98.18	50.00	52,250,136,988.73	11,247,194,418.32	2,069,737,500.98	1,151,889,306.06	872,939,824.40
Mind Electronics Company Limited (曼德電子電器有限公司)	Manufacture of automobile parts and components	1,663,700,000.00	100.00	100.00	9,200,686,892.86	3,546,013,218.03	7,756,351,818.55	806,034,925.24	755,160,642.02
Honeycomb Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司)	R&D and manufacture of transmission systems of new energy vehicles	2,914,000,000.00	100.00	100.00	9,326,265,539.82	4,620,776,872.06	6,773,913,493.61	781,082,643.50	750,841,115.99

(VIII) Structured entities under the control of the Company

Applicable Not applicable

VI. DISCUSSION AND ANALYSIS CONCERNING THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Landscape and development trend of the industry

Applicable Not applicable

In terms of annual development, total sales volume in China's automobile market exceeded 30,000,000 units in 2023. In particular, the sales volume of passenger vehicles amounted to 26,000,000 units, maintaining the sound growth momentum. The sales of commercial vehicles recovered, and new energy vehicles continuously maintained rapid growth with a market share of over 30%, becoming a major force in leading the transformation of the global automobile industry. Automobile exports hit a new high with nearly 5,000,000 units exported for the year, effectively driving the overall rapid growth of the industry.

In 2024, the development of China's automobile industry still faces risks and challenges. However, there are also favorable factors in the development of the automobile industry. With the stable recovery and improvement of the domestic macro economy, the continuous advancement of national policies on promoting consumption and stabilizing growth, the implementation of series of policies on facilitating the high-quality development of the new energy automobile industry, including the policies on the extended waiver of vehicle purchase tax, deeply promoting new energy vehicles and infrastructure construction in rural areas and trading in old motor vehicles for new ones, it will further stimulate the market vitality and consumption potential. In general, the automobile market will continue to maintain the development trend of recovery amid stability in 2024. Based on the estimation of the CAAM, total sales volume of Chinese automobile manufacturers will exceed 31,000,000 units in 2024, representing an increase of over 3% year-on-year. Among them, the sales volume of passenger vehicles will amount to 26,800,000 units, representing an increase of 3% year-on-year; the sales volume of commercial vehicles will amount to 4,200,000 units, representing an increase of 4% year-on-year; and the sales volume of new energy vehicles will amount to 11,500,000 units and the export of vehicles will reach 5,500,000 units.

Section 4 Management Discussion and Analysis

(II) Development strategy of the Company

Applicable Not applicable

The Company always adheres to the operation strategy on long-term development, improves the capability on full-stack independent R&D through continuous innovation and comprehensively develops intelligent new energy vehicles with technology as the driving force. It continuously upgrades the strategy on “overseas promotion of ecosystems”, seizes opportunities in joint construction with countries along the “Belt and Road” initiatives, boosts local industrial inputs and strengthens the layout on intelligent and new energy industries. It embraces digitalization, drives the strategic transformation of the enterprise with data and wins consumers’ trust through the continuous provision of high-value products and services.

(III) Operational plan

Applicable Not applicable

In 2024, Great Wall Motor will continue to insist on long-term development and the global development path, comprehensively cover market demand with a diversified product matrix, speed up in the rapid development of intelligent new energy, develop competitive star models, consolidate market recognition, and deeply connect customers. Meanwhile, it will seek more refined management and operation models in marketing and operation, develop end-to-end business processes and improve the internal operation efficiency. It will stick to the bottom line of compliance and integrity, carry out integrity operation and high-quality development and continuously deliver high-quality products and services to users.

(IV) Potential risks

Applicable Not applicable

Set out below are three major potential risks that the Company may be exposed to:

1. Changes in the international trade environment may have effects on the import and export business of automobile manufacturers;
2. With the rapid development of intelligent and networking automobiles, new energy vehicles, intelligent driving and other technologies, automobile enterprises are required to accelerate their R&D inputs to avoid risks on outdated technology and declining market competitiveness;
3. Digital development has resulted in far-reaching impacts on the automobile market. It facilitated overall reform in business models, product management, decision making and marketing strategies and reshaped the competition pattern in the automobile industry.

Section 4 Management Discussion and Analysis

In light of the above potential risks, the Company has taken the following major measures:

1. Firmly adhering to the global development path: The Company has sped up in the implementation of the global strategy of "ONE GWM", embarked on the journey for sales volume of the second 1 million units in overseas markets and established comprehensive market layout in Europe, ASEAN, Latin America, Middle East, Australia, South Africa and other regions, facilitating Great Wall Motor to accelerate in expanding to wider global markets;
2. Comprehensively transforming towards new energy vehicles: The Company focused on opportunities in new energy vehicles, increased market sales, developed star products, enhanced development investment return management, the lifecycle management and the iteration management on modules, displayed the scale effect and bolstered the industrial efficiency;
3. The Company pushed forward the development of the forest-like ecosystem for new energy and intelligence, sped up technology iteration and innovation to launch more competitive products in the market;
4. The Company has comprehensively transformed towards intelligence with 5G + AI digital twin technology by developing digital production capabilities, intelligent service capabilities and digital corporate management capability.

(V) Others

Applicable Not applicable

VII. DETAILS OF AND REASONS FOR THE ISSUES NOT DISCLOSED BY THE COMPANY IN ACCORDANCE WITH THE STANDARDS DUE TO INAPPLICABILITY OR OTHER SPECIAL REASONS SUCH AS INVOLVEMENT OF STATE OR COMMERCIAL SECRETS

Applicable Not applicable

Section 5 Report of the Board

The Group is principally engaged in the design, research and development, manufacturing and sale as well as distribution of SUVs, sedans, pick-up trucks and automobile-related parts and components. There was no significant change in the nature of the Group's principal business during the Year.

The subsidiaries of the Company established in the PRC during the year ended 31 December 2023 or in previous years are limited companies.

I. DISCUSSION AND ANALYSIS OF THE BOARD CONCERNING THE OPERATION OF THE COMPANY DURING THE REPORTING PERIOD

Please refer to the "Discussion and Analysis of the Business Operation" in item I and "The Principal Operation during the Reporting Period" in item V of Section 4 of this report.

II. DISCUSSION AND ANALYSIS OF THE BOARD CONCERNING THE FUTURE DEVELOPMENT OF THE COMPANY

Please refer to "Discussion and Analysis concerning the Future Development of the Company" in item VI of Section 4 of this report.

III. RESULTS AND DIVIDENDS

The Group's operating results for the year ended 31 December 2023 and the financial positions of the Company and the Group for the year ended 31 December 2023 are set out in the audited financial statements.

Details of distribution of the final dividend for the year ended 31 December 2023 are set out under "Profit Distribution Plan or Plan for Capitalisation of Capital Reserves" of Section 7 "Corporate Governance" of this report.

IV. SHARE CAPITAL

Details of movements of the share capital of the Company as at 31 December 2023, together with the reasons for such movements, are set out under "Changes in Shares and Shareholders" of Section 10 of this report.

V. FIXED ASSETS

Details of the fixed assets of the Group and the Company as at 31 December 2023 are set out in the audited financial report.

VI. PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights that require the Company to offer new shares to its existing shareholders on a pro rata basis under the Articles of Association or the Company Law.

VII. RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company, its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors, supervisors and chief executives of the Company to receive benefits by means of the acquisition of shares in, or debentures of, the Company or any other legal entities.

VIII. DISTRIBUTABLE RESERVE

As audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the net profit attributable to the shareholders of the Company for the year 2023 amounted to RMB7,021,559,679.84, and the undistributed profits of the Company as at 31 December 2023 amounted to RMB52,728,780,842.33. The Company proposed to distribute cash dividends for the year 2023 to all of the shareholders in an amount of RMB0.30 (tax inclusive) per share with the total share capital as at the record date for implementation of the profit distribution less the number of shares in the Company's specific securities account for repurchase after the completion of repurchase of shares as the basis of dividend distribution. The distribution is subject to the approval at the 2023 annual general meeting of the Company (to be held on 10 May 2024), and after the approval at this annual general meeting, the dividends for H Shares will be paid on or about 26 June 2024 to the Shareholders whose names appear on the H Shares register of members of the Company as at the close of business on 4 June 2024, and the record date for the cash dividend entitlement of the A Shareholders will be determined after this annual general meeting.

IX. MAJOR CUSTOMERS AND SUPPLIERS

Please refer to the paragraphs headed "The Principal Operation during the Reporting Period" under item V of Section 4 of this report.

X. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

A list of the Company's directors, supervisors and senior management who held office during the Year and up to the date of this report and their biographies are set out in the paragraphs headed "Directors, Supervisors, and Senior Management" under item IV of Section 7 of this report.

XI. MATERIAL CONTRACTS

During the Reporting Period, the Group did not have any material contract directly entered into with the controlling shareholder or any of its subsidiaries under Appendix D2 to the Hong Kong Listing Rules, nor did the Group have any material contract under which the controlling shareholder or any of its subsidiaries would provide services for the Group.

Please refer to the paragraphs headed "Disposal of major assets and equity interest" under item V "The Principal Operation during the Reporting Period" in Section 4 of this report.

XII. MANAGEMENT CONTRACTS

No contract concerning the management or administration of the Company's entire business or material business was entered into during the Year.

Section 5 Report of the Board

XIII. DIRECTORS' AND SUPERVISORS' INTERESTS IN SECURITIES

As at 31 December 2023, the interests and short positions of each of the directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning as defined in Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in Section 352 of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules, are as follows:

Name of director/ supervisor	Capacity/ nature of interest	Number of shares	Approximate percentage of A Shares (%)	Approximate percentage of H Shares (%)	Approximate percentage of total number of shares (%)
Mr. Wei Jian Jun	Interests in controlled companies	5,115,000,000 (L) (A Shares)	82.81	–	60.19
Mr. Wei Jian Jun	Interests in controlled companies	37,998,500 (L) (H Shares)	–	1.27	0.45
Total		5,152,998,500 (L) (A Shares and H Shares)	–	–	60.64
Mr. Zhao Guo Qing	Beneficial owner	1,035,000 (L) (A Shares)	0.17	–	0.01
Ms. Li Hong Shuan	Beneficial owner and interests of spouse	300,223 (L) (A Shares)	0.000	–	0.00
Mu Feng	Beneficial owner	900,900 (L) (A Shares)	0.01	–	0.01

Note: (L) denotes a long position in shares of the Company

As at 31 December 2023, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) was controlled by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) which was in turn controlled by Mr. Wei Jian Jun. Accordingly, pursuant to the SFO, Mr. Wei Jian Jun is deemed to be interested in the 5,115,000,000 A Shares held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and 37,998,500 H Shares held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司).

As at 31 December 2023, Ms. Li Hong Shuan held 118,123 A Shares of the Company and was interested in 100,000 A Shares granted under the 2023 A Share ESOP and her spouse Mr. Wang Xiao Zu held 82,100 A Shares of the Company. Pursuant to the SFO, Ms. Li Hong Shuan is deemed to be interested in 300,223 A Shares.

Save as disclosed above, so far as the directors of the Company are aware, as at 31 December 2023, none of the directors, supervisors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in Section 352 of the SFO or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. For this purpose, the relevant provisions of the SFO shall be construed as if they were applicable to the supervisors.

XIV. INTERESTS IN CONTROLLED COMPANIES

As at 31 December 2023, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) was controlled by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) which was in turn controlled by Mr. Wei Jian Jun. Accordingly, pursuant to the SFO, Mr. Wei Jian Jun was deemed to be interested in the 5,115,000,000 A Shares held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and the 37,998,500 H Shares held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司).

Save as disclosed above, so far as the directors of the Company are aware, as at 31 December 2023, none of the directors, supervisors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in Section 352 of the SFO or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. For this purpose, the relevant provisions of the SFO shall be construed as if they were applicable to the supervisors.

XV. SHAREHOLDING STRUCTURE AND NUMBER OF SHAREHOLDERS

Please refer to Section 10 “Changes in Shares and Shareholders” of this report.

XVI. SHARES HELD BY SUBSTANTIAL SHAREHOLDERS (SFO REQUIREMENTS)

Please refer to Section 10 “Changes in Shares and Shareholders” of this report.

Section 5 Report of the Board

XVII. PUBLIC FLOAT

Based on the public information available to the Company prior to the publication of this report and to the knowledge of the directors of the Company, the directors of the Company confirmed as at 31 December 2023, there was sufficient public float with approximately 39.36% of the issued share capital of the Company held by the public.

XVIII. CONNECTED TRANSACTIONS

During the Year, the Group has entered into connected transactions and continuing connected transactions with its connected persons. The independent non-executive directors have reviewed the relevant continuing connected transactions and confirmed that such continuing connected transactions have been entered into:

1. in the ordinary and usual course of business of the Group;
2. either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties;
3. in accordance with the relevant agreements governing them; and
4. on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditor of the Company performed work in accordance with the regulations in the Hong Kong Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to the Practice Note 740 – Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants, and issued a letter dated 28 March 2024 to the Board of the Company to confirm the relevant procedures performed by the auditor of the Company on continuing connected transactions. The conclusion of the Company’s auditor in the letter is summarised as follows:

- a. to its knowledge and belief, all of the disclosed continuing connected transactions have been approved by the Board of the Company.
- b. to its knowledge and belief, the transactions of the Group for provision of goods or services are in compliance with the Company’s pricing policies in all material aspects.
- c. to its knowledge and belief, the transactions are in compliance with the terms of agreements of relevant transactions in all material aspects.
- d. to its knowledge and belief, none of the disclosed continuing connected transactions set out below exceeds the relevant annual caps disclosed in the previously published announcements of the Company and set out below.

For details of the connected transactions, please refer to item XII “Material Related Party Transactions” of Section 9 of this report.

The connected transactions and continuing connected transactions conducted by the Group during the Year have been complied with the reporting, annual review, announcement and independent shareholders’ approval as required under Chapter 14A of the Hong Kong Listing Rules.

XIX. REMUNERATION POLICIES

The Remuneration Committee is responsible for reviewing the remuneration policies for directors and senior management of the Group and determining the remuneration packages for directors and senior management.

Directors

The Company determines the remuneration of the directors with regard to certain factors, including their business competitiveness in their respective professions, their duties and the performance of the Company. The remuneration package includes basic salaries, bonuses, incentives and benefits in kind.

Non-executive directors

The remuneration of each of the non-executive directors (including the independent non-executive directors) is no less than RMB40,000 per annum.

Employees

Employees are remunerated on the basis of their performance, experience and prevailing industry practices. The Group’s remuneration policies and packages are reviewed on a regular basis to ensure the competitiveness of the remuneration in recruiting, retaining and motivating employees. Bonuses and incentives may also be awarded to employees based on their individual performance as incentives and rewards.

Pension (endowment insurance) plan

In accordance with relevant statutory requirements, employees of the Group are required to join a pension plan operated by the local government. Under such plan, the Group is required to make contribution at a fixed percentage of the salaries of its employees. In 2023, basic endowment insurance payable by the Group amounted to RMB1,176,089,422.24 (2022: RMB1,091,443,920.44). For the details of the implementation policies on employee salaries and the pension plan, please refer to the notes to the financial statements.

Section 5 Report of the Board

XX. UNCLAIMED DIVIDENDS

As at 31 December 2023, the Company's unclaimed dividends are shown below:

Dividends	Unclaimed dividends (number of cases)	Unclaimed amount (in HK\$)
2017 final dividends	58	72,947.56
2018 final dividends	60	118,724.44
2019 final dividends	58	119,853.86
2020 interim dividends	62	124,593.98
2021 interim dividends	62	132,180.13
2021 final dividends	60	28,436.33
2022 final dividends	59	116,139.98

Save for the provisions under the Articles of Association in relation to handling unclaimed dividends, the Company did not enter into any agreements with any shareholders for waiving or agreeing to waive the dividends of the Company.

XXI. MATERIAL LITIGATIONS

During the Year, the Company was not involved in any material litigation.

XXII. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

1. Repurchase of H Shares

On 8 February 2023, the Company held the first extraordinary general meeting in 2023, the first H Shareholders' class meeting in 2023 and the first A Shareholders' class meeting in 2023, at which the Resolution on the Refreshment of General Mandate of the Company to Repurchase H Shares was considered and approved, pursuant to which the Company was granted to repurchase the Company's H Shares during the relevant period with the total par value not exceeding 10% of H Shares in issue (equivalent to 251,119,900 H Shares) as at the date of the first extraordinary general meeting in 2023, the first H Shareholders' class meeting in 2023 and the first A Shareholders' class meeting in 2023.

In February 2023, the Company repurchased 192,423,000 H Shares from the Hong Kong Stock Exchange. The highest purchase price was HKD12.42 per share, and the lowest price was HKD10.1 per share with a total amount of funds used of HKD2,197,847,281 (net of transaction expenses). The above repurchased shares were cancelled on 9 March 2023.

The directors consider that as the price of the Company's H Shares was undervalued when the aforesaid repurchase was implemented, the Company implemented the aforesaid repurchase of H Shares in accordance with the Hong Kong Listing Rules to boost the undervalued price of H Shares. The directors believe that the above repurchase of H Shares is beneficial to the Company and its shareholders, and in the best interest of the Company and its shareholders.

2. Repurchase of A Restricted Shares

During the Reporting Period, the Company conducted the repurchase of A Restricted Shares and registered the cancellation of such repurchased shares with Shanghai Branch of China Securities Depository and Clearing Corporation Limited. For details, please refer to “Changes in Shares and Shareholders” in Section 7 of this report.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company as at 31 December 2023.

XXIII. CORPORATE GOVERNANCE

To the knowledge of the Board, except for the deviation disclosed below, the Company has complied with all the principles and code provisions in the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules during the Reporting Period.

Code provision F.2.2 in the Corporate Governance Code provides the Chairman of the Board should attend the annual general meeting of the Company. Mr. Wei Jian Jun was unable to attend the annual general meeting held on 16 June 2023 due to other important business engagement. In his absence, the annual general meeting was chaired by Ms. Li Hong Shuan (with sufficient caliber for answering questions at the annual general meeting), who liaised with Mr. Wei Jian Jun on all key matters prior to the meeting. Mr. Wei Jian Jun was also debriefed on the meeting and any matters arising to ensure any matters raised at the annual general meeting were followed up and considered by the Board.

XXIV. ENVIRONMENT AND SOCIAL RESPONSIBILITIES

During the Reporting Period, the Company has complied with the relevant laws and regulations that have a significant impact on the Company, and undertaken a multi-dimensional social responsibility, including the corresponding responsibilities for stakeholders such as shareholders, employees, consumers and community environment.

For details of environmental policy and social responsibility during the Year, please refer to the Corporate Social Responsibility Report for 2023 of Great Wall Motor Company Limited 《長城汽車股份有限公司 2023 年度社會責任報告》 disclosed by the Company on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk) at the same time as this report was published.

XXV. DESCRIPTION OF OTHER MATTERS

During the Reporting Period, the Company has complied with relevant laws and regulations including but not limited to the Hong Kong Listing Rules, the Shanghai Stock Exchange Listing Rules, the Securities and Futures Ordinance, the Company Law, and the Securities Law that have significant impacts on the Company.

Section 5 Report of the Board

Key relationships with employees, customers, and suppliers:

- (1) Details of the staff of the Company and the related remuneration policy and training programmes are set out in Section 7 “Corporate Governance” of this Report;
- (2) The Company maintains a good relationship with its customers. The Company continually provides high quality automobile products to customers, and optimizes its products from time to time through technical advancement to increase customer satisfaction; and
- (3) The Group maintains a good relationship with its suppliers. The Company continues to perfect its procurement process and mechanism. Not only does the Company reinforce its supplier management, but it also insists on the business principles of integrity and trustworthiness to enhance communications with suppliers by all available means, with the goal of seeking mutual benefit and prosperity for all.

XXVI. AUDIT COMMITTEE

The Company has set up the Audit Committee for the purposes of reviewing and supervising the financial reporting process and internal control of the Group. The Audit Committee comprises three independent non-executive directors and one non-executive director of the Company. At the meeting held on 27 March 2024, the Audit Committee reviewed the 2023 annual report and financial report of the Group and gave their opinions and recommendations to the Board of the Company. The Audit Committee is of the opinion that the 2023 annual report and financial report of the Company comply with the applicable accounting standards and the Company has made appropriate disclosure thereof.

XXVII. REMUNERATION COMMITTEE

The Remuneration Committee of the Company comprises two independent non-executive directors and one executive director. The Remuneration Committee is responsible for making recommendations on the remuneration policies in relation to the directors and senior management of the Company, and determining the remuneration packages of executive directors and senior management, including benefits in kind, pensions and compensation payments.

XXVIII. NOMINATION COMMITTEE

The Nomination Committee of the Company comprises two independent non-executive directors and one executive director. The Nomination Committee is responsible for making recommendations to the Board regarding its size and composition based on business activities, asset scale and shareholding structure of the Company and making recommendations to the Board about the standards and procedures for selecting directors and management members.

XXIX. STRATEGY AND SUSTAINABLE DEVELOPMENT COMMITTEE

The Strategy and Sustainable Development Committee of the Company comprises two executive directors, one non-executive director and two independent non-executive directors. The Strategy and Sustainable Development Committee makes recommendations to the management from time to time in accordance with the prevailing market environment and changes in policies and is responsible for researching and making recommendations on the Company’s long-term development strategies and material investment decisions.

XXX. COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by all directors. Having made specific enquiry to the directors and based on the information available, the Board is of the opinion that all directors have complied with the provisions under the Model Code during the Year.

XXXI. AUDITOR

Deloitte Touche Tohmatsu Certified Public Accountants LLP was the Company's external auditor for the year ended 31 December 2023. A resolution for the re-appointment of Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's external auditor will be proposed at the annual general meeting. There was no change in the auditor of the Company in any of the preceding three years. For details, please refer to Section 7 "Corporate Governance" of this report.

XXXII. TAX AND TAX RELIEF

Shareholders of the Company are taxed in accordance with the following tax regulations and the amendments thereof from time to time. They shall enjoy possible tax relief according to the actual situation. The following cited laws, regulations and normative documents are extracted from relevant provisions issued and effective as at 31 December 2023. Shareholders should seek professional advice from their tax and legal advisors on specific tax payment or impact thereof if necessary.

Holders of A Shares:

Pursuant to Notice on Differentiated Individual Income Tax Policy for Stock Dividends of Listed Companies 《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(Cai Shui [2015] No. 101), for shares of listed companies obtained by individuals from public offerings or the market, where the holding period exceeds one year, the dividends shall be exempted from individual income tax; where the holding period is less than one month (inclusive), the dividends shall be counted as taxable income in the full amount; where the holding period is more than one month and less than one year (inclusive), 50% of the dividends shall be counted as taxable income on a provisional basis. The individual income tax rate of 20% shall be applicable for all incomes mentioned above.

Pursuant to Notice on Withholding and Paying Enterprise Income Tax Matters Concerning PRC Domestic Enterprise Paying Dividends, Bonuses and Interests to QFII 《關於中國居民企業向 QFII 支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(Guo Shui Han [2009] No. 47), for qualified foreign institutional investors, the Company shall withhold and pay enterprise income tax at a tax rate of 10%. If the relevant Shareholders consider their dividends enjoy tax treaty (arrangement) benefits, such Shareholders may apply for tax refund on their own to the competent tax authorities in accordance with the provisions after obtaining dividends.

Section 5 Report of the Board

Holders of H Shares:

Pursuant to Enterprise Income Tax Law of the People's Republic of China 《中華人民共和國企業所得稅法》 and its implementation rules, any PRC domestic enterprise which pays dividends to non-resident enterprise overseas H shareholder shall withhold and pay enterprise income tax at tax rate of 10%. Pursuant to Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 《關於國稅發[1993]045 號文件廢止後有關個人所得稅徵管問題的通知》 (Guo Shui Han [2011] No. 348) and the letter of the Stock Exchange titled "Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies" dated 4 July 2011, when the domestic non-foreign invested companies which are listed in Hong Kong distribute dividends to their shareholders, the shareholders in general will be subject to individual income tax at the rate of 10%, unless otherwise specified under tax laws, regulations and other normative documents, as well as relevant tax treaties or arrangements.

Under the current practice of relevant tax authorities, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Investors of Shanghai-Hong Kong Stock Connect Program:

According to the relevant provisions of the Notice on Tax Policy Concerning the Pilot Inter-connected Mechanism for Trading on the Stock Markets of Shanghai and Hong Kong 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》 (Cai Shui [2014] No.81) and the Notice on Tax Policy Concerning the Pilot Inter-connected Mechanism for Trading on the Stock Markets of Shenzhen and Hong Kong 《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》 (Cai Shui [2016] No.127) jointly issued by the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission, with regard to the dividends obtained by mainland individual investors from investment in the H Shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, the Company will withhold their individual income tax at the rate of 20%. As to the withholding tax having been paid abroad, an individual investor may file an application for tax credit with the competent tax authority of China Securities Depository and Clearing Corporation Limited with an effective credit document. With respect to the dividends obtained by mainland securities investment funds from investment in the shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, the Company will withhold their income tax with reference to the provisions concerning the collection of tax on individual investors. With regard to the dividends obtained by mainland enterprise investors from investment in the shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, such amount shall be included in their total income and subject to enterprise income tax according to law. The Company will not withhold income tax on dividends obtained by mainland enterprise investors, and mainland enterprise investors shall file their income tax returns and pay tax themselves instead.

Section 6 Report of the Supervisory Committee

To all shareholders:

During the year 2023, all members of the Supervisory Committee of the Company adhered strictly to the requirements of the Company Law of the PRC and the Articles of Association, discharged their supervisory duties in accordance with the relevant regulations and, actively as well as cautiously, proceeded with various initiatives to safeguard the interests of the Company and all its shareholders based on the principle of integrity. The Supervisory Committee played an effective role in ensuring the formalised operation and sustainable development of the Company.

I. MEETINGS AND RESOLUTIONS OF THE SUPERVISORY COMMITTEE

Session of meeting	Date of meeting	Resolution
The 48th meeting of the seventh session of the Supervisory Committee	17 February 2023	The Resolution on Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on Adjusting the Cap for Related-party Transactions for Leases (Long-term) in the Ordinary Course of Business in 2023, and the Resolution on the Proposed Annual Cap for Connected Transactions for Leases (Long-term) in 2023 were considered and approved
The 49th meeting of the seventh session of the Supervisory Committee	30 March 2023	The Resolution on the Audited Financial Accounting Report for 2022, the Resolution on the Work Report of the Supervisory Committee for 2022, the Resolution on the Profit Distribution Plan for 2022, the Resolution on the Annual Report for 2022 and Its Summary, the Resolution on the Re-appointment of the Accounting Firm, the Resolution in Relation to the Bill Pool Business to be Carried out by the Company for the Year 2023, the Resolution on the Re-election of Ms. Liu Qian as an Independent Supervisor of the Eighth Session of the Supervisory Committee, the Resolution on the Re-election of Mr. Ma Yu Bo as an Independent Supervisor of the Eighth Session of the Supervisory Committee, the Resolution on the 2022 Annual Internal Control Evaluation Report of Great Wall Motor Company Limited, the Resolution on the 2022 Social Responsibility Report of Great Wall Motor Company Limited, the Resolution on the Purchase of Wealth Management Products, and the Resolution on the Deposit and Actual Use of Annually Raised Funds in 2022 were considered and approved

Section 6 Report of the Supervisory Committee

Session of meeting	Date of meeting	Resolution
The 50th meeting of the seventh session of the Supervisory Committee	31 March 2023	The Resolution on Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on Cancellation of Certain Share Options under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company, and the Resolution on Cancellation of Certain Share Options under the First Grant and Reserved Grant of the 2021 Share Option Incentive Scheme of the Company were considered and approved
The 51st meeting of the seventh session of the Supervisory Committee	14 April 2023	The Resolution on the Achievement of the Unlocking Conditions of the Third Tranche of Restricted Shares under the First Grant and the Second Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, and the Resolution on the Fulfilment of the Exercise Conditions of Third Exercise Period of Share Options under the First Grant and Second Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company were considered and approved
The 52nd meeting of the seventh session of the Supervisory Committee	21 April 2023	The Resolution on the 2023 First Quarterly Report was considered and approved
The 53rd meeting of the seventh session of the Supervisory Committee	26 April 2023	The Resolution on the 2023 ESOP (Draft) of Great Wall Motor Company Limited and Its Summary, and the Resolution on the Management Measures for the 2023 ESOP of Great Wall Motor Company Limited were considered and approved
The 54th meeting of the seventh session of the Supervisory Committee	8 May 2023	The Resolution on the 2023 ESOP of Great Wall Motor Company Limited (Revised Draft) and Its Summary, and the Resolution on the Management Measures for 2023 ESOP of Great Wall Motor Company (Revised) were considered and approved
The 1st meeting of the eighth session of the Supervisory Committee	16 June 2023	The Resolution on the Election of the Chairman of the Supervisory Committee

Section 6 Report of the Supervisory Committee

Session of meeting	Date of meeting	Resolution
The 2nd meeting of the eighth session of the Supervisory Committee	18 July 2023	The Resolution on Adjustment to the Exercise Price of Share Options under the First Grant and Reserved Grant under the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on Adjustments to the Repurchase Price of Restricted Shares under the First Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the First Grant under the 2021 Share Option Incentive Scheme of the Company, the Resolution on Adjustments to the Repurchase Price of Restricted Shares under the Reserved Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the Reserved Grant under the 2021 Share Option Incentive Scheme of the Company and the Resolution on Adjustment to the Transfer Price of the Employee Stock Ownership Plan for 2023 of the Company were considered and approved
The 3rd meeting of the eighth session of the Supervisory Committee	30 August 2023	The Resolution on the 2023 Interim Report and Its Summary, the Resolution on Not Proposing the Dividends for 2023 Interim Period at the General Meeting, and the Resolution on the Special Report on the Deposit and Actual Use of Semi-annually Raised Funds in 2023 were considered and approved
The 4th meeting of the eighth session of the Supervisory Committee	26 September 2023	The Resolution on Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company, the Resolution on Cancellation of Certain Share Options under the First Grant and Reserved Grant of the 2021 Share Option Incentive Scheme of the Company, and the Resolution on Carrying out Foreign Exchange Derivatives Trading Business were considered and approved
The 5th meeting of the eighth session of the Supervisory Committee	27 October 2023	The Resolution on the 2023 Third Quarterly Report of the Company was considered and approved
The 6th meeting of the eighth session of the Supervisory Committee	30 November 2023	The Resolution on Adjusting the Cap for the Related-party (Connected) Transactions in the Ordinary Course of Business in 2023 was considered and approved

Section 6 Report of the Supervisory Committee

Session of meeting	Date of meeting	Resolution
The 7th meeting of the eighth session of the Supervisory Committee	12 December 2023	The Resolution on the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited (Draft) and Its Summary, the Resolution on the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited (Draft) and Its Summary, the Resolution on the Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, the Resolution on the Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited, the Resolution on the Measures for the Administration of the Long-term Incentive Mechanism of Great Wall Motor Company Limited, the Resolution on the 2023 Second ESOP of Great Wall Motor Company Limited (Draft) and Its Summary, and the Resolution on the Measures for the Administration of the 2023 Second ESOP of Great Wall Motor Company Limited were considered and approved
The 8th meeting of the eighth session of the Supervisory Committee	29 December 2023	The Resolution on the Ordinary Related-party Transactions with Spotlight Automotive was considered and approved

Section 6 Report of the Supervisory Committee

II. TASKS OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD

During the Reporting Period, the members of the Supervisory Committee not only attended the regular Board meetings of the Company in 2023, but also duly supervised and monitored the financial affairs of the Company, operation decisions made by the management, operation of the Company in accordance with the law and the discharge of duties by the directors and the senior management of the Company. The Supervisory Committee is of the opinion that:

1. The Company and its subsidiaries were not involved in any violation of the Company Law, the Articles of Association, the relevant accounting standards, and the laws and regulations of the PRC during their operation in 2023. Related party transactions of the Company were fair and reasonable, and did not prejudice the interests of other shareholders and the Company, nor were there any significant deficiencies in the design or execution of the Company's internal control system. The Company's internal control system was sound and effectively executed.
2. The directors and senior management of the Company have discharged their duties with commitment, due observance of the law, well-regulated management, innovation, and high regard for all shareholders' interest during 2023 and there was no violation of the Company Law, the Articles of Association, the relevant accounting standards, and the laws and regulations of the PRC.
3. The accounting firm issued a standard and unqualified auditor's report. The Company's financial statements reflected a true view of the financial positions of the Group and the Company as at 31 December 2023, and the results of the Group for the year then ended.
4. The Company disclosed information strictly in accordance with relevant provisions of the regulatory authorities and its information disclosure system. The information disclosed by the Company was true, accurate and complete. There was no information which should be disclosed but was not disclosed by the Company.

By Order of the Supervisory Committee

Lu Cai Juan

Supervisor

Hebei Province, the PRC, 28 March 2024

Section 7 Corporate Governance

I. DESCRIPTION OF CORPORATE GOVERNANCE

√ Applicable Not applicable

Pursuant to the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》), the Hong Kong Listing Rules and other relevant laws and regulations as well as the normative documents, the Company has developed a corporate governance system comprising the general meeting, the Board, the Supervisory Committee and the management, forming a mechanism of mutual coordination and checks and balances characterized by a clear division of power and responsibility between the governing, decision-making and supervisory bodies and the management, and well-regulated operations. There is no significant difference between the corporate governance of the Company and the Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and other normative documents issued by CSRC. According to domestic and international regulatory requirements, the Company has modified and improved the Articles of Association and related rules to regulate its operations, strengthen its information disclosure system, and improve its investor relations management on an on-going basis.

In terms of system development, to ensure compliance operation, the Company has made amendments to the Articles of Association of Great Wall Motor Company Limited (《長城汽車股份有限公司章程》), the Rules of Procedure for General Meetings of Great Wall Motor Company Limited (《長城汽車股份有限公司股東大會議事規則》), the Rules of Procedure for Meetings of the Board of Directors of Great Wall Motor Company Limited (《長城汽車股份有限公司董事會議事規則》), the Working System for Independent Directors of Great Wall Motor Company Limited (《長城汽車股份有限公司獨立董事工作制度》), the Annual Report Working System for Independent Directors of Great Wall Motor Company Limited (《長城汽車股份有限公司獨立董事年報工作制度》), the Implementation Rules for the Audit Committee under the Board of Great Wall Motor Company Limited (《長城汽車股份有限公司董事會審計委員會實施細則》), the Working System for the Remuneration Committee under the Board of Great Wall Motor Company Limited (《長城汽車股份有限公司董事會薪酬委員會工作制度》) and the Working System for the Nomination Committee under the Board of Great Wall Motor Company Limited (《長城汽車股份有限公司董事會提名委員會工作制度》) pursuant to the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Guidelines for Self-Regulation of Listed Companies of the Shanghai Stock Exchange No. 1 – Standardized Operations after taking into account the actual situations of the Company.

In terms of information disclosure, the Company has strictly complied with the relevant listing rules of all the listing places to perform its information disclosure obligations in accordance with the standards of “truth, accuracy, completeness, timeliness, fairness and effectiveness”. In September 2023, the Company received a level-B information disclosure rating for the year 2022-2023 from the SSE.

In terms of investor relations, the Company has been promoting the continuous and steady production and operation in the principle of building vehicles with good faith since its listing. It was successively included in Huatai-Pinebridge CSI 300, E Fund CSI 300, Harvest CSI 300, ChinaAMC CSI 300 and other key indexes as sample shares and has garnered continued attention from domestic and overseas institutional investors, as well as small and medium investors for a long time. The Securities Investment Department of the Company formulated the Administrative Rules on Information Disclosure of Great Wall Motor Company Limited and the Administrative Rules on Investor Relations of Great Wall Motor Company Limited in line with the principles of legality, compliance and timeliness.

Section 7 Corporate Governance

During the Reporting Period, the Company actively carried out investor relations management through diverse forms such as live broadcasting, online teleconferences, special communications at auto shows and investors' field research. The results presentation meetings after releasing the annual report and the interim report attracted a total of over 1,100 participants. With the continuous achievement of the operating results of the Company in recent years, the attention of small and medium investors have been increasing. To enhance the communications with small and medium investors, the Company replied a total of 271 questions raised by investors through the SSE E-interactive platform and interpreted approximately 600 investor information through the special line for investors during the Reporting Period. In addition, the Company actively responded to the requirements of the China Association for Public Companies and organized 20 investor education activities so as to ensure that concerns of small and medium investors are also addressed.

Reasons should be provided for any significant discrepancies among the corporate governance of the Company, administrative laws, and the regulations on the governance of listed companies required by the CSRC

Applicable Not applicable

Section 7 Corporate Governance

II. SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY IN TERMS OF ASSETS, PERSONNEL, FINANCE, INSTITUTIONS AND BUSINESS, AS WELL AS THE SOLUTIONS, WORK SCHEDULE AND FOLLOW-UP WORK PLANS ADOPTED TO ADDRESS THE IMPACT ON THE INDEPENDENCE OF THE COMPANY

Applicable Not applicable

Situations where the controlling shareholders, de facto controllers and other units under their control engaging in the same or similar business as that of the Company, and the impact of same-business competition or major changes in same-business competition on the Company, the solutions taken, the progress of the solutions and the follow-up solution plans

Applicable Not applicable

III. SUMMARY OF THE GENERAL MEETINGS

Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
The first extraordinary general meeting in 2023	8 February 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	8 February 2023	The Resolution on Reconsidering the Framework Agreement and Considering the Amended Agreement III entered with Spotlight Automotive, and the Resolution on the Refreshment of General Mandate to Repurchase H Shares of the Company were considered and approved
The first H Shareholders' class meeting in 2023	8 February 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	8 February 2023	The Resolution on the Refreshment of General Mandate to Repurchase H Shares of the Company was considered and approved
The first A Shareholders' class meeting in 2023	8 February 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	8 February 2023	The Resolution on the Refreshment of General Mandate to Repurchase H Shares of the Company was considered and approved
The second extraordinary general meeting in 2023	17 March 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	17 March 2023	The Resolution on the Adjustments to the Performance Appraisal Targets under the 2021 Restricted Share Incentive Scheme, the Resolution on the Adjustments to the Performance Appraisal Targets under the 2021 Share Option Incentive Scheme, the Resolution on the Amendments to the Appraisal Management Measures for Implementation of the 2021 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, and the Resolution on the Amendments to the Appraisal Management Measures for Implementation of the 2021 Share Option Incentive Scheme of Great Wall Motor Company Limited were considered and approved

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Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
The second H Shareholders' class meeting in 2023	17 March 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	17 March 2023	The Resolution on the Adjustments to the Performance Appraisal Targets under the 2021 Restricted Share Incentive Scheme, the Resolution on the Adjustments to the Performance Appraisal Targets under the 2021 Share Option Incentive Scheme, the Resolution on the Amendments to the Appraisal Management Measures for Implementation of the 2021 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, and the Resolution on the Amendments to the Appraisal Management Measures for Implementation of the 2021 Share Option Incentive Scheme of Great Wall Motor Company Limited were considered and approved
The second A Shareholders' class meeting in 2023	17 March 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	17 March 2023	The Resolution on the Adjustments to the Performance Appraisal Targets under the 2021 Restricted Share Incentive Scheme, the Resolution on the Adjustments to the Performance Appraisal Targets under the 2021 Share Option Incentive Scheme, the Resolution on the Amendments to the Appraisal Management Measures for Implementation of the 2021 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, and the Resolution on the Amendments to the Appraisal Management Measures for Implementation of the 2021 Share Option Incentive Scheme of Great Wall Motor Company Limited were considered and approved
The third extraordinary general meeting in 2023	24 April 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	24 April 2023	The Resolution on the 2023 Guarantee Plan, the Resolution in Relation to the Bill Pool Business to be Carried out by the Company for the Year 2023, and the Resolution on the Company's Authorisation to Conduct Banking Business were considered and approved

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Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
2022 annual general meeting	16 June 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	16 June 2023	The Resolution on the Audited Financial Accounting Report for 2022, the Resolution on the Work Report of Board of Directors for 2022, the Resolution on the Profit Distribution Plan for 2022, the Resolution on the Annual Report for 2022 and Its Summary, the Resolution on the Work Report of Independent Directors for 2022, the Resolution on the Work Report of the Supervisory Committee for 2022, the Resolution on the Corporate Operation Strategy for 2023, the Resolution on the Reappointment of the Accounting Firm, the Resolution on the 2023 ESOP of Great Wall Motor Company Limited (Revised Draft) and Its Summary, the Resolution on the Management Measures for the 2023 ESOP of Great Wall Motor Company (Revised), the Resolution on the Proposal to the General Meeting of Shareholders to Authorize the Board to Deal with Matters in Relation to the 2023 ESOP, the Resolution on Granting the General Mandate to the Board to Issue A Shares and H Shares, the Resolution on Granting the General Mandate to the Board to Repurchase A Shares and H Shares, the Resolution on the Amendments to the Articles of Association of the Company, the Resolution on the Election of Executive Directors and Non-executive Directors of the Eighth Session of the Board, the Resolution on the Re-election of Mr. Wei Jian Jun as an Executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Mr. Zhao Guo Qing as an Executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Ms. Li Hong Shuan as an Executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Mr. He Ping as a Non-executive Director of the Eighth Session of the Board, the Resolution on the Election of Independent Non-executive Directors of the Eighth Session of the Board, the Resolution on the Re-election of Ms. Yue Ying as an Independent Non-executive Director of the Eighth Session of the Board, the Resolution on the Election of Mr. Tom Siulun Chau as an Independent Non-executive Director of the Eighth Session of the Board, the Resolution on the Election of Mr. Fan Hui as an Independent Non-executive Director of the Eighth Session of the Board, the Resolution on the Election of Supervisors of the Eighth Session of the Supervisory Committee, the Resolution on the Re-election of Ms. Liu Qian as an Independent Supervisor of the Eighth Session of the Supervisory Committee, and the Resolution on the Re-election of Mr. Ma Yu Bo as an Independent Supervisor of the Eighth Session of the Supervisory Committee were considered and approved

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Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
The third H Shareholders' class meeting in 2023	16 June 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	16 June 2023	The Resolution on Granting the General Mandate to the Board of Directors to Repurchase A Shares and H Shares was considered and approved
The third A Shareholders' class meeting in 2023	16 June 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	16 June 2023	The Resolution on Granting the General Mandate to the Board of Directors to Repurchase A Shares and H Shares was considered and approved

Shareholders holding preference shares with restored voting rights requesting the convening of extraordinary general meeting

Applicable Not applicable

Description of general meeting

Applicable Not applicable

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IV. DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT

(I) The change in shareholdings and remuneration of existing and resigned/retired directors, supervisors and senior management during the Reporting Period

√ Applicable Not applicable

Unit: share(s)

Name	Position (Note)	Gender	Age	Term commencement date	Term expiration date	No. of shares held at the beginning of the Year	No. of shares held at the end of the Year	(+/-) in shareholdings during the Year	Reason for changes	Total remuneration before tax from the Company during the Reporting Period (RMB0'000)	Whether receiving remuneration from related parties of the Company
Wei Jian Jun	Chairman and Executive Director	Male	60	16 June 2023	15 June 2026	0	0	0	-	575.71	No
Zhao Guo Qing	Vice Chairman and Deputy General Manager	Male	46	16 June 2023	15 June 2026	1,035,000	1,035,000	0	-	326.39	No
Li Hong Shuan	Executive Director, Chief Financial Controller, Secretary to the Board and Joint Company Secretary	Female	40	16 June 2023	15 June 2026	172,123	118,123	-54,000	See note 1	173.07	No
He Ping	Non-executive Director	Male	47	16 June 2023	15 June 2026	0	0	0		6.00	No
Fan Hui	Independent Non-executive Director	Male	45	16 June 2023	15 June 2026	0	0	0		3.25	No
Tom Siulun Chau	Independent Non-executive Director	Male	58	16 June 2023	15 June 2026	0	0	0		7.32	No
Yue Ying	Independent Non-executive Director	Female	52	16 June 2023	15 June 2026	0	0	0		6.00	No
Li Wan Jun	Independent Non-executive Director	Male	60	12 June 2020	16 June 2023	0	0	0		2.75	No
Ng Chi Kit	Independent Non-executive Director	Male	50	12 June 2020	16 June 2023	0	0	0		6.19	No
Lu Cai Juan	Chairman of Supervisory Committee	Female	56	16 June 2023	15 June 2026	0	0	0		39.91	No
Liu Qian	Supervisor	Female	42	16 June 2023	15 June 2026	0	0	0		2.02	No
Ma Yu Bo	Supervisor	Male	39	16 June 2023	15 June 2026	0	0	0		2.02	No
Mu Feng	General Manager	Male	48	16 June 2023	15 June 2026	900,900	900,900	0		447.14	No
Total	/	/	/	/	/				/	1,597.77	/

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Notes:

1. Pursuant to 2021 Restricted Share Incentive Scheme and subject to the achievement of performance at company level, the repurchase and cancellation of 54,000 restricted A Shares held by Ms. Li Hong Shuan was completed on 7 June 2023. Before the cancellation, Ms. Li Hong Shuan held 172,123 restricted A Shares of the Company, and she held 118,123 restricted A Shares after the cancellation.

Ms. Li Hong Shuan was allocated units of the 2023 A Share ESOP of the Company (100,000 shares) on 16 June 2023, and Ms. Li Hong Shuan was allocated units of the 2023 Second A Share ESOP of the Company (480,000 shares) on 26 January 2024, which will be settled in kind (share) or cash when vesting in the future.

2. Mr. Zhao Guo Qing was allocated units for 600,000 shares of the 2023 Second A Share ESOP of the Company on 26 January 2024, which will be settled in kind (share) or cash when vesting in the future.
3. On 26 January 2024, the Company granted 8,000,000 restricted A Shares to Mr. Mu Feng, the general manager, the registration of which was completed on 20 February 2024. As at 20 February 2024, Mr. Mu Feng held a total of 1,700,900 restricted A Shares; on 26 January 2024, Mr. Mu Feng was allocated units for 400,000 shares of the 2023 Second A Share ESOP of the Company, which will be settled in kind (share) or cash when vesting in the future.

Name	Major working experience
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Wei Jian Jun	Mr. Wei Jian Jun (魏建軍先生) (“Mr. Wei”) , aged 60, is the chairman and executive director of the Company. He graduated from the Committee College of Hebei Province of the PRC Communist Party (中共河北省委黨校) in 1999 majoring in corporate management studies. Mr. Wei joined Baoding Great Wall Motor Industry Company (保定長城汽車工業公司) (the predecessor of the Company) as the general manager in 1990. He has been the chairman of the Company since June 2001. He is responsible for the overall strategic planning and business development of the Group. Mr. Wei was appointed as a representative to the Ninth and Tenth National People’s Congress of Hebei Province, as well as a representative to the Eighteenth National Congress of the Communist Party of China. Mr. Wei is concurrently the chairman and general manager of the Company’s substantial shareholder, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司).
Zhao Guo Qing	Mr. Zhao Guo Qing (趙國慶先生) (“Mr. Zhao”) , aged 46, is the vice chairman, an executive director, and a deputy general manager of the Company. He joined the Company in 2000 and acted as the director of the lean promotion department, the deputy director of the technology research institute, the director of the supporting facilities management department and the deputy supervisor of the technology centre. He is currently responsible for Mind Electronics Company Limited. He has been acting as the deputy general manager of the Company since June 2010, and as the vice chairman and executive director of the Company since 18 March 2022.
Li Hong Shuan	Ms. Li Hong Shuan (李紅栓女士) (“Ms. Li”) , aged 40, is an executive director, the chief financial officer and the secretary to the Board of the Company. She is qualified as a PRC registered accountant. She joined the Company in 2007 and engaged in financial management for 17 years. Ms. Li has worked as an assistant to the division head of the finance division of the Company and the chief financial controller of Baoding Great Wall Holdings Co., Ltd. She has presided over the establishment and reform of financial organization as well as the establishment and implementation of financial system and risk control system in the holding group. Ms. Li has been acting as the chief financial officer of the Company since June 2020, as an executive director of the Company since 18 March 2022 and as the secretary to the Board and the joint company secretary of the Company since 23 September 2022.

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Name	Major working experience
He Ping	<p>Mr. He Ping (何平先生) (“Mr. He”), aged 47, is a non-executive director of the Company. He graduated from Fudan University (復旦大學) with a major in international economic law in 1997 and obtained a bachelor’s degree in law. Since June 1997, Mr. He had worked in the investment banking headquarters of China Southern Securities Company Limited (南方證券有限責任公司). From March 2002 to December 2005, Mr. He successively acted as the deputy general manager and general manager of the investment banking headquarters of GuoDu Securities Company Limited (國都證券有限責任公司). Mr. He was appointed as the director of the investment department of Beijing Hony Future Investment Advisor Ltd. (北京弘毅遠方投資顧問有限公司) in December 2010. From October 2012 to April 2014, Mr. He was redesignated as the general manager of the risk control and compliance department. Mr. He was appointed as an executive director and the general manager of Wuhu Zhuohui Chuangshi Investment Management Company Limited (蕪湖卓輝創世投資管理有限公司) since October 2014. Mr. He has been acting as a director of Changchun Changsheng Bio-Technology Co., Ltd. (長春長生生物科技有限責任公司) since October 2015, and has been acting as a non-executive director of the Company since May 2002.</p>
Yue Ying	<p>Ms. Yue Ying (樂英女士) (“Ms. Yue”), aged 52, is an independent non-executive director of the Company. She is an associate professor. Ms. Yue graduated from North China Electric Power University with a major in mechanical manufacturing technology and equipment in 1993 and obtained a master’s degree in engineering from the university in 1996, and serves as its teaching staff. Ms. Yue obtained a doctoral degree in thermal engineering from the university in 2011. She is currently an associate professor of the university’s department of mechanical engineering. Ms. Yue has been acting as an independent non-executive director of the Company since June 2020.</p>
Fan Hui	<p>Mr. Fan Hui (范輝先生) (“Mr. Fan”), aged 45, is a certified public accountant in the PRC. He graduated from the Department of Taxation of the Central University of Finance and Economics with a major in taxation in 2000, and graduated from the Beijing Technology and Business University with a major in accounting in 2003. From September 2000 to May 2005, Mr. Fan served as a senior project manager at Pan-China Certified Public Accountants. From June 2005 to April 2010, he served as a senior manager at Deloitte Touche Tohmatsu Certified Public Accountants. From May 2010 to December 2012, he served as a vice president at JD Capital Co., Ltd. (昆吾九鼎投資管理有限公司). From January 2013 to November 2015, he served as the executive vice president and the chairman of the Investment Decision-making Committee of Capital East Coast International (東海岸國際投資(北京)有限公司). Since December 2015, he has served as a founding partner of Econowledge Capital Co., Ltd. (易科縱橫投資管理(北京)有限公司). Since July 2018, he has been serving as an executive director at Beijing Quanfang Huitong Investment Management Co., Ltd. (北京全方匯通投資管理有限公司). Since June 2020, he has been serving as an independent director at Noble Family Wine And Liquor Co., Ltd. (名品世家酒業連鎖股份有限公司) (a company listed on the NEEQ, stock code: 835961). Since September 2021, he has been serving as an independent director at XuZhou ZM-Besta Heavy Steel Structure Co., Ltd. (徐州中煤百甲重鋼科技股份有限公司) (a company listed on the Beijing Stock Exchange, stock code:835857). From January 2022 to April 2023, he has been serving as an independent director at Aura International Education Technology Co., Ltd. (北京光環國際教育科技股份有限公司) (a company listed on the NEEQ, stock code: 838504). On 19 January 2023, he was appointed as an independent non-executive director of YH Entertainment Group (樂華娛樂集團) (a company listed on the Hong Kong Stock Exchange, stock code: 2306). Mr. Fan has been serving as an independent non-executive Director of the Company since 16 June 2023.</p>

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Name	Major working experience
Tom Siulun Chau	Mr. Tom Siulun Chau (鄒兆麟先生) (“Mr. Chau”) , aged 58, is qualified as solicitor in Hong Kong and England and Wales. Mr. Chau graduated from The University of Hong Kong with a Bachelor of Arts degree (Honors) in 1987, and obtained a Postgraduate Certificate in Laws from The University of Hong Kong in 1994. Mr. Chau was a fellow of the Hong Kong Chartered Governance Institute with the designations of Chartered Secretary and Corporate Governance Professional by the Institute. Mr. Chau has been a Council Member of the Institute since 2021. Mr. Chau joined Herbert Smith Freehills LLP in 1997, became a partner of the firm in 2006, and served as the Head and Chief Representative of the firm’s Beijing representative office from 2011 to November 2022. He is currently a partner of Haiwen & Partners LLP. Mr. Chau is mainly engaged and specializes in practice areas including the listing of mainland Chinese companies in Hong Kong, secondary equity and debt financing, mergers and acquisitions, restructuring and spin-offs, corporate governance, ESG disclosure and compliance matters of listed companies. Mr. Chau has been serving as an independent non-executive Director of the Company since 16 June 2023.
Li Wan Jun	Mr. Li Wan Jun (李萬軍) (“Mr. Li”) , aged 60, is an independent non-executive director of the Company. He is a member of the Communist Party. He obtained a master’s degree in management and is a senior accountant, certified public accountant and registered tax advisor. Mr. Li has acted as an independent director of Shijiazhuang Changshan Beiming Technology Co., Ltd. (石家莊常山北明科技股份有限公司) since October 2018. He worked as a partner of Asia Pacific (Group) CPAs (special general partnership) (亞太(集團)會計師事務所(特殊普通合夥)), and the legal representative, manager and an executive director of Hebei Liqin Tax Accountant Office Co., Ltd. (河北力勤稅務師事務所有限公司) from February 2013 to September 2022. Mr. Li served as an independent non-executive director of the Company from May 2017 to June 2023.
Ng Chi Kit	Mr. Ng Chi Kit (吳智傑) (“Mr. Ng”) , aged 50, is an independent non-executive director of the Company. Mr. Ng graduated from the Hong Kong Polytechnic University in Hong Kong with a Bachelor of Arts in Accountancy in November 1997. Mr. Ng has been an associate member of Hong Kong Institute of Certified Public Accountants since January 2003 and a fellow member of the Association of Chartered Certified Accountants since June 2006. From March 2000 to December 2009, Mr. Ng worked in the Assurance and Advisory Business Services Department of Ernst & Young and was a senior manager of Ernst & Young from October 2006 to November 2009. From December 2010 to February 2017, Mr. Ng acted as a non-executive director and a member of the audit committee of Chaowei Power Holdings Limited, and was redesignated as an independent non-executive director on 10 February 2017. He is responsible for oversight of financial management and reporting. From December 2013 to July 2022, Mr. Ng acted as the chief financial officer and the company secretary of Suchuang Gas Corporation Limited. Since February 2019, he has been acting as an independent director of Frontier Biotechnologies (Nanjing) Inc. (前沿生物藥業(南京)股份有限公司). Since June 2020, he has been acting as an independent non-executive director of Immunotech Biopharm Ltd (永泰生物製藥有限公司). Mr. Ng served as an independent non-executive director of the Company from May 2017 to June 2023.
Lu Cai Juan	Ms. Lu Cai Juan (盧彩娟女士) (“Ms. Lu”) , aged 56, a certified public accountant in the PRC, joined the Company in 2003 and has been engaged in financial management for 19 years. Ms. Lu used to serve as the director of the financial department of the Company, leading the financial management, fiscal and tax risk prevention and control tasks of the Company, and now serves as an expert in the Company’s financial analysis and management. Since 12 May 2021, she has served as the Company’s employee representative supervisor and Chairman of the Supervisory Committee.

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Name	Major working experience
Liu Qian	Ms. Liu Qian (劉倩女士) (“Ms. Liu”) , aged 42, is an associate professor, and a supervisor of the Company. She graduated from Hebei University with a bachelor’s degree in statistics in 2003 and a master’s degree in statistics in 2006. Since July 2003, she has been teaching in the Statistics Department of the College of Economics of Hebei University. Ms. Liu has been serving as a supervisor of the Company since May 2019.
Ma Yu Bo	Mr. Ma Yu Bo (馬宇博先生) (“Mr. Ma”) , aged 38, has a PhD degree in economics. Mr. Ma received his bachelor’s degree from College of Economics and Management, Taiyuan University of Technology (太原理工大學經濟管理學院) in 2009, his master’s degree in Economics from the Business School of the University of Queensland (澳大利亞昆士蘭大學商學院) in 2012, and his doctoral degree in economics from the School of Economics, Hebei University (河北大學經濟學院) in 2020. He has been teaching in Hebei Finance University (河北金融學院) since July 2013. Mr. Ma has been serving as a supervisor of the Company since 29 October 2021.
Mu Feng	Mr. Mu Feng (穆峰先生) (“Mr. Mu”) , aged 48, is currently mainly responsible for the overall management of the Company. He joined the Company in 2007 and served as the head of research and development, the head of product strategy and the head of whole vehicle business of the Company. Besides, Mr. Mu is currently responsible for the management of the technology research and development branch of the Company, and is the executive director and legal representative of Shanghai Great Wall Motor Technology Co., Ltd., and the executive director and legal representative of Zhangjiagang Great Wall Motor Research and Development Co., Ltd., all of which are wholly-owned subsidiaries of the Company. Mr. Mu has been serving as the general manager of the Company since 24 July 2022.

Additional Information

Applicable Not applicable

Directors’ and Supervisors’ Service Agreements and Letters of Appointment

The Company entered into service agreements with each of the executive directors and supervisors in 16 June 2023, and entered into appointment letters with each of the non-executive directors and independent non-executive directors in June 2023. Pursuant to the above service agreements and appointment letters, the term of directors is three years expiring upon the expiry of the eighth session of the Board, and that of supervisors will expire upon the expiry of the eighth session of the Supervisory Committee. Save as disclosed above, none of the directors or supervisors had entered into or proposed to enter into any other service contracts with the Company or its subsidiaries or any service contracts not determinable by the employer within one year without payment of compensation (other than statutory compensation).

Independence of Independent Non-Executive Directors

All independent non-executive directors have provided the Company with annual confirmation as to their independence as independent non-executive directors pursuant to Rule 3.13 of the Hong Kong Listing Rules during their terms of appointment. The Company has received from each of its independent non-executive directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Hong Kong Listing Rules. Based on such confirmation, the Company considers all independent non-executive directors to be independent.

Interests of Controlling Shareholders, Directors and Supervisors in Material Contracts

None of the controlling shareholders or their subsidiaries, directors or supervisors or entities connected with such directors or supervisors was or had been materially interested, whether directly or indirectly, in any contract subsisting during 2023 or at the end of 2023 which was significant to the business of the Company or any of its subsidiaries.

(II) Positions of existing and resigned/retired directors, supervisors and senior management during the Reporting Period

1. Positions held in the Company's shareholders

√ Applicable Not applicable

Name	Name of the Company's shareholders	Positions held in the Company's shareholders	Term commencement date	Term expiration date
Wei Jian Jun	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	Chairman and general manager	1 December 2005	–
Wei Jian Jun	Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司)	Chairman and general manager	31 January 2013	–
Description of positions held in the Company's shareholders	Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) (controlling shareholder of Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)) is an indirect shareholder of the Company; Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經管中心) (shareholder of Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)) is an indirect shareholder of the Company.			

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2. Positions held in other entities

√ Applicable □ Not applicable

Name	Name of other entities	Positions held in other entities	Term commencement date	Term expiration date
Wei Jian Jun	Baoding Great Wall Pioneer Enterprise Investment Company Limited (保定市長城創業投資有限公司)	Chairman and general manager	14 April 2004	
Wei Jian Jun	Hebei Baocang Expressway Co. Ltd. (河北保滄高速公路有限公司)	Vice Chairman	22 December 2004	
Wei Jian Jun	Wensheng Technology (Tianjin) Co., Ltd. (穩晟科技(天津)有限公司)	Manager, executive director	9 April 2021	
Wei Jian Jun	Wangsheng Management Consulting (Tianjin) Co., Ltd. (旺盛管理諮詢(天津)有限公司)	Manager, executive director	6 April 2021	
Wei Jian Jun	Honeycomb Energy Technology Company Limited (蜂巢能源科技股份有限公司)	Director	22 March 2021	
Wei Jian Jun	Wuxi Jidian Optical Energy Technology Co., Ltd. (無錫極電光能科技有限公司)	Director	10 December 2021	
Wei Jian Jun	Haomo Zhixing Technology Co., Ltd. (毫末智行科技有限公司)	Director	26 February 2021	
Zhao Guo Qing	Spotlight Automotive Limited (光束汽車有限公司)	Chairman	27 December 2019	
Li Hong Shuan	Honeycomb Investment Management (Shandong) Co., Ltd. (蜂巢投資管理(山東)有限公司)	Director	19 August 2021	
Li Hong Shuan	Shanghai Fengyun Private Equity Fund Management Co., Ltd. (上海蜂雲私募基金管理有限公司)	Director	22 July 2021	
He Ping	Wuhu Zhuohui Chuangshi Investment Management Ltd. (蕪湖卓輝創世投資管理有限公司)	Executive director/ general manager	22 October 2014	
He Ping	Changchun Changsheng Bio-Technology Co., Ltd. (長春長生生物科技有限責任公司)	Director	22 October 2015	
He Ping	Beijing Zhuochuang Xinda Investment Management Co., Ltd. (北京卓創信達投資管理有限公司)	Manager/executive director	15 August 2016	
He Ping	Wuhu Zhuohui Zengrui Investment Management Center (Limited Partnership) (蕪湖卓輝增瑞投資管理中心(有限合夥))	Representative appointed by executive partner	27 October 2016	
He Ping	Ningbo Zhuohui Rongrui Equity Investment Partnership (Limited Partnership) (寧波卓輝榮瑞股權投資合夥企業(有限合夥))	Actual controller	23 December 2016	

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Name	Name of other entities	Positions held in other entities	Term commencement date	Term expiration date
He Ping	Ningbo Zhuohui Guanrui Equity Investment Partnership (Limited Partnership) (寧波卓輝冠瑞股權投資合夥企業(有限合夥))	Actual controller	21 June 2017	
He Ping	Wuhu Zhuohui Shengjing Investment Management Center (Limited Partnership) (蕪湖卓輝盛景投資管理中心(有限合夥))	Representative appointed by executive partner Actual controller	10 October 2014	
He Ping	Qushui Zhuorui Venture Capital Partnership (Limited Partnership) (曲水卓瑞創業投資合夥企業(有限合夥))	Representative appointed by executive partner	19 September 2014	
He Ping	Wuhu Zhuohui Chuangjing Equity Investment Center (Limited Partnership) (蕪湖卓輝創景股權投資中心(有限合夥))	Representative appointed by executive partner	3 July 2023	
He Ping	Wuhu Zhuohui Chuangyu Equity Investment Center (Limited Partnership) (蕪湖卓輝創域股權投資中心(有限合夥))	Representative appointed by executive partner	3 July 2023	
Li Wan Jun	Shijiazhuang Changshan Beiming Technology Co., Ltd. (石家莊常山北明科技股份有限公司)	Independent director	October 2018	
Li Wan Jun	Hebei Liqin Tax Accountant Office Co., Ltd. (河北力勤稅務師事務所有限公司)	Manager/executive director	8 August 2018	
Fan Hui	Econowledge Capital Co., Ltd. (易科縱橫投資管理(北京)有限公司)	Founding partner	December 2015	
Fan Hui	Beijing Quanfang Huitong Investment Management Co., Ltd. (北京全方匯通投資管理有限公司)	Executive director	July 2018	
Fan Hui	Noble Family Wine and Liquor Co., Ltd. (名品世家酒業連鎖股份有限公司)	Independent director	June 2020	
Fan Hui	Xuzhou ZM-Besta Heavy Steel Structure Co., Ltd. (徐州中煤百甲重鋼科技股份有限公司)	Independent director	September 2021	
Fan Hui	Aura International Education Technology Co., Ltd. (北京光環國際教育科技股份有限公司)	Independent director	January 2022	April 2023
Fan Hui	YH Entertainment Group (樂華娛樂集團)	Independent non-executive director	January 2023	
Fan Hui	Guangdong Logen Robotics Co., Ltd. (廣東羅庚機器人有限公司)	Director	February 2017	
Ng Chi Kit	Suchuang Gas Corporation Limited (蘇創燃氣股份有限公司)	Chief financial officer/ company secretary	December 2013	July 2022
Ng Chi Kit	Chaowei Power Holdings Limited (超威動力控股有限公司)	Independent non-executive director	February 2017	

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Name	Name of other entities	Positions held in other entities	Term commencement date	Term expiration date
Ng Chi Kit	Frontier Biotechnologies (Nanjing) Inc. (前沿生物藥業(南京)股份有限公司)	Independent director	26 February 2019	25 February 2022
Ng Chi Kit	Immunotech Biopharm Ltd (永泰生物製藥有限公司)	Independent non-executive director	6 June 2020	
Mu Feng	Haomo Zhixing Technology Co., Ltd. (毫末智行科技有限公司)	Director	26 October 2023	
Description of positions in other entities	–			

(III) Remuneration of directors, supervisors and senior management

√ Applicable Not applicable

Decision-making process for determining remuneration of directors, supervisors and senior management	The Board has set up the Remuneration Committee, which conducts evaluation of directors and senior management according to the performance appraisal standards and procedures, and makes reasonable recommendations on remuneration of directors and senior management based on their evaluation results and the Company's operating results.
Whether directors abstain from voting when discussing their remuneration matters at the meeting of the Board	Not applicable
Particulars of recommendations made by the Remuneration and Appraisal Committee or the special meeting of independent directors on the remuneration of directors, supervisors and senior management	During the Reporting Period, the Company convened the 22nd meeting of the seventh session of the Remuneration Committee on 30 March 2023, at which all members of the committee unanimously passed the proposal on the remuneration of directors of the eighth session of the Board upon voting.
Basis for determining remuneration of directors, supervisors and senior management	According to the Company's remuneration policy, the annual remuneration of directors, supervisors and senior management is paid by the Company on a monthly basis. Year-end bonuses are given to executive directors and senior management based on the Company's operating results and appraisal results at the end of the year.

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Remuneration actually paid to directors, supervisors and senior management

For the actual amount paid to directors, supervisors and senior management according to the above-mentioned principles, please refer to the table under (I) “The change in shareholdings and remuneration of existing and resigned/retired directors, supervisors and senior management during the Reporting Period” of item IV “DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT” in this section.

Total remuneration actually received by all the directors, supervisors and senior management at the end of the Reporting Period

As at the end of the Reporting Period, the total amount of remuneration actually received by all the directors, supervisors and senior management from the Company was RMB15,977,700.

(IV) Change in the Company’s directors, supervisors and senior management

√ Applicable Not applicable

Name	Position held	Change	Reason of change
Wei Jian Jun	Chairman, Executive Director	Elected	Re-appointed for election of new session
Zhao Guo Qing	Vice Chairman, Executive Director, Deputy General Manager	Elected	Re-appointed for election of new session
Li Hong Shuan	Executive Director, Chief Financial Officer, Secretary to the Board and Joint Company Secretary	Elected	Re-appointed for election of new session
He Ping	Non-executive Director	Elected	Re-appointed for election of new session
Yue Ying	Independent Non-executive Director	Elected	Re-appointed for election of new session
Fan Hui	Independent Non-executive Director	Elected	Re-appointed for election of new session
Tom Siulun Chau	Independent Non-executive Director	Elected	Re-appointed for election of new session
Li Wan Jun	Independent Non-executive Director	Resigned	Not re-appointed upon expiry of his term of office
Ng Chi Kit	Independent Non-executive Director	Resigned	Not re-appointed upon expiry of his term of office
Lu Cai Juan	Chairman of the Supervisory Committee	Elected	Re-appointed for election of new session
Liu Qian	Supervisor	Elected	Re-appointed for election of new session
Ma Yu Bo	Supervisor	Elected	Re-appointed for election of new session
Mu Feng	General Manager	Appointed	Re-appointed for election of new session

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(V) Penalties imposed by securities regulatory authorities in the last three years

Applicable Not applicable

(VI) Others

Applicable Not applicable

V. INFORMATION ABOUT THE BOARD MEETINGS HELD DURING THE REPORTING PERIOD

Session of meeting	Date of meeting	Resolution of the meeting
The 56th meeting of the seventh session of the Board	16 January 2023	The Resolution on the Refreshment of General Mandate to Repurchase H Shares of the Company, the Resolution on Convening the First Extraordinary General Meeting for 2023, the First H Shareholders' Class Meeting for 2023 and the First A Shareholders' Class Meeting for 2023 were considered and approved
The 57th meeting of the seventh session of the Board	2 February 2023	The Resolution on the Preliminary Results for 2022 was considered and approved
The 58th meeting of the seventh session of the Board	17 February 2023	The Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of 2020 Restricted Shares and Share Option Incentive Scheme, the Resolution on Adjusting the Cap for Related-party Transactions for Leases (Long-term) in the Ordinary Course of Business in 2023 and the Resolution on the Proposed Annual Cap for Connected Transactions for Leases (Long-term) in 2023 were considered and approved
The 59th meeting of the seventh session of the Board	23 February 2023	The Resolution on Convening the Second Extraordinary General Meeting for 2023, the Second H Shareholders' Class Meeting for 2023 and the Second A Shareholders' Class Meeting for 2023 was considered and approved
The 60th meeting of the seventh session of the Board	29 March 2023	The Resolution on Refraining from Downward Adjustments to the Conversion Price of "Great Wall Motor Convertible Bonds" was considered and approved

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Session of meeting	Date of meeting	Resolution of the meeting
The 61st meeting of the seventh session of the Board	30 March 2023	<p>The Resolution on the Audited Financial Accounting Report for 2022, the Resolution on the Work Report of Board of Directors for 2022, the Resolution on the Work Report of General Manager for 2022, the Resolution on the Profit Distribution Plan for 2022, the Resolution on the Annual Report for 2022 and Its Summary, the Resolution on the Annual Results Announcement for 2022, the Resolution on the Work Report of Independent Directors for 2022, the Resolution on the Corporate Operation Strategy for 2023, the Resolution on the Re-appointment of the Accounting Firm, the Resolution on the Work Report of the Audit Committee of the Board for 2022, the Resolution on the 2022 Internal Control Evaluation Report of Great Wall Motor Company Limited, the Resolution on the 2022 Risk Management Report of Great Wall Motor Company Limited, the Resolution on the Audit Report on Internal Control, the Resolution on the 2022 Social Responsibility Report of Great Wall Motor Company Limited, the Resolution on the Implementation of A Share Related Party Transactions and H Share Connected Transactions in 2022, the Resolution on the Company's Authorisation to Conduct Banking Business, the Resolution on the Purchase of Wealth Management Products, the Resolution in Relation to the Plan of Guarantees to be Provided by the Company for the Year 2023, the Resolution in Relation to the Bill Pool Business to be Carried Out by the Company for the Year 2023, the Resolution on the Re-election of Mr. Wei Jian Jun as an Executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Mr. Zhao Guo Qing as an Executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Ms. Li Hong Shuan as an Executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Mr. He Ping as a Non-executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Ms. Yue Ying as an Independent Non-executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Mr. Tom Siulun Chau as an Independent Non-executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Mr. Fan Hui as an Independent Non-Executive Director of the Eighth Session of the Board, the Resolution on the Deposit and Actual Use of Annually Raised Funds in 2022, the Resolution in Relation to General Mandate to the Board to Issue A Shares and H Shares, the Resolution in Relation to General Mandate to the Board to Repurchase A Shares and H Shares, the Resolution on the Change in the Registered Capital and the Amendments to the Articles of Association, the Resolution on Convening the Third Extraordinary General Meeting for 2023, and the Resolution on Convening the Annual General Meeting and the Class Meetings for 2022 were considered and approved</p>

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Session of meeting	Date of meeting	Resolution of the meeting
The 62nd meeting of the seventh session of the Board	31 March 2023	The Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Cancellation of Certain Share Options under the First Grant and Reserved Grant of 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company, and the Resolution on the Cancellation of Certain Share Options under the First Grant and Reserved Grant of the 2021 Share Option Incentive Scheme of the Company were considered and approved
The 63rd meeting of the seventh session of the Board	14 April 2023	The Resolution on the Achievement of the Unlocking Conditions of the Third Tranche of Restricted Shares under the First Grant and the Second Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, and the Resolution on the Fulfilment of the Exercise Conditions of Third Exercise Period of Share Options under the First Grant and Second Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company were considered and approved
The 64th meeting of the seventh session of the Board	21 April 2023	The Resolution on the 2023 First Quarterly Report was considered and approved
The 65th meeting of the seventh session of the Board	26 April 2023	The Resolution on the 2023 ESOP of Great Wall Motor Company Limited (Draft) and Its Summary, the Resolution on the Management Measures for the 2023 ESOP of Great Wall Motor Company Limited, and the Resolution on the Proposal to the General Meeting of Shareholders to Authorize the Board to Deal with Matters in Relation to the 2023 ESOP were considered and approved

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Session of meeting	Date of meeting	Resolution of the meeting
The 66th meeting of the seventh session of the Board	8 May 2023	The Resolution on the 2023 ESOP of Great Wall Motor Company Limited (Revised Draft) and its Summary, the Resolution on the Management Measures for the 2023 ESOP of Great Wall Motor Company Limited (Revised) and the Resolution on the Proposal to the General Meeting of Shareholders to Authorize the Board to Deal with Matters in Relation to the 2023 ESOP were considered and approved
The 67th meeting of the seventh session of the Board	25 May 2023	The Resolution on the Amendments to the Articles of Association and the Resolution on Convening the Annual General Meeting for 2022, the Third H Shareholders' Class Meeting for 2023 and the Third A Shareholders' Class Meeting for 2023 were considered and approved
The 1st meeting of the eighth session of the Board	16 June 2023	The Resolution on the Election of the Chairman and Vice Chairman of the Eighth Session of the Board of the Company, the Resolution on the Appointment of Senior Management Member of the Company and the Resolution on the Election of the New Session of the Audit Committee, Remuneration Committee, Nomination Committee, Strategy and Sustainable Development Committee of the Company were considered and approved
The 2nd meeting of the eighth session of the Board	14 July 2023	The Resolution on Estimated Results for the Interim Period of 2023 was considered and approved
The 3rd meeting of the eighth session of the Board	18 July 2023	The Resolution on the Adjustments to the Exercise Price of the Share Options under the First Grant and Reserved Grant under the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Adjustments to the Repurchase Price of Restricted Shares under the First Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the First Grant under the 2021 Share Option Incentive Scheme of the Company, the Resolution on the Adjustments to the Repurchase Price of Restricted Shares under the Reserved Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the Reserved Grant under the 2021 Share Option Incentive Scheme of the Company, and the Resolution on the Adjustment to the Transfer Price of the Employee Stock Ownership Plan for 2023 of the Company were considered and approved

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Session of meeting	Date of meeting	Resolution of the meeting
The 4th meeting of the eighth session of the Board	30 August 2023	The Resolution on the 2023 Interim Results of the Company, the Resolution on the 2023 Interim Report and Its Summary, the Resolution on Not Proposing the Dividends for 2023 Interim Period at the General Meeting, and the Resolution on the Special Report on the Deposit and Actual Use of Semi-annually Raised Funds in 2023 were considered and approved
The 5th meeting of the eighth session of the Board	26 September 2023	The Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company, the Resolution on the Cancellation of Certain Share Options under the First Grant and Reserved Grant of the 2021 Share Option Incentive Scheme of the Company, the Resolution on the Amendments to the Management System of Foreign Exchange Derivative Trading Business, and the Resolution on Carrying Out Foreign Exchange Derivatives Trading Business were considered and approved
The 6th meeting of the eighth session of the Board	27 October 2023	The Resolution on the 2023 Third Quarterly Report of the Company, the Resolution on the Appointment of a Securities Affairs Representative of the Company, and the Resolution on Refraining from Downward Adjustments to the Conversion Price of "Great Wall Motor Convertible Bonds" were considered and approved
The 7th meeting of the eighth session of the Board	30 November 2023	The Resolution on Adjusting the Cap for the Related-party (Connected) Transactions in the Ordinary Course of Business in 2023 was considered and approved

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Session of meeting	Date of meeting	Resolution of the meeting
The 8th meeting of the eighth session of the Board	12 December 2023	The Resolution on the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited (Draft) and Its Summary, the Resolution on the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited (Draft) and Its Summary, the Resolution on the Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, the Resolution on the Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited, the Resolution on the Measures for the Administration of the Long-term Incentive Mechanism of Great Wall Motor Company Limited, the Resolution on the Proposal to the General Meeting of Shareholders to Fully Authorize the Board and its Authorized Persons to Deal with Matters in Relation to the 2023 Restricted Share Incentive Scheme, the Resolution on the Proposal to the General Meeting of Shareholders to Fully Authorize the Board and its Authorized Persons to Deal with Matters in Relation to the 2023 Share Option Incentive Scheme, the Resolution on the 2023 Second ESOP of Great Wall Motor Company Limited (Draft) and Its Summary, the Resolution on the Measures for the Administration of the 2023 Second ESOP of Great Wall Motor Company Limited, the Resolution on the Proposal to the General Meeting of Shareholders to Authorize the Board to Deal with Matters in Relation to the 2023 Second ESOP, and the Resolution on Convening the Extraordinary General Meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting for 2024 were considered and approved

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Session of meeting	Date of meeting	Resolution of the meeting
The 9th meeting of the eighth session of the Board	29 December 2023	The Resolution on the Amendments to Articles of Association, the Resolution on the Amendments to Rules of Procedure for General Meeting of the Company, the Resolution on the Amendments to Rules of Procedure for Meetings of the Board of Directors of the Company, the Resolution on the Amendments to Working System for Independent Directors of the Company, the Resolution on the Amendments to the Annual Report Working System for Independent Directors of the Company, the Resolution on the Amendments to the Implementation Rules of the Audit Committee under the Board of the Company, the Resolution on the Amendments to Working System for Remuneration Committee of the Company, the Resolution on the Amendments to Working System for the Nomination Committee of the Company, the Resolution on the Ordinary Related-party Transactions with Spotlight Automotive, and the Resolution on Convening the Extraordinary General Meeting for 2024 were considered and approved

VI. PERFORMANCE OF DUTIES BY DIRECTORS

(I) Attendance of directors at Board meetings and general meetings

Name of director	Independent director or not	No. of meetings during the Year	Attendance at Board meetings				Attendance at general meetings	
			Attendance in person	Attendance by means of communication	Attendance by proxy	Absence	Absent from meetings for two consecutive times or not	Attendance at general meetings
Wei Jian Jun	No	21	21	17	0	0	No	0
Zhao Guo Qing	No	21	21	17	0	0	No	3
Li Hong Shuan	No	21	21	17	0	0	No	10
He Ping	No	21	21	17	0	0	No	0
Yue Ying	Yes	21	21	17	0	0	No	0
Fan Hui	Yes	9	9	7	0	0	No	3
Tom Siulun Chau	Yes	9	9	7	0	0	No	3
Li Wan Jun	Yes	12	12	10	0	0	No	0
Ng Chi Kit	Yes	12	12	10	0	0	No	0

Description of the members of the Board who failed to attend Board meetings in person for two consecutive times

Applicable Not applicable

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No. of Board meetings held during the Year	21
Including: no. of on-site Board meetings	0
No. of Board meetings convened by means of communication	17
No. of Board meetings held both on-site and by communication	4

The Company held ten general meetings in 2023. In particular, two executive directors, one non-executive director and three independent non-executive directors did not attend the first extraordinary general meeting in 2023 and relevant class meetings; one executive director, one non-executive director and three independent non-executive directors did not attend the 2022 annual general meeting and relevant class meetings; two executive directors, one non-executive director and three independent non-executive directors did not attend the second extraordinary general meeting in 2020 and relevant class meetings; two executive directors, one non-executive director and three independent non-executive directors did not attend the third extraordinary general meeting in 2023, and all directors (including independent non-executive directors and non-executive directors) were aware that they had to attend the general meetings and acquire shareholders' opinions.

(II) Disagreement of the directors on matters related to the Company

Applicable Not applicable

(III) Others

Applicable Not applicable

VII. SPECIAL COMMITTEES UNDER THE BOARD

Applicable Not applicable

(1) Members of special committees under the Board

Types of special committees	Name of members
Audit Committee	He Ping, Yue Ying, Li Wan Jun (not re-appointed upon expiry of his term of office on 16 June 2023), Ng Chi Kit (not re-appointed upon expiry of his term of office on 16 June 2023), Fan Hui (appointed on 16 June 2023), Tom Siulun Chau (appointed on 16 June 2023)
Nomination Committee	Wei Jian Jun, Ng Chi Kit (not re-appointed upon expiry of his term of office on 16 June 2023), Yue Ying, Tom Siulun Chau (appointed on 16 June 2023)
Remuneration Committee	Wei Jian Jun, Li Wan Jun (not re-appointed upon expiry of his term of office on 16 June 2023), Yue Ying, Fan Hui (appointed on 16 June 2023)
Strategy and Sustainable Development Committee	Wei Jian Jun, Li Hong Shuan, He Ping, Li Wan Jun (not re-appointed upon expiry of his term of office on 16 June 2023), Yue Ying, Fan Hui (appointed on 16 June 2023)

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(2) The Audit Committee held 7 meetings during the Reporting Period

Date	Meeting content	Important opinions and suggestions	Other performance of duties
29 March 2023	The Resolution on the Independence and Objectivity of External Auditors and Effectiveness of Review Procedures of the Company, the Resolution on the Appointment of Accounting Firm by the Board, the Resolution on the Financial Report for 2022 of the Company, the Resolution on the Annual Report and Its Summary for 2022 of the Company, the Resolution on the Related Party (Connected) Transactions of the Company for 2022, the Resolution on the List of Related Parties (Connected Persons) of the Company for 2022, the Resolution on the Internal Control and Audit Report of the Company for 2022, the Resolution on the Internal Control Evaluation Report of the Company for 2022, the Resolution on the Internal Audit Work Summary of the Company for 2022 and Audit Planning Report for 2023, the Resolution on the Comprehensive Risk Management Report of the Company for 2022, and the Resolution on the Work Report of the Audit Committee of the Board for 2022 were considered and approved	No	No
20 April 2023	The Resolution on the Financial Report of the Company for the First Quarter of 2023 and the Resolution on the Non-Assurance Services of Independent Auditor – Pre-Approval Policies and Procedures were considered and approved	No	No
16 June 2023	The Resolution on the Election of the Chairman of the Committee was considered and approved	No	No

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Date	Meeting content	Important opinions and suggestions	Other performance of duties
29 August 2023	The Resolution on the Independence and Objectivity of External Auditors and Effectiveness of Review Procedures of the Company, the Resolution on the 2023 Interim Financial Report of the Company, the Resolution on the 2023 Interim Report and Its Summary of the Company, the Resolution on the Implementation of Related Party (Connected) Transactions for the Interim Period of 2023, the Resolution on the List of Related Parties (Connected Persons) of the Company for 2023, and the Resolution on the 2023 Interim Internal Audit Work Report of the Company were considered and approved	No	No
26 October 2023	The Resolution on the Financial Report of the Company for the Third Quarter of 2023 was considered and approved	No	No
30 November 2023	The Resolution on Adjusting the Cap for the Related-party (Connected) Transactions in the Ordinary Course of Business in 2023 was considered and approved	No	No
29 December 2023	The Resolution on the Ordinary Related-party Transactions with Spotlight Automotive was considered and approved		

(3) Nomination Committee held 2 meetings during the Reporting Period

Date	Meeting content	Important opinions and suggestions	Other performance of duties
29 March 2023	The Resolution on the Candidates for the 8th Session of the Board was considered and approved	No	No
16 June 2023	The Resolution on the Election of the Chairman of the Committee was considered and approved	No	No

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(4) The Remuneration Committee held 9 meetings during the Reporting Period

Date	Meeting content	Important opinions and suggestions	Other performance of duties
17 February 2023	The Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of 2020 Restricted Share and Share Option Incentive Scheme was considered and approved	No	No
30 March 2023	The Resolution on the Remuneration of Directors of the Company was considered and approved	No	No
31 March 2023	The Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Cancellation of Certain Share Options under the First Grant and the Reserved Grant of 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company, and the Resolution on the Cancellation of Certain Share Options under the First Grant and the Reserved Grant of the 2021 Share Option Incentive Scheme of the Company were considered and approved	No	No
14 April 2023	The Resolution on the Achievement of the Unlocking Conditions of the Third Tranche of Restricted Shares under the First Grant and the Second Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, and the Resolution on the Fulfilment of the Exercise Conditions of Third Exercise Period of Share Options under the First Grant and Second Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company were considered and approved	No	No

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Date	Meeting content	Important opinions and suggestions	Other performance of duties
26 April 2023	The Resolution on the 2023 ESOP of Great Wall Motor Company Limited (Draft) and Its Summary, the Resolution on the Management Measures for the 2023 ESOP of Great Wall Motor Company Limited, and the Resolution on the Proposal to General Meeting of Shareholders to Authorize the Board to Deal with Matters in Relation to the 2023 ESOP were considered and approved	No	No
8 May 2023	The Resolution on the 2023 ESOP of Great Wall Motor Company Limited (Revised Draft) and Its Summary, the Resolution on the Management Measures for the 2023 ESOP of Great Wall Motor Company Limited (Revised), and the Resolution on the Proposal to the General Meeting of Shareholders to Authorize the Board to Deal with Matters in Relation to the 2023 ESOP were considered and approved	No	No
16 June 2023	The Resolution on the Election of the Chairman of the Committee was considered and approved	No	No
26 September 2023	The Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company, and the Resolution on the Cancellation of Certain Share Options under the First Grant and Reserved Grant of the 2021 Share Option Incentive Scheme of the Company were considered and approved	No	No

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Date	Meeting content	Important opinions and suggestions	Other performance of duties
12 December 2023	The Resolution on the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited (Draft) and Its Summary, the Resolution on the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited (Draft) and Its Summary, the Resolution on the Appraisal Management Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, the Resolution on the Appraisal Management Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited, the Resolution on the Measures for the Administration of the Long-term Incentive Mechanism of Great Wall Motor Company Limited, the Resolution on the 2023 Second ESOP of Great Wall Motor (Draft) and Its Summary, and the Resolution on the Measures for the Administration of the 2023 Second ESOP of Great Wall Motor were considered and approved	No	No

(5) Strategy and Sustainable Development Committee held 1 meeting during the Reporting Period

Date	Meeting content	Important opinions and suggestions	Other performance of duties
30 March 2023	The Resolution on the Operation Strategy for 2023 was considered and approved	No	No

(6) Details of any disagreements

Applicable Not applicable

VIII. EXPLANATION OF THE RISK FOUND BY THE SUPERVISORY COMMITTEE

Applicable Not applicable

The Supervisory Committee has no disagreements to the matters under supervision during the Reporting Period.

IX. EMPLOYEES OF THE PARENT AND MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD**(I) Employees**

Number of serving employees of the Parent	39,571
Number of serving employees of major subsidiaries	42,868
Total number of serving employees	82,439
Number of disengaged and retired employees for whom the Parent and its major subsidiaries shall be liable to expenses	63

Composition of employees by profession

Profession	Number
Manufacturing personnel	36,261
Sales personnel	3,856
Technicians	24,157
Financial personnel	1,956
Administrative officers	5,050
Other personnel	11,159
Total	82,439

Education level

Education level	Number (person)
Doctor	65
Master	2,992
Bachelor's degree	32,748
Degree from a technical college	20,203
Secondary schools and below	26,431
Total	82,439

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(II) Remuneration policy

Applicable Not applicable

To effectively stimulate the vitality of the organization and all the staff, and provide driving force for the sustainable development of the Company, the Company has established a self-incentive system based on the human nature towards accountable results and value creation. The Company also formulated a dual-path job position system of management and profession to promote talent development, designed a remuneration structure comprising position salary and performance-based salary according to market practice, which was in line with the remuneration strategy based on position and personal ability. The Company also established a short-term performance-based incentive mechanism with explicit rules of penalties and rewards, to arouse employees' passion for work, boost institutional invigoration and contribute to the achievement of operating goals.

(III) Training Program

Applicable Not applicable

In 2023, Great Wall Motor continuously optimized the global talent training systems, and completed the iteration and reserve of induction, general and management courses through internal development and external introduction. It comprehensively improved the internal trainer incentive mechanism and invited experts in the industry to conduct internal empowerment. At the same time, leveraging on the Happy Study Class (嗨學城), the digital learning platform, Great Wall Motor achieved online/offline efficient learning for all employees, built an empowerment platform to gather, share and inherit its knowledge and experience in undertaking challenges to achieve efficient and convenient business empowerment with scale replication and quick access features.

For details, please refer to the Corporate Social Responsibility Report for 2023 of Great Wall Motor Company Limited 《長城汽車股份有限公司2023年度社會責任報告》 published simultaneously with this report.

(IV) Outsourcing of labour

Applicable Not applicable

X. PROFIT DISTRIBUTION PLAN OR PLAN FOR CAPITALISATION OF CAPITAL RESERVES

(I) Formulation, implementation or adjustment of cash dividend policy

Applicable Not applicable

The Resolution on Amendments to the Articles of Association of Great Wall Motor Company Limited 《關於修改〈長城汽車股份有限公司章程〉的議案》 was considered and approved at the first extraordinary general meeting of the Company in 2015, in which the provisions on profit distribution policy under the Articles of Association were amended and the cash dividend policy of the Company was specified. For details, please refer to Article 189 of the revised Articles of Association, which are available on the websites of Shanghai Stock Exchange (www.sse.com.cn), Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.gwm.com.cn).

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During the Reporting Period, the Resolution on the Profit Distribution Proposal for the year 2022 was considered and approved at the 2023 annual general meeting of the Company dated 16 June 2023, pursuant to which cash dividends for the year ended 31 December 2022 were paid to all of the Shareholders in an amount of RMB0.3 (tax inclusive) per share with the total share capital of the Company as at the record date for the profit distribution less the total number of shares in the specific securities account for repurchase of the Company as the basis of cash dividend distribution (namely 8,454,899,073 shares), amounting to cash dividends of RMB2,536,469,692.20 in total. The Board of the Company published the Announcement of Great Wall Motor Company Limited on Implementation of the Profit Distribution Proposal for the year 2022 《長城汽車股份有限公司 2022 年年度權益分派實施公告》 on China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange on 6 July 2023, and published such announcement in the form of overseas regulatory announcement on the website of Hong Kong Stock Exchange. The profit distribution to A Shareholders was completed on 13 July 2023. In addition, the dividends of H Shareholders of the Company were distributed on 28 July 2023.

(II) Explanation of cash dividend policy

Applicable Not applicable

Whether it complies with the provisions of the Articles of Association or the requirements of the resolution of the general meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the standard and proportion of dividends are clear	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are adequate	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent directors have performed their duties and played their due roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether minority shareholders have the opportunity to fully express their opinions and appeals, and whether their legitimate rights and interests have been fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) If the Company records profits and the Parent has profits distributable to the ordinary shareholders during the Reporting Period, but has not proposed any proposals for cash dividend distribution plans for the ordinary shares, the Company shall disclose the reasons for non-distribution as well as the use of and future plans for the undistributed profits in detail

Applicable Not applicable

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(IV) Proposal of profit distribution and conversion of capital reserve into share capital of the Company during the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: RMB

Number of bonus shares for every 10 shares (share)	0
Dividends for every 10 shares (RMB) (tax inclusive)	3.00
Number of capitalisation shares for every 10 shares (share)	0
Cash dividend (tax inclusive)	2,563,006,902.90
Net profits attributable to ordinary shareholders of the Company in the consolidated financial statements for the year	7,021,559,679.84
Percentage of dividend to net profits attributable to ordinary shareholders of the Company in the consolidated financial statements (%)	36.50
Repurchase of shares in cash included in cash dividend	0
Total cash dividend (tax inclusive)	2,563,006,902.90
Percentage of total dividend to net profits attributable to ordinary shareholders of the Company in the consolidated financial statements (%)	36.50

As audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the net profit attributable to the shareholders of the Company for the year 2023 amounted to RMB7,021,559,679.84, and the undistributed profits of the Company as at 31 December 2023 amounted to RMB52,728,780,842.33.

According to the Guidelines for Self-Regulation of Listed Companies of the Shanghai Stock Exchange No. 7 – Share Repurchase and other regulations, shares in the specific account for repurchase of listed companies are not entitled to profit distribution. The Company proposed to distribute dividends with the total share capital as at the record date for implementation of the profit distribution less the number of shares in the Company's specific securities account for repurchase after the completion of repurchase of shares as the basis of dividend distribution. The profit distribution proposal is as follows:

The Company proposed to distribute cash dividends to all of the shareholders in an amount of RMB0.30 (tax inclusive) per share. As of now, the total share capital of the Company is 8,543,774,986 shares. The base number after deducting the total number of 418,643 shares of the Company in the specific securities account for repurchase is 8,543,356,343 shares. Calculated on this basis, the proposed cash dividends in aggregate to be distributed for the year 2023 are RMB2,563,006,902.90 (tax inclusive). The cash dividends for the year account for 36.50% of the net profit attributable to the shareholders of the Company for the year 2023.

If the total share capital of the Company changes during the period from the date of this proposal to the record date for implementation of the profit distribution, the amount to be distributed per share will remain unchanged while the total amount of dividends to be distributed will be adjusted accordingly.

XI. SHARE INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER INCENTIVES FOR EMPLOYEES AND THEIR EFFECTS

(I) Incentives disclosed in preliminary announcements without subsequent development or changes

√ Applicable Not applicable

Event summary	Inquiry index
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and the 2021 Share Option Incentive Scheme	Details were published in the announcements dated 4 January 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-001) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Implementation of Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Incentive Scheme and 2021 Restricted Share Incentive Scheme	Details were published in the announcements dated 31 January 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-008) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme	Details were published in the announcements dated 2 February 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-009) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Completion of Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Share Incentive Scheme and 2021 Restricted Share Incentive Scheme	Details were published in the announcements dated 3 February 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-013) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Event summary	Inquiry index
Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	Details were published in the announcements dated 17 February 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-019) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	Details were published in the announcements dated 17 February 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-020) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and the 2021 Share Option Incentive Scheme	Details were published in the announcements dated 2 March 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-025) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	Details were published in the announcements dated 31 March 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-046) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Share Options under the First Grant and under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	Details were published in the announcements dated 31 March 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-047) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on 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

Details were published in the announcements dated 31 March 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-048) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Cancellation of Certain Share Options under the First Grant and the Reserved Grant of the 2021 Share Option Incentive Scheme of the Company

Details were published in the announcements dated 31 March 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-049) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares

Details were published in the announcements dated 31 March 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-050) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and the 2021 Share Option Incentive Scheme

Details were published in the announcements dated 3 April 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-051) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Implementation of the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme

Details were published in the announcements dated 11 April 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-053) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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Announcement of Great Wall Motor Company Limited on Completion of Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme	Details were published in the announcements dated 14 April 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-056) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Unlocking and Listing of the Third Tranche of Restricted Shares under the First Grant and the Second Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme	Details were published in the announcements dated 21 April 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-057) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Management Measures for the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited	Details were published in the announcements dated 26 April 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
The Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Draft)	Details were published in the announcements dated 26 April 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Summary of the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Draft)	Details were published in the announcements dated 26 April 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Receiving Inquiry Letter from the Shanghai Stock Exchange on Employee Stock Ownership Plan	Details were published in the announcements dated 26 April 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-064) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on Fulfilment of Exercise Conditions of the Third Exercise Period of Share Options under the First Grant and the Second Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme

Details were published in the announcements dated 27 April 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-065) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme

Details were published in the announcements dated 5 May 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-066) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Amendment Description of 2023 Employee Stock Ownership Plan (Draft) and the Related Documents

Details were published in the announcements dated 8 May 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-067) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Management Measures for the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Revised)

Details were published in the announcements dated 8 May 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

The Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Revised Draft)

Details were published in the announcements dated 8 May 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Summary of the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Revised Draft)

Details were published in the announcements dated 8 May 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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Announcement of Great Wall Motor Company Limited on Implementation of Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Share Incentive Scheme and 2021 Restricted Share Incentive Scheme	Details were published in the announcements dated 2 June 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-079) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme	Details were published in the announcements dated 2 June 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-080) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
The Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited	Details were published in the announcements dated 16 June 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Management Measures for the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited	Details were published in the announcements dated 16 June 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Indicative Announcement of Great Wall Motor Company Limited on Restriction of the Exercise Period of Share Options of the Company	Details were published in the announcements dated 26 June 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-088) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme	Details were published in the announcements dated 4 July 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-091) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on Adjustments to the Exercise Price of Share Options under the First Grant and the Reserved Grant under the 2020 Restricted Share and Share Option Incentive Scheme of the Company

Details were published in the announcements dated 18 July 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-099) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Adjustments to the Repurchase Price of Restricted Shares under the First Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the First Grant under the 2021 Share Option Incentive Scheme of the Company

Details were published in the announcements dated 18 July 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-100) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Adjustments to the Repurchase Price of Restricted Shares under the Reserved Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the Reserved Grant under the 2021 Share Option Incentive Scheme of the Company

Details were published in the announcements dated 18 July 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-101) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Adjustment to the Transfer Price of the Employee Stock Ownership Plan for 2023 of the Company

Details were published in the announcements dated 18 July 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-102) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Indicative Announcement of Great Wall Motor Company Limited on Restriction of the Exercise Period of Share Options of the Company

Details were published in the announcements dated 18 July 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-103) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme	Details were published in the announcements dated 2 August 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-105) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on the Completion of Non-trading Transfer of Shares under the Employee Stock Ownership Plan for 2023	Details were published in the announcements dated 16 August 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-107) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on the Resolution of the First Meeting of the Holders under the Employee Stock Ownership Plan for 2023	Details were published in the announcements dated 25 August 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-108) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme	Details were published in the announcements dated 4 September 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-113) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on 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	Details were published in the announcements dated 26 September 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-118) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on Cancellation of Certain Share Options under the First Grant and the Reserved Grant of the 2021 Share Option Incentive Scheme of the Company

Details were published in the announcements dated 26 September 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-119) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares

Details were published in the announcements dated 26 September 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-120) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme

Details were published in the announcements dated 9 October 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-125) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme

Details were published in the announcements dated 2 November 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-133) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme

Details were published in the announcements dated 4 December 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-138) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Appraisal Measures for Implementation of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited

Details were published in the announcements dated 12 December 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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2023 Share Option Incentive Scheme of Great Wall Motor Company Limited (Draft)	Details were published in the announcements dated 12 December 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited (Draft)	Details were published in the announcements dated 12 December 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Second Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Draft)	Details were published in the announcements dated 12 December 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Appraisal Measures for Implementation of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited	Details were published in the announcements dated 12 December 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on the Summary of the 2023 Restricted Share Incentive Scheme (Draft)	Details were published in the announcements dated 12 December 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-142) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on the Summary of the 2023 Share Option Incentive Scheme (Draft)	Details were published in the announcements dated 12 December 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-143) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Summary of the Second Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Draft)	Details were published in the announcements dated 12 December 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Management Measures for the Second Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited

Details were published in the announcements dated 12 December 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme

Details were published in the announcements dated 3 January 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2024-001) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Completion of Cancellation of Certain Share Options under the First Grant and the Reserved Grant of the 2021 Share Option Incentive Scheme

Details were published in the announcements dated 5 January 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2024-006) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Implementation of Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2021 Restricted Share Incentive Scheme

Details were published in the announcements dated 8 January 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2024-007) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Opinions of the Supervisory Committee on the Verification and the Public Opinions in relation to the Participant List of the First Grant of the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited

Details were published in the announcements dated 19 January 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2024-009) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Participant List of the First Grant of the 2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited

Details were published in the announcements dated 26 January 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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2023 Restricted Share Incentive Scheme of Great Wall Motor Company Limited	Details were published in the announcements dated 26 January 2024 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Self-examination Report of Great Wall Motor Company Limited on the Inside Information Insiders' Trading of Shares of the Company under the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme	Details were published in the announcements dated 26 January 2024 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2024-015) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Adjustments to the Participant List and the Number of Grant of the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme	Details were published in the announcements dated 26 January 2024 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2024-018) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
2023 Share Option Incentive Plan of Great Wall Motor Company Limited	Details were published in the announcements dated 26 January 2024 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Granting Restricted Shares to Incentive Objects of the 2023 Restricted Shares Incentive Plan and Granting Share Options to Incentive Objects of the 2023 Share Option Incentive Plan	Details were published in the announcements dated 26 January 2024 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2024-019) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Second Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited	Details were published in the announcements dated 26 January 2024 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Participant List of the First Grant of the 2023 Share Option Incentive Scheme of Great Wall Motor Company Limited

Details were published in the announcements dated 26 January 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme

Details were published in the announcements dated 2 February 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2024-020) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on the Completion of Non-trading Transfer of the Second Employee Stock Ownership Plan for 2023

Details were published in the announcements dated 19 February 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2024-022) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Adjustment to the Conversion Price of "Great Wall Motor Convertible Bonds" and Suspension of Trading of the Convertible Bonds

Details were published in the announcements dated 21 February 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2024-023) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Results of the First Grant of the 2023 Restricted Share Incentive Scheme and the 2023 Share Option Incentive Scheme

Details were published in the announcements dated 21 February 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2024-024) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme (Revised)

Details were published in the announcements dated 5 March 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2024-025) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on the Resolution of the First Meeting of the Holders under the Second Employee Stock Ownership Plan for 2023

Details were published in the announcements dated 22 March 2024 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2024-028) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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THE RESTRICTED SHARE AND SHARE OPTION INCENTIVE SCHEME AND EMPLOYEE STOCK OWNERSHIP PLAN

A summary of the 2020 Restricted Share and Share Option Incentive Scheme

1. Purpose of the Scheme

To further establish and improve the incentive mechanism, attract and retain talented individuals, fully mobilize the enthusiasm of senior management and other core backbone staff of the Company, bond the interests of shareholders, the Company and core individuals together effectively, improve the Company's operation and management, promote the smooth and rapid improvement of the Company's performance and ensure the successful achievement of the Company's long-term development goals, the Company formulated this the 2020 Restricted Share and Share Option Incentive Scheme (hereinafter referred to as the "2020 Incentive Scheme") in compliance with the provisions of the Company Law, the Securities Law, the Management Measures and other relevant laws, regulations and normative documents and the Articles of Association.

2. Participants of the Scheme

The participants of the Scheme shall be core technical personnel or core business personnel, directors of certain subsidiaries, senior management and other employees that the Company believes should be motivated and have a direct impact on the Company's operation performance and future development (but excluding the Company's independent directors, supervisors, the shareholders individually or in aggregate holding 5% or more of the shares of the Company or the de facto controllers and their spouses, parents or children).

3. Total number of shares available for issue under the Scheme and percentage of issued shares that it represents as at the date of the annual report

The total shares to be granted under 2020 Incentive Scheme shall be 177,178,200, representing 2.09% of the issued shares as at the date of the annual report. It includes 109,757,400 options and 67,420,800 restricted shares, representing 1.29% and 0.79% of the issued shares as at the date of this annual report, respectively.

4. Maximum entitlements of each participant under the Scheme

In the 2020 Incentive Scheme, the cumulative number of the Company's shares obtained by any single participant through the share incentive schemes (including the restricted share scheme and the option scheme) in the validity period has not exceeded 1% of the Company's total shares.

5. Period within which the grantees may exercise share options under the Scheme

Note: See the table of the 2020 Restricted Share and Share Option Incentive Scheme – Options under the First Grant/Options under the Reserved Grant in this section.

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6. Vesting period of the options granted or shares awarded under the Scheme and performance appraisal targets

(1) Vesting period

See the table of the 2020 Restricted Share and Share Option Incentive Scheme – Options under the First Grant/Options under the Reserved Grant; 2020 Restricted Share and Share Option Incentive Scheme – Restricted Shares under the First Grant/Restricted Shares under the Reserved Grant in this section.

(2) Performance appraisal targets

The performance appraisal targets of the restricted shares and the share options under the first grant are set out in the table below:

Selection of performance indicators	Sales volume	Net profit	Threshold
Weights of performance indicators	40%	60%	—
Combined performance coefficient	Σ (actual value of performance indicator/target value of performance indicator) × weight of performance indicator		
First exercise/unlocking period	The sales volume of automobiles of the Company shall not be less than 1.02 million units in 2020	The net profit shall not be less than RMB4.05 billion in 2020	Combined performance coefficient ≥ 1
Second exercise/unlocking period	The sales volume of automobiles of the Company shall not be less than 1.21 million units in 2021	The net profit shall not be less than RMB5.0 billion in 2021	Combined performance coefficient ≥ 1
Third exercise/unlocking period	The sales volume of automobiles of the Company shall not be less than 1.35 million units in 2022	The net profit shall not be less than RMB5.5 billion in 2022	Combined performance coefficient ≥ 1

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The performance appraisal targets of the restricted shares and the share options under the reserved grant are set out in the table below:

Selection of performance indicators	Sales volume	Net profit	Threshold
Weights of performance indicators	40%	60%	—
First exercise/ unlocking period	The sales volume of automobiles of the Company shall not be less than 1.21 million units in 2021	The net profit shall not be less than RMB5.0 billion in 2021	Combined performance coefficient ≥ 1
Second exercise/ unlocking period	The sales volume of automobiles of the Company shall not be less than 1.35 million units in 2022	The net profit shall not be less than RMB5.5 billion in 2022	Combined performance coefficient ≥ 1

Note: The "net profit" mentioned above refers to the audited net profit attributable to shareholders of the Company, and the "sales volume" mentioned above refers to the audited annual sales volume.

7. *The amount payable on application or acceptance of the options or the awards and the period within which payments or calls must be made or loans for application of the options must be repaid*

Not applicable.

8. Basis of determination for the exercise price of the options granted or the purchase price of the shares granted

(1) Method of determination of the grant price of the restricted shares under the first grant

The grant price of the restricted shares under first grant is RMB4.37 per share. The grant price of the restricted shares under first grant shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the shares of the Company (i.e. RMB4.23 per share) on the trading day preceding the date of the announcement of the draft of the 2020 Incentive Scheme;
- ② 50% of the average trading price of the shares of the Company (i.e. RMB4.37 per share) for 120 trading days preceding the date of the announcement of the draft of the 2020 Incentive Scheme.

(2) Method of determination of the grant price of the reserved restricted shares

The grant price of the reserved restricted shares is RMB21.08 per share. The grant price of the reserved restricted shares shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the shares of the Company (i.e. RMB21.08 per share) on the trading day preceding the date of the announcement of the Board resolution on the grant of the reserved restricted shares;
- ② 50% of the average trading price of the shares of the Company (i.e. RMB13.76 per share) for 120 trading days preceding the date of the announcement of the Board resolution on the grant of the reserved shares.

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(3) Method of determination of the exercise price of the share options under the first grant

The exercise price of the share options under the first grant is RMB8.73 per share. The exercise price of the share options under the first grant shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① the average trading price of the shares (i.e. RMB8.45 per share) on the trading day preceding the date of the announcement of the draft of the 2020 Incentive Scheme;
- ② the average trading price of the shares (i.e. RMB8.73 per share) for 120 trading days preceding the date of the announcement of the draft of the 2020 Incentive Scheme.

(4) Method of determination of the exercise price of the share options under the reserved grant

The exercise price of the reserved share options is RMB42.15 per share. The exercise price of the reserved share options shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① the average trading price of the shares (i.e. RMB42.15 per share) on the trading day preceding the date of the announcement of the Board resolution on the grant of the reserved share options;
- ② the average trading price of the shares (i.e. RMB27.52 per share) for 120 trading days preceding the date of the announcement of the Board resolution on the grant of the reserved share options.

9. Remaining validity period of the Scheme

The validity period of the 2020 Incentive Scheme shall commence on the date of the first grant and end on the date of unlocking all the restricted shares granted to the participants or the date of the repurchase and cancellation of such restricted shares and exercising the share options granted to the participants or completing of the cancellation of such share options, which shall not exceed 48 months. The validity period was from 27 April 2020 to 26 April 2024.

10. Fair values of the restricted shares, options and awards as at the grant date and the accounting standards and policies adopted

(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 shall measure the fair value of the restricted shares based on the market prices of the shares. On the measurement date, the fair value of share-based payment per Restricted Share = market price of the shares of the Company – grant price.

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The first grant of the restricted shares took place in 27 April 2020. Based on the data on 27 April 2020, the total amount of fair value of the equity instruments first granted by the Company to the participants is RMB184,373,700.

As estimated above, the total cost of 52,678,200 restricted shares first granted under the 2020 Incentive Scheme is RMB184,373,700 and details of amortization from 2020 to 2023 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)	2020 (RMB0'000)	2021 (RMB0'000)	2022 (RMB0'000)	2023 (RMB0'000)
5,267.82	18,437.37	8,808.97	7,067.66	2,151.03	409.72

Notes:

- ① For the consideration of prudent accounting principle, the cost estimate and amortization above have not taken into consideration the future locking of the restricted shares.
- ② The above results do not represent the final accounting costs. The actual accounting costs are related to the actual grant date, the grant price and the number of grant, as well as the actual effective and lapsed quantities, and the possible dilutive effects are brought to the attention of shareholders.
- 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.
- ④ The accounting treatment of the reserved restricted shares is the same as that of the restricted shares under the first grant.

(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.

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The Company conducted the first grant of share options on 27 April 2020. The Company used the “Black-Scholes” model to measure the fair value of the share options and estimate the fair value of 87,572,800 share options first granted by the Company using such model on 27 April 2020. The theoretical value of 87,572,800 share options first granted by the Company was RMB95,122,600. The value of the options in each exercise period is as follows:

Currency: RMB

Exercise period	Number of options under the first grant (0'000)	Value per option (RMB)	Total value of the options under the first grant (RMB0'000)
First exercise period	2,919.09	0.70	2,054.79
Second exercise period	2,919.09	1.27	3,701.31
Third exercise period	2,919.09	1.29	3,756.17

Selection of specific parameters is as follows:

- Current price of subject shares: RMB7.87 per share (the closing price on the grant date, being 27 April 2020);
- Exercise price of the share options: RMB8.73 per share as determined under the Management Measures for Share Incentives of Listed Companies (“Management Measures”);
- Valid period: one, two and three years, respectively (based on the period commencing from the grant date and ending on the first exercisable date for respective period);
- Historical volatility: 35.86%, 40.95% and 35.82%, respectively (the volatility of the Company for the latest one, two and three years before the grant date, respectively; source: Wind database);
- Risk-free rate: 1.1300%, 1.3775% and 1.4182%, respectively (the yield of PRC treasury bond for one, two and three years);
- Dividend yield: 3.68% (the average dividend yield of the Company for the latest 12 months before the grant date).

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

The accounting treatment of the reserved restricted shares is the same as that of the restricted shares under the first grant.

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2020 Restricted Share and Share Option Incentive Scheme – Restricted Shares under the First Grant

Name	Position	Number of the restricted shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Shares yet to be vested at the end of the Reporting Period (shares)
Hu Shu Jie	Deputy General Manager	2,000,000	0	0	0	0	0
Zhao Guo Qing	Deputy General Manager	1,380,000	276,000	276,000	0	0	0
Xu Hui	Board Secretary	430,000	86,000	0	86,000	0	0
Liu Yu Xin	Chief Financial Controller	250,000	50,000	50,000	0	0	0
Zheng Chun Lai	Director and general manager of subsidiaries	400,000	80,000	80,000	0	0	0
Zhang De Hui	Director and general manager of subsidiaries	400,000	80,000	80,000	0	0	0
Li Rui Feng	Director and general manager of subsidiaries	1,260,000	252,000	252,000	0	0	0
Total	Connected persons	6,120,000	824,000	738,000	86,000	0	0
	Other management, core technical (business) backbone staff (274 people)	43,183,500	8,138,600	7,642,920	495,680	0	0
Total		49,303,500	8,962,600	8,380,920	581,680	0	0

Notes:

- (1) In respect of the first grant of the 2020 Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such restricted shares granted was 49,303,500, and the date of grant was 27 April 2020. The closing price of A Shares of the Company immediately prior to the date of grant of such restricted shares was RMB7.91. The vesting periods for the restricted shares under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The unlocking period was from 27 April 2021 to 26 April 2024, and the purchase price was RMB3.47;
- (2) During the Reporting Period, the number of the restricted shares unlocked was 8,380,920; the average closing price of A Shares of the Company immediately prior to the unlocking date was RMB26.92;
- (3) During the Reporting Period, the number of the restricted shares cancelled was 581,680, and the repurchase price of the restricted shares cancelled was RMB3.47, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2020 Incentive Scheme;
- (4) During the Reporting Period, the number of the restricted shares lapsed was 0;
- (5) Mr. Hu Shu Jie resigned as the Deputy General Manager of the Company on 27 August 2021. Mr. Xu Hui resigned as the Board Secretary of the Company on 23 September 2022. Ms. Liu Yu Xin resigned as the Chief Financial Controller of the Company on 29 June 2020.

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The first grant of restricted shares under the 2020 Incentive Scheme was completed prior to the Reporting Period, and there was no grant of restricted shares during the Reporting Period. There were no restricted shares to be granted as at the beginning and end of the Reporting Period.

2020 Restricted Share and Share Option Incentive Scheme – Restricted Shares under the Reserved Grant

Name	Position	Number of the restricted shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Shares yet to be vested at the end of the Reporting Period (shares)
Other management, core technical (business) backbone staff (149 people)		1,149,150	569,075	554,675	14,400	0	0
Total		1,149,150	569,075	554,675	14,400	0	0

Notes:

- (1) In respect of the reserved grant of the 2020 Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such restricted shares granted was 1,149,150, and the date of grant was 28 January 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such restricted shares was RMB42.21. The vesting periods for the restricted shares under the reserved grant were 12 months and 24 months from the date of grant, respectively. The unlocking period was from 28 January 2022 to 27 January 2024, and the purchase price was RMB20.43;
- (2) During the Reporting Period, the number of the restricted shares unlocked was 554,675; the average closing price of A Shares of the Company immediately prior to the unlocking date was RMB26.92;
- (3) During the Reporting Period, the number of the restricted shares cancelled was 14,400, and the repurchase price of the restricted shares cancelled was RMB20.43, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2020 Incentive Scheme;
- (4) During the Reporting Period, the number of the restricted shares lapsed was 0.

The reserved grant of restricted shares under the 2020 Incentive Scheme was completed prior to the Reporting Period, and there was no grant of restricted shares during the Reporting Period. There were no restricted shares to be granted as at the beginning and end of the Reporting Period.

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2020 Restricted Share and Share Option Incentive Scheme – Options under the First Grant

Name	Position	Number of the share options granted (shares)	Options not exercised at the beginning of the Reporting Period (shares)	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	Options yet to be exercised at the end of the Reporting Period (shares)
Core management, core technical (business) backbone staff (1,651 people)							
		87,065,300	28,278,341	26,077,207	943,174	53,302	1,204,658
Total		87,065,300	28,278,341	26,077,207	943,174	53,302	1,204,658

Notes:

- (1) In respect of the first grant of the 2020 Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such options granted was 87,065,300, and the date of grant was 27 April 2020. The closing price of A Shares of the Company immediately prior to the date of grant of such options was RMB7.91. The vesting periods for the options under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The exercise period was from 27 April 2021 to 26 April 2024, and the exercise price was RMB7.53;
- (2) During the Reporting Period, the number of the share options exercised was 26,077,207; the average closing price of A Shares of the Company immediately prior to the exercise date was RMB26.06;
- (3) During the Reporting Period, the number of the share options cancelled was 943,174, and the exercise price of the share options at the time of cancellation was RMB7.83;
- (4) During the Reporting Period, the number of the share options lapsed was 53,302.

The first grant of share options under the 2020 Incentive Scheme was completed prior to the Reporting Period, and there was no grant of share options during the Reporting Period. There were no share options to be granted as at the beginning and end of the Reporting Period.

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2020 Restricted Share and Share Option Incentive Scheme – Options under the Reserved Grant

Name	Position	Number of the share options granted (shares)	Options not exercised at the beginning of the Reporting Period (shares)	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	Options yet to be exercised at the end of the Reporting Period (shares)
Other management, core technical (business) backbone staff (497 people)		15,721,000	14,986,103	0	8,093,603	0	6,892,500
Total		15,721,000	14,986,103	0	8,093,603	0	6,892,500

Notes:

- (1) In respect of the reserved grant of the 2020 Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such options granted was 15,721,000, and the date of grant was 28 January 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such options was RMB42.21. The vesting periods for the options under the reserved grant were 12 months and 24 months from the date of grant, respectively. The exercise period was from 28 January 2022 to 27 January 2024, and the exercise price was RMB41.20;
- (2) During the Reporting Period, the number of the share options exercised was 0; the average closing price of A Shares of the Company immediately prior to the exercise date was RMB26.06;
- (3) During the Reporting Period, the number of the share options cancelled was 8,093,603, and the exercise price of the share options at the time of cancellation was RMB41.50;
- (4) During the Reporting Period, the number of the share options lapsed was 0.

The reserved grant of options under the 2020 Incentive Scheme was completed prior to the Reporting Period, and there was no grant of options during the Reporting Period. There were no options to be granted as at the beginning and end of the Reporting Period.

A summary of the 2021 Restricted Share Incentive Scheme and the 2021 Share Option Incentive Scheme

1. Purpose of the Schemes

Based on long-term development and governance for the future, building an innovative long-term incentive mechanism can entrust the participants with rights and obligations, effectively promote the transformation of employees from “workers” to “partners” with their thought changed from “doing work” into “striving for cause”, and gather a group of contemporary strivers and business leaders with common values, thereby promoting the long-term and steady development of the Company, and aligning the interests of all shareholders. Specifically, the 2021 Restricted Share Incentive Scheme and the 2021 Share Option Incentive Scheme are launched for the following purposes:

- (1) by further establishing and improving its operating mechanism and its incentive and restraint mechanism for senior management, middle management and core technical (business) backbone staff, to fully mobilize their enthusiasm, enhance their cohesion, and effectively align the interests of shareholders, the Company and its key personnel, so as to secure “concerted efforts with common interests” and promote the sustainable, steady and rapid development of the Company.
- (2) by setting challenging performance targets to bring both pressure and motivation, to not only help enhance the Company’s competitiveness but also help mobilize the enthusiasm and creativity of the management and core backbone staff, and ensure the Company to realize its future development strategies and business objectives, so as to create more sustainable and greater returns for shareholders.
- (3) to help attract and retain outstanding management talents and core business staff so that meet the Company’s huge demand for core technical and management talents through comprehensive and accurate coverage of high-value positions and key talents, so as to enhance the Company’s cohesion, establish the Company’s human resources advantages, further stimulate the Company’s innovation vitality, and inject new power into the Company’s sustained and rapid development.

2. Participants of the Schemes

The participants shall be the senior management of the Company, directors and senior management working in the controlled subsidiaries of the Company, middle management and core technical (business) backbone staff of the Company (including its controlled subsidiaries) and other employees that the Company believes should be motivated and have a direct impact on the Company’s operation performance and future development, excluding the Company’s independent directors, supervisors, the shareholders individually or in aggregate holding 5% or more of the shares of the Company or the de facto controllers and their spouses, parents or children.

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3. Total number of shares available for issue under the Schemes and percentage of issued shares that it represents as at the date of the annual report

The 2021 Restricted Share Incentive Scheme stipulates that: the total number of shares available for issue shall be 43,184,000, representing 0.51% of the issued shares as at the date of the Annual Report;

The 2021 Share Option Incentive Scheme stipulates that: the total number of underlying shares under the share options shall be 397,101,000, representing 4.67% of the issued shares as at the date of the annual report.

4. Maximum entitlements of each participant under the Schemes

The total shares to be granted under the fully effective equity incentive schemes (including the restricted share scheme and the option scheme) to any one of the participants will not exceed 1% of the total number of shares of the Company.

5. Period within which the grantees may exercise share options under the Scheme

Note: See the table of 2021 Share Option Incentive Scheme – Options under the First Grant/ Options under Reserved Grant in this section.

6. Vesting period of the options granted or shares awarded under the Scheme and performance appraisal targets

(1) Vesting period

See the tables of 2021 Share Option Incentive Scheme – Options under the First Grant/ Options under Reserved Grant; 2021 Restricted Share Incentive Scheme – Restricted Shares under the First Grant/Restricted Shares under Reserved Grant in this section.

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(2) Performance appraisal targets

The annual performance appraisal targets of the restricted shares and the share options under the first grant are as follows:

Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	55%	45%
Completion rate of performance targets (P)	Σ (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 shall not be less than 1.49 million units in 2021	The net profit shall not be less than RMB6.8 billion in 2021
Second unlocking period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2022	The net profit shall not be less than RMB8.2 billion in 2022
Third unlocking period	The sales volume of automobiles of the Company shall not be less than 1.60 million units in 2023	The net profit shall not be less than RMB6.0 billion in 2023

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The annual performance appraisal targets of the restricted shares and the share options under the reserved grant are as follows:

Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	55%	45%
Completion rate of performance targets (P)	Σ (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 shall not be less than 1.90 million units in 2022	The net profit shall not be less than RMB8.2 billion in 2022
Second unlocking period	The sales volume of automobiles of the Company shall not be less than 1.60 million units in 2023	The net profit shall not be less than RMB6.0 billion in 2023

Note: The "net profit" mentioned above refers to the audited net profit attributable to shareholders of the Company. The "sales volume" mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

7. *The amount payable on application or acceptance of the options or awards and the period within which payments or calls must be made or loans for application of the options must be repaid*

Not applicable.

8. Basis of determination for the exercise price of the options granted or the purchase price of the shares granted

1. 2021 Restricted Share Incentive Scheme:

- (1) Method of determination of the grant price of restricted shares under the first grant

The grant price of the restricted shares under first grant is RMB16.78 per share. The grant price of the restricted shares under first grant shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the shares of the Company (i.e. RMB16.78 per share) on the trading day preceding the date of the announcement of the draft of the 2021 Restricted Share Incentive Scheme;
- ② 50% of the average trading price of the shares of the Company (i.e. RMB16.55 per share) for 20 trading days preceding the date of the announcement of the draft of the 2021 Restricted Share Incentive Scheme.

- (2) Method of determination of the grant price of the reserved restricted shares

The grant price of the reserved restricted shares is RMB12.73 per share. The grant price of the reserved restricted shares shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the shares of the Company (i.e. RMB11.45 per share) on the trading day preceding the date of the announcement of the Board resolution on the grant of the reserved restricted shares;
- ② 50% of the average trading price of the shares of the Company (i.e. RMB12.73 per share) for 20, 60 or 120 trading days preceding the date of the announcement of the Board resolution on the grant of the reserved shares.

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2. 2021 Share Option Incentive Scheme:

- (1) Method of determination of the exercise price of the share options under the first grant

The exercise price of the share options under the first grant is RMB33.56 per share. The exercise price of the share options under the first grant shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① the average trading price of the shares (i.e. RMB33.56 per share) on the trading day preceding the date of the announcement of the draft of the 2021 Share Option Incentive Scheme;
- ② the average trading price of the shares (i.e. RMB33.10 per share) for 20 trading days preceding the date of the announcement of the draft of the 2021 Share Option Incentive Scheme.

- (2) Method of determination of the exercise price of the share option under the reserved grant

The exercise price of the reserved share options is RMB25.45 per share. The exercise price of the reserved share options shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① the average trading price of the shares (i.e. RMB22.89 per share) on the trading day preceding the date of the announcement of the Board resolution on the grant of the reserved share options;
- ② the average trading price of the shares (i.e. RMB25.45 per share) for 20, 60 or 120 trading days preceding the date of the announcement of the Board resolution on the grant of the reserved share options.

9. Remaining validity period of the Schemes

The validity period shall commence on the date of the first grant of the restricted shares/ share options and end on the date of fully unlocking all the restricted shares granted to the participants or completing of the repurchase and cancellation of such restricted shares/the date of exercising all the share options granted to the participants or the cancellation of such share options, which shall not exceed 48 months. The validity period of the 2021 Restricted Share Incentive Scheme and 2021 Share Option Incentive Scheme is from 22 July 2021 to 21 July 2025.

10. Fair values of the relevant options and awards as at the grant date and the accounting standards and policies adopted

1. 2021 Restricted Share Incentive Scheme:

Pursuant to the Accounting Standards for Business Enterprises No. 11 – Share-based Payment and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Company shall measure the fair value of the restricted shares based on the market prices of the shares. On the measurement date, the fair value of share-based payment per restricted share = market price of the shares of the Company – grant price.

The first grant of the restricted shares took place in 22 July 2021. Based on the data on 22 July 2021, the total amount of fair value of the equity instruments first granted by the Company to the participants is RMB1,166,452,300.

As estimated above, the total cost of 34,057,000 restricted shares first granted under the Scheme is RMB1,166,452,300 and details of amortization from 2021 to 2024 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)	2021 (RMB0'000)	2022 (RMB0'000)	2023 (RMB0'000)	2024 (RMB0'000)
3,405.70	116,645.23	31,591.42	56,378.53	21,870.98	6,804.30

Notes:

- (1) For the consideration of prudent accounting principle, the cost estimate and amortization above have not taken into consideration the future locking of the restricted shares.
- (2) The above results do not represent the final accounting costs. The actual accounting costs are related to the actual grant date, the Grant Price and the number of grant, as well as the actual effective and lapsed quantities, and the possible dilutive effects are brought to the attention of shareholders.
- (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.
- (4) The accounting treatment of the reserved restricted shares is the same as that of the restricted shares under the first grant.

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2. 2021 Share Option Incentive Scheme:

In accordance with the requirements of the Accounting Standards for Business Enterprises No.11 – Share-based Payment and the Accounting Standards for Business 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 conducted the first grant of share options on 22 July 2021. The Company used the “Black-Scholes” model to measure the fair value of the share options and estimate the fair value of 312,637,000 share options under the first grant by the Company using such model on 22 July 2021. The theoretical value of 312,637,000 share options under the first grant by the Company was RMB6,148,273,800. The value of the options in each exercise period is as follows:

Currency: RMB

Exercise period	Number of options under the first grant (0'000)	Value per option (RMB)	Total value of the options under the first grant (RMB0'000)
First exercise period	10,421.23	18.53	193,064.59
Second exercise period	10,421.23	19.68	205,101.47
Third exercise period	10,421.23	20.79	216,661.32

Selection of specific parameters is as follows:

- Current price of subject shares: RMB51.03 per share (the closing price on the grant date, being 22 July 2021);
- Exercise price of the share options: RMB33.56 per share as determined under the Management Measures;
- Valid period: 1.5, 2.5 and 3.5 years, respectively (based on the period commencing from the grant date and ending on the exercisable date for respective period, assuming even exercise following the exercisable date);
- Historical volatility: 25.02%, 24.80% and 25.12%, respectively (the volatility of the automobile industry for the latest one, two and three years before the grant date, respectively; source: Wind database);
- Risk-free rate: 2.1551%, 2.4958% and 2.5893%, respectively (the yield of PRC treasury bond for one, two and three years);
- Dividend yield: 0.55% (the average dividend yield of the Company for the latest 12 months before the grant date).

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

The accounting treatment of the share options under the reserved grant is the same as that of the share options under the first grant.

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2021 Restricted Share Incentive Scheme — Restricted Shares under the First Grant

Name	Position	Number of the restricted shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Shares yet to be vested at the end of The Reporting Period (shares)
Zheng Chun La	Director and general manager of subsidiaries	200,000	120,000	0	60,000	0	60,000
Zhang De Hui	Director and general manager of subsidiaries	200,000	120,000	0	60,000	0	60,000
Meng Xiang Jun	Director and general manager of subsidiaries	200,000	120,000	0	60,000	0	60,000
Cui Kai	Director and general manager of subsidiaries	80,000	48,000	0	24,000	0	24,000
Zheng Li Peng	Director and general manager of subsidiaries	250,000	150,000	0	75,000	0	75,000
Tang Hai Feng	Director and general manager of subsidiaries for the last 12 months	450,000	270,000	0	135,000	0	135,000
Wu Nan	General manager of subsidiaries	178,000	106,800	0	53,400	0	53,400
Li Jiang	General manager of subsidiaries	104,000	62,400	0	31,200	0	31,200
Chen Biao	Supervisor of the Company for the last 12 months	120,000	72,000	0	36,000	0	36,000
Li Hong Shuan	Chief financial Controller	180,000	108,000	0	54,000	0	54,000
Total	Connected persons	1,962,000	1,177,200	0	588,600	0	588,600
	Other management, core technical (business) backbone staff (547 people)	30,691,200	17,645,520	0	9,393,060	0	8,252,460
Total		32,653,200	18,822,720	0	9,981,660	0	8,841,060

Notes:

- (1) In respect of the first grant of the 2021 Restricted Share Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such restricted shares granted was 32,653,200, and the date of grant was 22 July 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such Restricted Share was RMB50.07. The vesting periods for the restricted shares under the first grant are 12 months, 24 months and 36 months from the date of grant, respectively. The unlocking period is from 22 July 2022 to 21 July 2025, and the purchase price is RMB16.11;
- (2) During the Reporting Period, the number of the restricted shares unlocked was 0; the average closing price of A Shares of the Company immediately prior to the unlocking date was RMB25.07;

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- (3) During the Reporting Period, the number of the restricted shares cancelled was 9,981,660, and the repurchase price of the restricted shares cancelled was RMB16.41, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2021 Restricted Share Incentive Scheme;
- (4) During the Reporting Period, the number of the Restricted Share lapsed was 0;
- (5) Mr. Chen Biao resigned as the supervisor of the Company on 12 May 2021.

The first grant of restricted shares under the 2021 Restricted Share Incentive Scheme was completed prior to the Reporting Period, and there was no grant of restricted shares during the Reporting Period. There were no Restricted shares to be granted as at the beginning and end of the Reporting Period.

2021 Restricted Share Incentive Scheme — Restricted Shares under the Reserved Grant

Name	Position	Number of the restricted shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Shares yet to be vested at the end of the Reporting Period (shares)
Zheng Chun Lai	Director and general manager of subsidiaries	50,000	50,000	0	25,000	0	25,000
Zhang De Hui	Director and general manager of subsidiaries	50,000	50,000	0	25,000	0	25,000
Meng Xiang Jun	Director and general manager of subsidiaries	50,000	50,000	0	25,000	0	25,000
Cui Kai	Director and general manager of subsidiaries	30,000	30,000	0	15,000	0	15,000
Zheng Li Peng	Director and general manager of subsidiaries	50,000	50,000	0	25,000	0	25,000
Chen Biao	Supervisor of the Company for the last 12 months	40,000	40,000	0	20,000	0	20,000
Wang Feng Ying	General manager	2,475,000	2,475,000	0	2,475,000	0	0
Yang Zhi Juan	Director of the Company for the last 12 months	40,000	40,000	0	20,000	0	20,000
Total	Connected persons	2,785,000	2,785,000	0	2,630,000	0	155,000
	Other management, core technical (business) backbone staff (247 people)	5,170,800	5,170,800	0	2,727,900	0	2,442,900
Total		7,955,800	7,955,800	0	5,357,900	0	2,597,900

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Notes:

- (1) In respect of the reserved grant of the 2021 Restricted Share Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such restricted shares granted was 7,955,800, and the date of grant was 29 April 2022. The closing price of A Shares of the Company immediately prior to the date of grant of such Restricted Share was RMB22.98. The vesting periods for the restricted shares under the reserved grant are 12 months and 24 months from the date of grant, respectively. The unlocking period is from 29 April 2023 to 28 April 2025, and the purchase price is RMB12.36;
- (2) During the Reporting Period, the number of the restricted shares unlocked was 0;
- (3) During the Reporting Period, the number of the restricted shares cancelled was 5,357,900, and the repurchase price of the restricted shares cancelled was RMB12.66, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2021 Restricted Share Incentive Scheme;
- (4) During the Reporting Period, the number of the restricted shares lapsed was 0;
- (5) Mr. Chen Biao resigned as the supervisor of the Company on 12 May 2021. Ms. Wang Feng Ying resigned as the General manager of the Company on 24 July 2022. Ms. Yang Zhi Juan resigned as the director of the Company on 18 March 2022.

The reserved grant of restricted shares under the 2021 Restricted Share Incentive Scheme was completed prior to the Reporting Period, and there was no grant of restricted shares during the Reporting Period. There were no restricted shares to be granted as at the beginning and end of the Reporting Period.

2021 Share Option Incentive Scheme — Options under the First Grant

Name	Position	Number of the shares options granted (shares)	Options not exercised at the beginning of the Reporting Period	Options exercised during the Reporting Period	Options cancelled during the Reporting Period	Options lapsed during the Reporting Period	Options yet to be exercised at the end of the Reporting Period
			(shares)	(shares)	(shares)	(shares)	(shares)
Other management, core technical (business) backbone staff (8,147 people)							
		300,594,000	261,943,136	0	99,460,401	75,536,609	86,946,126
Total		300,594,000	261,943,136	0	99,460,401	75,536,609	86,946,126

Notes:

- (1) In respect of the first grant of the 2021 Share Option Incentive Scheme, the number of such share options granted was 300,594,000, and the date of grant was 22 July 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such share options was RMB50.07. The vesting periods for the share options under the first grant are 12 months, 24 months and 36 months from the date of grant, respectively. The exercising period is from 22 July 2022 to 21 July 2025, and the exercise price is RMB32.89;
- (2) During the Reporting Period, the number of the share options exercised was 0; the average closing price of A Shares of the Company immediately prior to the exercise date was RMB25.07;
- (3) During the Reporting Period, the number of the share options cancelled was 99,460,401, and the exercise price of the share options at the time of cancellation was RMB33.19;
- (4) During the Reporting Period, the number of the share options lapsed was 75,536,609.

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The first grant of share options under the 2021 Share Option Incentive Scheme was completed prior to the Reporting Period, and there was no grant of share options during the Reporting Period. There were no share options to be granted as at the beginning and end of the Reporting Period.

2021 Share Option Incentive Scheme — Options under the Reserved Grant

Name	Position	Number of the shares options granted (shares)	Options not exercised at the beginning of the Reporting Period (shares)	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	Options yet to be exercised at the end of the Reporting Period (shares)
Zheng Li Peng	Director and general manager of subsidiaries	90,000	90,000	0	45,000	0	90,000
	Other management, core technical (business) backbone staff (6,611 people)	75,407,100	75,407,100	0	40,612,250	0	34,749,850
	Total	75,497,100	75,497,100	0	40,657,250	0	34,839,850

Notes:

- (1) In respect of the reserved grant of the 2021 Share Option Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such share options granted was 75,497,100, and the date of grant was 29 April 2022. The closing price of A Shares of the Company immediately prior to the date of grant of such share options was RMB22.98. The vesting periods for the share options under the reserved grant were 12 months and 24 months from the date of grant, respectively. The exercising period is from 29 April 2023 to 28 April 2025, and the exercise price is RMB25.08;
- (2) During the Reporting Period, the number of the share options exercised was 0;
- (3) During the Reporting Period, the number of the share options cancelled was 40,657,250, and the exercise price of the share options at the time of cancellation was RMB25.38;
- (4) During the Reporting Period, the number of the share options lapsed was 0.

The reserved grant of share options under the 2021 Share Option Incentive Scheme was completed prior to the Reporting Period, and there was no grant of share options during the Reporting Period. There were no share options to be granted as at the beginning and end of the Reporting Period.

As at 31 December 2023, there were 1,204,658 outstanding A Share options under the first grant under the Company's 2020 Incentive Scheme, representing approximately 0.01% of the total issued A Share capital of the Company; and there were 6,892,500 outstanding A Share options under the reserved grant, representing approximately 0.11% of the total issued A Share capital of the Company. There are 86,946,126 outstanding A Share options under the first grant of the Company's 2021 Share Option Incentive Scheme, representing approximately 1.02% of the total issued A Share capital of the Company, and there are 34,839,850 outstanding A Share options under the reserved grant, representing approximately 0.56% of the total issued A Share capital of the Company.

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As at 31 December 2023, the total number of A Shares available for issuance under the first grant of the Company's 2020 Incentive Scheme was 0 share, representing approximately 0% of the total issued A Shares of the Company; and the total number of A Shares available for issuance under the reserved grant was 0 share, representing approximately 0% of the total issued A Shares of the Company. The total number of A Shares available for issuance under the first grant of the Company's 2021 Restricted Share Incentive Scheme was 0 share, representing approximately 0% of the total issued A Shares of the Company; and the total number of A Shares available for issuance under the reserved grant was 0 share, representing approximately 0% of the total issued A Shares of the Company.

A Summary of the 2023 Restricted Share Incentive Scheme and 2023 Share Option Incentive Scheme

1. Purpose of the Schemes

For future-oriented long-term development and governance, the Company has built an innovative long-term incentive mechanism to turn employees from "workers doing work" to "partners doing business" by granting rights and obligations to participants. By doing so, the Company aims to gather a group of fighters and business leaders with common values to promote its long-term and steady development and align the interests of all shareholders. Specifically, the launch of the 2023 Restricted Share Incentive Scheme and 2023 Share Option Incentive Scheme has the following purposes:

- (1) By establishing and improving its operating mechanism and its incentive and restraint mechanism for senior management, middle management and core technical (business) backbone staff, the Company aims to fully mobilize their enthusiasm, enhance their cohesion, and align the interests of shareholders, the Company and its key personnel, in order to secure "concerted efforts with common interests" and promote the sustainable, steady and rapid development of the Company.
- (2) By setting challenging performance targets to bring both pressure and motivation, which not only helps enhance the Company's competitiveness but also helps mobilize the enthusiasm and creativity of the Company's management and core backbone staff, the Company aims to realize its future development strategies and business objectives, so as to create more sustainable and greater returns for shareholders.
- (3) The Schemes, which can help attract and retain outstanding management talents and core business staff, is designed to meet the Company's huge demand for core technical and management talents through comprehensive and accurate coverage of high-value positions and key talents, so as to enhance the Company's cohesion, establish the Company's human resources advantages, further stimulate the Company's innovation vitality, and inject new power into the Company's sustained and rapid development.

2. Participants of the Schemes

The participants of the Schemes shall be the senior management of the Company, the directors and senior management of the Company's holding subsidiaries, the middle management and core technical (business) staff of the Company (including its holding subsidiaries), but excluding the Company's independent directors, supervisors, the shareholders individually or in aggregate holding 5% or more of the shares of the Company or the de facto controllers and their spouses, parents or children.

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3. Total number of Shares available for issue under the Schemes and percentage of issued shares that it represents as at the date of the annual report

The 2023 Restricted Share Incentive Scheme stipulates that: the total number of share securities available for issue is 70,000,000 shares, representing 0.82% of the issued shares as at the date of the annual report;

The 2023 Share Option Incentive Scheme stipulates that: the total number of share securities available for issue is 96,875,000 share options, representing 1.14% of the issued shares as at the date of the annual report;

4. Maximum entitlements of each participant under the Schemes

The total shares to be granted to any participant under the fully effective equity incentive schemes (including the restricted share scheme and the option scheme) will not exceed 1% of the total number of shares of the Company.

5. Period within which the grantees may exercise share options under the Schemes

Note: See the table herein of the 2023 Share Option Incentive Scheme – Options under the First Grant/Options under the Reserved Grant

6. Vesting period of the options granted or shares awarded under the Schemes and performance appraisal targets

(1) Vesting period

See the table herein of the 2023 Share Option Incentive Scheme – Options under the First Grant/Options under the Reserved Grant; 2023 Restricted Share Incentive Scheme – Restricted Shares under the First Grant/Restricted Shares under the Reserved Grant

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(2) Performance appraisal targets

The annual performance appraisal targets of the restricted shares and the share options under the first grant are as follows:

Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	50%	50%
Completion rate of performance targets (P)	Σ (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 shall not be less than 1.90 million units in 2024	The net profit shall not be less than RMB7.2 billion in 2024
Second unlocking period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall not be less than RMB8.5 billion in 2025
Third unlocking period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall not be less than RMB10.0 billion in 2026

If the restricted shares and the share options under the reserved grant are granted before the disclosure of the 2024 third quarterly report (the disclosure date inclusive), the performance appraisal of the reserved grant will be consistent with that of the first grant; if the restricted shares and the share options under the reserved grant are granted after the disclosure of the 2024 third quarterly report (the disclosure date exclusive), the annual performance appraisal targets of the restricted shares and the share options under the reserved grant are as follows:

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Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	50%	50%
Completion rate of performance targets (P)	Σ (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 shall not be less than 2.16 million units in 2025	The net profit shall not be less than RMB8.5 billion in 2025
Second unlocking period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall 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 Company. The "sales volume" mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

7. The amount payable on application or acceptance of the options or the awards and the period within which payments or calls must be made or loans for application of the options must be repaid

Not applicable.

8. Basis of determination for the exercise price of the options granted or the Purchase price of the shares granted

1. 2023 Restricted Share Incentive Scheme:

- (1) Method of determination of the grant price of the restricted shares under the first grant

The grant price of the restricted shares under the first grant shall be RMB13.61 per share. The grant price of the restricted shares under the first grant shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the shares of the Company (i.e. RMB13.02 per share) on the trading day preceding the date of the announcement of the draft of the 2023 Restricted Share Incentive Scheme;

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- ② 50% of the average trading price of the shares of the Company (i.e. RMB13.61 per share) for 20 trading days preceding the date of the announcement of the draft of the 2023 Restricted Share Incentive Scheme.

(2) Method of determination of the grant price of the reserved restricted shares

The grant of the reserved restricted shares is subject to the consideration and approval of related resolution by the Board and the disclosure of related information. The grant price of the reserved restricted shares shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the shares of the Company on the trading day preceding the date of the announcement of the Board resolution on the grant of the reserved restricted shares;
- ② 50% of the average trading price of the shares of the Company for 20, 60 or 120 trading days preceding the date of the announcement of the Board resolution on the grant of the reserved shares.

2. *2023 Share Option Incentive Scheme:*

(1) Method of determination of the exercise price of the share options under the first grant

The exercise price of the share options under the first grant shall be RMB27.22 per share. The exercise price of the share options under the first grant shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① the average trading price of the shares (i.e. RMB26.04 per share) on the trading day preceding the date of the announcement of the draft of the 2023 Share Option Incentive Scheme;
- ② the average trading price of the shares (i.e. RMB27.22 per share) for 20 trading days preceding the date of the announcement of the draft of the 2023 Share Option Incentive Scheme.

(2) Method of determination of the exercise price of the share options under the reserved grant

The grant of the reserved share options is subject to the consideration and approval of related resolution by the Board and the disclosure of related information. The exercise price of the reserved share options shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① the average trading price of the shares on the trading day preceding the date of the announcement of the Board resolution on the grant of the reserved share options;

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- ② the average trading price of the shares for 20, 60 or 120 trading days preceding the date of the announcement of the Board resolution on the grant of the reserved share options.

9. Remaining validity period of the Schemes

The validity period shall commence on the date of the restricted shares/share options under the first grant and end on the date of unlocking all the restricted shares granted to the participants or the repurchase and cancellation of such shares/exercising all the share options granted to the participants or the cancellation of such share options, which shall not exceed 48 months. The validity period of the 2023 Restricted Share Incentive Scheme and 2023 Share Option Incentive Scheme is from 26 January 2024 to 25 January 2028.

10. Fair values of the relevant options and awards as at the grant date and the accounting standards and policies adopted

1. 2023 Restricted Share Incentive Scheme:

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 shall measure the fair value of the restricted shares based on the market prices of the shares. On the measurement date, the fair value of share-based payment per restricted share = market price of the shares of the Company – grant price.

Assuming the first grant of the restricted shares takes place on 26 January 2024, based on the data of the Company 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.

As estimated above, the total cost of 54,886,000 restricted shares first granted under the 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 prudent accounting principle, the cost estimate and amortization above have not taken into consideration the future locking of the restricted shares.
- (2) The above results do not represent the final accounting costs. The actual accounting costs are related to the actual grant date, the grant price and the number of grant, as well as the actual effective and lapsed quantities, and the possible dilutive effects are brought to the attention of shareholders.
- (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.

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2. 2023 Share Option Incentive Scheme:

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, 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.

Assuming the first grant of share options takes place on 26 January 2024, the Company uses the “Black-Scholes” model to measure the fair value of the share options and estimate the fair value of 70,577,000 share options first granted by the Company using such model based on the data as at on 26 January 2024, the specific parameters are as follows:

- a) Current price of subject shares: RMB21.96 per share (being the closing price of shares on 26 January 2024, the grant date);
- b) Exercise price of the share options: RMB27.22 per share as determined under the Management Measures;
- c) Valid period: two, three and four years, respectively (based on the period commencing from the grant date and ending on the last trading day of each exercise period);
- 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);
- f) Dividend yield: 1.36% (the average dividend yield of the Company for the latest 12 months before the announcement).

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

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As estimated above, the total cost of 70,577,000 share options first granted under the Scheme is RMB192,826,700 and details of amortization from 2024 to 2027 are set out below:

Currency: RMB

Number of the 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 above results do not represent the final accounting costs. The actual accounting costs are related to the actual grant date, the grant price and the number of grant, as well as the actual effective and lapsed quantities, and the possible dilutive effects are brought to the attention of shareholders. 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.

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

2023 Restricted Share Incentive Scheme- Restricted Shares under the First Grant

Name	Position	Number of the restricted shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Shares yet to be vested at the end of the Reporting Period (shares)
Mu Feng	General Manager	800,000	0	0	0	0	800,000
Other management, core technical (business) backbone staff (785 people)		5,408.60	0	0	0	0	5,408.60
Total		5,488.60	0	0	0	0	5,488.60

Notes:

- (1) In respect of the first grant of the 2023 Restricted Shares Incentive Scheme, which has been completed on 26 January 2024, the number of such restricted shares granted was 54,886,000, and the date of grant was 26 January 2024. The closing price of A Shares of the Company immediately prior to the date of grant of such restricted shares was RMB22.30. The vesting periods for the restricted share under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The unlocking period is from 26 January 2025 to 25 January 2028, and the purchase price is RMB13.61;
- (2) During the Reporting Period, the number of the restricted shares unlocked was 0;

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- (3) During the Reporting Period, the number of the restricted shares cancelled was 0;
- (4) During the Reporting Period, the number of the restricted shares lapsed was 0.

The first grant of restricted shares under the 2023 Restricted Share Incentive Scheme was completed on 26 January 2024, and there was no grant of restricted shares during the Reporting Period.

2023 Share Option Incentive Scheme- Options under the First Grant

Name	Position	Number of the share options granted (shares)	Options not exercised at the beginning of the Reporting Period (shares)	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	Options yet to be exercised at the end of the Reporting Period (shares)
Other management, core technical (business) backbone staff (1,131 people)							
		70,577,000	0	0	0	0	70,577,000
Total							
		70,577,000	0	0	0	0	70,577,000

Notes:

- (1) In respect of the first grant of the 2023 Share Option Incentive Scheme, the number of such options granted was 70,577,000, and the date of grant was 26 January 2024. The closing price of A Shares of the Company immediately prior to the date of grant of such options was RMB22.30. The vesting periods for the options under the first grant are 12 months, 24 months and 36 months from the date of grant, respectively. The exercise period is from 26 January 2025 to 25 January 2028, and the exercise price is RMB27.22;
- (2) During the Reporting Period, the number of the options exercised was 0;
- (3) During the Reporting Period, the number of the options cancelled was 0;
- (4) During the Reporting Period, the number of the options lapsed was 0.

The first grant of options under the 2023 Share Option Incentive Scheme was completed on 26 January 2024, and there was no grant of options during the Reporting Period.

Section 7 Corporate Governance

A summary of the Employee Stock Ownership Plan for 2023

1. Purposes of the Plan

- (I) To further improve the corporate governance structure, improve the Company's long-term incentive and restraint mechanism, and ensure the Company's long-term, stable and healthy developments;
- (II) To improve mechanisms for sharing benefits between workers and owners, align the long-term interests of the Company, shareholders, and employees, and promote the Company's long-term and sustainable development, so as to bring returns to shareholders; and
- (III) To attract and to retain outstanding management and business key staffs, meet the Company's demand for core technical talents and management talents through comprehensive and accurate coverage of high-value positions and key talents, establish the Company's human resources advantages, further stimulate the Company's innovation vitality, and inject new impetus into the sustained and rapid development of the Company.

2. Participants of the Plan

The participants of the Employee Stock Ownership Plan for 2023 (hereinafter referred to as the "ESOP") are determined by the Company in accordance with the provisions of the Company Law, Securities Law, the Guiding Opinions, the Regulatory Guidelines and other laws, regulations, normative documents and the Articles of Association, and with consideration of the actual situations.

Participants under the ESOP shall be either:

- (I) directors (excluding independent directors), supervisors and senior management of the Company; or
- (II) core management and key employees.

All participants must enter into labor contracts or employment contracts with the Company or its subsidiaries during the term of the ESOP. Qualified employees' participation in the ESOP complies with the principles of lawfulness, voluntary participation and self-bearing of risk. There is no apportionment, forced distribution or other circumstances in which employees are forced to participate in the ESOP. The Company will decide the short list of participants from qualified employees.

3. Total number of shares available for issue under the Plan and percentage of issued shares that it represents as at the date of the annual report

The shares of the ESOP come from the ordinary A Shares of Great Wall Motor in the Company's special securities account for repurchase, which is expected to be no more than 40,000,043 shares, representing 0.47% of the issued shares as at the date of the annual report. The final number of shares held by this ESOP shall be subject to the actual number of shares transferred.

4. **Maximum entitlements of each participant under the Plan**

Upon completion of the implementation of the ESOP, the total number of all valid shares held under the ESOP of the Company will not exceed 10% of the total share capital of the Company in aggregate, and the total number of shares corresponding to the equity interest in shares of any individual participant shall not exceed 1% of the total share capital of the Company in aggregate.

5. **Period within which the grantees may exercise share options under the Plan**

Not applicable.

6. **Vesting period of the options granted or shares awarded under the Plan and performance appraisal targets**

(1) *Vesting period*

The lock-up period of the ESOP is 12 months. The equity of underlying shares held shall be unlocked in two tranches. The time point of unlocking is 12 months and 24 months respectively from the date of the Company's announcement of the registration of the transfer of the last tranche of the underlying shares to the ESOP, and the proportion of the underlying shares to be unlocked for each tranche is 50% and 50%, respectively. The actual proportion and number of shares to be unlocked for each tranche are determined according to the Company's performance and the results of the individual performance of the participants.

(2) *Performance appraisal targets*

The performance appraisal targets are as follows:

Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	55%	45%
Completion rate of performance targets (P)	Σ (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 shall not be less than 1.60 million units in 2023	The net profit shall not be less than RMB6.0 billion in 2023
Second unlocking period	The sales volume of automobiles of the Company shall not be less than 1.90 million units in 2024	The net profit shall not be less than RMB7.2 billion in 2024

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

7. *The amount payable on application or acceptance of the options or the awards and the period within which payments or calls must be made or loans for application of the options must be repaid*

Not applicable.

8. *Basis of determination for the exercise price of the options granted or the purchase price of the shares granted*

The ESOP shall transfer the ordinary A Shares repurchased by the Company through non-trading transfer and other methods permitted by laws and regulations. The transfer price is RMB13.82 per share, which is 50% of average trading price of the Company’s shares for the 20 trading days preceding the announcement of the ESOP (Revised Draft).

The transfer price shall not be lower than the nominal value of the shares and shall not be lower than the higher of the following:

- (1) 50% of the average trading price of the Company’s shares on the trading day preceding the announcement of the ESOP (Revised Draft), being RMB13.09 per share;
- (2) 50% of the average trading price of the Company’s shares for the 20 trading days preceding the announcement of the ESOP (Revised Draft), being RMB13.82 per share.

In the event of any ex-rights or ex-dividend matters of the Company, such as distribution of dividends or shares, conversion of capital reserve into share capital, during the period from the pricing reference date to the date of transferring the underlying shares to the ESOP, the above transfer price shall be adjusted accordingly.

9. *Remaining validity period of the Plan*

The term of the ESOP shall be 36 months commencing from the date on which the ESOP is considered and approved at the general meeting and the Company announces the last tranche of the underlying shares has been transferred to the ESOP. The term of the ESOP may be extended before the expiry of the term of the ESOP, as agreed by the holders holding more than two-thirds (inclusive) of the total units and attending the holders' meeting, and as considered and approved by the Board. The validity term is from 15 August 2023 to 14 August 2026.

10. *Fair values of the relevant restricted shares, options and awards as at the grant date and the accounting standards and policies adopted*

In accordance with the relevant provisions of the Accounting Standard for Business Enterprises No. 11 – Share-based Payments: as to an equity-settled share-based payment in return for services of employees, if the right cannot be exercised until the vesting period comes to an end or until the prescribed performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in the current period should, based on the best estimate of the number of vested equity instruments, be stated in relevant costs or expenses and the capital reserves at the fair value of the equity instruments on the date of grant.

Assuming that the ESOP would be considered and approved at the general meeting of the Company to be held at the beginning of June 2023, and then the Company will transfer 40,000,043 shares of the Company held in the designated repurchase account of the Company to the ESOP through non-trading transfer and other methods permitted by laws and regulations. As estimated based on closing price (RMB26.23 per share) on the day when the Board will consider and approve the ESOP (Draft), it is expected that the Company should recognize the expenses involved in the ESOP of RMB496,400,500, and the amortization of the expenses of the ESOP is calculated as follows:

Currency: RMB Unit: RMB0'000

Total expenses expected to be amortized	2023	2024	2025
49,640.05	21,717.52	22,751.69	5,170.84

Note: The final impact on the operating results of the Company shall be subject to the annual audit report issued by the accounting firm.

The cost of the ESOP shall be charged to the costs and expenses. Without considering the impact of the ESOP on the Company's performance, the amortization of expenses under the ESOP has a certain impact on the net profit of each year during the term of the Plan. If the positive effect of the ESOP on the development of the Company is considered, the ESOP will effectively stimulate the enthusiasm of the Company's employees and improve operational efficiency.

Section 7 Corporate Governance

2023 ESOP

Participants	Number of the shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Shares yet to be vested at the end of the Reporting Period (shares)
Li Hong Shuan (executive director, chief financial officer, the secretary to the Board) and Lu Cai Juan (chairman of the Supervisory Committee) and deputy general managers	117,000	0	117,000	0	0	0
Core management and key employees	34,634,400	0	34,634,400	0	0	0
Total	34,751,400	0	34,751,400	0	0	0

Note: In respect of the 2023 ESOP, 34,751,400 ordinary A Shares held in the Company's "Specific Securities Account for Repurchase of Great Wall Motor Company Limited" was transferred to the Company's "Great Wall Motor Company Limited – 2023 ESOP" securities account through non-trading transfer on 15 August 2023. The closing price of A Shares of the Company immediately prior to the date of non-trading transfer of such shares was RMB26.72.

The transfer of shares under the 2023 ESOP was completed during the Reporting Period, and there was no transfer of shares during the Reporting Period. There were no shares to be transferred as at the beginning and end of the Reporting Period.

A summary of the second Employee Stock Ownership Plan for 2023

1. Purposes of the Plan

- (I) To further improve the corporate governance structure, improve the Company's long-term incentive and restraint mechanism, and ensure the Company's long-term, stable and healthy development;
- (II) To improve mechanisms for sharing benefits between workers and owners, align the long-term interests of the Company, shareholders, and employees, and promote the Company's long-term and sustainable development, so as to bring returns to shareholders;
- (III) To attract and to retain outstanding management and business key staffs, meet the Company's demand for core technical talents and management talents through comprehensive and accurate coverage of high-value positions and key talents, establish the Company's human resources advantages, further stimulate the Company's innovation vitality, and inject new impetus into the sustained and rapid development of the Company

2. Participants of the Plan

The participants of the Employee Stock Ownership Plan for 2023 (hereinafter referred to as the "Second ESOP") are determined by the Company in accordance with the provisions of the Company Law, the Securities Law, the Guiding Opinions, the Regulatory Guidelines and other laws, regulations, normative documents and the Articles of Association, and with consideration of the actual situations.

Participants under the Second ESOP shall be either:

- (I) directors (excluding independent directors), supervisors and senior management of the Company;
- (II) core management and key employees.

All the participants must have entered into labor contracts or employment contracts with the Company or its subsidiaries during the term of the Second ESOP. Qualified employees' participation in the Second ESOP complies with the principles of lawfulness, voluntary participation and self-bearing of risk. There is no apportionment, forced distribution or other circumstances in which employees are forced to participate in the Second ESOP. The Company will decide the short list of participants from qualified employees.

3. Total number of shares available for issue under the Plan and percentage of issued shares that it represents as at the date of the annual report

The shares of the Second ESOP come from the ordinary A Shares of Great Wall Motor in the Company's special securities account for repurchase, which is expected to be no more than 5,248,643 shares, representing 0.06% of the issued shares as at the date of the annual report. The final number of shares held by the Second ESOP shall be subject to the actual number of shares transferred.

4. Maximum entitlements of each participant under the Plan

Upon completion of the implementation of the Second ESOP, the total number of all valid shares held under the Second ESOP of the Company will not exceed 10% of the total share capital of the Company in aggregate, and the total number of shares corresponding to the equity interest in shares of any individual participant shall not exceed 1% of the total share capital of the Company in aggregate.

5. Period within which the grantees may exercise share options under the Plan

Not applicable.

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6. *Vesting period of the options granted or shares awarded under the Plan and performance appraisal targets*

(1) *Vesting period*

The lock-up period of the Second ESOP is 12 months. The equity of underlying shares held shall be unlocked in three tranches. The time point of unlocking is 12 months, 24 months and 36 months respectively from the date of the Company's announcement of the registration of the transfer of the last tranche of the underlying shares to the Second ESOP, and the proportion of the underlying shares to be unlocked for each tranche is 40%, 30% and 30%, respectively. The actual proportion and number of shares to be unlocked for each tranche are determined according to the Company's performance and the results of the individual performance of the participants.

(2) *Performance appraisal targets*

The performance appraisal targets are as follows:

Selection of performance indicators	Sales volume	Net profit
Weights of performance indicators	50%	50%
Completion rate of performance targets (P)	Σ (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 shall not be less than 1.90 million units in 2024	The net profit shall not be less than RMB7.2 billion in 2024
Second unlocking period	The sales volume of automobiles of the Company shall not be less than 2.16 million units in 2025	The net profit shall not be less than RMB8.5 billion in 2025
Third unlocking period	The sales volume of automobiles of the Company shall not be less than 2.49 million units in 2026	The net profit shall 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 Company. The "sales volume" mentioned above refers to the annual sales volume as disclosed in the annual report of the Company.

7. *The amount payable on application or acceptance of the options or the awards and the period within which payments or calls must be made or loans for application of the options must be repaid*

Not applicable.

8. *Basis of determination for the exercise price of the options granted or the purchase price of the shares granted*

The Second ESOP shall transfer the ordinary A Shares repurchased by the Company through non-trading transfer and other methods permitted by laws and regulations. The transfer price is RMB13.61 per share, which is 50% of average trading price of the Company's shares for the 20 trading days preceding the announcement of the Second ESOP (Revised Draft).

The transfer price shall not be lower than the nominal value of the shares and shall not be lower than the higher of the following:

- (1) 50% of the average trading price of the Company's shares on the trading day preceding the announcement of the Second ESOP (Revised Draft), being RMB13.09 per share;
- (2) 50% of the average trading price of the Company's shares for the 20 trading days preceding the announcement of the Second ESOP (Revised Draft), being RMB13.61 per share.

In the event of any ex-rights or ex-dividend matters of the Company, such as distribution of dividends or shares, conversion of capital reserve into share capital, during the period from the pricing reference date to the date of transferring the underlying shares to the Second ESOP, the above transfer price shall be adjusted accordingly.

9. *Remaining validity period of the Plan*

The term of the Second ESOP shall be 48 months commencing from the date on which the Second ESOP is considered and approved at the general meeting and the Company announces the last tranche of the underlying shares has been transferred to the Second ESOP. The term of the Second ESOP may be extended before the expiry of the term of the Second ESOP, as agreed by the holders holding more than two-thirds (inclusive) of the total units and attending the holders' meeting, and as considered and approved by the Board. The validity term is from 8 February 2024 to 7 February 2028.

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10. Fair values of the relevant restricted shares, options and awards as at the grant date and the accounting standards and policies adopted

In accordance with the relevant provisions of the Accounting Standard for Business Enterprises No. 11 – Share-based Payments: as to an equity-settled share-based payment in return for services of employees, if the right cannot be exercised until the vesting period comes to an end or until the prescribed performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in the current period should, based on the best estimate of the number of vested equity instruments, be stated in relevant costs or expenses and the capital reserves at the fair value of the equity instruments on the date of grant.

Assuming that the Second ESOP would be considered and approved at the general meeting of the Company to be held at the beginning of January 2024, and then the Company will transfer 5,248,643 shares of the Company held in the designated repurchase account of the Company to the Second ESOP through non-trading transfer and other methods permitted by laws and regulations. As estimated based on closing price (RMB26.88 per share) on the day when the Board will consider and approve the Second ESOP (Draft), it is expected that the Company should recognize the expenses involved in the Second ESOP of RMB69,649,500, and the amortization of the expenses of the Second ESOP is calculated as follows:

Currency: RMB Unit: RMB0'000

Total expenses expected to be amortized	2024	2025	2026	2027
6,964.95	3,483.67	2,314.51	952.47	214.31

Note: The final impact on the operating results of the Company shall be subject to the annual audit report issued by the accounting firm.

The cost of the Second ESOP shall be charged to the costs and expenses. Without considering the impact of the Second ESOP on the Company's performance, the amortization of expenses under the Second ESOP has a certain impact on the net profit of each year during the term of the Plan. If the positive effect of the Second ESOP on the development of the Company is considered, the Second ESOP will effectively stimulate the enthusiasm of the Company's employees and improve operational efficiency.

Section 7 Corporate Governance

2023 Second ESOP

Participants	Number of the shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Shares yet to be vested at the end of the Reporting Period (shares)
Mu Feng (general manager), Zhao Guo Qing (vice chairman, deputy general manager) and Li Hong Shuan (executive director, chief financial officer, the secretary to the Board) and Lu Cai Juan (chairman of the Supervisory Committee)	1,520,000	0	1,520,000	0	0	0
Core management and key employees	3,310,000	0	3,310,000	0	0	0
Total	4,830,000	0	4,830,000	0	0	0

Note: In respect of the 2023 Second ESOP, 4,830,000 ordinary A Shares held in the Company's "Specific Securities Account for Repurchase of Great Wall Motor Company Limited" was transferred to the Company's "Great Wall Motor Company Limited – 2023 Second ESOP" securities account through non-trading transfer on 8 February 2024. The closing price of A Shares of the Company immediately prior to the date of non-trading transfer of such shares was RMB21.81.

The transfer of shares under the 2023 Second ESOP was completed on 8 February 2024, and there was no transfer of shares during the Reporting Period. There were no shares to be transferred as at the beginning and end of the Reporting Period.

(II) Incentives undisclosed in preliminary announcements or followed with subsequent development

Share Option Incentive Scheme

Applicable Not applicable

Other descriptions

Applicable Not applicable

Employee Stock Ownership Plan

Applicable Not applicable

Other incentives

Applicable Not applicable

Section 7 Corporate Governance

(III) Share incentives granted to directors and senior management during the Reporting Period

Applicable Not applicable

(IV) Appraisal system for senior management and establishment and implementation of incentive system during the Reporting Period

Applicable Not applicable

During the Reporting Period, the Company carried out an equity incentive scheme to fully mobilize the enthusiasm of the senior management members. At the same time, the Company established an appraisal mechanism for the senior management members in terms of KPI assessment, policy evaluation and evaluation for related-party peripherals, and applied the evaluation results to the bonus distribution and the unlocking of equity incentives for senior management members.

XII. ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

Applicable Not applicable

The Company has devised an Internal Control Management Policy and an Internal Control Self-Assessment Management Policy. As required under these policies, the Company kept smoothing and improving all aspects of internal control to strengthen checks-and-balances as well as improving the operating procedures for related businesses. During the Reporting Period, the Company already established internal controls and effectively executed them for the businesses and matters covered in the scope of evaluation, having achieved its goal of internal controls, in which there were no major defects.

Description of material defect of internal control during the Reporting Period

Applicable Not applicable

XIII. MANAGEMENT AND CONTROL OF THE SUBSIDIARIES DURING THE REPORTING PERIOD

Applicable Not applicable

During the Reporting Period, the Company managed and controlled its subsidiaries in accordance with the Articles of Association and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

XIV. RELEVANT MATTERS OF AUDIT REPORT ON INTERNAL CONTROL

Applicable Not applicable

For details, please refer to the Internal Control Audit Report disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 28 March 2024.

Has the audit report on internal control been disclosed:	Yes
Type of opinion on the audit report on internal control:	Standard unqualified opinion

XV. SELF-INSPECTION AND RECTIFICATION OF PROBLEMS IN THE SPECIAL CAMPAIGN OF GOVERNANCE OF LISTED COMPANIES

Not applicable

XVI. OTHERS

Applicable Not applicable

The Company is committed to enhancing its corporate governance standard by improving its transparency, independence, accountability and fairness. The Company has adopted appropriate measures to comply with the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules and its principles. To the knowledge of the Board, except for the deviation disclosed below, the Company has complied with all the principles and code provisions in the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules during the Reporting Period.

Code provision F.2.2 in the Corporate Governance Code provides the Chairman of the Board should attend the annual general meeting of the Company. Mr. Wei Jian Jun was unable to attend the annual general meeting held on 16 June 2023 due to other important business engagement. In his absence, the annual general meeting was chaired by Ms. Li Hong Shuan (with sufficient caliber for answering questions at the annual general meeting), who liaised with Mr. Wei Jian Jun on all key matters prior to the meeting. Mr. Wei Jian Jun was also debriefed on the meeting and any matters arising to ensure any matters raised at the annual general meeting were followed up and considered by the Board.

Principal Corporate Governance Principles and Practices of the Company

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles adopted by the Company are in the best interest of the Company and its shareholders. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has established reporting mechanism to ensure directors are all informed of its business, and believed that the regular Board meetings held are efficient communication ways for non-executive Directors to make full and open discussion on the Company's business. The Board regularly reviews corporate governance practices to ensure the Company's operation is in compliance with laws, regulations, and regulatory provisions of the places where the Company is listed, and consistently endeavors to implement a high standard of corporate governance.

Section 7 Corporate Governance

A. Board of Directors

The Board should have a balance of skills and experience appropriate for the requirements of the business of the Company.

The members of the Board are as follows:

Executive Directors:

Mr. Wei Jian Jun (*Chairman*)

Mr. Zhao Guo Qing (*Vice-chairman and Deputy General Manager*)

Ms. Li Hong Shuan

Non-Executive Director:

Mr. He Ping

Independent Non-Executive Directors:

Ms. Yue Ying

Mr. Li Wan Jun (not re-appointed upon expiry of his term of office on 16 June 2023)

Mr. Ng Chi Kit (not re-appointed upon expiry of his term of office on 16 June 2023)

Mr. Fan Hui (appointed on 16 June 2023)

Mr. Tom Siulun Chau (appointed on 16 June 2023)

During the Year, the Company complied with the requirements regarding the number of independent non-executive directors and accounting or related financial management expertise set out under Rule 3.10 (1) and (2) and Rule 3.10A of the Hong Kong Listing Rules, respectively.

- All independent non-executive directors complied with the guidelines on independence set out under Rule 3.13 of the Hong Kong Listing Rules and did not violate any provision thereunder throughout the Year.
- During the Year, none of the directors engaged in or was interested in any business which competed or was likely to compete, directly or indirectly, with the business of the Group.
- There is no financial, business, family or other material relationship among members of the Board.

During the Year, Mr. Li Wan Jun and Mr. Ng Chi Kit resigned as independent non-executive directors of the Company with effect from 16 June 2023; and Mr. Fan Hui and Mr. Tom Siulun Chau were appointed as independent non-executive directors of the Company with effect from 16 June 2023.

- The biographies of directors are set out in (I) "The change in shareholdings and remuneration of existing and resigned/retired directors, supervisors and senior management during the Reporting Period" under IV. "Directors, Supervisors, and Senior Management" in section 7 "Corporate Governance".

Section 7 Corporate Governance

Deviation: NIL

The unique role of the chairman and the chief executive officer.

- The positions of chairman and general manager were served by different individuals.
- The chairman is responsible for overseeing operations of the Board and formulating the strategies and policies of the Company, while the general manager is responsible for managing the business of the Company.
- Mr. Wei Jian Jun served as the chairman of the Board, which is equivalent to the role of chairman, and is responsible for leading the Board, organising the meeting agenda, and ensuring its effective operation.
- Mr. Mu Feng served as the general manager of the Company, which is equivalent to the role of chief executive officer, and is responsible for the day-to-day operations of the Company and other matters authorised by the Board.

Deviation: NIL

The Board shall meet regularly and hold at least four Board meetings a year. The Board is responsible for formulating and reviewing the business direction and strategy for the relevant auditing period and for supervising the operating and financial performance of the Group. Where necessary, the Board will also convene extraordinary meetings to discuss matters requiring a decision by the Board on an ad hoc basis. The management is authorised to make decision on day-to-day operations.

Non-executive directors shall be appointed for a specific term, and all directors appointed to fill casual vacancies shall be subject to election by shareholders at the first general meeting after their appointment.

- Pursuant to the Articles of Association, "the directors shall be elected at a general meeting for a term of three years. Upon expiry of his term of office, a director may offer himself for re-election". All the directors of the Company, including the independent non-executive directors and non-executive directors, were re-elected or elected and appointed on 16 June 2023 for a term of three years.

Deviation: NIL

- The Board shall assume responsibility for leadership and control of the company and be collectively responsible for promoting the success of the company.

The Board shall meet regularly and hold at least four Board meetings a year. The Board is responsible for formulating and reviewing the business direction and strategy for the relevant auditing period and for supervising the operating and financial performance of the Group. Where necessary, the Board will also convene extraordinary meetings to discuss matters requiring a decision by the Board on an ad hoc basis. The management is authorised to exercise discretion on day-to-day operations.

Section 7 Corporate Governance

- The Board is accountable to the general meetings and discharges the following duties:
 - (1) to convene general meetings and report its work to the general meetings;
 - (2) to implement resolutions of the general meetings;
 - (3) to determine operating plans and investment proposals of the Company;
 - (4) to prepare annual financial budgets and financial statements of the Company;
 - (5) to prepare proposals for profit distribution and making up losses of the Company;
 - (6) to prepare proposals for the increase or decrease in registered capital and issue of bonds of the Company;
 - (7) to prepare proposals for the mergers, segregation and dissolution of the Company;
 - (8) to determine the internal management structure of the Company;
 - (9) to appoint or remove the general manager of the Company, and on the basis of nomination by the general manager, to appoint or remove the deputy general manager, chief financial controller and other senior management of the Company and to determine their remunerations;
 - (10) to set up the basic management systems of the Company;
 - (11) to prepare proposals for amendments to the Articles of Association; and
 - (12) other authorisations from the general meetings.

Deviation: NIL

Section 7 Corporate Governance

The management is authorised at meetings of the Board to exercise powers related to day-to-day operations.

- The Articles of Association clearly stipulate that the general manager of the Company is responsible for implementing various strategies and overseeing the day-to-day operations of the Company and is required to report to the Board on a regular basis.
- The Board will formulate the development strategies of the Company within its scope of authority. The management is authorised and entrusted by the Board to implement the strategies and oversee the day-to-day operations of the Company. The management is accountable to the Board.
- Save for matters of significance of the Company to be determined by the Board, which are set out in the terms of reference of the Board, other issues relating to day-to-day operation are subject to the decision of the management, and shall be reported to the Board by the management.

Deviation: NIL

The Board shall meet regularly to discharge their duties. The Board and its committees shall be provided with sufficient information in a timely manner.

- During the Year, the Board held 21 meetings. Pursuant to the Articles of Association, “meetings or extraordinary meetings of the Board may be convened by means of telephone or similar telecommunication facilities”.
- Regular meetings of the Board were held in the middle of the Year and at the end of the Year. Additional meetings were also held to consider important matters arising from time to time. Directors may attend such meetings in person or through other electronic means of communication.
- Notice will be given to each director 14 days prior to a Board meeting. Documents containing meeting agenda will be sent to each director four days before the date appointed for the relevant meeting.
- The secretary to the Board assists the chairman of the Board in preparing the meeting agenda. The directors are allowed to submit agenda proposals to the secretary to the Board before the date appointed for the relevant meeting.

Section 7 Corporate Governance

Directors' Solicitation of Independent Views

The Company encourages members of the Board to seek the opinions of other members, employees and other stakeholders as appropriate to ensure that different views are considered in the decision-making process.

The Company has established a mechanism in which each director has the right to seek independent professional advice on any matters related to the performance of his/her duties, so as to ensure that the Board can access independent views and opinions. The Board has reviewed and examined such mechanism, and considered it to be properly implemented and effective.

The Company also has formal or informal channels to ensure that the Board can seek independent views and opinions.

- Minutes of Board meetings and meetings of committees are kept by the secretary to the Board and are available for inspection by the directors at any time. Such minutes of the meeting will record opinions and suggestions raised by the directors in the meeting, the final version of which will be sent to directors for confirmation and signing.
- Transactions in which directors are deemed to have a conflict of interests or deemed to be materially interested will not be dealt with by written resolution. The relevant director will be allowed to attend the meeting but may not express any opinion and will be required to abstain from voting.
- The directors may seek independent professional advice on professional matters involved in the agenda at the expense of the Company.
- The secretary to the Board assists the chairman of the Board in preparing the meeting agenda. The directors are allowed to submit agenda proposals to the secretary to the Board before the date appointed for the relevant meeting.
- Minutes of Board meetings and meetings of committees are kept by the secretary to the Board and are available for inspection by the directors at any time. Such minutes of the meeting will record opinions and suggestions raised by the directors in the meeting, the final version of which will be sent to directors for confirmation and signing.
- Transactions in which directors are deemed to have a conflict of interests or deemed to be materially interested will not be dealt with by written resolution. The relevant director will be allowed to attend the meeting but may not express any opinion and will be required to abstain from voting.
- The directors may seek independent professional advice on professional matters involved in the agenda at the expense of the Company.

Section 7 Corporate Governance

Attendance of individual directors at Board meetings and general meetings in 2023

Please refer to item (I) "Attendance of directors at Board meetings and general meetings" under VI. "Performance of Duties by Directors" in the section 7 "Corporate Governance" herein.

Deviation: NIL

Every director is required to keep abreast of his responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

- The company secretary provides up-to-date information on trading of H Shares and A Shares in Hong Kong and in the PRC respectively on each trading day to the directors and committee members and keeps them abreast of the latest developments of the Group and business progress of the Company.
- Pursuant to the prevailing Working System for Independent Directors of the Company, non-executive directors and independent non-executive directors are entitled to attend and propose to convene Board meetings. All the committees of the Company currently comprise independent non-executive directors.
- The Company regularly provides all directors, whose names are set out in this section, with information in relation to their professional conduct and enhancement of their expertise for training purposes in order to ensure all directors are familiar with the operation and business of the Company and relevant laws and regulations (including but not limited to the listing rules of Hong Kong and China). During the Reporting Period, two new independent non-executive directors, Mr. Fan Hui and Mr. Tom Siulun Chau, were appointed with effect on 16 June 2023, who received director training undertaken by the Company's legal adviser as to Hong Kong Law on 8 June 2023 prior to their taking office. Each of the two independent non-executive directors confirmed that they were aware of all the applicable requirements on their qualification as directors of the listed issuer under the Hong Kong Listing Rules, and the possible consequences of making false statements or providing false information to the Hong Kong Stock Exchange.

Deviation: NIL

Section 7 Corporate Governance

Compliance with Model Code

- The Company has complied with the Model Code set out in Appendix C3 to the Hong Kong Listing Rules and has not adopted any separate code of conduct on terms more exacting than those set out in the Model Code. The Company has made specific enquiry to each director in respect of securities transactions by directors. None of the directors of the Company violated any provisions of the Model Code.

Strategy and Sustainable Development Committee	Remuneration Committee	Nomination Committee	Audit Committee
Mr. Wei Jian Jun (<i>Chairman</i>)	Mr. Wei Jian Jun	Mr. Wei Jian Jun	Mr. He Ping
Ms. Li Hong Shuan	Ms. Yue Ying (<i>Chairman</i>)	Ms. Yue Ying (<i>Chairman</i>)	Ms. Yue Ying
Mr. He Ping	Mr. Li Wan Jun (not re-appointed upon expiry of his term of office on 16 June 2023)	Mr. Ng Chi Kit (not re-appointed upon expiry of his term of office on 16 June 2023)	Mr. Li Wan Jun (<i>Chairman</i>) (not re-appointed upon expiry of his term of office on 16 June 2023)
Ms. Yue Ying	Mr. Fan Hui (appointed on 16 June 2023)	Mr. Tom Siulun Chau (appointed on 16 June 2023)	Mr. Ng Chi Kit (not reappointed upon expiry of his term of office on 16 June 2023)
Mr. Li Wan Jun (not re-pointed upon expiry of his term of office on 16 June 2023)	/	/	Mr. Fan Hui (<i>Chairman</i>) (appointed on 16 June 2023)
Mr. Fan Hui (appointed on 16 June 2023)	/	/	Mr. Tom Siulun Chau (appointed on 16 June 2023)

Deviation: NIL

B. Strategy and Sustainable Development Committee

The Company has set up the Strategy and Sustainable Development Committee comprising two independent non-executive directors (Yue Ying, Li Wan Jun (not re-appointed upon expiry of his term of office on 16 June 2023), and Mr. Fan Hui (appointed on 16 June 2023)), one non-executive director (He Ping) and two executive directors (Wei Jian Jun (Chairman of this committee) and Li Hong Shuan).

Attendance of committee members at meetings of the Strategy and Sustainable Development Committee in 2023

No. of meetings	1	
	30 March 2023	
	To consider the proposal	
	on the operational strategies of the	
	Company for the year of 2023	
Date and Business	No. of attendance/ No. of meeting	Attendance rate
Wei Jian Jun	1/1	100%
Li Hong Shuan	1/1	100%
He Ping	1/1	100%
Yue Ying	1/1	100%
Li Wan Jun	1/1	100%
Fan Hui	0/0	0
Average attendance rate	–	100%

During the Reporting Period, the Company held a meeting of the Strategy and Sustainable Development Committee to consider and approve the operational strategies of the Company for the year of 2023.

Deviation: NIL

Section 7 Corporate Governance

C. **Remuneration Committee**

- The Company has set up the Remuneration Committee comprising two independent non-executive directors (Yue Ying (Chairman of this committee), Li Wan Jun (not re-appointed upon expiry of his term of office on 16 June 2023), and Mr. Fan Hui (appointed on 16 June 2023)) and one executive director (Wei Jian Jun).
- The Remuneration Committee is responsible for making recommendations on the remuneration policies in relation to the directors and senior management of the Group, and determining the remuneration packages for executive directors and senior management, including benefits in kind, pensions and compensation payments. The terms of reference of the Remuneration Committee include the specific duties set out under the Corporate Governance Code.
- The Group proposes the basis of remuneration for directors and employees according to the performance and qualification of the directors and employees as well as the prevailing industry practice. The remuneration policies and packages are reviewed regularly. Based on the performance assessment report, employees may receive bonus and incentive payments as rewards.
- In June 2023, the Company and each of the directors, including non-executive directors and independent non-executive directors, entered into a Director's Service Agreement or an appointment letter for a term of three years, which set out the respective remunerations of the directors.
- Details of directors' and senior management's remuneration as well as the five highest paid individuals in the Group are set out in item IV. (I) The change in shareholdings and remuneration of existing and resigned/retired directors, supervisors and senior management during the Reporting Period in Section 7 and note (XII) to the financial statements. The Company formulates the policy on executive directors' remuneration and determines the remuneration packages for all directors with formal and transparent procedures.

The Remuneration Committee formulates the remuneration scheme or plan according to the aforesaid remuneration policy and the main scopes, duties and importance of the positions of Directors and senior management as well as the remuneration levels of similar positions of other similar enterprises, and puts forward proposals on remuneration of directors and senior management to the Board in respect of such schemes or plans, that is, adopting the method as set out in Rule E.1.2(c)(ii) in Appendix C1 to the Hong Kong Listing Rules.

During the Reporting Period, the Remuneration Committee reviewed and approved the matters related to the share scheme mentioned in Chapter 17 of the Hong Kong Listing Rules. For details, please refer to (4) under VII. "Special Committees under the Board" in this section. During the Reporting Period, the Company involved matters relating to any grants of options or awards to the directors or senior managers of the Company as set out in Rule 17.03(F) and Rules 17.06B(7) and (8) of the Hong Kong Listing Rules, and see "XI. Share Incentive Scheme, Employee Stock Ownership Plan or Other Incentives for Employees and Their Effects – The Restricted Share and Share Option Incentive Scheme and Employee Stock Ownership Plan" in this section for details.

Attendance of committee members at meetings of the Remuneration Committee in 2023

No. of meetings		9
Date and Business	Details are set out in paragraph⁽⁴⁾ of VII "Special Committees under the Board" in this section	
	No. of attendance/ No. of meetings	Attendance rate
Wei Jian Jun	9/9	100%
Yue Ying	9/9	100%
Li Wan Jun	6/6	100%
Fan Hui	3/3	100%
Average attendance rate	–	100%

Details of matters considered by the Remuneration Committee during the Reporting Period are set out in (4) under VII. "Special Committees under the Board" of this section.

Deviation: NIL

D. Nomination Committee

- The Company has set up the Nomination Committee comprising two independent non-executive directors (Yue Ying (Chairman of this committee), Ng Chi Kit (resigned on 16 June 2023) and Tom Siulun Chau (appointed on 16 June 2023)) and one executive director (Wei Jian Jun).
- The Nomination Committee is responsible for making recommendations to the Board regarding its size and composition based on business activities, asset scale and shareholding structure of the Company and making recommendations about the standards and procedures for selecting directors and management members.

The procedures for the nomination, and criteria for selection and recommendation of directors and senior management:

The Nomination Committee conducts extensive searches for candidates after considering the Company's requirements for directors and senior management. After soliciting the nominees' consent to the nominations, a meeting of the Nomination Committee will be convened to examine the qualifications of the shortlisted nominees in accordance with the qualifications of directors and senior management as stipulated in the Company Law, Rules for Independent Directors of Listed Companies and the Hong Kong Listing Rules, recommend director candidates and new senior management personnel to be engaged to the Board, and furnish the Board with relevant materials.

Section 7 Corporate Governance

Attendance of committee members at meetings of the Nomination Committee in 2023

No. of meetings			2
Date and Business	Details are set out in paragraph⁽³⁾ of VII "Special Committees under the Board" in this section		
	No. of attendance/ No. of meetings	Attendance rate	
Wei Jian Jun	2/2	100%	
Yue Ying	2/2	100%	
Ng Chi Kit	1/1	100%	
Tom Siulun Chau	1/1	100%	
Average attendance rate	–	100%	

Details of matters considered by the Nomination Committee during the Reporting Period are set out in paragraph (3) of VII "Special Committees under the Board" in this section.

Deviation: NIL

Board diversity policy

The Board has adopted a board diversity policy effective from 27 December 2013. When determining the composition of the Board, the Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All appointments of the Board members will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merits of the candidates and the contribution they will bring to the Board.

The Board has set measurable objectives and timelines (in terms of gender, skills and experience) to implement the policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives, and will review the policy, as appropriate, to ensure its continued effectiveness from time to time.

As at the date of this report, the Board comprises seven directors, of which two are females. The educational background of the directors covers accounting, law, management and machine manufacturing, etc. The Company considers that the current composition of the Board has the characteristic of diversity in gender, professional background and skills. The Board of the Company has female directors, and it will ensure that there are sufficient resources to provide appropriate training and career development for them, so as to ensure the diversity of potential successors of the Board in terms of gender, skills and experience.

Deviation: NIL

Diversity of employees

The Group has 19,579 female employees, accounting for approximately 23.75% of the total number of employees. The Group has 62,860 male employees, accounting for approximately 76.25% of the total number of employees.

The Group insists on the recruitment strategy of hiring suitable employees for different positions, to achieve the diversity of all employees (including senior management) in terms of gender, age, cultural and educational background, professional experience, skills and knowledge. As at 31 December 2023, the female employees of the Group accounted for approximately 23.75% of the total number of employees, which demonstrates that the Group has achieved gender diversity of employees.

E. Accountability, Audit and Audit Committee

The Board should present a balanced, clear and comprehensive assessment of the Company's performance, position and prospects.

- The directors are responsible for supervising the preparation of accounts for each financial period, which are required to give a true and fair view of the operating conditions, results and cash flow of the Group during the relevant period. When preparing the accounts for the year ended 31 December 2023, the directors have:
 1. selected and consistently applied appropriate accounting policies, made prudent and reasonable judgments and estimations and prepared accounts on a going concern basis; and
 2. announced interim and final results of the Group every year in accordance with the Hong Kong Listing Rules and disclosed other financial information as required by the Hong Kong Listing Rules.

Deviation: NIL

Section 7 Corporate Governance

The Board should ensure that the Company maintains a sound and effective internal control system to safeguard the shareholders' investment and the company's assets.

- The Board is fully responsible for overseeing the internal control system and evaluating its efficiency at least once a year.
- The Audit Committee is responsible for overseeing the financial affairs of the Group.
- The management is responsible for overseeing the daily operations of the Company and regularly reviewing the operational control.
- The Financial Management Department, Securities Investment Department and Legal and Compliance Department of the Company are responsible for monitoring compliance affairs of the Group and organising regular training.
- The Board is responsible for risk management and regular risk management reviews.

Deviation: NIL

The Board should establish formal and transparent arrangements for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the company's auditors.

- Deloitte Touche Tohmatsu Certified Public Accountants LLP was the external auditor of the Company in 2023. Its reviewing fees in respect of the interim audit service amounted to RMB566,000. The financial statements of the Company's annual report have been prepared in accordance with the China Accounting Standards for Business Enterprises and audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP. In 2023, Deloitte Touche Tohmatsu Certified Public Accountants LLP charged the Company RMB1,650,900, RMB330,200, RMB283,000, RMB615,000 and RMB484,900 for the auditing fees in respect of the annual audit, the annual internal control audit, the special report and review report on the deposit and actual use of the proceeds, audit service provided by Deloitte (including other entities under Deloitte) to the Company's subsidiaries, and the annual consultation fees (including other entities under Deloitte) respectively. Apart from these, there was no fee payable for non-audit services by Deloitte Touche Tohmatsu Certified Public Accountants LLP in 2023.
- The directors of the Company acknowledge that it is their responsibility for preparing the accounts of the Group.
- A statement by the auditors about their reporting responsibilities is set out in Section 13 "Financial Report".
- During the Year, the Board conducted a review of the effectiveness of the internal control system of the Group.

Section 7 Corporate Governance

- The Company has set up an Audit Committee comprising all the current independent non-executive directors (Li Wan Jun (Chairman of the Audit Committee, who was not re-appointed upon expiry of his term of office on 16 June 2023), Fan Hui (the Chairman of the Audit Committee, who was appointed on 16 June 2023), Yue Ying, Ng Chi Kit (not re-appointed upon expiry of his term of office on 16 June 2023), Tom Siulun Chau (appointed on 16 June 2023)) and one non-executive director (He Ping) of the Company. The composition of the Audit Committee of the Company is in compliance with Rule 3.21 of the Hong Kong Listing Rules.
- The terms of reference of the Audit Committee conformed with the recommendations set out in A Guide for Effective Audit Committees issued by the Hong Kong Institute of Certified Public Accountants, which stipulates the following specific functions:
 - (I) monitoring and evaluating the external auditors;
 - (II) providing guidance on internal audit work;
 - (III) reviewing financial statements, annual reports, interim reports and quarterly reports of the Company and making comments thereon;
 - (IV) assessing the effectiveness of internal control and risk management;
 - (V) reviewing and confirming the list of related parties;
 - (VI) coordinating communication between the management, internal audit departments and relevant departments with the external auditors;
 - (VII) other matters as authorised by the Board of the Company and other matters involved in the relevant laws and regulations.
- The principal work of the Audit Committee includes reviewing and supervising the financial reporting procedures and internal control of the Group as well as auditing and reviewing the Company's financial reporting, risk management and internal control system, reviewing the effectiveness of the issuer's internal audit function, and fulfilling other duties set out in the Corporate Governance Code.

The Audit Committee holds at least four meetings each year to review the audited annual accounts, unaudited interim accounts and unaudited quarterly accounts. The principal duties of the Audit Committee include reviewing the financial reporting of the Group, auditors' advice on internal control and compliance matters and financial risk management. The Audit Committee performed the above duties at its meetings during the Year.

Details of the business considered at meetings of the Audit Committee convened by the Company during the Reporting Period are set out in paragraph (2) of VII Special Committees under the Board in this section.

Section 7 Corporate Governance

Attendance of committee members in meetings of the Audit Committee in 2023

Date and Main Business	Details are set out in paragraph ⁽²⁾ of VII "Special Committees under the Board" in this section	
	No. of attendance/ No. of meetings	Attendance rate
He Ping	7/7	100%
Li Wan Jun	2/2	100%
Fan Hui	5/5	100%
Yue Ying	7/7	100%
Ng Chi Kit	2/2	100%
Tom Siulun Chau	5/5	100%
Average attendance rate	–	100%

- The Audit Committee held a meeting on 27 March 2024 and reviewed the audited annual results announcement, annual report and annual financial statements of the Group for the year ended 31 December 2023.
- The terms of reference of the Audit Committee covered all duties set out in the Corporate Governance Code. During the Year, the Audit Committee recommended to the Board for the reappointment of Deloitte Touche Tohmatsu Certified Public Accountants LLP as the external auditor of the Company for the year of 2023.
- The Audit Committee reviewed the independence and objectivity as well as the effectiveness of the auditing procedures adopted by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the external auditor of the Company.
- The Audit Committee reviewed the Company and its subsidiaries' financial report for 2022, the first quarterly financial report for 2023, the interim financial report for 2023, the third quarterly financial report for 2023.
- The Audit Committee reviewed the related party transactions of the Company for 2022 and for the interim period of 2023.
- The Audit Committee reviewed the internal control system of the Company and its subsidiaries for 2023.

Section 7 Corporate Governance

- The Audit Committee reviewed the adjustment on the cap of ordinary related party transactions for 2023.
- The minutes of meetings of the Audit Committee are duly kept by the secretary to the Board and provided a detailed record of the opinions and suggestions of the committee members. The minutes are filed for record upon signing and confirmation by the committee members.
- All the current independent non-executive directors and one non-executive director of the Company serve as members of the Audit Committee.
- Deloitte Touche Tohmatsu Certified Public Accountants LLP was re-appointed as the external auditor of the Company in 2023. In the last three years, the Company had not changed its auditor.

Deviation: NIL

F. Corporate Governance Functions

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

1. to develop and review the Group's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of directors and senior management;
3. to review and monitor the Group's policies and practices in compliance with all legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Group; and
5. to review the Group's compliance with the Corporate Governance Code and disclose it in the Corporate Governance Report.

The Board has performed the above corporate governance duties during the Year.

Deviation: NIL

Section 7 Corporate Governance

G. Risk Management and Internal Control

The Board confirms that it is obliged to monitor the risk management and internal control system of the Group and review its effectiveness on an annual basis through the Audit Committee. The risk management and internal control system is designed to manage rather than to eliminate the risks of failure to reach operation objectives, and may only provide reasonable instead of absolute assurance against material misstatement or loss. The Audit Committee is responsible for assisting the Board in evaluating the effectiveness of internal control and risk management, which includes monitoring the finance, operation, compliance and other material aspects of the Group. The Board has reviewed the risk management and internal control system of the Group, and confirmed that, for the year ended 31 December 2023, the risk management and internal control system was effective and no material fault or weakness in respect of supervision was identified during the Reporting Period.

The Group has set up a set of integrity system, including whistleblowing policy and anti-corruption policy, to provide institutional guarantees for anti-corruption, case report and supervision.

For more details and policies and mechanisms, please refer to the Corporate Social Responsibility Report for 2022 of Great Wall Motor Company Limited 《長城汽車股份有限公司 2022 年度社會責任報告》 simultaneously published with this report.

1. Main characteristics of risk management and internal control

Risk management and internal control system:

The management is responsible for risk management and internal control, including formulating policies to manage risks, issuing risk warning and preparing risk management report in a timely manner, managing the evaluation of internal control, identifying defect of internal control, formulating rectification plan and giving feedback to the Board and the Audit Committee. The Board and the Audit Committee are responsible for evaluating the effectiveness of internal control and risk management.

Duties:

The Board

- To oversee and review the effectiveness of the risk management and internal control system from time to time, so as to ensure the development and maintenance of an effective risk management and internal control system of the Group;
- To review the risk management and internal control system of the Group at least once a year and to ensure the sufficiency of resources on accounting, internal audit and financial reporting, qualification and experience of employees and training provided to employees and relevant budgets. The chairman shall decide whether to report ad hoc matters, if any, to the Board; and
- To oversee the design, implementation and supervision of the risk management and internal control system by the management.

Section 7 Corporate Governance

Audit Committee

- To review the risk management and internal control system of the Company;
- To assess the evaluation and review results in respect of the risk management and internal control system and to supervise the rectification of relevant defects;
- To discuss with the management on the risk management and internal control system in order to ensure that the management has performed its duties to establish an effective system; and
- To analyse the findings of important investigation on risk management and internal control and the management's response to the relevant findings on its own or upon request of the Board.

The management

- To assume the duties of risk management and internal control and management of related aspects; and
- To report relevant information regarding the risk management and internal control to the Board and the Audit Committee.

The Group conducts one review of its risk management and internal control system for the whole year. In particular, The risk management and internal control departments of the Group shall report to the Audit Committee and the Board regarding the risk management and internal control of the Group for the previous year at the annual meeting, so as to facilitate the Board's evaluation on the effectiveness of control and risk management of the Group.

The Group has implemented policies and procedures to review the effectiveness of risk management and internal control and remedy the material defects of internal control, including requesting the management to conduct evaluation on a regular basis to keep abreast of related information in a timely manner. Furthermore, the Group has set up a system to safeguard integrity and honesty, combat corruption and facilitate case report and supervision. The Board considers that the Group has adopted a set of effective and adequate risk management and internal control systems for the year ended 31 December 2023.

Disclosure of Inside Information

The Group has set up procedures and monitoring measures for the disclosure of inside information by reference to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission, including the procedures and internal controls for identification of inside information and dissemination of inside information, such as conducting evaluation and verification, and seeking professional advice on related matters and their possible impact on the Company. Before the information is fully disclosed to the public, any persons who possess the knowledge of such information must ensure strict confidentiality and must not deal in any of the Company's securities.

Section 7 Corporate Governance

2. Procedures to identify, evaluate and manage material risks and the Group's ability to respond to changes in its business and the external environment

Relevant procedures:

(1) Risk identification

The Company formulates risk evaluation criteria to identify risks which may affect the Group.

(2) Risk evaluation

The Company evaluates the identified risks and classifies them into different risk levels.

(3) Risk management

The Company adopts different strategies to manage risks based on their levels and the risk management department supervises the effectiveness of the strategies. In addition, the Company formulates relevant countermeasures to prevent the recurrence of or lower the risks.

(4) Risk monitoring

The Company monitors risks in a consistent and regular manner and promptly amends the risk management and internal control procedures to ensure their appropriateness and effectiveness. The Company also regularly reports the result of risk monitoring to the management and the Board.

(5) Ability to respond to changes in its business and the external environment

In order to respond to changes in the external environment and maintain its profitability, the Company has optimised its business process and transformed its business and management models through management innovation, business reform and other measures. The medium to long-term visions of the Group have also been formulated. Efforts have been made to lower costs, enhance organisation and process and improve its ability, in order to ensure the implementation of the strategies and annual policies of the Group.

3. Internal audit

The internal audit department is responsible for internal audit of the Group and shall report directly to the Audit Committee. The internal audit department plays an important role in the evaluation of the effectiveness of risk management and internal control system of the Group and shall report the operation of such system directly to the Audit Committee on a regular basis.

4. The effectiveness of processes for financial reporting and compliance with the Hong Kong Listing Rules

The Board and the Audit Committee have confirmed that the processes for financial reporting and compliance with the Hong Kong Listing Rules of the Group are effective.

5. Information disclosure rules

The Group has formulated the Administrative Rules on Information Disclosure, the Rules on Registration and Filing of Details of Insiders and the Administrative Rules on the Release of Information to External Parties and the Use of Such Information to regulate the channels for disclosing information to the public and the procedures for handling insider information of the Group, and define the processes for the preparation, review and release of information in order to ensure the confidentiality of insider information until timely disclosure in accordance with the Listing Rules.

Deviation: NIL

H. Company Secretary

Ms. Li Hong Shuan was appointed as a secretary to the Board and the joint company secretary of the Company. In compliance with Rule 3.29 of the Hong Kong Listing Rules, Ms. Li Hong Shuan has taken no less than 15 hours of relevant professional training during the year ended 31 December 2023.

Ms. NG Ka Man was appointed as the joint company secretary of the Company on 23 September 2022. In compliance with Rules 3.28 and 8.17 of the Hong Kong Listing Rules, Ms. NG Ka Man is a member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and is qualified as a company secretary. Ms. Ng is currently a manager of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services for listed company clients. During the Reporting Period, the principal contact person in the Company of TMF Hong Kong Limited was Ms. Li Hong Shuan, who is an executive director, the chief financial officer and the joint company secretary of the Company. Ms. Ng has taken no less than 15 hours of relevant professional training during the year ended 31 December 2023.

Deviation: NIL

I. Corporate Communications

The Board should endeavour to maintain an on-going dialogue with shareholders and in particular, to communicate with shareholders at annual general meetings.

- The Company communicates with shareholders by publishing the latest resolutions of the Board in its annual and interim reports and announcements. Contact details of secretary to the Board of the Company are contained in the "Investor Relations" channel on the Company's website. The Company also responds to queries raised by investors.
- At the general meetings, the chairman of the meeting will put forward separate resolutions for each substantially independent issue.

Section 7 Corporate Governance

- At the annual general meeting, the chairman of the Board will answer and provide proper explanations of questions raised by shareholders, their proxies and members of the Audit Committee.
- The details of the procedures for voting by poll and the shareholders' rights for demanding a poll are set out in the circulars despatched to shareholders.

Deviation: NIL

J. Shareholders' Rights

- Two or more shareholders holding, solely or jointly, 10% or more of the shares carrying voting rights at the proposed extraordinary general meeting may sign one or more written requisition(s) with the same form and contents, and submit the same with the agenda to the Board for holding an extraordinary general meeting or a class meeting. The Board shall, upon receipt of the written requisition(s), hold an extraordinary general meeting or a class meeting as soon as possible.
- Shareholders can attend the general meeting by presenting the proof of their identities, such as identity cards or other valid identification documents, and can put forward their proposals at the general meeting.

The procedures for putting forward proposals by shareholders at the general meeting are stated as below:

- (1) When the Company holds a general meeting, shareholders who individually or jointly hold more than 3% of the shares of the Company are entitled to make a proposal to the Company. Shareholders holding, individually or jointly, 3% or more of the shares of the Company, may make an interim proposal and submit it in writing to the convener ten days before the general meeting is convened. The convener shall issue a supplemental notice of the general meeting within two days upon receipt of such proposal, announcing the contents of such interim proposal and submit the same to the general meeting for consideration.
 - (2) When the Company convenes an annual general meeting and an extraordinary general meeting, a notice of the meeting in written form or in electronic form (by posting on, including but not limited to, the Company's website and the Stock Exchange's website) shall be given no less than twenty days and ten business days or fifteen days (whichever is longer) respectively before the date of the meeting to notify all of the shareholders whose names appear in the share register of the matter to be considered and date and place of the meeting. Shareholders who intend to attend the meeting shall deliver to the Company the written reply within the time specified in the notice of the meeting.
- Shareholders can make enquiries to the Board of the Company and submit their enquiry applications by fax (86-312-2197812).

Deviation: NIL

K. Investor Relations

- During the Year, the Company enhanced two-way communication between the Company and its investors so as to enable general investors to keep abreast of the operation condition of the Company promptly, promote a good relationship between the Company and its investors and help its investors acquire a timely and accurate understanding of the business operation of the Company. In addition to periodic reports and temporary announcements published by the Company, the Company also published the information on its solutions and products and market expansion and the latest progress on its official website, to make investors get to know the latest development trends of the Company timely. Through investor hotline, e-mail, the SSE E-interactive platform, etc., the Company allowed investors to fully express their opinions and communicated with investors. During the Year, the Company enabled its investors to have a timely understanding of the Company's business operation through inviting them to participate in the Company's activities such as general meetings, car exhibitions, brand launch conferences and technical conferences. The Company had comprehensive communication with its investors by arranging domestic and overseas online/offline roadshows, receiving survey and research delegations from investors, arranging teleconferences and attending online/offline summit meetings hosted by investment banks. During the Year, the Company conducted 24 domestic and overseas roadshows, received 31 survey and research delegations from domestic and overseas investors, held 208 teleconferences, and participated in 1 summit meeting hosted by investment banks. During the Year, the Company has reviewed the implementation and effectiveness of its shareholders' communication policy. Based on comprehensive feedbacks from investors through the tubes mentioned above, the Company believes that its shareholder communication policy is effective. For the details of the Company's investor relations system and its implementation during the Year, please refer to the section "Investor Relations Management" in the Corporate Social Responsibility Report for 2023 of Great Wall Motor Company Limited 《長城汽車股份有限公司 2023 年度社會責任報告》) simultaneously published with this report.
- At the 2024 first extraordinary general meeting convened on 26 January 2024 by the Company, the amendments to the Articles of Association of the Company concerning the corporate governance were considered and approved, and came into effect on 26 January 2024.

Please refer to the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk), the website of Shanghai Stock Exchange (www.sse.com.cn) and the Company's website (www.gwm.com.cn) for the above-mentioned amendments to the Articles of Association.

Deviation: NIL

Section 8 Environment and Social Responsibilities

I. ENVIRONMENTAL INFORMATION

Whether environment-related mechanism has been established	Yes
Capital contributed to protect environment during the Reporting Period (unit: RMB0'000)	5,601.57

(I) Environmental protection measures taken by the Company and its major subsidiaries in respect of key pollutant discharging units announced by the environmental protection departments

✓ Applicable Not applicable

1. Pollution discharging

✓ Applicable Not applicable

Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission	
Great Wall Motor Company Limited	PH				7.2		-	-	Nil	
	Chemical oxygen demand			The discharge outlet in the factory of Great Wall Motor Company Limited at Chaoyang South Avenue	62.69mg/L	Integrated Wastewater Discharge Standards (GB 8978-1996); Influent water quality requirements for Yindingzhuang Sewage Station	18.10	39.14	Nil	
	Ammonia nitrogen	Intermittent emission	2		22.75mg/L		5.76	13.5	Nil	
	Total phosphorus				1.04mg/L		0.46	1.41	Nil	
	Total nitrogen				41.56mg/L		8.78	23.5	Nil	
	Particulate matter				14.5mg/L		2.73	-	Nil	
	Five-day BOD				38.2mg/L		6.06	-	Nil	
	Total nitrogen				-		0.00	0.009	Nil	
	Non-methane hydrocarbons				7.96mg/m ³	Integrated Emission Standards of Air Pollutants (GB16297-1996);	45.40	124.46	Nil	
	Sulfur dioxide	Regular emission	8	Main discharge outlet of exhaust gas from coating and stoving in the coating workshop	-	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016)	0	1.49	Nil	
	Nitrogen oxides				1.5mg/m ³	0.13	26.91	Nil		
	Particulates				2.3mg/m ³		5.39	28.46	Nil	
	Soil	1,802.24504 tons of hazardous waste was generated in 2023								Nil
	PH					7.4		-	-	Nil
Xushui Branch of Great Wall Motor Company Limited	Chemical oxygen demand				55.41mg/L		58.75	69.157	Nil	
	Ammonia nitrogen			Main discharge outlets of No. 1 plant and No. 2 plant of Xushui Branch	5.29mg/L	Integrated Wastewater Discharge Standards (GB 8978-1996); Influent water quality requirements for Dawangdian Treatment Sewage Station	4.67	11.899	Nil	
	Total phosphorus	Intermittent emission	3		0.51mg/L		0.50	1.24	Nil	
	Total nitrogen				18.92mg/L		22.11	27.322	Nil	
	Particulate matter				16mg/L		11.77	-	Nil	
	Five-day BOD				8.6mg/L		8.16	-	Nil	
	Total nitrogen				0.14mg/L		0.07	-	Nil	
Fluoride				4.22mg/L		3.91	-	Nil		
Environmental risk control	2,982.7474 tons of hazardous waste was generated in 2023								Nil	

Section 8 Environment and Social Responsibilities

Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Verified		Excessive emission			
							Total emissions (t)	total emissions (t/a)				
Tianjin Haval Branch of Great Wall Motor Company Limited	PH				7.5		-	-	Nil			
	Chemical oxygen demand				66.84mg/L		8.20	86.66	Nil			
	Sewage	Ammonia nitrogen	Intermittent emission	2	West side of the factory	0.65mg/L	Integrated Wastewater Discharge Standards (DB 12/356-2018)	0.10	5.85	Nil		
		Total phosphorus				0.35mg/L		0.04	1.386	Nil		
		Total nitrogen				14.53mg/L		1.93	12.132	Nil		
	Exhaust gas	Particulate matter			Around the factory	2mg/L	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB12/524-2020)/Integrated Emission Standards of Air Pollutants (GB16297-1996)	0.68	-	Nil		
		Five-day BOD				18.6mg/L		1.87	-	Nil		
		VOCs				28.3mg/m ³		24.95	398.29	Nil		
		Sulfur dioxide				3mg/m ³		2.937	-	Nil		
	Chongqing Branch of Great Wall Motor Company Limited	Nitrogen oxides	Regular emission	55	Around the factory	179mg/m ³	Integrated Emission Standards of Air Pollutants (DB50/418-2016); Emission Standards of Air Pollutants from Boilers in Chongqing (DB50/658-2016)	13.36	-	Nil		
Particulates				11.1mg/m ³		4.85		-	Nil			
Risk source		1,075.1465 tons of hazardous waste was generated in 2023							Nil			
Exhaust gas		VOCs				0.91mg/m ³		1.18	35.85	Nil		
		Sulfur dioxide				4.2mg/m ³		0.99	8.63	Nil		
		Nitrogen oxides	Regular emission	23		47.14mg/m ³		10.18	57.16	Nil		
		Particulates				6.02mg/m ³		6.43	15.59	Nil		
Environmental risk control		1,936.41 tons of hazardous waste was generated in 2023							Nil			
Jingmen Branch of Great Wall Motor Company Limited		PH						8		-	-	Nil
		Sewage	Chemical oxygen demand	Intermittent emission		2		Main discharge outlet of domestic/ industrial sewage	10.43mg/L	Integrated Wastewater Discharge Standards (GB 8978-1996)	1.220	6.73
	Ammonia nitrogen				1.5mg/L	0.028	0.673		Nil			
	Total phosphorus				1.18mg/L	0.027	-		Nil			
	Exhaust gas	VOCs			Within the factory	10mg/m ³	Emission Standards of Volatile Organic Compounds from Surface Coating (Automobile Manufacturing Industry) (DB42 1539-2019); Integrated Emission Standards of Air Pollutants (GB16297-1996)	13.32	39.05	Nil		
		Sulfur dioxide				25mg/m ³		0.586	-	Nil		
		Nitrogen oxides	Regular emission	41		100mg/m ³		7.63	-	Nil		
		Particulates				5mg/m ³		4.88	-	Nil		
	Environmental risk control	1,843.135 tons of hazardous waste was generated in 2023							Nil			

Section 8 Environment and Social Responsibilities

Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission	
Rizhao Weipai Automobile Co., Ltd. (日照魏牌汽車有限公司)	Sewage	Chemical oxygen demand	Intermittent emission	1	Main discharge outlet of the Company	14.3mg/L	Quality Standards for Sewage Discharged into Urban Sewers (GB/T31962-2015); Influent water requirements for the sewage treatment plant in the Development Zone of Rizhao Water Group Sewage Treatment Co., Ltd.	0.455	10.18	Nil
						1.23mg/L		Emission Standards of Volatile Organic Compounds Part 1: Automobile Manufacturing Industry (DB37/2801.1-2016)	0.042	1.02
	Exhaust gas	VOCs	Regular emission	16	Within the factory	0.47mg/m ³		0.206	18.33	Nil
Pinghu Branch of Great Wall Motor Company Limited	Environmental risk control	69.025 tons of hazardous waste was generated in 2023								Nil
Taizhou Branch of Great Wall Motor Company Limited	Exhaust gas	VOCs	Regular emission	41	Within the factory	16.978mg/m ³	Local Standard of Jiangsu under Integrated Emission Standards of Air Pollutants (DB32/4041-2021)	18.73	21.0275	Nil
	Environmental risk control	1,579.411 tons of hazardous waste was generated in 2023								Nil
Molding Workshop of Baoding Yixin Automotive Parts Company Limited (保定億新汽車配件有限公司成型車間)	Exhaust gas	Non-methane hydrocarbons	Regular emission	1	Around the factory	2.52mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322 - 2016)	0.632	40.37	Nil
		Sulfur dioxide				-		0	-	Nil
		Nitrogen oxides				-		0	-	Nil
		Particulates				1.5mg/m ³		0.111	-	Nil
		PH				8.3-8.7		-	-	Nil
Baoding Yixin Automotive Parts Company Limited (保定億新汽車配件有限公司)	Sewage	Chemical oxygen demand	Intermittent emission	1	Domestic sewage outlet	82.66mg/L	Integrated Wastewater Discharge Standards (GB 8978-1996); Influent water quality requirements for Yindingzhuang Sewage Station	0.251	10.719	Nil
		Ammonia nitrogen				5.46mg/L		0.013	-	Nil
		Total phosphorus				0.27mg/L		0.003	-	Nil
		Particulate matter				16mg/L		0.013	-	Nil
		Five-day BOD				63.9mg/L		0.077	-	Nil
Exhaust gas	Non-methane hydrocarbons	Intermittent emission	2	Around the factory	5.62mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322 - 2016)	3.854	7.534	Nil	
	Sulfur dioxide				-		0	-	Nil	
	Nitrogen oxides				23mg/m ³		0.566	-	Nil	
	Particulates				2.3mg/m ³		1.898	-	Nil	

Section 8 Environment and Social Responsibilities

Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Verified		Excessive emission	
							Total emissions (t)	total emissions (t/a)		
Baoding Xushui Branch of Nobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司保定徐水分公司)	Environmental risk control								Nil	
Baoding Xushui Vehicle Seats Branch of Nobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司保定徐水座椅分公司)	Environmental risk control								Nil	
					PH	8	-	-	Nil	
					Chemical oxygen demand	36mg/L	1.55	183.803	Nil	
	Sewage	Intermittent emission	1	West side of the factory	Ammonia nitrogen	0.51mg/L	Integrated Wastewater Discharge Standards (DB 12/356-2018)	0.04	13.345	Nil
					Total phosphorus	1.19mg/L		0.03	3.455	Nil
					Total nitrogen	31.2mg/L		0.76	30.227	Nil
Nobo Automotive Parts (Tianjin) Co., Ltd. (諾博汽車零部件(天津)有限公司)					Particulate matter	8mg/L		0.25	-	Nil
					Five-day BOD	8.2mg/L		0.42	-	Nil
					VOCs	0.57mg/m ³	Emission Control Standards of	3.86	18.66	Nil
	Exhaust gas	Regular emission	10	Around the factory	Sulfur dioxide	1.5mg/m ³	Volatile Organic Compounds for Industrial Enterprises (DB12/524-2020)	1.26	-	Nil
					Nitrogen oxides	1.5mg/m ³		1.42	-	Nil
					Particulates	0.5mg/m ³		0.89	-	Nil
	Risk source									Nil
					PH value	7.8		-	-	Nil
					Chemical oxygen demand	233mg/L	Integrated Wastewater Discharge Standards (GB 8978-1996); Influent water quality requirements for Yindingzhuang Sewage Station	1.41	-	Nil
	Sewage	Intermittent emission	1	West side of the factory	Ammonia nitrogen	22.4mg/L		0.14	-	Nil
					Total phosphorus	2.19mg/L		0.01	-	Nil
					Particulate matter	43mg/L		0.26	-	Nil
					Five-day BOD	67.4mg/L		0.41	-	Nil
Baoding Nobo Rubber Production Co., Ltd. (保定市諾博橡膠製品有限公司)					VOCs	2.3mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016); Emission Standards for Industrial Pollutants of Rubber Products (GB 27632-2011); Integrated Emission Standards of Air Pollutants (GB16297-1996)	0.64	-	Nil
	Exhaust gas	Regular emission	2	Around the factory	Particulates	2.4mg/m ³		0.24	-	Nil

Section 8 Environment and Social Responsibilities

Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission
Nobo Rubber Production Co., Ltd. (諾博橡膠製品有限公司)	PH				7.7		-	-	Nil
	Chemical oxygen demand				28mg/L		1.166	-	Nil
	Ammonia nitrogen	Intermittent emission	1	Main discharge outlet	1.87mg/L	Integrated Wastewater Discharge Standards (GB 8978-1996)	0.078	-	Nil
	Total phosphorus				0.14mg/L		0.006	-	Nil
	Total nitrogen				6.62mg/L		0.276	-	Nil
	Particulate matter				10mg/L		0.416	-	Nil
Environmental risk control	Five-day BOD				7.9mg/L		0.329	-	Nil
	204.857 tons of hazardous waste was generated in 2023								
Baoding Nobo Auto Decorations Company Limited (保定諾博汽車裝飾件有限公司)	PH				7.3	Integrated Wastewater Discharge Standards (GB 8978-1996); Emission Standards of Electroplating Pollutants (GB 21900-2008); Influent water quality requirements for	-	-	Nil
	Chemical oxygen demand			Main discharge outlet	20.03mg/L		1.58	4.245	Nil
	Ammonia nitrogen	Intermittent emission	1	of the sewage station in the factory	0.62mg/L		0.04	0.15	Nil
	Total phosphorus				13.8mg/L		0.45	-	Nil
	Particulate matter				12mg/L	Dawangdian Industrial Park Sewage Treatment Plant	0.40	-	Nil
	Nitrogen oxides				17mg/m ³	Integrated Emission Standards of Air Pollutants (GB16297-1996); Notice on Printing and Distributing the Plan for Comprehensive Control of Air Pollution in Industrial Furnaces and Kilns (Huan Da Qi [2019] No.56)	0.14	-	Nil
Environmental risk control	Particulates				8mg/m ³		0.57	-	Nil
	Sulfur dioxide				-		0	-	Nil
	Sulfuric acid mist	Regular emission	6	Around the factory	7.64mg/m ³		2.85	-	Nil
Nobo Automotive Parts (Chongqing) Co., Ltd. (諾博汽車零部件(重慶)有限公司)	Environmental risk control 297.83 tons of hazardous waste was generated in 2023								
Nobo Automotive Parts (Jingmen) Co., Ltd. (諾博汽車零部件(荊門)有限公司)	Environmental risk control 219.3504 tons of hazardous waste was generated in 2023								
Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司)	PH				8.16		-	-	Nil
	Chemical oxygen demand				23.03mg/L		0.1007	3.355	Nil
	Ammonia nitrogen	Intermittent emission	1	Main discharge outlet of the sewage station in the factory	1.07mg/L	Integrated Wastewater Discharge Standards (GB 8978-1996)	0.0040	0.191	Nil
	Total phosphorus				3.18mg/L		0.0032	-	Nil
	Total nitrogen				2.42mg/L		0.0277	-	Nil
	Particulate matter				7mg/L		0.0349	-	Nil
Environmental risk control	Five-day BOD				12.4mg/L		0.0353	-	Nil
	Total nitrogen				0.1mg/L		0.0012	-	Nil
	Soil 48.6499 tons of hazardous waste was generated in 2023								

Section 8 Environment and Social Responsibilities

Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Verified		Excessive emission
							Total emissions (t)	total emissions (t/a)	
Baoding Xushui Chassis Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司保定徐水精工底盤分公司)	PH			Main discharge outlet	7.16		-	-	Nil
	Chemical oxygen demand			of phase 1 of the sewage station,	22.74mg/L	Integrated Wastewater Discharge Standards (GB 8978-1996);	4.03	4.98	Nil
	Ammonia nitrogen	Intermittent emission	2	main discharge outlet of the sewage station in No. 2 plant	1.48mg/L	Influent water quality requirements for Dawangdian Treatment Sewage Station	0.26	1.339	Nil
	Total phosphorus				0.37mg/L		0.07	-	Nil
	Total nitrogen				13.04mg/L		2.30	3.003	Nil
	Particulate matter				11mg/L		2.48	-	Nil
	Environmental risk control			586.7 tons of hazardous waste was generated in 2023					Nil
Baoding Great Machinery Company Limited (保定市格瑞機械有限公司)	PH				7.1	Integrated Wastewater Discharge Standards (GB 8978-1996);	-	-	Nil
	Chemical oxygen demand	Intermittent emission	1	Main discharge outlets of the factory	140mg/L	Influent water quality standard for Lugang Sewage Treatment Plant	1.52	3.563	Nil
	Ammonia nitrogen				0.91mg/L		0.01	0.2	Nil
	Particulate matter				16mg/L		0.17	-	Nil
	Five-day BOD				68.4mg/L		0.74	-	Nil
Jingcheng Engineering Automotive Components (Chongqing) Co., Ltd. (精誠工科汽車零部件(重慶)有限公司)	Environmental risk control			221.2 tons of hazardous waste was generated in 2023					Nil
Baoding Great Wall Scrap Car Recycling & Dismantling Co., Ltd. (保定長城報廢汽車回收拆解有限公司)	Environmental risk control			68.3063 tons of hazardous waste was generated in 2023					Nil
Shunping Precision Die Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工壓鑄分公司)	PH				7.7	Integrated Wastewater Discharge Standards (GB 8978-1996);	-	-	Nil
	Chemical oxygen demand	Intermittent emission	1	Main discharge outlet of the sewage station in the factory	181.44mg/L	Influent water quality requirements for Shunping Qingyuan Sewage Treatment Co., Ltd.	13.50	-	Nil
	Ammonia nitrogen				5.81mg/L		0.38	-	Nil
	Total phosphorus				0.05mg/L		0.005	-	Nil
	Total nitrogen				6.54mg/L		0.4	-	Nil
	Particulate matter				17mg/L		1.26	-	Nil
	Five-day BOD				122mg/L		9.0	-	Nil
	VOCs				2.32mg/m ³	Integrated Emission Standards of Air Pollutants (GB 16297-1996);	2.02	-	Nil
	Sulfur dioxide				-	Emission Standards of Industrial Furnace Kiln Air Pollutants (DB13/1640-2012)	0	-	Nil
	Nitrogen oxides	Regular emission	6	Around the factory	10mg/m ³		0.96	-	Nil
Particulates				2.4mg/m ³		0.94	-	Nil	
	Environmental risk control			105.972 tons of hazardous waste was generated in 2023					Nil

Section 8 Environment and Social Responsibilities

Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission
Shunping Precision Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工鑄造分公司)	PH				7.7		-	-	Nil
	Chemical oxygen demand				181.44mg/L	Integrated Wastewater Discharge Standards (GB 8978-1996); Influent water quality requirements for Shunping	20.26	-	Nil
	Ammonia nitrogen	Intermittent emission	1	Main discharge outlet of the sewage station in the factory	5.81mg/L	Qingyuan Sewage Treatment Co., Ltd.	0.58	-	Nil
	Total phosphorus				0.05mg/L		0.01	-	Nil
	Total nitrogen				6.54mg/L		0.67	-	Nil
	Particulate matter				17mg/L		1.88	-	Nil
	Five-day BOD				122mg/L		13.5	-	Nil
Baoding Xushui Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定徐水光電分公司)	PH				7.75		-	-	Nil
	Chemical oxygen demand				15mg/L	Integrated Wastewater Discharge Standards (GB 8978-1996); Influent water quality requirements for Dawangdian	1.77	-	Nil
	Ammonia nitrogen	Intermittent emission	1	Main discharge outlet of the sewage station in the factory	0.22mg/L	Industrial Park Sewage Treatment Plant	0.036	-	Nil
	Total phosphorus				0.023mg/L		0.024	-	Nil
	Total nitrogen				10.4mg/L		1.41	-	Nil
	Particulate matter				15mg/L		1.41	-	Nil
	Non-methane hydrocarbons				1.37mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016); Integrated Emission Standards of Air Pollutants (GB16297-1996)	0.195	-	Nil
Baoding Heating System Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定熱系統分公司)	Sulfur dioxide	Regular emission	5	Around the factory	-		0	-	Nil
	Nitrogen oxides				-		0	-	Nil
	Particulates				2.5mg/m ³		0.186	0.242	Nil
Baoding Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定光電分公司)	Soil								Nil
									Nil
Dingxing Branch of Great Wall Motor Company Limited	Soil								Nil
									Nil
	VOCs				3.4mg/m ³	Integrated Emission Standards of Air Pollutants (DB50/418-2016); Emission Standards of Industrial Furnace Kiln Air Pollutants (DB13/1640-2012);	0.529	-	Nil
	Sulfur dioxide				-		0	-	Nil
Dingxing Branch of Great Wall Motor Company Limited	Nitrogen oxides				10.5mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016)	0.297	0.572	Nil
	Particulates	Regular emission	17	Around the factory	4.23mg/m ³		9.07	-	Nil

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Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified	Excessive emission	
								total emissions (t/a)		
Honeycomb Power System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司)	Exhaust gas	VOCs Nitrogen oxides Particulates	Regular emission	9	Around the factory	Integrated Emission Standards of Air Pollutants (DB32/4041-2021)	0.0027mg/m ³	1.315	-	Nil
							0.0073mg/m ³	0.327	-	Nil
							0.0017mg/m ³	0.932	-	Nil
	Environmental risk control	132.49266 tons of hazardous waste was generated in 2023							Nil	
Xushui Branch of Honeycomb Transmission Technology Hebei Co., Ltd. (蜂巢傳動科技河北有限公司徐水分公司)	Environmental risk control	609.0015 tons of hazardous waste was generated in 2023							Nil	
Honeycomb Transmission System (Jiangsu) Co., Ltd (蜂巢傳動系統(江蘇)有限公司)	Environmental risk control	450.93 tons of hazardous waste was generated in 2023							Nil	

Noise: There are no cultural, educational or other noise-sensitive sites around the factory sites. The noise emitted was lower than the requirements stipulated in Boundary Noise Emission Standards for Industrial Enterprises (GB 12348-2008).

In 2023, a total of 18504.11 tons of hazardous waste consisting mainly of sludge, paint waste and contaminated waste was produced, representing a unit production of 0.015 ton per vehicle. Such waste was transferred in accordance with the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste 《中華人民共和國固體廢物污染環境防治法》, Pollution Control Standards for the Storage of Hazardous Waste 《危險廢物貯存污染控制標準》, Notice on the Application of Dynamic Solid Waste Information Management Platform 《固體廢物動態信息管理平台應用有關工作的通知》, the Notice on the Relevant Procedures of Launching Tianjin's Hazardous Waste Online Transfer Supervision Platform for the Transfer of Hazardous Wastes in the City of Tianjin 《關於啟動天津市危險廢物在線轉移監管平台辦理危險廢物市內轉移相關手續的通知》, Notice of Chongqing Ecological Environment Bureau on Strengthening Information Management of Solid Waste 《重慶市生態環境局關於強化固體廢物信息化管理有關工作的通知》 and the procedures for obtaining approval of transfer established by the competent authorities in Tianjin, Baoding, Chongqing, Rizhao, Jingmen, Taizhou and Jiaying. Hazardous waste in Tianjin was transferred to Tianjin Hejia Veolia Environmental Services Co., Ltd. (天津合佳威立雅環境服務有限公司), Tianjin Binhai Hejia Veolia Environmental Services Co., Ltd. (天津濱海合佳威立

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雅環境服務有限公司), Tianjin Huaqing Baisheng Energy Co., Ltd. (天津華慶百勝能源有限公司), Tianjin Sanyi Langzhong Environmental Protection Technology Co., Ltd. (天津三一朗眾環保科技有限公司), Cangzhou Xinghe Environment Technology Co., Ltd. (滄州星河環境技術有限公司) and other companies for disposal; Hazardous waste in Baoding was transferred to Baoding Kexiong Environmental Protection Technology Co., Ltd. (保定市科雄環保科技有限公司), Cangzhou Xinghe Environment Technology Co., Ltd. (滄州星河環境技術有限公司), Hebei Fenghua Environmental Protection Technology Co., Ltd. (河北風華環保科技股份有限公司), Cangzhou Jihuan Veolia Environmental Services Co., Ltd. (滄州冀環威立雅環境服務有限公司), Guantao County Qingmei Environmental Protection Technology Co., Ltd. (館陶縣晴美環保科技股份有限公司) and other companies for disposal; Hazardous waste in Chongqing was transferred to Chongqing Lite Juxin Resource Recycling Technology Co., Ltd. (重慶利特聚欣資源循環科技有限責任公司), Chongqing Zhongming Gangqiao Environmental Protection Co., Ltd. (重慶中明港橋環保有限責任公司), Chongqing Tuwei Environmental Protection Technology Co., Ltd. (重慶途維環保科技有限公司), Chongqing Yuxin Environmental Protection Industrial Development Co., Ltd. (重慶雲鑫環保產業發展有限公司) and other companies for disposal; Hazardous waste in Shandong was transferred to Rizhao Kairun Development and Use of Renewable Resources Co., Ltd. (日照凱潤再生資源開發利用有限公司), Tai'an Dezheng Haizhong Environmental Protection Technology Co., Ltd. (泰安德正海中環保科技有限責任公司), Jining Hailuo Chuangye Environmental Technology Co., Ltd. (濟寧海螺創業環境科技有限責任公司) and Zibo Zutian Environmental Protection Technology Co., Ltd. (淄博祖天環保科技有限公司) for disposal; Hazardous waste in Jingmen was transferred to Beikong Urban Environmental Resources (Yichang) Co., Ltd. (北控城市環境資源(宜昌)有限公司), Hubei Jinglan Environmental Protection Technology Co., Ltd. (湖北京蘭環保科技有限公司), Yichang Zhixiang Environmental Protection Technology Co., Ltd. (宜昌市志翔環保科技有限公司) and Jingmen Hongxun Renewable Resources Co., Ltd. (荊門市宏勳再生資源有限公司) for disposal; Hazardous waste in Taizhou was transferred to Jingjiang Zhonghuanxin Environmental Protection Co., Ltd. (靖江中環信環保有限公司), Jiangsu Hongxiang Environmental Resources Co., Ltd. (江蘇宏祥環境資源有限公司), Jiangsu Hangfu Environmental Protection Technology Co., Ltd. (江蘇杭富環保科技有限公司), Changzhou Yongbao EP Technology Co., Ltd. (常州永祿環保科技有限公司), Xuzhou Beauty Circle Environmental Protection Technology Co., Ltd. (徐州美利圓環保科技有限公司) and Jiangsu Yongji Environmental Protection Technology Co., Ltd. (江蘇永吉環保科技有限公司) for disposal; Hazardous waste in Jiaxing was transferred to Huzhou Mingjing Environmental Protection Technology Co., Ltd. (湖州明境環保科技有限公司), Jiaxing Solid Waste Disposal Co., Ltd. (嘉興市固體廢物處置有限責任公司) and Chaozhou Jinjie Jingmai Technology Co., Ltd. (潮州金潔經脈科技有限公司) for disposal.

The general solid waste produced by the Company is mainly domestic waste. In 2023, a total of 12,700 tons of general solid waste was produced, representing a unit production of 0.01 ton per vehicle, which was disposed of by the qualified waste recycling service providers engaged by the Company.

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2. *Construction and operation of anti-pollution facilities*

Applicable Not applicable

In compliance with national laws and regulations as well as emissions standards, the waste emissions indicators of the Company and its major subsidiaries adhered to the most stringent domestic requirements currently in force. Emissions levels of sewage, exhaust gas, noise and solid waste complied with requirements. ① Sewage: sewage from plant sites was fully treated at sewage treatment plants of the Company, undergoing pre-treatment, biochemical treatment, filtering and disinfection procedures, with the treated grey water used for flushing and greening. Licensed discharge of the remaining grey water was made through the municipal sewage network, and the levels of sewage pollutants discharged were much lower than the emissions limits required by laws and regulations. ② Exhaust gas: VOCs produced by stoving were treated by combustion in its RTO, exhaust gas from spraying and coating was treated by zeolite rotor and combustion facilities on top of the existing Giovanni treatment facilities based on their characteristics, undergoing adsorption, desorption and combustion procedures so as to achieve the treatment of VOCs in exhaust gas from spraying and coating. Treated exhaust gas was discharged through exhaust vents at height after meeting the required standards. A real time monitoring system for organic exhaust gas was installed and the discharge situation of VOCs was transmitted to environmental authorities in real time, with supervision by environmental authorities. ③ Noise: in order to reduce noise, the Company proactively adopted various noise prevention and mitigation measures to reduce the impact on the environment. Installation of acoustic shields and anti-vibration bases for noise-generating equipment and constructing green belts in the vicinity of noise sources were the main measures undertaken for preventing and controlling noise. Effectively keeping off and lowering noise ensured eliminating noise efficiently for meeting the required emissions standards. ④ Waste management: the Company tackled the process of waste management at source by storing waste by type and setting up temporary storage sites for solid waste. It also placed emphasis on recycling of resources, with all useful waste of value sold to external parties or re-used and worthless waste handled by dedicated waste disposal companies for compliant disposal. Hazardous waste reduction was implemented to cut hazardous waste at source and at end. Dedicated storage sites meeting requirements, equipped with smart monitoring systems and connected with environmental authorities through the Internet, were set up for all hazardous waste. Real time supervision by government authorities round the clock during the year can ensure that waste storage and disposal meet the required standards.

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3. Environmental impact assessment of construction projects and administrative permits concerning environmental protection

Applicable Not applicable

The Company carried out environmental impact assessment for and final environmental protection acceptance check on each of the new construction, conversion and expansion projects, and enforced the requirements of the environmental impact assessment system, the “Three Simultaneities” system and relevant laws and regulations by strictly complying with laws and regulations such as the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) and the Environmental Impact Assessment Law of the People’s Republic of China (《中華人民共和國環境影響評價法》) promulgated by the State Council, and the Interim Measures for the Final Environmental Protection Acceptance Check on Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the Ministry of Ecology and Environment.

The Company and its major subsidiaries obtained approval in environmental impact assessment for all projects in accordance with the law while relevant auxiliary environmental facilities passed the respective environmental protection acceptance check and obtained a pollutant discharge permit (permit no.: 91130000105941835E001Z). The Company regularly conducted third-party environmental monitoring in accordance with Technical Specifications for Application and Issuance of Pollutant Discharge Permit – Automobile Manufacturing Industry, with all results meeting the required standards.

4. Emergency plan for environmental contingency

Applicable Not applicable

In order to lower and prevent potential environmental risks effectively, the Company established emergency preparation and response procedures, formulated an environmental contingency plan (File No. 130603-2021-025-L), and completed the filings with the local environmental protection bureau. To ensure the feasibility and effectiveness of the contingency plan, the Company developed measures that should be adopted to control incidents and emergencies with previous occurrences or potential ones that might occur, and drills on the internal environmental contingency plan would be conducted on an annual basis.

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5. **Voluntary environmental monitoring plan**

Applicable Not applicable

We would carry out third-party monitoring of pollutant discharge on schedule in accordance with the requirements of Technical Specifications for Application and Issuance of Pollutant Discharge Permit – Automobile Manufacturing Industry 《排污許可證申請與核發技術規範汽車製造業》, including:

- ① Regularly monitoring the discharge of sewage, keeping monitoring records, installing automatic pH scale, flow, chemical oxygen demand (COD), ammoniacal nitrogen, total nitrogen and total phosphorus monitoring equipment, and transmitting data in real-time;
- ② Regularly monitoring the discharge of VOCs, and installing online VOC monitoring equipment; and
- ③ Regularly monitoring noise on a voluntary basis and appointing external parties to monitor noise, ensuring that the monitoring results meet the requirements of the relevant standards.

6. **Administrative punishment for environmental issues during the Reporting Period**

Applicable Not applicable

Section 8 Environment and Social Responsibilities

7. *Other environmental information which shall be disclosed*

√ Applicable Not applicable

According to the relevant requirements under the Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》 and the Measures for the Lawful Disclosure of Environmental Information by Enterprises (Order No. 24 of the Ministry of Ecological Environment) 《企業環境信息依法披露管理辦法》(生態環境部第24號令), the key units of environment supervision announced by the local ecological environment departments in the places where the Company and its major subsidiaries are located are Great Wall Motor Company Limited, Xushui Branch of Great Wall Motor Company Limited, Tianjin Haval Branch of Great Wall Motor Company Limited, Chongqing Branch of Great Wall Motor Company Limited, Jingmen Branch of Great Wall Motor Company Limited, Rizhao Weipai Automobile Co., Ltd. (日照魏牌汽車有限公司), Pinghu Branch of Great Wall Motor Company Limited, Taizhou Branch of Great Wall Motor Company Limited, Baoding Yixin Automotive Parts Company Limited (保定億新汽車配件有限公司), Assembling Workshop of Baoding Yixin Automotive Parts Company Limited (保定億新汽車配件有限公司成型車間), Baoding Xushui Branch of Nobo Automotive System Co., Ltd. (諾博汽車系統有限公司保定徐水分公司), Baoding Xushui Vehicle Seats Branch of Nobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司保定徐水座椅分公司), Nobo Automotive Parts (Tianjin) Co., Ltd. (諾博汽車零部件(天津)有限公司), Baoding Nobo Rubber Production Co., Ltd. (保定市諾博橡膠製品有限公司), Nobo Rubber Production Co., Ltd. (諾博橡膠製品有限公司), Baoding Nobo Auto Decorations Company Limited (保定諾博汽車裝飾件有限公司), Nobo Automotive Parts (Chongqing) Co., Ltd. (諾博汽車零部件(重慶)有限公司), Nobo Automotive Parts (Jingmen) Co., Ltd. (諾博汽車零部件(荊門)有限公司), Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司), Baoding Xushui Jinggong Chassis Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司保定徐水精工底盤分公司), Baoding Great Machinery Company Limited (保定市格瑞機械有限公司), Jingcheng Engineering Automotive Parts (Chongqing) Co., Ltd. (精誠工科汽車零部件(重慶)有限公司), Jingcheng Engineering Automotive Parts (Jingmen) Co., Ltd. (精誠工科汽車零部件(荊門)有限公司), Baoding Great Wall Scrap Car Recycling & Dismantling Co., Ltd. (保定長城報廢汽車回收拆解有限公司), Shunping Precision Die Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工壓鑄分公司), Shunping Precision Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工鑄造分公司), Baoding Xushui Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定徐水光電分公司), Baoding Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定光電分公司), Baoding Heating System Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定熱系統分公司), Dingxing Branch of Great Wall Motor Company Limited, Honeycomb Power System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司), Honeycomb Transmission System (Jiangsu) Co., Ltd (蜂巢傳動系統(江蘇)有限公司), and Xushui Branch of Honeycomb Transmission Technology Hebei Co., Ltd. (蜂巢傳動科技河北有限公司徐水分公司). Relevant topics and sections on environmental information have been created on the Company's official website to publish the Company's environmental-related information.

Section 8 Environment and Social Responsibilities

(II) Description of environmental protection of companies other than key pollutant discharging units

Applicable Not applicable

1. Administrative punishment for environmental issues

Applicable Not applicable

2. Disclosure of other environmental information with reference to key pollutant discharging units

Applicable Not applicable

- ① Companies other than key pollutant discharging units shall conduct third party monitoring in accordance with the pollutant discharge specifications, and strictly implement the pollutant discharge standards and total amount control requirement to discharge pollutants, ensuring compliance discharge of wastewater, exhaust gas, and noise;
- ② There are compliance storage sites for general solid wastes and hazardous wastes in the Company, and all of them are delivered to qualified manufacturers for compliance disposal.

3. Reasons for failure to disclose other environmental information

Applicable Not applicable

(III) Information that is conducive to ecological protection, pollution prevention and control, and environmental responsibility

Applicable Not applicable

The Company has proactively established sound environmental management systems and received the Environmental Management Systems Audit Certification (ISO14001:2004) since 2008. It completed the Recertification Audit (ISO14001:2015) in 2023, ensuring the suitability, adequacy and effectiveness of the environmental management system in the Company.

Section 8 Environment and Social Responsibilities

(IV) Measures taken to reduce carbon emissions and their effects during the Reporting Period

Whether any measure to reduce carbon emissions has been taken	Yes
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Reducing emission of CO ₂ equivalents (unit: tons)	300,188.00
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Type of measures to reduce carbon emissions (such as the use of clean energy to generate electricity, application of carbon reduction technology in the production process, and research and development and manufacture of new products contributing to reducing carbon emissions)

As a pioneer in the green development of the automotive industry, Great Wall Motor actively responds to the long-term strategies on national “dual-carbon” targets and adheres to the concept of full lifecycle management on energy-saving and carbon reduction in various fields.

In the R&D and design stage of vehicles, Great Wall Motor deeply practices the concept of green development. With product R&D as the core and technological innovation as the means, it promotes the green development and construction of the enterprise in various dimensions and insists on building green and sustainable products. As a master work in the green journey, WEY Blue Mountain integrates the low-carbon and environmental-friendly design concept into the full lifecycle. It reduced carbon emission from the source through the lightweight design of vehicles, the application of low-carbon materials and their disassembly and recyclability. Meanwhile, it develops the highest hybrid DHT technology among vehicles at the same level, achieves carbon reduction at the user end and strives to develop green, low-carbon, healthy and environmental-friendly ecological vehicles.

In the manufacturing stage, Great Wall Motor reduces carbon emissions in the production and manufacturing stage of vehicles through the innovation in production technology, the optimization of process and design, the alternative use of clean energy and the improvement of the production efficiency. During the Reporting Period, Great Wall Motor achieved an accumulative carbon reduction of 300,188 tons in factories, of which Great Wall Motor promoted factories to reduce carbon emissions through technology introduction, energy saving and energy substitution and achieved an annual carbon reduction of 157,060 tons, and it also actively participated in the green electricity trade in the electricity market, increased the installed capacity of distributed photovoltaic power systems and increase the proportion of clean energy to achieve an annual carbon reduction of 143,128 tons.

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In order to achieve energy saving and carbon reduction, Great Wall Motor actively carries out the construction of green manufacturing projects. During the Reporting Period, Great Wall Motor newly constructed a national green factory, 3 provincial/ municipal green factories and 2 national green supply chains.

In the production procurement stage, to establish a green, sustainable and fragile supply chain, Great Wall Motor developed the first Evaluation Standards for Low-carbon Suppliers in the automotive industry. Meanwhile, it also used the internal and external resources to successively organize special trainings for 197 major suppliers in 2023, and guide suppliers to reduce carbon emission, improve carbon management level and promote the low-carbon development of the supply chain.

In the scrapping and recycling stage, Great Wall Motor continued to practice the extended producer responsibility system and determined the strategic direction with the remanufacturing of automobile parts as the core while allowing for the recycling and disassembly of retired vehicles and the recycling and processing of steel scraps, to achieve industry and scale development. It deepened cooperation with upstream and downstream players in industrial chains and built the three-in-one industrial ecosystem with "recycling-manufacturing-marketing". During the Reporting Period, Great Wall Motor actively carried out the pilot project of extended producer responsibility for automotive products to clarify the target and requirement of the pilot project, and steadily advance the progress of the pilot project in the construction of recycling system, comprehensive utilization of resources and management of green supply chain. Afterwards, Great Wall Motor will persistently and actively explore an implementation model of the extended producer responsibility (EPR) system for automotive products which is easy to promote and duplicable according to the requirement and target of the pilot project, contributing to the realization of national dual-carbon targets.

Specific Explanation

Applicable Not applicable

Section 8 Environment and Social Responsibilities

II. SOCIAL RESPONSIBILITIES

(I) Whether or not to separately disclose social responsibility report, sustainable development report or ESG report

Applicable Not applicable

For details of social responsibility during the Year, please refer to the Corporate Social Responsibility Report for 2023 of Great Wall Motor Company Limited 《長城汽車股份有限公司2023年度社會責任報告》 published by the Company on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk).

(II) Specific information on social responsibility

Applicable Not applicable

Donation and charitable projects to external parties	Quantity/ substance	Description
Total investment (RMB0'000)	3,347.91	See specific explanation for details
Including: Cash (RMB0'000)	2,808.23	See specific explanation for details
Materials represented by cash (RMB0'000)	539.68	See specific explanation for details
Number of beneficiaries (person)	25,002	See specific explanation for details

Specific Explanation

Applicable Not applicable

1. Typhoon "Doksuri" caused extreme rains in China in September 2023. Facing the disasters, Great Wall Motor introduced six care services and donated RMB20 million to the Red Cross for rescue and post-disaster construction in disaster-hit areas. As the situation of disaster continuously escalated, various car clubs of Great Wall Motor, including the Cannon Alliance and Tank Alliance, joined in the rescue. In particular, provincial teams of the Cannon Alliance in Fujian, Beijing, Hebei and Henan as well as branches in Baoding, Tangshan and Langfang actively arranged over 60 rescue fleets and boats to participate in rescue. Official clubs of TANK in Beijing, Tianjin, Henan, Xiamen and Baoding organized over 160 TANK vehicles and over 300 owners and participated in rescue. They transferred over 3,500 persons in disaster-hit areas and donated materials of over RMB250,000 to support the disaster-hit areas.
2. A 6.2-magnitude earthquake hit Jishishan county in Linxia prefecture in Gansu province in December 2023. Great Wall Motor urgently donated RMB5 million, 15 TANK 300 and 20 Great Wall Cannons for rescue and provided subsidies to people in the earthquake-hit areas in Gansu. Meanwhile, for users of Great Wall Motor hit by the disaster, Great Wall Motor introduced six care services to overcome difficulties with people in the quake-hit areas.

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3. Continuous rainstorms caused floods in various areas in Thailand in October 2023. Under its plan of “Working with Me in Overcoming Difficulties Together”, Great Wall Motor joined the Ministry of Industry of Thailand and the Thai Industrial Standards Institute and donated 2,500 survival bags with a total assistance of over THB1 million to disaster-hit people. Meanwhile, Great Wall Motor arranged 5 new TANK 300 HEVs and 1 new TANK 500 HEV to support disaster-hit areas.
4. In April 2023, Great Wall Motor arranged employees to visit a local welfare home for children and carried out caring activities. On the basis of understanding the actual demand of the welfare home for children in advance, the Company offered thoughtful gifts and warm wishes to every child.
5. In April to October 2023, Great Wall Motor arranged employees to visit local nursing homes and initiated welfare activities for the elderly living alone. The Company brought the elderly with material assistance and spiritual comfort.
6. In March to December 2023, Great Wall Motor organized voluntary blood donation to assist in guaranteeing blood for clinical use and safeguarding others’ life safety.
7. In April 2023, the little animal protection association of Great Wall Motor arranged employees to carry out assistance for stray dogs at local animal bases.
8. In July to December 2023, the Haval brand of Great Wall Motor and “Beijing Loving Animals Foundation” jointly organized the charitable activity themed “Bringing an End to Straying – Dog Loving Association”. It donated RMB100,000 to Ta Foundation for animal assistance at stray animal bases and the publicity and operation of animal protection in society.
9. In June 2023, the Haval brand of Great Wall Motor initiated the large charitable activity themed “assisting candidates for college entrance examinations in realizing their dreams” with users. Haval owners voluntarily picked up candidates for college entrance examinations, prepared wish packages for candidates and their parents and facilitated them to realize dreams through the examinations.

Section 8 Environment and Social Responsibilities

III. CONSOLIDATE AND EXPAND ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL VITALIZATION

√ Applicable Not applicable

Poverty alleviation and rural vitalization projects	Quantity/ substance	Description
Total investment (RMB0'000)	2,947.03	See specific explanation for details
Including: Cash (RMB0'000)	2,933.91	See specific explanation for details
Materials represented by cash (RMB0'000)	13.12	See specific explanation for details
Number of beneficiaries (person)	1,232	See specific explanation for details
Ways of poverty alleviation (such as poverty alleviation through creating new businesses, employment and education)	Poverty alleviation through offering employment opportunities and health subsidies	See specific explanation for details

Specific Explanation

√ Applicable Not applicable

1. Poverty alleviation through offering employment opportunities: Great Wall Motor continuously participated in poverty alleviation and carried out diversified poverty alleviation activities. In 2023, the Company provided an employment platform for 576 physically challenged people.
2. Poverty alleviation through offering health subsidies: the Company assisted 656 employees in overcoming financial difficulties.

Section 9 Significant Events

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings of the de facto controller, shareholders, related parties, acquiring parties of the Company and the Company and other parties involved during the Reporting Period or subsisting to the Reporting Period

√ Applicable □ Not applicable

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date of undertakings	Any time frame for performance (yes/no)	Duration of undertakings	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
Undertakings relating to the initial public offering	Resolving related party transaction	Great Wall Motor Company Limited	Since 1 January 2012, Great Wall Motor Company Limited (長城汽車股份有限公司) has ceased to enter into any transactions relating to automotive parts and components with Hebei Baoding Tai Hang Group Company Limited (河北保定太行集團有限公司) and Baoding Tai Hang Pump Manufacturing Company Limited (保定市太行製泵有限公司).	From January 2012, permanent	No	From January 2012, permanent	Yes	/	/

Section 9 Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date of undertakings	Any time frame for performance (yes/no)	Duration of undertakings	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
Resolving business competition of the same industry	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	<p>1. Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) is not directly or indirectly engaged in any Competing Business.</p> <p>2. As long as Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) remains a related party that has control over Great Wall Motor Company Limited (長城汽車股份有限公司), its directly or indirectly controlled subsidiaries would not in any way, directly or indirectly, engage in any existing or potential Competing Business.</p> <p>3. Subject to the same conditions, Great Wall Motor Company Limited (長城汽車股份有限公司) shall have the right of first refusal on the investment or other business opportunities relating to Competing Businesses that Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) will pursue or may get in the future.</p>	From 10 December 2010, permanent	No	From 10 December 2010, permanent	Yes	/	/

Section 9 Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date of undertakings	Any time frame for performance (yes/no)	Duration of undertakings	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
	Resolving business competition of the same industry	Wei Jian Jun	<p>1. The subsidiaries directly or indirectly controlled by Mr. Wei Jian Jun are not directly or indirectly engaged in any Competing Business.</p> <p>2. As long as Mr. Wei Jian Jun remains a related party who has control over Great Wall Motor Company Limited (長城汽車股份有限公司), the subsidiaries directly or indirectly controlled by him would not in any way, directly or indirectly, engage in any existing or potential Competing Business.</p> <p>3. Subject to the same conditions, Great Wall Motor Company Limited (長城汽車股份有限公司) shall have the right of first refusal on the investment or other business opportunities relating to the Competing Businesses that the subsidiaries directly or indirectly controlled by Mr. Wei Jian Jun will pursue or may get in the future.</p>	From 10 December 2010, permanent	No	From 10 December 2010, permanent	Yes	/	/

Section 9 Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date of undertakings	Any time frame for performance (yes/no)	Duration of undertakings	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
Undertakings relating to re-financing	Others	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), Wei Jian Jun	<p>1. Undertake to exercise its rights as a shareholder in accordance with the relevant laws, regulations and the relevant provisions of the Articles of Association of Great Wall Motor Company Limited, not to interfere with the Company's operation or management activities beyond its authority, and not to infringe on the Company's interests.</p> <p>2. Undertake to effectively perform relevant compensation recovery measures developed by Great Wall Motor and any undertaking made by the undertaking party thereon in relation to the compensation recovery measures. If the undertaking party violates such undertakings and consequently causes any loss to Great Wall Motor or any investor, the undertaking party is willing to assume relevant legal liabilities to Great Wall Motor or the investor.</p> <p>3. If China Securities Regulatory Commission ("CSRC") puts forth new regulatory requirements on compensation recovery measures or the relevant undertakings in the period from the date of these undertakings to the completion of the public issuance of A Share convertible corporate bonds, and the undertakings above cannot meet such new regulatory requirements of CSRC, the undertaking party undertakes to make additional undertakings in accordance with the latest requirements of CSRC.</p>	From 6 November 2020, permanent	No	From 6 November 2020, permanent	Yes	/	/

Section 9 Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date of undertakings	Any time frame for performance (yes/no)	Duration of undertakings	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
	Other	All Directors and senior management	<p>1. Undertake to perform my duties as a Director and/or a senior management of the Company and uphold the legitimate rights and interests of the Company and all Shareholders of the Company faithfully and diligently.</p> <p>2. Undertake not to convey any benefits to other entities or individuals for free or under unfair terms or otherwise jeopardise the interests of the Company.</p> <p>3. Undertake to limit my spending when performing my duties as a director and/or a senior management.</p> <p>4. Undertake not to use the assets of the Company in making investments or expenditures other than in relation to the performance of my duties.</p> <p>5. Within the duties and scope of lawful authorisation, undertake to fully procure that the remuneration system formulated by the Board or the remuneration and assessment committee under the Board will correspond to the implementation of the recovery measures of the Company, and I will vote in favour of the relevant proposals considered by the Board and at the Shareholders' General Meeting (if voting rights are applicable).</p>	From 6 November 2020, permanent	No	From 6 November 2020, permanent	Yes	/	/

Section 9 Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date of undertakings	Any time frame for performance (yes/no)	Duration of undertakings	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
			<p>6. If the Company adopts any share incentive scheme in the future, within my duties and scope of my lawful authorisation, I undertake to fully procure that the conditions for the exercise of the right of the share incentive scheme will correspond to the implementation of the recovery measures of the Company, and I will vote in favour of the relevant proposals considered by the Board and at the Shareholders' General Meetings (if voting rights are applicable).</p> <p>7. From the date of this undertaking letter to the completion of implementation of the Public Issuance of Convertible Corporate Bonds of the Company, if the CSRC promulgates other new regulatory provisions on the recovery measures and the relevant undertakings, and the above undertakings cannot satisfy such new regulatory provisions as promulgated by the CSRC, I undertake to issue supplementary undertakings then according to the latest stipulations of the CSRC.</p> <p>8. Undertake to fully execute the relevant recovery measures formulated by the Company and each undertaking I made in relation to recovery measures. If I breach such undertakings and cause any loss to the Company or investors, I am willing to bear the relevant legal responsibility to the Company or investors in accordance with the laws.</p>						

(II) Explanation of the Company for whether the assets or projects on which a profit forecast is subsisting or subsisted during the Reporting Period have reached the original profit forecast and the reasons therefor

Yes No Not applicable

(III) Fulfilment of performance undertakings and their impact on goodwill impairment testing

Applicable Not applicable

II. NON-OPERATIONAL FUNDS OCCUPIED BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

Applicable Not applicable

III. IRREGULAR GUARANTEE

Applicable Not applicable

IV. EXPLANATION OF THE BOARD OF THE COMPANY FOR “NON-STANDARD AUDITOR’S REPORT” ISSUED BY THE ACCOUNTING FIRM

Applicable Not applicable

V. EXPLANATION OF THE COMPANY FOR THE REASONS FOR AND EFFECTS OF CHANGES IN THE ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR REMEDIES FOR MAJOR ACCOUNTING ERRORS

(I) Explanation of the Company for the reasons for and effects of changes in the accounting policies and accounting estimates

Applicable Not applicable

Please refer to “(III) Significant Accounting Policies and Accounting Estimates” in the Auditor’s report

(II) Explanation of the Company for the reasons for and effects of remedies for major accounting errors

Applicable Not applicable

(III) Communication with the former accounting firm

Applicable Not applicable

(IV) Approval procedures and other explanations

Applicable Not applicable

Section 9 Significant Events

VI. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRM

Unit: Yuan Currency: RMB

	Current appointment
Name of local accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration for local accounting firm	2,547,169.82
Audit years of local accounting firm	14 years
Name of certified public accountant of local accounting firm	Li Xu and Yin Lili
Continuous period for provision of audit services by certified public accountant of local accounting firm	1 year

	Name	Remuneration
Accounting firm for internal control audit	Deloitte Touche Tohmatsu Certified Public Accountants LLP	330,188.68

Description of appointment and dismissal of accounting firm

Applicable Not applicable

During the Reporting Period, the Company continued to engage Deloitte Touche Tohmatsu Certified Public Accountants LLP as its auditor and there was no change of the accounting firm.

Change of the accounting firm during the audit period

Applicable Not applicable

Description of audit expenses decreasing by more than 20% (inclusive) compared with that of the previous year

Applicable Not applicable

VII. RISKS OF DELISTING

(I) Reasons for delisting risk warning

Applicable Not applicable

(II) Measures to be adopted by the Company

Applicable Not applicable

(III) Delisting and its reasons

Applicable Not applicable

VIII. BANKRUPTCY AND RESTRUCTURING

Applicable Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION

The Company was involved in material litigation and arbitration during the Year

The Company was not involved in material litigation and arbitration during the Year

X. ALLEGED VIOLATION OF LAWS AND REGULATIONS AND PUNISHMENT AND CORRECTION OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

Applicable Not applicable

XI. EXPLANATION OF INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

Applicable Not applicable

XII. MATERIAL RELATED PARTY TRANSACTIONS

(I) Related party transactions relating to daily operations

1. *Matters disclosed in preliminary announcements without subsequent development or changes*

Applicable Not applicable

2. *Matters disclosed in preliminary announcements with subsequent development or changes*

Applicable Not applicable

(1) *The Group and Great Wall Holdings Company Limited ("Great Wall Holdings")*

On 31 December 2021, the Company held the 30th meeting of the seventh session of the Board, at which the Resolution on the Estimates of Ordinary Related Party Transactions for 2022-2024 was considered and approved in relation to the estimated aggregate amount of ordinary transactions for leasing (long-term), leasing (short-term), provision of leases, purchase of products, sales of products, purchase of services and provision of services between the Group and Great Wall Holdings from 2022 to 2024. The resolution has been considered and approved by the 2022 first extraordinary general meeting held by the Company on 18 March 2022. For details, please refer to relevant announcements published by the Company on 31 December 2021 and 18 March 2022.

Set out below are the ordinary related party (connected) transactions conducted in 2023 between the Group and Great Wall Holdings (including companies directly or indirectly controlled by Great Wall Holdings and other companies in which the de facto controllers of Great Wall Holdings serve as directors or controlled by such persons):

Section 9 Significant Events

Great Wall Holdings is the controlling shareholder of Innovation Great Wall, which is the controlling shareholder of the Company, and therefore it is a connected person of the Company (as defined in the Hong Kong Listing Rules). In order to reasonably allocate resources between the parties and to improve manufacturing efficiency, the Company entered into a framework agreement with Great Wall Holdings on 31 December 2021, in relation to certain continuing connected transactions, including (i) the Group's purchase of products from Great Wall Holdings; (ii) the Group's sales of products to Great Wall Holdings; (iii) the Group's purchase of services from Great Wall Holdings; (iv) the Group's provision of services to Great Wall Holdings; and (v) the Group's leasing from Great Wall Holdings, which was considered and approved at the extraordinary general meeting held by the Company on 18 March 2022. The term of such framework agreement is from 1 January 2022 to 31 December 2024. For details of the specific terms, description, purpose, and nature of the framework agreement, see the Announcement on Renewal of Continuing Connected Transactions published by the Company on the website of the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>) dated 31 December 2021. The auditors of the Company have confirmed such continuing connected transactions in accordance with those set out in Rule 14A.56 of the Hong Kong Listing Rules, and the independent non-executive directors of the Company have also confirmed such continuing connected transactions in accordance with those set out in in Rule 14A.55 of the Listing Rules.

Currency: RMB Unit: 0'000

Type	Estimated cap for 2023	Actual amount in 2023	Reasons for the relatively large difference between the estimated amount and the actual amount
Purchase of products	2,481,629.00	478,274.15	Mainly due to the relatively small number of battery packs purchased from related parties as a result of the small sale scale of new energy vehicles of the Company
Sales of products	318,735.00	40,938.85	Mainly due to the relatively small number of parts, components and other products of the Company sold
Purchase of services	90,764.00	42,337.74	Mainly due to the relatively small number of service projects of the Company during the Year
Provision of services	17,000.00	9,843.55	–
Leasing (short-term)	133,421.00	67,026.38	Mainly due to the relatively small number of equipment leased from related parties by the Company
Leasing (long-term)	40,000.00	8,166.21	Mainly due to the relatively small number of plants leased from related parties by the Company

The total amount of the ordinary related party (connected) transactions between the Group and Baoding Great Wall Holdings Company Limited (including companies directly or indirectly under its control and other companies in which the de facto controllers of Great Wall Holdings serve as directors or controlled by such persons) in 2023 did not exceed the estimated cap for 2023. Transactions of provision of leases have been exempted from complying with the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Section 9 Significant Events

(2) *The Group and Tianjin Great Wall Binyin Automotive Finance Company Limited (hereinafter referred to as "Great Wall Binyin")*

On 31 December 2021, the Company held the 30th meeting of the seventh session of the Board, at which the Resolution on Deposits with Tianjin Great Wall Binyin Automotive Finance Company Limited (天津長城濱銀汽車金融有限公司) and Related Party Transactions was considered and approved in relation to the estimated deposit by the Company with Great Wall Binyin, a related party, as well as the estimated aggregate amount of ordinary transactions for provision of leasing, sales of products, purchase of services and provision of services between the Group and Great Wall Binyin from 2022 to 2024. The resolution has been considered and approved by the first extraordinary general meeting of the Company in 2022. For details, please refer to relevant announcements published by the Company on 31 December 2021 and 18 March 2022.

In 2023, the related party transactions for deposits between the Group and Great Wall Binyin in 2022 are as follows:

Currency: RMB Unit: 0'000

Type	Estimated daily cap of deposit balance for 2023	Maximum amount of single-day deposit balance for January to September 2023	Reasons for the relatively large difference between the estimated amount and the actual amount
Deposit	1,270,000	676,200	Mainly due to maturity of certain term deposits of the Company

Section 9 Significant Events

In 2023, other ordinary related party transactions between the Group and Great Wall Binyin are as follows:

Currency: RMB Unit: 0'000

Type	Estimated cap for 2023	Actual amount for January to September 2023	Reasons for the relatively large difference between the estimated amount and the actual amount
Sales of products	169.00	0.78	–
Purchase of services	224,745.00	0.00	Mainly due to the decrease in the number of contracts as the Company brought in bank discount channels through which the discount business was diverted to the bank.
Provision of services	6,796.00	2,789.05	–
Provision of leases	68	24.16	–
Purchase of products	–	21.35	–
Total	231,778.00	2,835.34	–

Note:

Great Wall Binyin constituted a related party under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. Accordingly, the transactions contemplated with Great Wall Binyin constituted related party transactions under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange but did not constitute connected transactions under the Hong Kong Listing Rules. On 23 September 2023, as one year had elapsed from the date on which the resigned senior officer of the Company resigned as the chairman of the board of directors of Great Wall Binyin. Great Wall Binyin is no longer a related party of the Company under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange since 23 September 2023.

(3) The Group and Spotlight Automotive Ltd.

On 12 June 2020, the Company held the 1st meeting of the seventh session of the Board, at which the Resolution on the Contemplated Ordinary Related Party Transactions with Spotlight Automotive was considered and approved to estimate the ordinary related party transactions between the Group and Spotlight Automotive. The resolution was considered and approved at the 2020 second extraordinary general meeting held on 10 July 2020. For details, please refer to the relevant announcements published by the Company on 12 June 2020 and 10 July 2020, respectively.

On 23 January 2022, the Company held the 31st meeting of the seventh session of the Board, at which the Resolution on the Amendments to Ordinary Related Party Transactions in 2022 with Spotlight Automotive was considered and approved. Such resolution was considered and approved at the 2022 first extraordinary general meeting held on 18 March 2022. For details, please refer to the relevant announcements published by the Company on 23 January 2022 and 18 March 2022.

On 29 March 2022, the Company held the 34th meeting of the seventh session of the Board, at which the Resolution on Ordinary Related Party Transactions for Sales of Products in 2022 with Spotlight Automobile was considered and approved. Such resolution was considered and approved at the 2021 annual general meeting held on 25 April 2022. For details, please refer to the relevant announcements published by the Company on 29 March 2022 and 25 April 2022.

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On 30 December 2022, the Company held the 55th meeting of the seventh session of the Board, at which the Resolution on the Deliberation of Framework Agreement and the Third Amended Agreement entered into with Spotlight Automotive was considered and approved, the Framework Agreement was reconsidered and the Third Amended Framework Agreement (the "Third Amended Agreement"), a related party transaction, with Spotlight Automotive, which specifies the cap of amount of related party transactions by type between the Company and Spotlight Automotive.

On 29 December 2023, the Company held the 9th meeting of the eighth session of the Board, at which the Resolution on the Ordinary Related Party Transactions with Spotlight Automotive was considered and approved, and the Amendment Agreement IV to the Framework Agreement on Ordinary Related Party Transactions was entered into with Spotlight Automotive, which specifies the cap of amount of related party transactions by type between the Company and Spotlight Automotive for 2024.

In 2023, the related party transactions carried between the Group and Spotlight Automotive are as follows:

1. The Group purchased products from Spotlight Automotive, incurring an actual amount of RMB758,906,100;
2. The Group received services from Spotlight Automotive, incurring an actual amount of RMB134,381,800;
3. The Group sold products to Spotlight Automotive, incurring an actual amount of RMB232,228,500;
4. The Group provided services to Spotlight Automotive, incurring an actual amount of RMB264,614,300; and
5. The Group received short-term leasing services from Spotlight Automotive, incurring an actual amount of RMB441,800.

The ordinary related party transactions between the Group and Spotlight Automotive from January to December 2023 did not exceed the corresponding estimated caps. The transaction amount of short-term leasing services received by the Group from Spotlight Automotive did not reach the consideration and disclosure standards as required by (II) of Rule 6.3.6 of the Listing Rules of Shanghai Stock Exchange.

Section 9 Significant Events

Note: Spotlight Automotive is a related party under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. Accordingly, the relevant transactions between the Company and Spotlight Automotive constitute related party transactions under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange but do not constitute connected transactions under the Hong Kong Listing Rules.

For details of development of ordinary related party transactions of the Company, please refer to Related Parties and Related Party Transactions in Note 11 to the financial statements in this report.

3. Matters undisclosed in preliminary announcements

Applicable Not applicable

(II) Related party transactions relating to asset or equity interest acquisition or disposal

1. Matters disclosed in preliminary announcements without subsequent development or changes

Applicable Not applicable

2. Matters disclosed in preliminary announcements with subsequent development or changes

Applicable Not applicable

3. Matters undisclosed in preliminary announcements

Applicable Not applicable

4. Disclosure about the realization of contracted performance within the Reporting Period

Applicable Not applicable

(III) Significant related party transactions in respect of foreign investments

1. Matters disclosed in preliminary announcements without subsequent development or changes

Applicable Not applicable

2. Matters disclosed in preliminary announcements with subsequent development or changes

Applicable Not applicable

3. Matters undisclosed in preliminary announcements

Applicable Not applicable

(IV) Amounts due to or from related parties

1. Matters disclosed in preliminary announcements without subsequent development or changes

Applicable Not applicable

2. Matters disclosed in preliminary announcements with subsequent development or changes

Applicable Not applicable

3. Matters undisclosed in preliminary announcements

Applicable Not applicable

(V) Financial business between the Company and its related financial company, and between financial company controlled by the Company and related parties

Applicable Not applicable

(VI) Others

Applicable Not applicable

Apart from the related party transactions between the Group and Hebei Baocang Expressway Co., Ltd. (河北保滄高速公路有限公司), between the Group and Spotlight Automotive as well as between the Group and Tianjin Great Wall Binyin Automotive Finance Co., Ltd. (天津長城濱銀汽車金融有限公司), the related party transactions set out in Note 11 to the financial statements constitute connected transactions and continuing connected transactions in accordance with Hong Kong Listing Rules. The Company has complied with relevant approval and disclosure procedures, or has been exempted from complying with the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

XIII. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

(I) Trust, contracting and leasing

1. Trust

Applicable Not applicable

2. Contracting

Applicable Not applicable

3. Leasing

Applicable Not applicable

Section 9 Significant Events

(II) Guarantee

√ Applicable Not applicable

Unit: Yuan Currency: RMB

External guarantee of the Company (excluding those provided to its subsidiaries)														
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Guarantee amount	Date of guarantee (date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Whether the guarantee			Amount	Counter guarantee	Related-party guarantee or not	Related relationship
								Guaranty (if any)	has been performed	Overdue or not				
Hebei Changzheng Automobile Manufacturing Co. Ltd. (河北長征汽車製造有限公司)	Wholly-owned subsidiary	Hebei Haoyang Borui Supply Chain Management Co., Ltd. (河北吳陽勃瑞供應鏈管理有限公司)	7,588,320.00	30 June 2023	Date of mortgage/ financial lease contract signed between the guaranteed party and the relevant financial institution	3 years from the date of full repayment	Joint liability guarantee	None	No	No	-	After the guarantor performs the joint liability guarantee, it obtains the right of recourse against the guaranteed party, and the legal person of the guaranteed party bears joint liability guarantee to the guarantor for this matter	No	Other
Hebei Changzheng Automobile Manufacturing Co. Ltd. (河北長征汽車製造有限公司)	Wholly-owned subsidiary	Baoding Huilu Cargo Transport Co., Ltd. (保定匯綠貨物運輸有限公司)	8,337,800.00	30 June 2023	Date of mortgage/ financial lease contract signed between the guaranteed party and the relevant financial institution	3 years from the date of full repayment	Joint liability guarantee	None	No	No	-	After the guarantor performs the joint liability guarantee, it obtains the right of recourse against the guaranteed party, and the legal person of the guaranteed party bears joint liability guarantee to the guarantor for this matter	No	Other
Total guarantee amount incurred during the Reporting Period (excluding guarantees provided for subsidiaries)												15,926,120.00		
Total guarantee balance as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries)												13,503,572.02		
Guarantees provided by the Company and its subsidiaries for its subsidiaries														
Total guarantee amount incurred to subsidiaries during the Reporting Period												5,174,918,494.18		
Total guarantee balance to subsidiaries as at the end of the Reporting Period (B)												7,443,649,692.29		
Total guarantees (including guarantees to its subsidiaries) provided by the Company														
Total guarantee amount (A+B)												7,457,153,264.31		
Total guarantee amount as a percentage of net assets of the Company (%)												10.89		
Of which:														
Amount of guarantees provided for shareholders, the de facto controller and their related parties (C)												0		
Amount of debt guarantees provided directly or indirectly for parties with a gearing ratio exceeding 70% (D)												2,378,314,698.11		
Total guarantee amount in excess of 50% of net assets (E)												0		
Total guarantee amount of the above three items (C+D+E)												2,378,314,698.11		
Statement on the contingent joint liability in connection with unexpired guarantees												Nil		
Details of guarantee												(See table below)		

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As at 31 December 2023, the guarantee balances provided by the Company or its controlled subsidiaries to its controlled subsidiaries are set out as follows:

Unit: Yuan Currency: RMB

No.	Guaranteed parties	Guarantee balance
1	Hycet Engine System (Thailand) Company Limited (蜂巢動力系統(泰國)有限公司), Mind Automotive Parts (Thailand) Co., Ltd. (曼德汽車零部件(泰國)有限公司), Exquisite Automotive Parts (Thailand) Co., Ltd. (精誠工科汽車零部件(泰國)有限公司) and Nobo Automotive Systems (Thailand) Co., Ltd. (諾博汽車系統(泰國)有限公司)	566,616,000.00
2	Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城汽車製造(泰國)有限公司) and Great Wall Motor Sales (Thailand Sales) Co., Ltd. (長城汽車銷售(泰國)有限公司)	637,443,000.00
3	Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城汽車製造(泰國)有限公司)	311,041,990.67
4	Great Wall Motor Brazil Co., Ltd. (長城汽車巴西有限公司)	754,307,550.00
5	Tianjin Oula Financial Leasing Co., Ltd. (天津歐拉融資租賃有限公司)	693,602,000.00
6	Baoding Xushui Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定徐水光電分公司)	2,000,000.00
7	Mind Electronics Company Limited (曼德電子電器有限公司)	200,000,000.00
8	Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司)	200,000,000.00
9	Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. (精誠工科汽車零部件(揚中)有限公司)	213,557,489.88
10	Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. (蜂巢智能轉向系統(江蘇)有限公司)	140,000,000.00
11	Honeycomb Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司)	158,860,000.00
12	Russia Haval Automobile Manufacturing Co., Ltd. (俄羅斯哈弗汽車製造有限責任公司)	3,163,515,403.51
13	Shanghai Branch of Nobo Automotive Technology Co., Ltd. (諾博汽車科技有限公司上海分公司)	358,200,000.00
14	Zhengtu Online Supply Chain (Hebei) Co., Ltd. (征途在線供應鏈(河北)有限公司)	44,506,258.23
	Total	7,443,649,692.29

Section 9 Significant Events

- Notes: (1) The above “guarantee amount incurred to subsidiaries during the Reporting Period” refers to the utilized amount within the approved guarantee amount during the Reporting Period;
- (2) The above “guarantee balance to subsidiaries (actual guarantee amount incurred) as at the end of the Reporting Period” refers to the sum of the amount un-withdrawn and the amount withdrawn and not repaid among utilized amount within the approved guarantee amount;
- (3) The exchange rate of US dollar against Renminbi was based on the Renminbi central parity rate (USD1 = RMB7.0827) as announced by the People’s Bank of China on 29 December 2023;
- (4) The exchange rate of Euro against Renminbi was based on the Renminbi central parity rate (EUR1 = RMB7.8592) as announced by the People’s Bank of China on 29 December 2023;
- (5) The exchange rate of THB against Renminbi was based on the Renminbi central parity rate (RMB100 = 482.25THB) as announced by the People’s Bank of China on 29 December 2023;
- (6) The exchange rate of RUB against Renminbi was based on the Renminbi central parity rate (RMB100 = 1245.82RUB) as announced by the People’s Bank of China on 29 December 2023.
- (7) The exchange rate of BRL against Renminbi was based on the rate (RMB100 = R\$68.34) quoted by Bloomberg on 29 December 2023.

(III) Entrustment of cash asset management

1. Entrusted wealth management

(1) Overall entrusted wealth management

Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Source of capital	Amount	Amount undue	Amount due and not yet recovered
Other	Proprietary funds	6,200,000,000.00	4,100,000,000.00	–

Other matters

Applicable Not applicable

Section 9 Significant Events

(2) Single item entrusted wealth management

Applicable Not applicable

Unit: Yuan Currency: RMB

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Source of capital	Use of capita	Whether it is subject to restriction	Way of determining remuneration	Annualised yield	Expected gain (if any)	Actual gain or loss	Amount undue	Uncollected amount overdue	Whether it has gone through statutory procedures	Whether there is any future entrusted wealth management plan	Amount of provision for impairment (if any)
Sales department of Guangzhou branch of Ping An Bank Co., Ltd.	Others	1,000,000,000.00	20231027	20240122	Propriety funds	-	No	-	2.98%	6,652,709.43	-	1,000,000,000.00	-	Yes	Yes	-
Guangzhou branch of Luso International Banking Ltd.	Others	1,000,000,000.00	20231117	20240122	Propriety funds	-	No	-	3.00%	5,151,320.75	-	1,000,000,000.00	-	Yes	Yes	-
Baoding branch of Industrial Bank	Others	1,000,000,000.00	20231130	20240122	Propriety funds	-	No	-	3.05%	4,148,000.00	-	1,000,000,000.00	-	Yes	Yes	-
Baoding branch of Bank of Communications	Others	500,000,000.00	20231204	20240304	Propriety funds	-	No	-	2.70%	3,152,377.36	-	500,000,000.00	-	Yes	Yes	-
Sales department of Guangzhou branch of Ping An Bank Co., Ltd.	Others	450,000,000.00	20231226	20240304	Propriety funds	-	No	-	2.85%	2,270,750.94	-	450,000,000.00	-	Yes	Yes	-
Sales department of Guangzhou branch of Ping An Bank Co., Ltd.	Others	150,000,000.00	20231226	20240304	Propriety funds	-	No	-	2.85%	756,916.98	-	150,000,000.00	-	Yes	Yes	-

Other matters

Applicable Not applicable

(3) Provision for impairment of entrusted wealth management

Applicable Not applicable

Section 9 Significant Events

2. **Entrusted loans**

(1) *General information on entrusted loans*

Applicable Not applicable

Other matters

Applicable Not applicable

(2) *Single item entrusted loans*

Applicable Not applicable

Other matters

Applicable Not applicable

(3) *Provision for impairment of entrusted loans*

Applicable Not applicable

3. **Other matters**

Applicable Not applicable

(IV) **Other material contracts**

Applicable Not applicable

XIV. EXPLANATION ON PROGRESS IN USE OF PROCEEDS

Applicable Not applicable

(I) Overall utilisation of proceeds

Applicable Not applicable

Unit: Yuan

Source of proceeds	Time of receiving the proceeds	Total proceeds raised	Including: amount of surplus proceeds	Net proceeds after deducting issuance costs	Total committed investment amount of proceeds	Total committed investment amount of proceeds after adjustments (1)	Total Accumulated investment amount of proceeds as at the end of the Reporting Period (2)	Progress of accumulated investment as at the end of the Reporting Period (%) (3)=(2)/(1)	Investment amount for the year (4)	Percentage of investment amount for the year (%) (5) = (4)/(1)	Total amount of proceeds whose use has changed
Issuance of convertible bonds	17 June 2021	3,500,000,000.00	0	3,487,972,641.51	3,487,972,641.51	3,487,972,641.51	3,592,595,657.45*	103.00	1,406,132,582.56*	40.31	0

* Note: Such amount includes interest income from proceeds raised.

(II) Particulars of proceeds-funded projects

Applicable Not applicable

(III) Explanation on the change of use of proceeds and termination thereof during the Reporting Period

Applicable Not applicable

(IV) Other particulars of use of proceeds during the Reporting Period**1. Upfront investment and replacement of proceeds-funded projects**

Applicable Not applicable

Section 9 Significant Events

The Resolution on the Replacement of Self-raised Funds Previously Invested in Proceeds-funded Projects and Issuance Costs Paid with Proceeds from A Share Convertible Corporate Bonds (《關於使用A股可轉換公司債券募集資金置換預先投入募投項目自籌資金及已支付發行費用的議案》) was considered and approved at the 26th meeting of the seventh session of the Board and the 24th meeting of the seventh session of the Supervisory Committee of the Company on 17 September 2021, agreeing that the Company may replace the self-raised funds previously invested in proceeds-funded projects and the issuance costs paid with proceeds of RMB167,464,300. Such matter has been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, which issued the Specific Explanation and Audit Report on the Replacement of Self-raised Funds Previously Invested in Proceeds-funded Projects and Issuance Costs Paid with Proceeds by Great Wall Motor Company Limited (De Shi Bao (He) Zi (21) No. E00428) (《長城汽車股份有限公司以募集資金置換自籌資金預先投入募投項目和已支付發行費用的專項說明和審核報告》(德師報(核)字(21)第E00428號)). Each of the independent Directors, the Supervisory Committee and the sponsor of the Company has concurred with the above matter.

2. Use of idle funds to temporarily replenish liquidity

Applicable Not applicable

3. Cash management for idle funds and particulars of relevant products invested with such funds

Applicable Not applicable

4. Use of surplus proceeds to permanently replenish liquidity or repay bank loans

Applicable Not applicable

5. Others

Applicable Not applicable

XV. OTHER IMPORTANT MATTERS THAT HAVE A SIGNIFICANT IMPACT ON THE VALUE JUDGMENT AND INVESTMENT DECISIONS OF INVESTORS

Applicable Not applicable

Section 10 Changes in Shares and Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

Unit: share(s)

	Before this change		Newly issued shares	Increase/decrease for this change (+, -)				After this change	
	Number of shares	Percentage (%)		Bonus shares	Shares converted from capital reserve	Others	Subtotal	Number of shares	Percentage (%)
I. Shares with selling restrictions	36,310,195	0.41	0	0	0	-24,871,235	-24,871,235	11,438,960	0.13
1. State-owned shares	0	0	0	0	0	0	0	0	0
2. State-owned legal person shares	0	0	0	0	0	0	0	0	0
3. Other domestic shares	36,310,195	0.41	0	0	0	-24,871,235	-24,871,235	11,438,960	0.13
Including: Domestic non-state-owned legal person shares	0	0	0	0	0	0	0	0	0
Domestic natural person shares	36,310,195	0.41	0	0	0	-24,871,235	-24,871,235	11,438,960	0.13
4. Foreign shares	0	0	0	0	0	0	0	0	0
Including: Overseas legal person shares	0	0	0	0	0	0	0	0	0
Overseas natural person shares	0	0	0	0	0	0	0	0	0
II. Tradable shares without selling restrictions	8,728,202,272	99.59	26,082,270	0	0	-268,194,905	-242,112,635	8,486,089,637	99.87
1. Ordinary shares denominated in RMB	6,132,295,772	69.97	26,082,270	0	0	8,935,595	35,017,865	6,167,313,637	72.58
2. Domestic listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	2,595,906,500	29.62	0	0	0	-277,130,500	-277,130,500	2,318,776,000	27.29
4. Others	0	0	0	0	0	0	0	0	0
III. Total number of shares	8,764,512,467	100.00	26,082,270	0	0	-293,066,140	-266,983,870	8,497,528,597	100.00

2. Explanation for changes in shares

√ Applicable Not applicable

1. Repurchase and cancellation of restricted shares under the incentive scheme and repurchase and cancellation of share options

On 17 November 2022, the Company held the 54th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company and the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company were considered and approved, pursuant to which 1,028,190 restricted A Shares were repurchased and cancelled due to the resignation of certain participants according to relevant terms, with total funds used amounting to RMB12,217,609.40. The maximum repurchase price was RMB20.43/share, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2020 Restricted Share and Share Option Incentive Scheme; and the minimum price was RMB3.47/share, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2020 Restricted Share and Share Option Incentive Scheme. Cancellation of the abovementioned restricted shares was completed on 3 February 2023, resulting in a decrease in the share capital of the Company by 1,028,190 Shares.

Section 10 Changes in Shares and Shareholders

On 17 February 2023, the Company held the 58th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved, permitting the Company to repurchase and cancel 174,370 restricted A Shares of participants due to the resignation, job rotation, demotion or failure in the annual personal performance appraisal, with total funds used amounting to RMB696,420.47. The maximum repurchase price was RMB20.43/share, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2020 Restricted Share and Share Option Incentive Scheme; and the minimum price was RMB3.47/share, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2020 Restricted Share and Share Option Incentive Scheme. Cancellation of the abovementioned restricted shares was completed on 14 April 2023, resulting in a decrease in the share capital of the Company by 174,370 shares.

On 31 March 2023, the Company held the 62nd meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company, the Resolution on the Cancellation of Certain Share Options under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, and the Resolution on the Cancellation of Certain Share Options under the First Grant and the Reserved Grant of the 2021 Share Option Incentive Scheme of the Company were considered and approved, permitting the Company to repurchase and cancel 14,733,080 restricted A Shares with total funds used amounting to RMB227,249,970.52 as the Company's performance in 2022 did not satisfy the unlocking conditions for the second unlocking period of restricted shares under first grant and the first unlocking period of restricted shares under reserved grant of 2021 Restricted Share Incentive Scheme and also due to the resignation or job rotation of certain participants. The maximum repurchase price was RMB20.43/share, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2020 Restricted Share and Share Option Incentive Scheme; and the minimum price was RMB3.47/share, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2020 Restricted Share and Share Option Incentive Scheme. And 149,154,428 share options were cancelled. Cancellation of the abovementioned restricted shares and share options was completed on 7 June 2023, resulting in a decrease in the share capital of the Company of 14,733,080 Shares.

Section 10 Changes in Shares and Shareholders

II. Unlocking of restricted shares

On 14 April 2023, the Company held the 63rd meeting of the seventh session of the Board, at which the Resolution on the Achievement of the Unlocking Conditions of the Third Tranche of Restricted Shares under the First Grant and the Second Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the unlocking conditions of the third tranche of restricted shares under the first grant and second tranche of restricted shares under the reserved grant of the 2020 Incentive Scheme of the Company has been fulfilled. The number of restricted shares under the first grant and reserved grant unlocked and listed is 8,935,595 shares. The above shares were unlocked on 27 April 2023, resulting in a decrease of 8,935,595 restricted shares and an increase of 8,935,595 tradable shares.

III. Exercise of share options

On 14 April 2022, the Company held the 36th meeting of the seventh session of the Board, at which the Resolution on the Fulfilment of the Exercise Conditions of Second Exercise Period of Share Options under the First Grant and First Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the exercise conditions of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme of the Company have been fulfilled. The number of exercisable share options in the second exercise period under the first grant of share options is 27,894,058 with exercise period from 5 May 2022 to 26 April 2023, and the number of exercisable share options in the first exercise period under the reserved grant of share options is 7,462,500 with exercise period from 5 May 2022 to 27 January 2023. A total of 202,231 share options were exercised during the Reporting Period, resulting in an increase in the share capital of the Company by 202,231 shares.

On 14 April 2023, the Company held the 63rd meeting of the seventh session of the Board, at which the Resolution on the Fulfilment of the Exercise Conditions of Third Exercise Period of Share Options under the First Grant and Second Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the exercise conditions of third exercise period of share options under the first grant and second exercise period of share options under the reserved grant of the 2020 Incentive Scheme of the Company have been fulfilled. The number of exercisable share options in the third exercise period under the first grant of share options is 27,079,634 with exercise period from 8 May 2023 to 26 April 2024, and the number of exercisable share options in the second exercise period under the reserved grant of share options is 6,892,500 with exercise period from 8 May 2023 to 27 January 2024. A total of 25,874,976 share options were exercised during the Reporting Period, resulting in an increase in the share capital of the Company by 25,874,976 shares.

Section 10 Changes in Shares and Shareholders

IV. Repurchase and cancellation of the Company's H Shares

From 15 December 2022 to 31 December 2022, the Company repurchased 84,707,500 H Shares on the Hong Kong Stock Exchange, which were cancelled on 9 January 2023. In February 2023, the Company repurchased 192,423,000 H Shares on the Hong Kong Stock Exchange, which were cancelled on 9 March 2023. The Company has cancelled a total of 277,130,500 shares during the Reporting Period, resulting in a decrease of the total share capital of the Company by 277,130,500 shares.

V. Conversion of the Company's convertible bonds into shares

As approved by the China Securities Regulatory Commission on the Approval of the Public Issuance of Convertible Corporate Bonds by Great Wall Motor Company Limited (CSRC Permit [2021] No. 1353), the Company publicly issued 35,000,000 convertible corporate bonds on 10 June 2021 at a par value of RMB100 each, totalling RMB3.5 billion. The bonds were listed on the Shanghai Stock Exchange from 8 July 2021. The convertible bonds publicly issued by the Company can be converted during the period from 17 December 2021 to 9 June 2027. From 1 January 2023 to 31 December 2023, "Great Wall Motor Convertible Bonds" of RMB203,000 in total have been converted into 5,063 shares of the Company, resulting in an increase of the share capital of the Company by 5,063 shares.

3. Impacts of changes in shares on financial indicators such as gain and net assets per share for the current year and period (if any)

Applicable Not applicable

Changes in the Company's shares in the Reporting Period have no significant impact on financial indicators such as earnings per share and net assets per share in the latest year and the latest period.

4. Other discloseable information considered as necessary by the Company or required by the securities regulatory authorities

Applicable Not applicable

Section 10 Changes in Shares and Shareholders

(II) Changes in shares with selling restrictions

√ Applicable □ Not applicable

Unit: share(s)

Name of shareholder	Number of shares with selling restriction at the beginning of the Year	Number of shares with selling restrictions removed during the Year	Increase in the number of shares with selling restrictions during the Year	Number of shares with selling restrictions cancelled during the Reporting Period	Number of shares with selling restriction at the end of the Year	Reason for the selling restriction	Date of removal of the selling restriction
Holders of third tranche of restricted shares under the first grant of the 2020 Restricted Share and Share Option Incentive Scheme	8,962,600	8,380,920	0	-581,680	0	Share incentive	27 April 2023
Holders of second tranche of restricted shares under the reserved grant of the 2020 Restricted Share and Share Option Incentive Scheme	569,075	554,675	0	-14,400	0	Share incentive	27 April 2023
Holders of second tranche of restricted shares under the first grant of the 2021 Restricted Share Incentive Scheme	9,411,360	0	0	-9,411,360	0	Share incentive	-
Holders of third tranche of restricted shares under the first grant of the 2021 Restricted Share Incentive Scheme	9,411,360	0	0	-570,300	8,841,060	Share incentive	22 July 2024 (the earliest date on which selling restrictions can be released)
Holders of first tranche of restricted shares under the reserved grant of the 2021 Restricted Share Incentive Scheme	3,977,900	0	0	-3,977,900	0	Share incentive	-
Holders of second tranche of restricted shares under the reserved grant of the 2021 Restricted Share Incentive Scheme	3,977,900	0	0	-1,380,000	2,597,900	Share incentive	22 July 2024 (the earliest date on which selling restrictions can be released)
Total	36,310,195	8,935,595	0	-15,935,640	11,438,960	Share incentive	/

Note: 9,411,360 restricted shares held by the holders of second tranche of restricted shares under the first grant of the 2021 Restricted Share Incentive Scheme and 3,977,900 restricted shares held the holders of first tranche of restricted shares under the reserved grant of the 2021 Restricted Share Incentive Scheme were cancelled on 7 June 2023.

Section 10 Changes in Shares and Shareholders

II. ISSUE AND LISTING OF SECURITIES

(I) Issue of securities as at the Reporting Period

Applicable Not applicable

Type of shares and derivative securities	Issue date	Issue price (or interest rate)	Issue amount	Listing date	Amount approved for listing and trading	Closing date of trading
Type of ordinary shares						
First grant of restricted shares of 2020 Incentive Scheme (A Shares)	2020-06-03	RMB4.37/ share	49,303,500	2020-06-03	49,303,500	-
Reserved grant of restricted shares of 2020 Incentive Scheme (A Shares)	2021-05-12	RMB20.80/ share	1,149,150	2021-05-12	1,149,150	-
First grant of restricted shares of 2021 Incentive Scheme (A Shares)	2021-09-08	RMB16.78/ share	32,653,200	2021-09-08	32,653,200	-
Reserved grant of restricted shares of 2021 Incentive Scheme (A Shares)	2022-6-22	RMB12.66/ share	7,955,800	2022-6-22	7,955,800	-
Convertible corporate bonds, separate trading of convertible bonds						
Convertible corporate bonds	2021-06-10	RMB38.39/ share	3,500,000,000	2021-07-08	3,500,000,000	-

Description of the issue of securities as at the Reporting Period (please present separately for securities with different interest rates over their duration):

Applicable Not applicable

(II) Changes in the total number of shares and shareholding structure as well as changes in the structure of assets and liabilities of the Company

Applicable Not applicable

During the Reporting Period, the total number of ordinary shares of the Company is set out in I. (I) Table of changes in shares in this section, and the changes in shareholder structure are set out in III. SHAREHOLDERS AND THE DE FACTO CONTROLLER in this section.

At the beginning of the Reporting Period, the total assets were RMB185,357,300,473.07, the total liabilities were RMB120,141,392,357.77, and the asset-liability ratio was 64.82%; at the end of the Reporting Period, the total assets were RMB201,270,288,570.21, the total liabilities were RMB132,761,504,625.02, and the asset-liability ratio was 65.96%.

(III) Existing employee shares

Applicable Not applicable

III. SHAREHOLDERS AND THE DE FACTO CONTROLLER

(I) Total number of shareholders

Total number of ordinary shareholders as at the end of the Reporting Period (person)	163,530
Total number of ordinary shareholders as at the end of the last month prior to the date of this annual report (person)	168,151

Section 10 Changes in Shares and Shareholders

(II) Shareholding of the top 10 shareholders and the top 10 shareholders of tradable shares or shares without selling restrictions as at the end of the Reporting Period

Unit: share(s)

Name of shareholder (full name)	Shareholding of the top 10 shareholders (excluding the shares lent through refinancing)				Number of shares held with selling restrictions	Shares pledged, labeled or frozen		Type of shareholder
	Increase/decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)			Condition of shares	Number	
Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	0	5,115,000,000 (A Shares)	60.19	0 (A Shares)	Pledged	675,500,000 (A Shares)	Domestic non-state-owned legal person	
HKSCC NOMINEES LIMITED	-276,880,430	2,302,875,311 (H Shares)	27.10	-	Unknown	-	Overseas legal person	
China Securities Finance Corporation Limited	0	196,889,089 (A Shares)	2.32	-	Unknown	-	State-owned legal person	
Hong Kong Securities Clearing Company Limited	7,872,528	54,132,343 (A Shares)	0.64	-	Unknown	-	Overseas legal person	
Agricultural Bank of China Limited – E Fund Consumer Industry Equity Securities Investment Fund (中國農業銀行股份有限公司 – 易方達消費行業股票型證券投資基金)	38,996,358	47,150,577 (A Shares)	0.55	-	Unknown	-	Other	
National Social Security Fund Portfolio 103 (全國社保基金一零三組合)	3,864,990	38,000,000 (A Shares)	0.45	-	Unknown	-	Other	
Great Wall Motor Company Limited – 2023 Employee Stock Ownership Plan	34,751,400	34,751,400 (A Shares)	0.41	-	Unknown	-	Other	
China Construction Bank Corporation – Huaxia Energy Reform Equity Securities Investment Fund (中國建設銀行股份有限公司 – 華夏能源革新股票型證券投資基金)	-2,782,600	29,536,483 (A Shares)	0.35	-	Unknown	-	Other	
Industrial and Commercial Bank of China – SSE 50 Exchange-Traded Open-End Index Securities Investment Fund (中國工商銀行 – 上證 50 交易型開放式指數證券投資基金)	6,733,594	15,039,106 (A Shares)	0.18	-	Unknown	-	Other	
National Social Security Fund Portfolio 107 (全國社保基金一零七組合)	9,452,766	9,452,766 (A Shares)	0.11	-	Unknown	-	Other	

Section 10 Changes in Shares and Shareholders

Shareholding of the top 10 shareholders holding shares without selling restrictions

Name of shareholder	Number of tradable shares without selling restrictions held	Class and number of shares	
		Class	Number
Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	5,115,000,000 (A Shares)	RMB-denominated ordinary shares	5,115,000,000 (A Shares)
HKSCC NOMINEES LIMITED	2,302,875,311 (H Shares)	Overseas listed foreign shares	2,302,875,311 (H Shares)
China Securities Finance Corporation Limited	196,889,089 (A Shares)	RMB-denominated ordinary shares	196,889,089 (A Shares)
Hong Kong Securities Clearing Company Limited	54,132,343 (A Shares)	RMB-denominated ordinary shares	54,132,343 (A Shares)
Agricultural Bank of China Limited – E Fund Consumer Industry Equity Securities Investment Fund (中國農業銀行股份有限公司 – 易方達消費行業股票型證券 投資基金)	47,150,577 (A Shares)	RMB-denominated ordinary shares	47,150,577 (A Shares)
National Social Security Fund Portfolio 103 (全國社保基金一零三組合)	38,000,000 (A Shares)	RMB-denominated ordinary shares	38,000,000 (A Shares)
Great Wall Motor Company Limited – 2023 Employee Stock Ownership Plan	34,751,400 (A Shares)	RMB-denominated ordinary shares	34,751,400 (A Shares)
China Construction Bank Corporation – Huaxia Energy Reform Equity Securities Investment Fund (中國建設銀行股份有限公司 – 華夏能源革新股票型證券 投資基金)	29,536,483 (A Shares)	RMB-denominated ordinary shares	29,536,483 (A Shares)
Industrial and Commercial Bank of China – SSE 50 Exchange-Traded Open-End Index Securities Investment Fund (中國工商銀行 – 上證50交易型開放式 指數證券投資基金)	15,039,106 (A Shares)	RMB-denominated ordinary shares	15,039,106 (A Shares)
National Social Security Fund Portfolio 107 (全國社保基金一零七組合)	9,452,766 (A Shares)	RMB-denominated ordinary shares	9,452,766 (A Shares)
Description of special accounts for repurchase of the top 10 shareholders	N/A		
The explanation of above shareholders' proxy voting right, entrusted voting right and abandonment of voting right	N/A		
Description of the related party relationship or acting in concert among the above shareholders	There is no related party relationship between Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), the controlling shareholder of the Company, and other shareholders. In addition, the Company is not aware of any related party relationship among the other shareholders mentioned above.		
Description of the shareholders holding preference shares with restored voting rights and their shareholding	N/A		

Shares lent by the top 10 shareholders under refinancing business

√ Applicable Not applicable

Section 10 Changes in Shares and Shareholders

Unit: share(s)

Name of shareholder (full name)	Shares lent by the top 10 shareholders through refinancing							
	Shares held under regular accounts and credit accounts as at the beginning of the Reporting Period		Shares lent and outstanding through refinancing as at the beginning of the Reporting Period		Shares held under regular account and credit account as at the end of the Reporting Period		Shares lent and outstanding through refinancing as at the end of the Reporting Period	
	Total	Percentage (%)	Total	Percentage (%)	Total	Percentage (%)	Total	Percentage (%)
Industrial and Commercial Bank of China – SSE 50 Exchange- Traded Open-End Index Securities Investment Fund (中國工 商銀行 – 上證 50 交易型開放式指數證券 投資基金)	8,305,512	0.10	2,260,400	0.03	15,039,106	0.18	118,700	0.001

Changes in the top 10 shareholders as compared with the same period of last year

Applicable Not applicable

Unit: share(s)

Name of shareholder (full name)	Addition/exit during the Reporting Period	Changes in the top 10 shareholders as compared with the end of the same period of last year			
		Shares lent and outstanding through refinancing as at the end of the Reporting Period		Shares held by shareholders under general accounts and credit accounts and shares lent through refinancing and outstanding as at the end of the Reporting Period	
		Total	Percentage (%)	Total	Percentage (%)
Agricultural Bank of China Limited – E Fund Consumer Industry Equity Securities Investment Fund (中國農業銀行股份有限 公司 – 易方達消費行業股票型證券投資基金)	Addition	0	0.00	47,150,577 (A Shares)	0.55
Great Wall Motor Company Limited – 2023 Employee Stock Ownership Plan	Addition	0	0.00	34,751,400 (A Shares)	0.41
National Social Security Fund Portfolio 107 (全國社保基金一零七組合)	Addition	0	0.00	9,452,766 (A Shares)	0.11
China Minsheng Banking Corp., Ltd. – GF Industry Selection Mixed Securities Investment Fund with Three-year Holding Period (中國民生銀行股份有限公司 – 廣發 行業嚴選三年持有期混合型證券投資基金)	Exit	0	0.00	–	–
Industrial and Commercial Bank of China Limited – GF Double Engine Advanced Mixed Securities Investment Fund (中國工商銀行股份有限公司 – 廣發雙擎升級混合型證券投資基金)	Exit	0	0.00	–	–
China Construction Bank Corporation – Guangfa Technology Vanguard Hybrid Securities Fund (中國建設銀行股份有限公司 – 廣發科技先鋒混合型證券投資基金)	Exit	0	0.00	–	–

Note: Each of the shareholders, China Minsheng Banking Corp., Ltd. – GF Industry Selection Mixed Securities Investment Fund with Three-year Holding Period (中國民生銀行股份有限公司 – 廣發行業嚴選三年持有期混合型證券投資基金), Industrial and Commercial Bank of China Limited – GF Double Engine Advanced Mixed Securities Investment Fund (中國工商銀行股份有限公司 – 廣發雙擎升級混合型證券投資基金) and China Construction Bank Corporation – Guangfa Technology Vanguard Hybrid Securities Fund (中國建設銀行股份有限公司 – 廣發科技先鋒混合型證券投資基金), is not among the Top 200 shareholders of the Company in terms of shares held in their respective regular account and credit account as at the end of the Reporting Period.

Number of shares held by the top 10 shareholders with selling restrictions and details of selling restrictions

Applicable Not applicable

Section 10 Changes in Shares and Shareholders

Shares Held by Substantial Shareholders (SFO Requirements)

As at 31 December 2023, the following shareholders (excluding the directors, supervisors and chief executives of the Company) had interests or short positions in any shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name	No. of shares	Approximate percentage of A Shares (%)	Approximate percentage of H Shares (%)	Approximate percentage of total number of shares (%)
Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) (Note 1)	5,115,000,000(L) (A Shares)	82.81	–	60.19
Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經營中心) (Note 2)	5,115,000,000(L) (A Shares)	82.81	–	60.19
Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) (Note 3)	5,152,998,500(L) (A Shares and H Shares)	–	–	60.64
	5,115,000,000(L) (A Shares)	82.81	–	60.19
	37,998,500(L) (H Shares)	–	1.64	0.45
Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司) (Note 4)	5,152,998,500(L) (A Shares and H Shares)	–	–	60.64
	5,115,000,000(L) (A Shares)	82.81	–	60.19
	37,998,500(L) (H Shares)	–	1.64	0.45
Han Xue Juan (Note 5)	5,152,998,500(L) (A Shares and H Shares)	–	–	60.64
BlackRock, Inc.	151,305,743(L) (H Shares)	–	6.53(L)	1.78
	7,795,000(S) (H Shares)	–	0.34(S)	0.09
China Credit Trust Co., Ltd.	138,629,803(L) (H Shares)	–	5.98(L)	1.63
Harvest Fund Management Co., Ltd.	138,629,803 (L) (H Shares)	–	5.98(L)	1.63

- (L) denotes a long position in shares of the Company
(S) denotes a short position in shares of the Company
(P) denotes shares available for lending

Section 10 Changes in Shares and Shareholders

Notes:

- (1) Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) (formerly known as Baoding Woerte Management Consultant Company Limited (保定市沃爾特管理諮詢有限公司)) was established on 1 December 2005. Its place of incorporation is Baoding, Hebei Province, the PRC and its registered address is 2066 Chaoyang South Street, Lianchi District, Baoding, Hebei Province. Its business scope covers investments in manufacturing, real estate and horticulture industries, as well as corporate planning; management consultancies; mechanical equipment leasing; non-residential real estate leasing; office equipment rental services; transport equipment rental services; computer and communication equipment leasing; and production line management services (operations that require pre-approvals according to laws and administrative regulations or as prescribed by the State Council can only be conducted after obtaining approvals).

As at 31 December 2023, 62.854%, 0.125%, 0.001% and 37.02% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) were held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司), Mr. Wei Jian Jun, Ms. Han Xue Juan and Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經營中心) respectively, while 58.2%, 0.6% and 41.2% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) were held by Mr. Wei Jian Jun, Ms. Han Xue Juan and Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司), a company held as to 99% and 1% by Mr. Wei Jian Jun and Ms. Han Xue Juan, respectively. Therefore, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) is a company controlled by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) which is in turn controlled by Mr. Wei Jian Jun, and Mr. Wei Jian Jun is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) pursuant to the SFO.

- (2) Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經營中心) was formerly known as Management Centre of Collective Assets of Nandayuan Town, Nanshi District, Baoding (保定市南市區南大園鄉集體資產經營中心). As at 31 December 2023, Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經營中心) held 37.02% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) for the purposes of the SFO.
- (3) As at 31 December 2023, Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) held 62.854% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) for the purposes of the SFO. At the same time, Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) was interested in 37,998,500 H Shares.
- (4) As at 31 December 2023, Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司) held 41.2% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司), which in turn held 62.854% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), and is deemed to be interested in all the shares of the Company held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) and Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) for the purposes of the SFO.
- (5) As at 31 December 2023, Ms. Han Xue Juan held 0.001% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), 0.6% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) and 1% equity interest in Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司), and is the spouse of Mr. Wei Jian Jun. Ms. Han Xue Juan is deemed to be interested in all the shares of the Company in which Mr. Wei Jian Jun is interested for the purposes of the SFO.

Save as disclosed above, as at 31 December 2023, so far as the directors, supervisors and chief executives of the Company are aware, no other person (excluding the directors, supervisors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Section 10 Changes in Shares and Shareholders

Directors', supervisors' and chief executives' interests in securities

As at 31 December 2023, the interests and short positions of each of the directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in Section 352 of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules, are set out as follows:

Name of director/ supervisor	Capacity/nature of interest	Number of shares	Approximate percentage of A Shares (%)	Approximate percentage of H Shares (%)	Approximate percentage of total number of shares (%)
Mr. Wei Jian Jun	Interests in controlled companies	5,115,000,000 (L) (A Shares)	82.81	–	60.19
Mr. Wei Jian Jun	Interests in controlled companies	37,998,500 (L) (H Shares)	–	1.64	0.45
Total		5,152,998,500 (L) (A Shares and H Shares)	–	–	60.64
Mr. Zhao Guo Qing	Beneficial owner	1,035,000 (L) (A Shares)	0.17	–	0.01
Ms. Li Hong Shuan	Beneficial owner and interests of spouse	300,223 (L) (A Shares)	0.00	–	0.002
Mr. Mu Feng	Beneficial owner	900,900 (L) (A Shares)	0.01	–	0.011

(L) denotes a long position in shares of the Company

Note:

As at 31 December 2023, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) was controlled by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司), which was in turn controlled by Mr. Wei Jian Jun. Accordingly, pursuant to the SFO, Mr. Wei Jian Jun is deemed to be interested in the 5,115,000,000 A Shares held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and 37,998,500 H Shares held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司).

As at 31 December 2023, Ms. Li Hong Shuan held 118,123 A Shares of the Company and was allocated a share (100,000 A Shares) under the 2023 ESOP of the Company, and her spouse Mr. Wang Xiao Zu held 82,100 A Shares of the Company. Pursuant to the SFO, Ms. Li Hong Shuan is deemed to be interested in 300,223 A Shares.

Save as disclosed above, so far as the directors of the Company are aware, as at 31 December 2023, none of the directors, supervisors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in Section 352 of the SFO or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. For this purpose, the relevant provisions of the SFO shall be construed as if they were applicable to the supervisors.

Section 10 Changes in Shares and Shareholders

(III) Strategic investors or general legal person becoming top 10 shareholders as a result of placing of new shares

Applicable Not applicable

IV. CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

(I) Details of controlling shareholders

1 Legal person

Applicable Not applicable

Name	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)
Person in charge or legal representative	Wei Jian Jun
Date of establishment	1 December 2005
Principal business	Investments in manufacturing, real estate and horticulture industries, as well as corporate planning and management consulting; mechanical equipment leasing; non-residential real estate leasing; office equipment rental services; transport equipment rental services; computer and communication equipment leasing; and production line management services.
Control of and shareholdings in other domestic or overseas listed companies during the Reporting Period	The Company did not have any control of or shareholding in other domestic or overseas listed companies during the Reporting Period.
Others	–

2 Natural person

Applicable Not applicable

3 Specific descriptions of no controlling shareholder in the Company

Applicable Not applicable

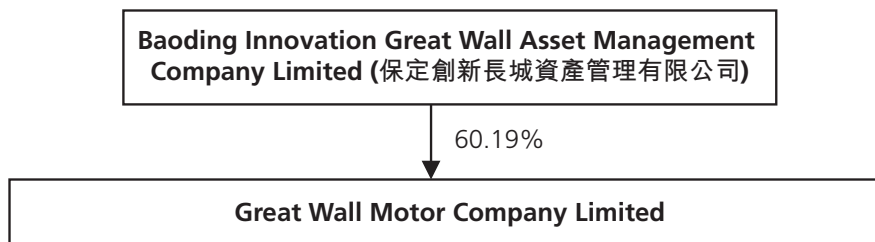
4 Change in controlling shareholders during the Reporting Period

Applicable Not applicable

Section 10 Changes in Shares and Shareholders

5 Chart showing the shareholding and controlling relationship between the Company and the controlling shareholder

Applicable Not applicable



(II) Details of the de facto controller

1 Legal person

Applicable Not applicable

2 Natural Person

Applicable Not applicable

Name	Wei Jian Jun
Nationality	Chinese
Right of abode in other countries or regions	No
Occupation and position	Chairman of Great Wall Motor Company Limited
Shareholdings in domestic or overseas listed companies in the last 10 years	Mr. Wei Jian Jun did not hold any shares in any listed companies other than Great Wall Motor in the last 10 years.

3 Specific descriptions of no de facto controller in the Company

Applicable Not applicable

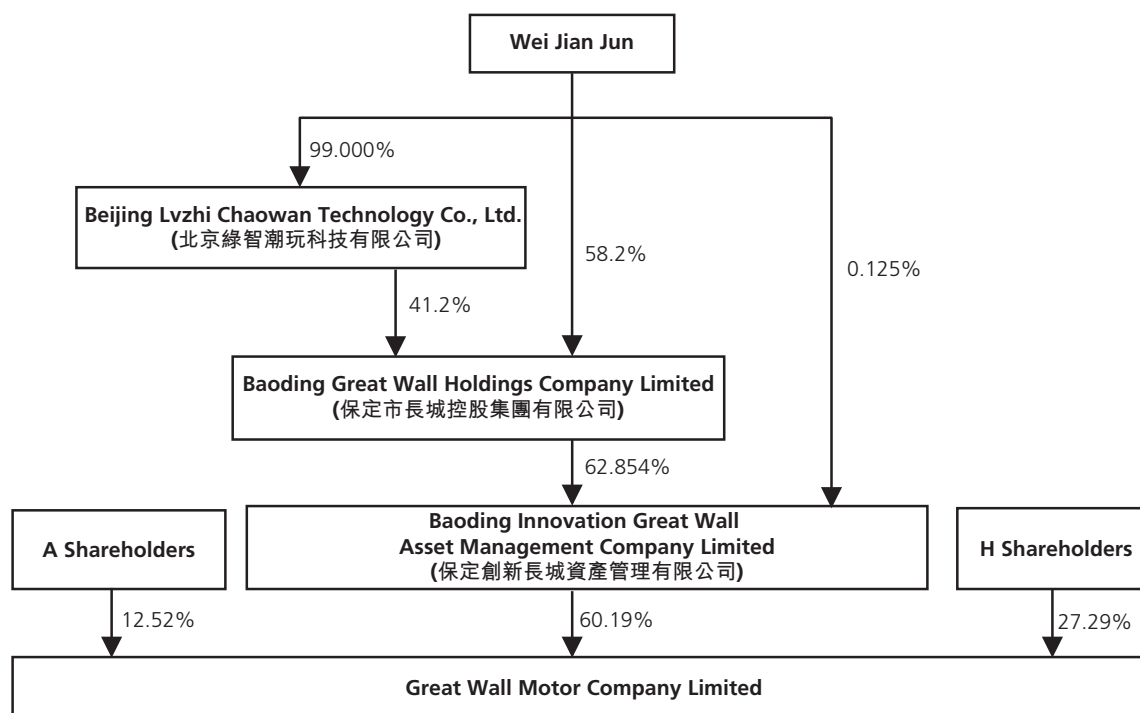
4 Change in the control over the Company during the Reporting Period

Applicable Not applicable

Section 10 Changes in Shares and Shareholders

5 Chart showing the shareholding and controlling relationship between the Company and the de facto controller

Applicable Not applicable



6 The de facto controller controlling the Company under trust and through other ways of asset management

Applicable Not applicable

(III) Other information about controlling shareholders and the de facto controller

Applicable Not applicable

V. THE SHARES CUMULATIVELY PLEDGED BY THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER OF THE COMPANY AND THE PERSONS ACTING IN CONCERT EXCEED 80% OF THE SHARES OF THE COMPANY HELD BY THEM

Applicable Not applicable

VI. OTHER LEGAL PERSON SHAREHOLDERS HOLDING 10% OR MORE OF SHARES

Applicable Not applicable

VII. LIMIT ON THE SHAREHOLDING REDUCTION

Applicable Not applicable

Section 10 Changes in Shares and Shareholders

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

Applicable Not applicable

Section 11 Description of Preference Shares

Applicable Not applicable

Section 12 Description of Bonds

I. CORPORATE BONDS, COMPANY BONDS AND DEBT FINANCING INSTRUMENTS OF NONFINANCIAL ENTERPRISES

Applicable Not applicable

II. CONVERTIBLE CORPORATE BONDS

Applicable Not applicable

(I) Issuance of convertible bonds

Applicable Not applicable

The Company held the 9th meeting of the seventh session of the Board on 6 November 2020, at which the Resolution on Issuance of A Share Convertible Corporate Bonds was considered and approved. Proceeds raised from the proposed issuance of A share convertible corporate bonds will be used for the new models R&D project and the GDC project to enhance the competitiveness of the principal business of the Company.

The A share convertible corporate bonds and the A shares to be converted into will be listed on the Shanghai Stock Exchange and the total proceeds raised therefrom will not exceed RMB8 billion (RMB8 billion inclusive). The A share convertible corporate bonds will be issued at par value of RMB100 each.

The Company held the fourth extraordinary general meeting in 2020, the third H Shareholders' class meeting in 2020 and the third A Shareholders' class meeting in 2020 on 18 December 2020, at which the aforementioned proposed issuance of A share convertible corporate bonds was considered and approved.

The Company held the 14th meeting of the seventh session of the Board on 12 March 2021, at which the revised issuance plan of the aforementioned proposed issuance of A share convertible corporate bonds was considered and approved. The total amount of the convertible bonds proposed to be issued was revised to not exceed RMB3.5 billion (RMB3.5 billion inclusive). The actual amount of the proceeds raised shall be determined by the Board of the Company or its authorised persons within the above range, subject to the authorisation by the shareholders at the shareholders' general meetings of the Company. All of the proceeds are proposed to be used for the following projects after deduction of issuance expenses:

Unit: RMB0'000

Project name	Total project investment	Amount of proceeds raised to be invested
New models R&D project	630,970.81	350,000.00
GDC project	798,002.54	0.00
Total	1,428,973.35	350,000.00

Section 12 Description of Bonds

As approved by CSRC Permit [2021] No. 1353, the Company publicly issued 35,000,000 A share convertible corporate bonds on 10 June 2021 at a par value of RMB100 each, totalling RMB3.5 billion with a term of 6 years. The convertible bonds issued can be converted during the period from 17 December 2021 to 9 June 2027. The initial conversion price of the convertible corporate bonds is RMB38.39 per share.

As approved by the Self-regulation Decision [2021] No. 287 of Shanghai Stock Exchange, the convertible corporate bonds of RMB3.5 billion was listed and traded on the Shanghai Stock Exchange from 8 July 2021 with the abbreviation of "Great Wall Motor Convertible Bonds" and stock code of "113049", and the closing price on that day was RMB142.07 each. The total amount of proceeds raised was RMB3.5 billion, and the actual net proceeds raised were RMB3,487,972,641.51. The utilised proceeds have been used in line with the purposes previously disclosed.

Total proceeds and details of utilisation:

Total proceeds from the issuance of A share convertible corporate bonds (RMB0'000)	Planned use of proceeds previously disclosed	Proceeds	Proceeds	Expected timeline for utilisation of unutilised proceeds
		utilised as at 31 December 2023 (RMB0'000)	unutilised as at 31 December 2023 (RMB0'000)	
350,000.00	New models R&D project	350,000.00	0	–
	GDC project	0	0	–

* Note: "Proceeds utilised as at 31 December 2023" in the table above excludes the amount of interests.

As at 31 December 2023, the proceeds had been fully utilised as planned, and the special account of the Company for the proceeds had been cancelled.

Holder of the Company's A share convertible corporate bonds are natural persons holding accounts with Shanghai Branch of China Securities Depository and Clearing Corporation Limited, legal persons, securities investment funds and other investors in compliance with legal requirements.

Section 12 Description of Bonds

(II) Holders and guarantors of convertible bonds during the Reporting Period

√ Applicable □ Not applicable

Name of convertible corporate bonds	Great Wall Motor Convertible Bonds	
Number of holders of convertible bonds at the end of the period	13,038	
Guarantors of convertible bonds of the Company	Nil	
The top 10 convertible bond holders are as follows:		
Name of holders of convertible corporate bonds	Convertible bonds held as at the end of the period (RMB)	Proportion (%)
Special accounts for bonds repurchase and pledge under the registration and settlement system (Industrial and Commercial Bank of China) (登記結算系統債券回購質押專用賬戶(中國工商銀行))	517,705,000	14.81
Special accounts for bonds repurchase and pledge under the registration and settlement system (Bank of China) (登記結算系統債券回購質押專用賬戶(中國銀行))	343,306,000	9.82
Special accounts for bonds repurchase and pledge under the registration and settlement system (CITIC Securities Co., Ltd.)(登記結算系統債券回購質押專用賬戶(中信證券股份有限公司))	234,423,000	6.71
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Construction Bank) (登記結算系統債券回購質押專用賬戶(中國建設銀行))	147,839,000	4.23
China Foreign Economy and Trade Trust Co., Ltd. – Foreign Investment Trust – Ruijun Wenxiang Private Security Investment Fund (中國對外經濟貿易信託有限公司 – 外貿信託 – 睿郡穩享私募證券投資基金)	111,729,000	3.20
Northwest Investment Management (Hong Kong) Limited – Northwest Feilong Fund Limited (西北投資管理(香港)有限公司 – 西北飛龍基金有限公司)	92,800,000	2.66
Shanghai Wisdomshire Asset Management Co., Ltd. – Ruijun Ruixiang Private Security Investment Fund (上海睿郡資產管理有限公司 – 睿郡睿享私募證券投資基金)	87,447,000	2.50
China Construction Bank Corporation – E Fund Double Bonds Grade Enhanced Bonds Securities Investment Fund (中國建設銀行股份有限公司 – 易方達雙債增強債券型證券投資基金)	79,065,000	2.26
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Merchants Bank Co., Ltd.) (登記結算系統債券回購質押專用賬戶(招商銀行股份有限公司))	75,439,000	2.16
Special accounts for bonds repurchase and pledge under the registration and settlement system (Agricultural Bank of China) (登記結算系統債券回購質押專用賬戶(中國農業銀行))	72,993,000	2.09

Section 12 Description of Bonds

(III) Changes in convertible bonds during the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of convertible corporate bond	Before this change	Increase/decrease for this change Conversion	Redemption	Buyback	After this change
Great Wall Motor Convertible Bonds	3,495,492,000	203,000	0	0	3,495,289,000

Cumulative convertible bonds during the Reporting Period

Applicable Not applicable

Name of convertible corporate bond	Great Wall Motor Convertible Bonds
Amount of conversion during the Reporting Period (RMB)	203,000
Number of conversion shares during the Reporting Period (share)	5,063
Cumulative conversion shares (share)	123,775
Percentage of cumulative conversion shares to total issued shares of the Company before conversion (%)	0.001340
Number of shares not converted (RMB)	3,495,289,000
Ratio of convertible bonds not converted to total issued convertible bonds (%)	99.865400

Section 12 Description of Bonds

(IV) Previous adjustments to conversion price

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of convertible corporate bond	Great Wall Motor Convertible bonds	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
		38.30	9 September 2021	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	Repurchase and cancellation of certain restricted shares under the first grant of 2020 Incentive Scheme; the independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; completion of registration for the grant of restricted shares of 2021 Incentive Scheme
		38.00	14 October 2021	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; implementation of 2021 interim equity distribution
		38.01	10 November 2021	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant and reserved grant of 2020 Incentive Scheme
		37.89	13 May 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant of 2020 Incentive Scheme; the independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme; implementation of 2021 annual equity distribution

Section 12 Description of Bonds

Name of convertible corporate bond	Great Wall Motor Convertible bonds	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
27 June 2022		37.84	23 June 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme; completion of registration for the grant of restricted shares of 2021 Incentive Scheme
22 July 2022		38.00	20 July 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme; completion of cancellation of H Shares repurchased in June 2022; repurchase and cancellation of certain restricted shares under the first grant of 2020 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant of 2021 Restricted Incentive Scheme
15 August 2022		38.14	11 August 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The completion of cancellation of H Shares repurchased in July 2022; the independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme
28 December 2022		39.47	26 December 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant of the 2020 Incentive Scheme, first exercise period of share options under the reserved grant of the 2020 Incentive Scheme and first exercise period of share options under the first grant of the 2021 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant of 2021 Restricted Incentive Scheme; the completion of cancellation of H Shares repurchased since September 2022

Section 12 Description of Bonds

Name of convertible corporate bond	Great Wall Motor Convertible bonds	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
12 January 2023		39.76	10 January 2023	Shanghai Stock Exchange www.sse.com.cn ; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant of the 2020 Incentive Scheme, first exercise period of share options under the reserved grant of the 2020 Incentive Scheme and first exercise period of share options under the first grant of the 2021 Incentive Scheme; the completion of cancellation of H Shares repurchased during the period from 15 December 2022 to 22 December 2022
14 March 2023		40.44	10 March 2023	Shanghai Stock Exchange www.sse.com.cn ; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant of the 2020 Incentive Scheme, first exercise period of share options under the reserved grant of the 2020 Incentive Scheme and first exercise period of share options under the first grant of the 2021 Incentive Scheme; the completion of repurchase and cancellation of certain restricted shares under the first grant and reserved grant of the 2020 Incentive Scheme; the completion of repurchase and cancellation of certain restricted shares under the first grant and reserved grant of the 2021 Restricted Incentive Scheme; the completion of cancellation of H Shares repurchased during the period from 13 February 2023 to 24 February 2023
12 June 2023		40.40	8 June 2023	Shanghai Stock Exchange www.sse.com.cn ; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant of the 2020 Incentive Scheme, first exercise period of share options under the first grant of the 2021 Incentive Scheme, third exercise period of share options under the first grant of the 2020 Incentive Scheme and second exercise period of share options under the reserved grant of the 2020 Incentive Scheme; the completion of repurchase and cancellation of certain restricted shares under the first grant and reserved grant of the 2020 Incentive Scheme; the completion of repurchase and cancellation of certain restricted shares under the first grant and reserved grant of the 2021 Restricted Incentive Scheme

Section 12 Description of Bonds

Name of convertible corporate bond	Great Wall Motor Convertible bonds	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
13 July 2023	40.09	6 July 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of first exercise period of share options under the first grant of the 2021 Incentive Scheme, third exercise period of share options under the first grant of the 2020 Incentive Scheme and second exercise period of share options under the reserved grant of the 2020 Incentive Scheme; implementation of 2022 annual equity distribution	
11 October 2023	40.08	9 October 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of first exercise period of share options under the first grant of the 2021 Incentive Scheme, third exercise period of share options under the first grant of the 2020 Incentive Scheme and second exercise period of share options under the reserved grant of the 2020 Incentive Scheme	
23 February 2024	39.93	21 February 2024	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of third exercise period of share options under the first grant of the 2020 Incentive Scheme and second exercise period of share options under the reserved grant of the 2020 Incentive Scheme; completion of repurchase and cancellation of certain restricted shares under the first grant and reserved grant of the 2021 Restricted Incentive Scheme; completion of registration for restricted shares under the first grant of the 2023 Restricted Incentive Scheme	
Latest conversion price as at the end of the Reporting Period					RMB39.93 per share

Section 12 Description of Bonds

(V) Information on the Company's liability and credit changes as well as the cash arrangement for future annual debt repayment

Applicable Not applicable

According to the Track Rating Report of Great Wall Motor Company Limited for 2023 issued by China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) on 26 May 2023, the Company's issuer credit rating is AAA with stable rating outlook, and the credit rating of the bonds is also AAA. As at the end of 2023, the total liabilities of the Company were RMB132,762 million, and the gearing ratio was 65.96%.

The Company maintains an excellent issuer credit rating and sound solvency indicators. Meanwhile, the Company generates stable profitability and has desirable development prospects with strong solvency and risk aversion to ensure the capital requirements for repaying the principal and interest of the current tranche of convertible corporate bonds.

(VI) Other information of convertible bonds

Applicable Not applicable

Section 13 Financial Report (Auditor's Report)

De Shi Bao (Shen) Zi (24) No. P03132

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TO THE SHAREHOLDERS OF GREAT WALL MOTOR COMPANY LIMITED:

I. OPINION

We have audited the financial statements of Great Wall Motor Company Limited (hereinafter referred as "Great Wall Motor"), which comprise the consolidated and the company's balance sheets as at 31 December 2023, the consolidated and the Company's income statements, the consolidated and the Company's cash flow statements and the consolidated and the Company's statements of changes in shareholders' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared and present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2023, and the consolidated and the Company's results of operations and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises ("ASBEs").

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Great Wall Motor in accordance with the Code of Ethics for Chinese Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Section 13 Financial Report (Auditor's Report)

De Shi Bao (Shen) Zi (24) No. P03132

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III. KEY AUDIT MATTERS (continued)

Capitalization Of Development Expenditure

1. Description

As disclosed in Note VII to the financial statements, the balance of capitalized development expenditure of Great Wall Motor was RMB12,064,760,883.35 as at 31 December 2023. As disclosed in Note IV. to the financial statements, significant judgements made in the application of accounting policies – capitalization of development expenditure, considering that whether the development expenditure meets the capitalization conditions stipulated in the ASBEs involves significant judgment of management, the development expenditure is identified as a key audit matter.

2. Audit response

Our main procedures in relation to capitalization of development expenditure included:

- (1) Testing and evaluating the effectiveness of the design and implementation of key internal controls related to the capitalization of development expenditure;
- (2) Understanding relevant accounting policies and estimates for capitalization conditions of development expenditure determined by the management, and evaluating the reasonableness of capitalization conditions of development expenditure and whether the provisions of ASBEs are complied with;
- (3) Sampling the supporting documents such as meeting minutes, project approvals and feasibility analysis, etc. related to research and development projects, and evaluating whether the conditions and basis for the capitalization of research and development projects' development expenditure are sufficient and reasonable;
- (4) Testing the project development expenditure on a sampling basis to check and evaluate the authenticity and accuracy of development expenditure.

IV. OTHER INFORMATION

Great Wall Motor's management is responsible for the other information. The other information comprises the information included in the 2023 annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Section 13 Financial Report (Auditor's Report)

De Shi Bao (Shen) Zi (24) No. P03132

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V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Great Wall Motor's management is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and designing, implementing and maintaining the internal control that is necessary to enable that the preparation of financial statements is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Great Wall Motor's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern assumption unless the management either intends to liquidate Great Wall Motor or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Great Wall Motor's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Great Wall Motor to continue as a going concern. If we conclude that a material uncertainty exists, we are required by CSAs to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Great Wall Motor to cease to continue as a going concern.

Section 13 Financial Report (Auditor's Report)

De Shi Bao (Shen) Zi (24) No. P03132

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VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

(continued)

5. Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Great Wall Motor to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu CPA LLP

Shanghai, China

Chinese Certified Public Accountant:

Li, Xu

(Engagement partner)

Yin, Lili

28 March 2024

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Consolidated Balance Sheet

At 31 December 2023

RMB

Item	Note	31/12/2023	31/12/2022
Current Assets:			
Cash and bank balances	VI.1	38,337,235,066.54	35,773,467,830.28
Held-for-trading financial assets	VI.2	4,112,386,017.05	2,053,553,807.44
Derivative financial assets		11,834,681.50	13,170,797.64
Notes receivable	VI.4	2,951,761,611.60	2,735,886,300.00
Accounts receivable	VI.3	7,193,193,843.92	6,611,191,147.15
Financing with receivables	VI.4	28,923,599,369.45	22,152,492,848.09
Prepayments	VI.5	3,872,727,438.14	2,228,893,811.88
Other receivables	VI.6	2,113,975,772.93	2,415,575,628.26
Inventories	VI.7	26,627,754,349.95	22,374,522,377.01
Contract assets	VI.8	52,210,745.00	4,072,792.00
Non-current assets due within one year	VI.10	1,827,661,501.49	1,928,674,676.06
Other current assets	VI.9	2,559,503,451.38	9,389,221,535.55
Total Current Assets		118,583,843,848.95	107,680,723,551.36
Non-Current Assets:			
Long-term receivables	VI.10	1,791,158,697.34	1,755,411,228.37
Long-term equity investments	VI.11	10,751,122,072.61	10,285,585,309.98
Other equity instrument investments	VI.12	1,920,519,915.82	1,481,976,762.81
Other non-current financial assets		207,928,692.28	133,328,692.28
Investment properties	VI.13	449,961,881.17	422,442,121.94
Fixed assets	VI.14	30,235,058,181.32	26,949,019,721.87
Construction in progress	VI.15	6,477,355,064.20	8,305,799,414.52
Right-of-use assets	VI.16	735,708,393.90	1,092,940,845.53
Intangible assets	VI.17	11,310,336,232.21	8,197,265,268.36
Development expenditure	VII	12,064,760,883.35	11,981,107,869.85
Goodwill		27,763,359.77	27,763,359.77
Long-term prepaid expenses		256,546,688.91	267,214,694.31
Deferred tax assets	VI.18	4,660,192,442.29	3,252,650,505.92
Other non-current assets	VI.19	1,798,032,216.09	3,524,071,126.20
Total Non-current Assets		82,686,444,721.26	77,676,576,921.71
TOTAL ASSETS		201,270,288,570.21	185,357,300,473.07

Consolidated Balance Sheet

At 31 December 2023

RMB

Item	Note	31/12/2023	31/12/2022
Current Liabilities:			
Short-term borrowings	VI.20	5,700,850,933.24	5,943,335,783.46
Derivative financial liabilities		84,400,226.04	28,800,759.63
Notes payable	VI.21	27,939,790,253.08	30,061,481,322.24
Accounts payable	VI.22	40,546,651,118.94	29,305,857,540.98
Contract liabilities	VI.23	9,583,075,738.92	7,752,836,116.70
Employee benefits payable	VI.24	4,393,889,722.37	4,208,573,006.72
Taxes payable	VI.25	2,390,118,827.57	1,898,129,278.86
Other payables	VI.26	6,217,886,256.09	6,163,920,243.68
Non-current liabilities due within one year	VI.27	6,890,334,761.20	4,883,529,528.07
Other current liabilities	VI.28	7,088,140,056.33	5,555,585,325.06
Total Current Liabilities		110,835,137,893.78	95,802,048,905.40
Non-current Liabilities:			
Long-term accounts payables		26,013,927.49	—
Long-term borrowings	VI.20	13,286,088,708.96	15,405,655,852.03
Bonds payable	VI.29	3,463,059,969.50	3,511,206,000.48
Lease liabilities	VI.30	661,565,279.50	978,708,416.66
Deferred income	VI.31	3,197,720,150.53	3,584,723,726.03
Deferred tax liabilities	VI.18	1,064,463,059.59	770,879,408.34
Long-term employee benefits payable		47,876,655.23	41,711,136.24
Other non-current liabilities		179,578,980.44	46,458,912.59
Total Non-current Liabilities		21,926,366,731.24	24,339,343,452.37
TOTAL LIABILITIES		132,761,504,625.02	120,141,392,357.77
SHAREHOLDERS' EQUITY:			
Share capital	VI.32	8,497,528,597.00	8,764,512,467.00
Other equity instruments	VI.33	335,560,107.73	335,579,596.45
Capital reserve	VI.34	2,054,642,157.73	2,126,322,573.72
Less: Treasury shares	VI.35	804,050,463.01	2,459,965,985.56
Other comprehensive income	VI.55	12,192,749.99	234,443,844.95
Special reserve		162,768,426.67	5,673,833.25
Surplus reserve	VI.36	5,513,191,992.02	7,017,877,861.90
Undistributed profits	VI.37	52,728,780,842.33	49,176,813,140.82
Total Equity Attributable to Shareholders of the Company		68,500,614,410.46	65,201,257,332.53
Minority Interests		8,169,534.73	14,650,782.77
TOTAL SHAREHOLDERS' EQUITY		68,508,783,945.19	65,215,908,115.30
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		201,270,288,570.21	185,357,300,473.07

The accompanying notes form part of the financial statements.

The financial statements on pages 261 to 482 were signed by:

Wei jian jun

Legal Representative

Li Hong Shuan

Chief Financial Officer

Wang Hai Ping

Head of the Finance Section

Balance Sheet of the Company

At 31 December 2023

RMB

Item	Note	31/12/2023	31/12/2022
Current Assets:			
Cash and bank balances	XVIII.1	21,790,250,416.90	16,829,695,601.22
Held-for-trading financial assets		3,512,120,832.25	1,508,596,536.57
Derivative financial assets		—	—
Notes receivable	XVIII.3	2,995,533,050.50	2,491,018,173.00
Accounts receivable	XVIII.2	18,015,330,638.93	25,706,233,799.68
Financing with receivables	XVIII.3	23,790,767,837.83	17,437,826,198.48
Prepayments		1,534,572,685.10	2,096,903,209.77
Other receivables	XVIII.4	10,489,349,148.98	10,178,090,115.94
Inventories	XVIII.5	9,441,227,972.78	10,234,842,200.05
Contract assets		28,806,245.00	4,072,792.00
Non-current assets due within one year		184,082,469.90	300,099,226.29
Other current assets	XVIII.6	773,326,821.94	7,640,685,322.20
Total Current Assets		92,555,368,120.11	94,428,063,175.20
Non-Current Assets:			
Long-term receivables		179,480,055.47	458,933,998.65
Long-term equity investments	XVIII.7	29,373,176,555.63	27,725,727,762.11
Other equity instrument investments		7,700,000.00	7,700,000.00
Other non-current financial assets		207,928,692.28	133,328,692.28
Investment properties	XVIII.8	2,700,621,180.62	2,602,845,616.53
Fixed assets	XVIII.9	13,530,480,218.14	13,526,907,154.13
Construction in progress	XVIII.10	2,910,938,453.89	3,672,460,626.17
Right-of-use assets	XVIII.11	227,688,252.78	398,234,469.21
Intangible assets	XVIII.12	7,960,556,006.38	5,688,633,484.12
Development expenditure		9,142,136,982.15	8,981,389,164.56
Long-term prepaid expenses		36,123,857.33	45,538,079.40
Deferred tax assets		2,342,230,264.40	1,850,190,817.75
Other non-current assets		779,855,643.00	1,981,822,641.00
Total Non-Current Assets		69,398,916,162.07	67,073,712,505.91
TOTAL ASSETS		161,954,284,282.18	161,501,775,681.11

Balance Sheet of the Company

At 31 December 2023

RMB

Item	Note	31/12/2023	31/12/2022
Current Liabilities:			
Short-term borrowings	XVIII.13	1,158,365,113.28	1,386,109,700.00
Derivative financial liability		31,460,629.87	8,528,317.13
Notes payable	XVIII.14	19,209,822,521.45	21,581,764,653.37
Accounts payable	XVIII.15	44,875,165,579.10	30,802,903,628.18
Contract liabilities	XVIII.16	7,993,009,355.69	17,930,185,162.17
Employee benefits payable		2,152,866,869.66	2,086,128,687.66
Taxes payable		813,082,294.25	945,962,145.16
Other payables		4,253,828,644.09	6,978,027,306.02
Non-current liabilities due within one year		5,736,223,964.95	2,982,080,919.60
Other current liabilities		3,889,703,942.02	2,809,657,102.62
Total Current Liabilities		90,113,528,914.36	87,511,347,621.91
Non-current Liabilities:			
Long-term borrowings	XVIII.13	13,258,000,852.60	14,046,083,611.10
Bonds payable		3,418,465,569.50	3,316,660,000.48
Lease liabilities	XVIII.17	390,535,937.11	541,288,301.67
Deferred income		1,863,747,991.22	2,150,578,424.28
Other non-current liabilities		147,649,787.61	19,982,787.61
Total Non-current Liabilities		19,078,400,138.04	20,074,593,125.14
TOTAL LIABILITIES		109,191,929,052.40	107,585,940,747.05
SHAREHOLDERS' EQUITY:			
Share capital		8,497,528,597.00	8,764,512,467.00
Other equity instruments		335,560,107.73	335,579,596.45
Capital reserve	XVIII.18	2,049,456,279.17	2,135,584,074.82
Less: Treasury shares		804,050,463.01	2,459,965,985.56
Other comprehensive income		(67,957,765.95)	(60,950,480.39)
Special reserve		69,555,173.00	993,923.05
Surplus reserve		2,699,211,903.76	4,890,446,242.43
Undistributed profits	XVIII.19	39,983,051,398.08	40,309,635,096.26
TOTAL SHAREHOLDERS' EQUITY		52,762,355,229.78	53,915,834,934.06
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		161,954,284,282.18	161,501,775,681.11

Consolidated Income Statement

For the year end 31 December 2023

RMB

Item	Note	2023	2022
I. Total operating revenue		173,212,076,757.97	137,339,985,187.76
Including: Operating revenue	VI.38	173,212,076,757.97	137,339,985,187.76
Less: Total operating costs		167,708,263,971.33	130,586,969,054.06
Including: Operating costs	VI.38	140,773,127,749.65	110,739,333,423.32
Taxes and levies	VI.39	5,986,253,874.07	5,120,665,152.43
Selling expenses	VI.40	8,285,377,067.45	5,876,160,763.57
Administrative expenses	VI.41	4,735,147,440.20	4,893,452,838.49
Research and development expenses	VI.42	8,054,252,649.82	6,445,163,014.77
Financial expenses	VI.43	(125,894,809.86)	(2,487,806,138.52)
Including: Interest expenses		946,652,215.06	716,283,675.83
Interest income		1,195,237,324.32	1,190,819,994.46
Add: Other income	VI.44	1,512,238,635.36	850,359,104.55
Investment income	VI.45	760,927,470.41	671,237,573.78
Including: Investment income from joint ventures and associates		744,137,403.52	720,976,292.12
Gains (Losses) from changes in fair values	VI.46	(26,036,409.98)	50,337,480.30
Impairment losses on credit	VI.47	(62,467,363.41)	(25,788,602.04)
Impairment losses on assets	VI.48	(487,608,156.90)	(337,019,161.77)
Gains from disposal of assets	VI.49	99,593.13	4,858,556.38
II. Operating profit		7,200,966,555.25	7,967,001,084.90
Add: Non-operating income	VI.50	743,711,997.00	885,947,238.62
Less: Non-operating expenses	VI.51	120,625,790.24	46,396,304.28
III. Total profit		7,824,052,762.01	8,806,552,019.24
Less: Income tax expenses	VI.52	801,240,038.06	553,744,409.69

Consolidated Income Statement

For the year end 31 December 2023

RMB

Item	Note	2023	2022
IV. Net profit	VI.53	7,022,812,723.95	8,252,807,609.55
(I) Classification by going concern:			
Net profit under going concern		7,022,812,723.95	8,252,807,609.55
(II) Classification by attribution of ownership:			
1. Net profit attributable to shareholders of the Company		7,021,559,679.84	8,266,041,808.18
2. Profit or loss attributable to minority interests		1,253,044.11	(13,234,198.63)
V. Net other comprehensive income after taxes	VI.55	(222,251,094.96)	481,813,807.23
Net other comprehensive income attributable to shareholders of the Company after taxes		(222,251,094.96)	481,813,807.23
(I) Other comprehensive income that cannot be reclassified into profit or loss in the future		331,140,712.34	226,703,889.61
1. The change of re-measure of defined benefit plan		6,165,518.99	—
2. Changes in fair value of other equity instrument investments		324,975,193.35	226,703,889.61
(II) Other comprehensive income that will be reclassified to profit or loss		(553,391,807.30)	255,109,917.62
1. Translation difference of financial statements denominated in foreign currency		(549,212,005.10)	157,163,176.08
2. Changes in fair value of financial assets classified as at fair value through other comprehensive income		(4,179,802.20)	97,946,741.54
Net other comprehensive income attributable to minority interests		—	—
VI. Total comprehensive income		6,800,561,628.99	8,734,621,416.78
Total comprehensive income attributable to shareholders of the Company		6,799,308,584.88	8,747,855,615.41
Total comprehensive income attributable to minority interests		1,253,044.11	(13,234,198.63)
VII. Earnings per share:			
(I) Basic earnings per share	VI.54	0.82	0.91
(II) Diluted earnings per share	VI.54	0.82	0.91

Income Statement of the Company

For the year end 31 December 2023

RMB

Item	Note	2023	2022
I. Operating revenue	XVIII.20	154,285,513,427.75	127,214,821,765.08
Less: Operating costs	XVIII.20	137,368,991,695.76	112,407,002,642.59
Taxes and levies	XVIII.21	5,228,958,965.45	4,486,412,069.47
Selling expenses	XVIII.22	5,130,303,540.51	3,445,636,132.55
Administrative expenses	XVIII.23	2,575,286,671.24	2,700,282,683.07
Research and development expenses	XVIII.24	4,923,455,659.26	3,534,564,150.74
Financial expenses	XVIII.25	(427,789,747.32)	(489,321,794.27)
Including: Interest expenses		650,300,777.37	530,848,488.31
Interest income		855,916,657.32	917,972,668.85
Add: Other income		313,161,650.20	248,535,923.51
Investment income	XVIII.26	2,890,905,624.10	6,139,933,076.19
Including: Investment income from joint ventures and associates		781,507,424.58	740,002,608.02
(Loss) gains from changes in fair values		(4,187,317.06)	(21,224,283.15)
Impairment gains(losses) on credit		2,874,236.48	24,317,154.19
Impairment losses on assets	XVIII.27	(879,158,088.13)	(493,668,745.68)
Gains from disposal of assets		5,744,112.02	34,666,213.23
II. Operating profit		1,815,646,860.46	7,062,805,219.22
Add: Non-operating income		205,471,187.90	575,016,845.08
Less: Non-operating expenses		59,768,476.43	9,869,742.39
III. Total profit		1,961,349,571.93	7,627,952,321.91
Less: Income tax expenses	XVIII.28	(495,110,239.43)	(1,568,086.96)
IV. Net profit		2,456,459,811.36	7,629,520,408.87
Net profit under going concern		2,456,459,811.36	7,629,520,408.87
V. Net other comprehensive income after taxes		(7,007,285.56)	44,985,639.74
Other comprehensive income that will be reclassified into profit or loss		(7,007,285.56)	44,985,639.74
Changes in fair value of financial assets classified as at fair value through other comprehensive income		(7,007,285.56)	44,985,639.74
VI. Total comprehensive income		2,449,452,525.80	7,674,506,048.61

Consolidated Cash Flow Statement

For the year end 31 December 2023

RMB

Item	Note	2023	2022
I. Cash Flows from Operating Activities:			
Cash receipts from the sales of goods and rendering of services		182,246,524,985.81	159,054,469,634.93
Receipts of tax refunds		6,668,114,849.04	5,062,432,536.02
Other cash receipts relating to operating activities	VI.56(1)	6,603,504,816.81	6,134,347,534.35
Sub-total of cash inflow from operating activities		195,518,144,651.66	170,251,249,705.30
Cash payments for goods purchased and services received		132,529,700,662.53	120,674,570,609.52
Cash payments to and on behalf of employees		14,141,333,817.02	12,552,515,013.62
Payments of various types of taxes		15,881,763,158.68	12,785,883,679.84
Other cash payments relating to operating activities	VI.56(2)	15,211,557,984.72	11,927,025,882.88
Sub-total of cash outflow from operating activities		177,764,355,622.95	157,939,995,185.86
Net Cash Flows from Operating Activities	VI.57(1)	17,753,789,028.71	12,311,254,519.44
II. Cash Flows from Investing Activities:			
Cash receipts from disposal of investments		18,362,286,600.00	23,698,700,955.44
Cash receipts from investment income		1,168,649,139.43	479,017,986.93
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		483,940,522.61	441,505,205.13
Net cash receipts from disposal of subsidiaries and other business units	VI.57(2)	—	25,067,586.30
Other cash receipts relating to investing activities	VI.56(3)	425,249,958.75	100,000,000.00
Sub-total of cash inflow from investing activities		20,440,126,220.79	24,744,291,733.80
Cash payments to purchase and construct fixed assets, intangible assets and other long-term assets		16,713,035,433.76	16,300,822,257.22
Cash payments to acquire investments		14,139,000,000.00	18,945,000,000.00
Net cash payments for acquisition of subsidiaries and other business units		—	—
Other cash payments related to investing activities	VI.56(4)	38,840,083.76	3,356,934.96
Sub-total of cash outflow from investing activities		30,890,875,517.52	35,249,179,192.18
Net Cash Flow from Investing Activities		(10,450,749,296.73)	(10,504,887,458.38)

Consolidated Cash Flow Statement

For the year end 31 December 2023

RMB

Item	Note	2023	2022
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		681,639,712.48	357,264,789.53
Cash receipts from borrowings		19,231,431,528.91	22,105,825,047.66
Cash receipts from issue of bonds		524,000,000.00	478,000,000.00
Other cash received relating to financing activities	VI.56(5)	6,214,602,060.64	—
Sub-total of cash inflow from financing activities		26,651,673,302.03	22,941,089,837.19
Cash repayments of borrowings		18,461,888,842.77	12,812,497,889.29
Cash payments for distribution of dividends or profits or settlement of interest expenses		3,538,486,818.60	1,225,838,059.39
Cash repayments of bonds		767,332,000.00	846,094,200.00
Other cash payments relating to financing activities	VI.56(6)	2,831,921,627.49	11,189,627,714.84
Sub-total of cash outflow from financing activities		25,599,629,288.86	26,074,057,863.52
Net Cash Flow from Financing Activities		1,052,044,013.17	(3,132,968,026.33)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
		18,437,333.22	317,403,692.39
V. Net (Decrease) Increase in Cash and Cash Equivalents			
Add: Opening balance of cash and cash equivalents		26,898,656,878.98	27,907,854,151.86
		8,373,521,078.37	(1,009,197,272.88)
VI. Closing balance of cash and cash equivalents			
	VI.57(3)	35,272,177,957.35	26,898,656,878.98

Cash Flow Statement of the Company

For the year end 31 December 2023

RMB

Item	Note	2023	2022
I. Cash Flows from Operating Activities:			
Cash receipts from the sales of goods and rendering of services		151,485,060,072.07	128,407,337,506.52
Receipts of tax refunds		5,353,179,529.78	3,469,032,370.37
Other cash receipts relating to operating activities		1,845,101,777.28	1,600,007,053.90
Sub-total of cash inflow from operating activities		158,683,341,379.13	133,476,376,930.79
Cash payments for goods purchased and services received		127,681,675,964.38	116,448,551,684.42
Cash payments to and on behalf of employees		4,713,307,926.02	3,992,648,263.39
Payments of various types of taxes		8,330,043,003.59	7,591,125,127.18
Other cash payments relating to operating activities		8,856,139,994.05	7,087,871,251.20
Sub-total of cash outflow from operating activities		149,581,166,888.04	135,120,196,326.19
Net Cash Flows from Operating Activities	XVIII.29(1)	9,102,174,491.09	(1,643,819,395.40)
II. Cash Flows from Investing Activities:			
Cash receipts from disposal of investments		15,373,400,000.00	20,334,081,688.62
Cash receipts from investment income		2,489,402,897.40	4,015,032,017.15
Net cash receipts from disposal of subsidiaries and other business units		101,843,250.29	24,670,000.00
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		468,073,741.65	942,804,828.69
Other cash receipts relating to investing activities		2,433,273,926.06	1,471,201,000.00
Sub-total of cash inflow from investing activities		20,865,993,815.40	26,787,789,534.46
Cash payments to purchase and construct fixed assets, intangible assets and other long-term assets		9,522,856,685.02	9,150,816,360.61
Cash paid for investments		11,483,247,390.00	18,158,750,116.35
Other cash payments relating to investing activities		804,478,457.85	3,521,446,209.96
Sub-total of cash outflow from investing activities		21,810,582,532.87	30,831,012,686.92
Net Cash Flow from Investing Activities		(944,588,717.47)	(4,043,223,152.46)

Cash Flow Statement of the Company

For the year end 31 December 2023

RMB

Item	Note	2023	2022
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		672,371,362.48	319,834,789.53
Cash receipts from borrowings		8,402,907,734.74	14,561,109,700.00
Cash receipts from issue of bonds		–	–
Other cash receipts relating to financing activities		3,705,813,159.31	1,150,500,000.00
Sub-total of cash inflow from financing activities		12,781,092,256.53	16,031,444,489.53
Cash payments for repayments of borrowings		6,068,378,086.18	6,750,850,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		3,034,805,264.25	1,034,710,049.15
Cash repayments of bonds		–	–
Other cash payments relating to financing activities		4,259,648,267.33	10,246,389,478.56
Sub-total of cash outflow from financing activities		13,362,831,617.76	18,031,949,527.71
Net Cash Flow from Financing Activities		(581,739,361.23)	(2,000,505,038.18)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		12,517,562.61	210,139,430.01
V. Net (Decrease) Increase in Cash and Cash Equivalents		7,588,363,975.00	(7,477,408,156.03)
Add: Opening balance of cash and cash equivalents		12,810,720,693.53	20,288,128,849.56
VI. Closing balance of cash and cash equivalents	<i>XVIII.29(2)</i>	20,399,084,668.53	12,810,720,693.53

Consolidated Statement of Changes in Shareholders' Equity

For the year end 31 December 2023

RMB

Item	2023									
	Attributable to shareholders of the Company									
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Minority interests	Total equity
I. Balance at the beginning of the year	8,764,512,467.00	335,579,596.45	2,126,322,573.72	2,459,965,985.56	234,443,844.95	5,673,833.25	7,017,877,861.90	49,176,813,140.82	14,650,782.77	65,215,908,115.30
II. Changes in the current year	(266,983,870.00)	(19,488.72)	(71,680,415.99)	(1,655,915,522.55)	(222,251,094.96)	157,094,593.42	(1,504,685,869.88)	3,551,967,701.51	(6,481,248.04)	3,292,875,829.89
(I) Total comprehensive income	-	-	-	-	(222,251,094.96)	-	-	7,021,559,679.84	1,253,044.11	6,800,561,628.99
(II) Owners' contributions and reduction in capital	(266,983,870.00)	(19,488.72)	(97,541,966.86)	(1,651,402,862.05)	-	-	(2,436,880,319.81)	-	9,268,350.00	(1,140,754,433.34)
1. Capital contributions from owners	26,077,207.00	-	177,318,828.11	-	-	-	-	-	9,268,350.00	212,664,385.11
2. Impact of conversion of convertible bonds in the year	5,063.00	(19,488.72)	105,405.24	-	-	-	-	-	-	90,979.52
3. Share-based payments recognized in shareholders' equity	-	-	532,680,850.17	-	-	-	-	-	-	532,680,850.17
4. Impact of canceling expired restricted shares and unlocking restricted shares	(15,935,640.00)	-	(222,229,090.40)	(278,425,367.05)	-	-	-	-	-	40,260,636.65
5. Repurchase and canceling shares	(277,130,500.00)	-	-	(787,559,535.02)	-	-	(2,436,880,319.81)	-	-	(1,926,451,284.79)
6. Others	-	-	(585,417,959.98)	(585,417,959.98)	-	-	-	-	-	-
(III) Profit distribution	-	-	-	(4,512,660.50)	-	-	932,545,540.62	(3,467,960,646.02)	-	(2,530,902,444.90)
1. Transfer to statutory surplus reserve	-	-	-	-	-	-	921,430,747.18	(921,430,747.18)	-	-
2. Transfer to reserve fund	-	-	-	-	-	-	11,114,793.44	(11,114,793.44)	-	-
3. Distributions to shareholders	-	-	-	(4,512,660.50)	-	-	-	(2,535,415,105.40)	-	(2,530,902,444.90)
(IV) Transfer of shareholders' equity	-	-	-	-	-	-	(351,090.69)	351,090.69	-	-
1. Others	-	-	-	-	-	-	(351,090.69)	351,090.69	-	-
(V) Special reserve	-	-	-	-	-	157,094,593.42	-	-	-	157,094,593.42
1. Appropriation for the year	-	-	-	-	-	265,334,330.79	-	-	-	265,334,330.79
2. Use of the year	-	-	-	-	-	(108,239,737.37)	-	-	-	(108,239,737.37)
(VI) Others	-	-	25,861,550.87	-	-	-	-	(1,982,423.00)	(17,002,642.15)	6,876,485.72
1. Disposal of subsidiaries	-	-	-	-	-	-	-	-	(17,002,642.15)	(17,002,642.15)
2. Others (Note VI.34 note 2)	-	-	25,861,550.87	-	-	-	-	(1,982,423.00)	-	23,879,127.87
III. Balance at the end of the year	8,497,528,597.00	335,560,107.73	2,054,642,157.73	804,050,463.01	12,192,749.99	162,768,426.67	5,513,191,992.02	52,728,780,842.33	8,169,534.73	68,508,783,945.19

Consolidated Statement of Changes in Shareholders' Equity

For the year end 31 December 2023

RMB

Item	2022									
	Attributable to shareholders of the Company									
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Minority interests	Total equity
I. Balance at the beginning of the year	9,235,713,278.00	335,951,802.16	4,871,909,273.63	642,035,492.50	(247,369,962.28)	-	6,677,505,529.86	41,892,707,709.74	4,100,634.23	62,128,482,772.84
II. Changes in the current year	(471,200,811.00)	(372,205.71)	(2,745,586,699.91)	1,817,930,493.06	481,813,807.23	5,673,833.25	340,372,332.04	7,284,105,431.08	10,550,148.54	3,087,425,342.46
(I) Total comprehensive income	-	-	-	-	481,813,807.23	-	-	8,266,041,808.18	(13,234,198.63)	8,734,621,416.78
(II) Owners' contributions and reduction in capital	(471,200,811.00)	(372,205.71)	(2,626,478,725.78)	1,814,847,707.82	-	-	-	-	37,430,000.00	(4,875,469,450.31)
1. Capital contributions from owners	35,741,173.00	-	284,093,616.53	100,720,428.00	-	-	-	-	37,430,000.00	256,544,361.53
2. Impact of conversion of convertible bonds in the year	102,173.00	(372,205.71)	3,944,571.68	-	-	-	-	-	-	3,674,538.97
3. Share-based payments recognized in shareholders' equity	-	-	1,438,193,200.90	-	-	-	-	-	-	1,438,193,200.90
4. Impact of canceling expired restricted shares and unlocking restricted shares	(3,410,657.00)	-	(49,807,145.76)	(288,068,813.59)	-	-	-	-	-	234,851,010.83
5. Repurchase and canceling shares	(503,633,500.00)	-	(4,302,902,969.13)	2,002,196,093.41	-	-	-	-	-	(6,808,732,562.54)
(III) Profit distribution	-	-	-	3,082,785.24	-	-	340,386,678.85	(981,950,723.91)	-	(644,646,830.30)
1. Transfer to statutory surplus reserve	-	-	-	-	-	-	327,763,761.72	(327,763,761.72)	-	-
2. Transfer to reserve fund	-	-	-	-	-	-	12,622,917.13	(12,622,917.13)	-	-
3. Distributions to shareholders	-	-	-	3,082,785.24	-	-	-	(641,564,045.06)	-	(644,646,830.30)
(IV) Transfer of shareholders' equity	-	-	-	-	-	-	(14,346.81)	14,346.81	-	-
1. others	-	-	-	-	-	-	(14,346.81)	14,346.81	-	-
(V) Special reserve	-	-	-	-	-	5,673,833.25	-	-	-	5,673,833.25
1. Appropriation for the year	-	-	-	-	-	24,477,707.28	-	-	-	24,477,707.28
2. Use of the year	-	-	-	-	-	(18,803,874.03)	-	-	-	(18,803,874.03)
(VI) Others	-	-	(119,107,974.13)	-	-	-	-	-	(13,645,652.83)	(132,753,626.96)
1. Disposal of subsidiaries	-	-	-	-	-	-	-	-	(13,645,652.83)	(13,645,652.83)
2. Others	-	-	(119,107,974.13)	-	-	-	-	-	-	(119,107,974.13)
(Note VI.34 note 4)	-	-	(119,107,974.13)	-	-	-	-	-	-	(119,107,974.13)
III. Balance at the end of the year	8,764,512,467.00	335,579,596.45	2,126,322,573.72	2,459,965,985.56	234,443,844.95	5,673,833.25	7,017,877,861.90	49,176,813,140.82	14,650,782.77	65,215,908,115.30

Statement of Changes in Shareholders' Equity of the Company

For the year end 31 December 2023

RMB

Item	2023								
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total equity
I. Balance at the beginning of the year	8,764,512,467.00	335,579,596.45	2,135,584,074.82	2,459,965,985.56	(60,950,480.39)	993,923.05	4,890,446,242.43	40,309,635,096.26	53,915,834,934.06
II. Changes in the year	(266,983,870.00)	(19,488.72)	(86,127,795.65)	(1,655,915,522.55)	(7,007,285.56)	68,561,249.95	(2,191,234,338.67)	(326,583,698.18)	(1,153,479,704.28)
(I) Total comprehensive income	-	-	-	-	(7,007,285.56)	-	-	2,456,459,811.36	2,449,452,525.80
(II) Owners' contributions and reduction in capital	(266,983,870.00)	(19,488.72)	(97,781,739.66)	(1,651,402,862.05)	-	-	(2,436,880,319.81)	-	(1,150,262,556.14)
1. Capital contributions from owners	26,077,207.00	-	177,318,828.11	-	-	-	-	-	203,396,035.11
2. Impact of conversion of convertible bonds in the current year	5,063.00	(19,488.72)	105,405.24	-	-	-	-	-	90,979.52
3. Share-based payments recognized in shareholders' equity	-	-	532,441,077.37	-	-	-	-	-	532,441,077.37
4. Impact of canceling expired restricted shares and unlocking restricted shares	(15,935,640.00)	-	(222,229,090.40)	(278,425,367.05)	-	-	-	-	40,260,636.65
5. Repurchase and canceling shares	(277,130,500.00)	-	-	(787,559,535.02)	-	-	(2,436,880,319.81)	-	(1,926,451,284.79)
6. Others	-	-	(585,417,959.98)	(585,417,959.98)	-	-	-	-	-
(III) Profit distribution	-	-	-	(4,512,660.50)	-	-	245,645,981.14	(2,781,061,086.54)	(2,530,902,444.90)
1. Withdrawal of surplus reserves	-	-	-	-	-	-	245,645,981.14	(245,645,981.14)	-
2. Distributions to shareholders	-	-	-	(4,512,660.50)	-	-	-	(2,535,415,105.40)	(2,530,902,444.90)
(IV) Special reserve	-	-	-	-	-	68,561,249.95	-	-	68,561,249.95
1. Appropriation for the year	-	-	-	-	-	103,278,472.26	-	-	103,278,472.26
2. Use of the year	-	-	-	-	-	(34,717,222.31)	-	-	(34,717,222.31)
(V) Others	-	-	11,653,944.01	-	-	-	-	(1,982,423.00)	9,671,521.01
1. Others (Note XVIII.18 note 2)	-	-	11,653,944.01	-	-	-	-	(1,982,423.00)	9,671,521.01
III. Balance at the end of the year	8,497,528,597.00	335,560,107.73	2,049,456,279.17	804,050,463.01	(67,957,765.95)	69,555,173.00	2,699,211,903.76	39,983,051,398.08	52,762,355,229.78

Statement of Changes in Shareholders' Equity of the Company

For the year end 31 December 2023

RMB

Item	2022								
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total equity
I. Balance at the beginning of the year	9,235,713,278.00	335,951,802.16	4,874,960,778.98	642,035,492.50	(105,936,120.13)	-	4,890,446,242.43	33,321,678,732.45	51,910,779,221.39
II. Changes in the year	(471,200,811.00)	(372,205.71)	(2,739,376,704.16)	1,817,930,493.06	44,985,639.74	993,923.05	-	6,987,956,363.81	2,005,055,712.67
(I) Total comprehensive income	-	-	-	-	44,985,639.74	-	-	7,629,520,408.87	7,674,506,048.61
(II) Owners' contributions and reduction in capital	(471,200,811.00)	(372,205.71)	(2,626,478,725.78)	1,814,847,707.82	-	-	-	-	(4,912,899,450.31)
1. Capital contributions from owners	35,741,173.00	-	284,093,616.53	100,720,428.00	-	-	-	-	219,114,361.53
2. Impact of conversion of convertible bonds in the current year	102,173.00	(372,205.71)	3,944,571.68	-	-	-	-	-	3,674,538.97
3. Share-based payments recognized in shareholders' equity	-	-	1,438,193,200.90	-	-	-	-	-	1,438,193,200.90
4. Impact of canceling expired restricted shares and unlocking restricted shares	(3,410,657.00)	-	(49,807,145.76)	(288,068,813.59)	-	-	-	-	234,851,010.83
5. Repurchase and canceling shares	(503,633,500.00)	-	(4,302,902,969.13)	2,002,196,093.41	-	-	-	-	(6,808,732,562.54)
(III) Profit distribution	-	-	-	3,082,785.24	-	-	-	(641,564,045.06)	(644,646,830.30)
1. Distributions to shareholders	-	-	-	3,082,785.24	-	-	-	(641,564,045.06)	(644,646,830.30)
(IV) Special reserve	-	-	-	-	-	993,923.05	-	-	993,923.05
1. Appropriation for the year	-	-	-	-	-	10,012,230.04	-	-	10,012,230.04
2. Use of the year	-	-	-	-	-	(9,018,306.99)	-	-	(9,018,306.99)
(V) Others	-	-	(112,897,978.38)	-	-	-	-	-	(112,897,978.38)
1. Others (Note XVIII.18 note 4)	-	-	(112,897,978.38)	-	-	-	-	-	(112,897,978.38)
III. Balance at the end of the year	8,764,512,467.00	335,579,596.45	2,135,584,074.82	2,459,965,985.56	(60,950,480.39)	993,923.05	4,890,446,242.43	40,309,635,096.26	53,915,834,934.06

Notes to the Financial Statements

For the year ended 31 December 2023

I. BASIC CORPORATE INFORMATION

1. Company overview

Great Wall Motor Company Limited (the “Company”) is registered and headquartered in Baoding, Hebei Province which is the main city for its core business as well. The controlling shareholder of the Company is Baoding Innovation Great Wall Asset Management Company Limited (“Innovation Great Wall”) and the ultimate controlling shareholder is Wei Jian Jun.

The Company was originally named as Baoding Great Wall Motor Group Company Limited. On 5 June 2001, upon the approval by Office of the Stock Reform Leading Panel of the People’s Government of Hebei Province with Ji Gu Ban [2001] No. 62, Baoding Great Wall Motor Group Company Limited was reorganized to Baoding Great Wall Motor Company Limited. On 28 May 2003, upon the approval by Hebei Administration for Industry and Commerce, Baoding Great Wall Motor Company Limited was renamed as Great Wall Motor Company Limited.

The Company and its subsidiaries (the “Group”) are actually engaged in the main business activities: manufacturing and sales of automobiles and components and parts of automobiles and related after-sales services, processing and manufacturing of moulds, repairing of automobiles, transportation of general goods and specific transportation (by truck). The legal representative of the Company is Wei Jian Jun.

2. The approval date of issuing financial statements

The Company’s and consolidated financial statements have been approved by the Board of Directors on 28 March 2024.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

The Group has applied the ASBEs and related provisions promulgated by the Ministry of Finance (“MoF”). In addition, the Group also discloses relevant financial information according to the requirements of *Rules on Compiling the Information Disclosure of the Company that Issue Stocks Publicly No.15-General Provision on Financial Report* (revised in 2023).

According to the Consultation Summary on Accepting Mainland Accounting and Auditing Standards and Hiring Mainland Accounting Firms for Incorporated Companies Listed in Hong Kong and the corresponding amendments to the Hong Kong Listing Rules issued by the Stock Exchange of Hong Kong Limited in December 2010, as well as the relevant documents of the Ministry of Finance and the CSRC, after deliberation and approval by the shareholders’ meeting of the Company, starting from 2011, the Company no longer provides the A-share shareholders and H-share shareholders with financial statements prepared in accordance with the ASBEs and the International Financial Reporting Standards respectively, but provides all shareholders with financial statements prepared in accordance with the ASBEs and has considered the disclosure provisions of the Companies Ordinance of Hong Kong and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited when preparing the financial statements.

Basis of accounting and principle of measurement

The Group’s financial statements have been prepared on an accrual basis. Except for certain financial instruments which are measured at fair value, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

Under historical cost method, the amount of assets was measured at the fair value of cash or cash equivalents or consideration paid at the time of purchase. Liabilities were measured at the amount of money or assets and liabilities due to the current obligations actually received, or a present obligation of the contract amount, or the measurement of cash or cash equivalents in accordance with daily activities to repay the debts of the amount expected to be paid.

The fair value refers to the amount, at which both willing parties engaged to a fair transaction who are familiar with the condition exchange their assets or clear off their debts under fair conditions. Whether fair value is observable or measured by valuation techniques, the measurement and disclosure in this financial statement were all based on it.

Notes to the Financial Statements

For the year ended 31 December 2023

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

Basis of accounting and principle of measurement (continued)

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The Group has evaluated its ability of going concern for the next 12 months since 31 December 2023. There is no indication of major events that may affect the ability of going concern. Thus, the financial statements have been prepared under the assumption of going concern.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance with the ASBEs

The financial statements have been prepared in compliance with the ASBEs to truly and completely reflect the Company's and the consolidated financial position as at 31 December 2023, and the Company's and the consolidated operating results, the Company's and the consolidated statements of changes in shareholders' equity and the Company's and the consolidated cash flow statements for the year of 2023.

2. Accounting year

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

3. Operating cycle

Operating cycle refers to period from assets purchased for production to cash or cash equivalents realized. The operating cycle of the Company is 12 months.

4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. The Company's foreign subsidiary chooses its functional currency on the basis of the primary economic environment in which it operates. The Group adopts RMB to prepare its financial statements.

5. Method and selection basis of the determination of materiality criteria

The item of financial statement is reasonably expected as important item that its omission or misstatement will affect the economic decisions made by the users. The Group determine the materiality criteria from two aspects based on the located specific environment: the item's nature (whether it is part of the Group's daily activities, whether it significantly affects the Group's financial position, operating results and cash flows, etc.) and the item's amount (which accounts for the Group's key financial indicators, including the proportion of operating income, net profit, total assets and total shareholders' equity, etc., or the proportion of the amount of item listed in the statement).

Item	materiality criteria
Significant credit loss provisions assessed on an individual basis of receivables	0.1% of total assets
Significant amount of reversal or written-off credit loss provision	0.1% of total assets
Significant receivables written-off	0.1% of total assets
Significant research and development projects	Individual research and development project accounted for more than 10% of the total R&D investment
Significant construction in progress	10% of carrying amount of the construction in progress
Significant joint ventures or associates	The book value of long-term equity investment in a single investee unit accounts for more than 5% of the Group's net assets and the amount is greater than RMB1 billion

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

Business combination includes business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

6.1 *Business combinations involving enterprises under common control*

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained in the business combination are recognized at their carrying amounts at the date of merger as recorded by the party being combined. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to capital reserves. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss when incurred.

6.2 *Business combinations not involving enterprises under common control and goodwill*

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The combination costs of the combining party shall be the fair value of the assets paid, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for the control over the acquiree on the acquisition date. The overhead for the business combination of the combining party, including the expenses for audit, legal services, assessment, and other administrative expenses, shall be recorded in profit or loss for the current period when incurred.

Identifiable assets, liabilities and contingent liabilities of acquiree qualifying for the conditions of recognition acquired by the acquirer in business combination are measured at fair value on the acquisition date.

For the difference that the combination cost is larger than the portion of fair value of net identifiable assets of acquiree acquired in combination, it is recognized as goodwill as an asset, and initially measured at cost. For those with combination cost lower than the portion of fair value of net identifiable assets of acquiree acquired in combination, re-verification is first carried out on the measurement of the fair value of all identifiable assets, liabilities and contingent liabilities as well as the combination cost. For those with combination cost still lower than the portion of fair value of net identifiable assets of acquiree acquired in combination after re-verification, they are credited to profit or loss for the current period.

Goodwill occurred as a result of combination shall be recognized separately in the consolidated financial statement and measured at cost less accumulated impairment losses.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control (continued)

6.3 Acquisition of assets by acquisition of subsidiaries

For subsidiary acquisitions but not business acquisitions, the cost of the acquisition is allocated to individual identifiable assets and liabilities on the basis of the fair value of the assets and liabilities at the acquisition date, without generating goodwill or purchase gains.

7. Determination criteria of control and preparation of consolidated financial statements

7.1 Determination criteria of control

The scope of consolidated financial statements is determined on the basis of control. Control is achieved when the Group has power over the investee; is exposed, or has rights to achieve returns from its involvement with the investee; and has the ability to use its power to affect its returns. Once the relevant facts and situation changed that altered the elements define control, the Group shall re-evaluate control.

7.2 Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control.

The combination of subsidiaries begins with controlling the subsidiary by the Group, and ceases with the Group's losing control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Determination criteria of control and preparation of consolidated financial statements (continued)

7.2 Preparation of consolidated financial statements (continued)

Major accounting policies and accounting years adopted by the subsidiaries are defined according to the standardized accounting policies and accounting years stipulated by the Company.

All significant intra-group accounts and transactions between the parent company and its subsidiaries or between subsidiaries are eliminated on consolidation.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented as "minority interest" in the consolidated balance sheet within owners' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement under the "net profit" item as profit or losses attributable to "minority interests".

The loss of the subsidiary attributable to minority interest is more than minority interests in that subsidiary at beginning of the period, the minority interest shall be reversed by the balance of the loss of the subsidiary attributable to minority interests.

For the transaction of acquiring minority interests of its subsidiaries, treated as equity transaction, the book value of shareholder's equity attributed the Company and that of minority interest should be adjusted to reflect the change in the company's interest in the subsidiaries. Differences between the adjustment of minority interests and the fair value of consideration are adjusted to capital reserve. If the differences exceed capital reserve, retained earnings shall be adjusted.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost, and is offset against goodwill. Other comprehensive income related to an equity investment in an existing subsidiary is accounted for on the same basis at the time of loss of control as when the subsidiary directly disposed of the related asset or liability.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

8. Classification of joint arrangements and accounting treatments of joint operations

A joint arrangement is classified into joint operation and joint venture, depending on the rights and obligations of the parties to the arrangement, which is assessed by considering the structure and the legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Group accounts for investments in joint ventures using equity method. Refer to Note (III) 18.3.2 "Long-term equity investments accounted for using the equity method" for details.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses.

When the Group invest or sell assets (except that such assets constitute a business), only profit or loss arising from the transaction attributable to parties involved in such joint operation is recognized prior to the resale of the assets to third parties by joint operations. When there is an impairment of the asset investment or sale, the Group recognizes such loss in full.

When the Group purchase assets or others from joint operations (except that such assets constitute a business), only profit or loss arising from the transaction attributable to parties involved in such joint operation is recognized prior to the resale of the assets to third parties. When there is an impairment of purchased assets, the Group recognizes such loss based on its share.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Recognition criteria of cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (usually due within three months from the purchase date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Translation of transactions and financial statements denominated in foreign currencies

10.1 Transactions denominated in foreign currencies

On initial recognition, foreign currency transactions are translated into the reporting currency using the spot exchange rate prevailing at the date of transaction.

As at the balance sheet date, monetary items denominated in foreign currency are exchanged to Renminbi by adopting the prevailing exchange rate on that date. Foreign exchange difference arising from the difference between the prevailing exchange rate on that date and the prevailing exchange rate on initial reorganization or on the previous balance sheet date are all credited to profit or loss for the current period, with the exception that foreign exchange differences for specific borrowings denominated in foreign currency and qualifying for conditions of capitalization are capitalized during the capitalization year and credited to the cost of relevant assets.

Non-monetary items denominated in foreign currency that are measured at historical cost are still measured at amount denominated in reporting currency exchanged at the prevailing exchange rate at the transaction date. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date when the fair value is determined. The difference between the translated functional currency amount and the original functional currency amount is treated as a change in fair value (including exchange rate changes) and included in the current profit and loss or recognized as other comprehensive income.

10.2 Translation of financial statements denominated in foreign currency

To prepare consolidated financial statements, the financial statements denominated in foreign currency of a foreign operation are translated to RMB in compliance with the following requirement: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; all equity (except undistributed profits) items are translated at the spot exchange rates at the dates on which such items arose; income and expenses and profit appropriation items in the income statement are translated at the spot exchange rate at the date of transaction; Undistributed profits at the beginning of the year is the translated undistributed profits at the end of prior year; undistributed profits at the end of year is presented as the translated items of profit distribution; all exchange differences of assets, liabilities and shareholders' equity resulting from the translation are recognized separately as "other comprehensive income" in the shareholders' equity on the balance sheet.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Translation of transactions and financial statements denominated in foreign currencies (continued)

10.2 Translation of financial statements denominated in foreign currency (continued)

Cash flow dominated in foreign currency or from foreign subsidiaries shall be translated at the spot exchange rate when it incurs. Effects arising from changes of exchange rate of cash and cash equivalents is regarded as a reconciling item and presented separately as "Effect of changes in exchange rates on cash and cash equivalents" in the cash flow statement.

The closing balance at the end of the previous year and the actual figures of the previous year are presented according to the translated amounts of the financial statements of the prior year.

When the control on foreign operation is lost due to the disposal of ownership interests of the Group's foreign operation or partial disposal of equity investment or other reasons, exchange differences of foreign currency statements attributable to the shareholders of the parent company related to such foreign operation and presented under shareholder's equity item in the balance sheet are all transferred to profit or loss for the current period.

11. Financial instruments

The Group shall recognize a financial asset or a financial liability in its statement of financial position when, the Group becomes party to the contractual provisions of the instrument.

Where financial assets are purchased or sold in a regular way, assets to be received and liabilities to be borne for it are recognized on the date of transaction, or sold assets are derecognized on the date of transaction.

The financial assets and liabilities are measured at fair value on initial recognition (the method of determining the fair value of financial assets and financial liabilities is set out in related disclosure of basis of accounting and principle of measurement under Note (II)). For the financial assets and liabilities at fair value through profit or loss (FVTPL), related transaction expenses are directly charged to the profit or loss for the period; for other financial assets and liabilities, related transaction expenses are included in the initial recognized amount. For accounts receivable excluding significant financing components or regardless of financing components of contracts less than one year recognized based on ASBEs No.14 – Revenue ("Revenue Standard"), accounts receivable initially recognized shall be measured at transaction price defined based on the Revenue Standard on initial recognition.

Effective interest method is the method that is used in the calculation of the amortized cost of a financial asset or a financial liability and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant year.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group shall estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but shall not consider the expected credit losses.

Amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization amount using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance (applies to financial assets only).

11.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group shall measure a financial asset at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group shall classify the financial asset into the financial asset measured at amortized cost. Such financial assets mainly include: cash and bank balances, accounts receivable, notes receivable, other receivables, other current assets – deposits in non-bank financial institutions and long-term receivables (excluding financial lease payments).

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling such financial assets, the Group shall classify the financial asset into the financial asset at fair value through other comprehensive income (“FVTOCI”). Notes receivable classified as at FVTOCI upon acquisition are presented as financing with receivables.

On initial recognition, the Group may, based on an individual financial asset, irrevocably designate a non-tradable equity instrument investment which is non-contingent consideration and recognized in business combination not involving enterprises under common control as financial asset measured at FVTOCI. Such financial assets are presented as other equity instrument investments.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

11.1 Classification, recognition and measurement of financial assets (continued)

The Group's purpose of holding the financial assets is for trading if one of the following conditions is satisfied:

- The purpose of acquiring the financial assets is to sell the assets in the near future.
- The relevant financial assets are, on initial recognition, a part of the centrally-managed identifiable financial instrument portfolio, and the objective evidence indicates that short-term profit model exists in the near future.
- The relevant financial assets are derivative instruments. However, derivatives that meet the definition of financial guarantee contracts and those designated as effective hedging instruments are excluded.

Financial assets measured at FVTPL include those classified as at FVTPL and those designated as at FVTPL:

- Financial assets that are not qualified to be classified as financial assets at amortized cost or financial assets at FVTOCI are classified as financial assets at FVTPL.
- Upon initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Group will irrevocably designate financial assets at FVTPL.

Other than derivative financial assets, the financial assets at FVTPL are presented as held-for-trading financial assets and those due after one year from the balance sheet date (or with no fixed term) and expected to be held for more than one year are presented as other non-current financial assets.

11.1.1 Financial assets at amortized cost

The financial asset at amortized cost is subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortization is recognized in profit or loss.

The Group recognizes interest income on financial assets measured at amortized cost using the effective interest method. The Group calculates interest income based on the Carrying amount of financial assets multiplied by the actual interest rate, except for the following circumstances:

- For purchased or originated credit-impaired financial assets, the Group calculates and recognizes its interest income based on amortized cost of the financial asset and the effective interest through credit adjustment since initial recognition.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

11.1 Classification, recognition and measurement of financial assets (continued)

11.1.1 Financial assets at amortized cost (continued)

- For purchased or originated financial assets that were not credit-impaired but have become credit-impaired in subsequent period, the Group calculates the interest income by applying the effective interest rate to the amortized cost of the financial assets in subsequent period. If the financial instrument is no longer credit-impaired due to improvement of credit risk, and the improvement is linked with an event occurred after application of above provisions, the Group will calculate the interest income by applying effective interest rate to the carrying amount of the financial assets.

11.1.2 Financial assets at FVTOCI

Impairment gains or losses on a financial asset at FVTOCI and the interest income calculated using the effective interest method shall be recognized in profit or loss. Except for them, changes in fair value of such financial assets shall be recognized in other comprehensive income. The amount of such financial asset recognized in profit or loss of each period is equal to the amount deemed as measured at amortized cost all the time and recognized in profit or loss of each period. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to profit or loss.

Changes in fair value of non-tradable equity instrument investment designated as at FVTOCI are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income are transferred from other comprehensive income to retained earnings. During the period that the Group holds these non-tradable equity instrument, the Group has established the right of collecting dividends, whose economic benefit is probably flow into the Group, and the amount of the dividends can be reliably measured, then the Group will recognize dividends in profit or loss.

11.1.3 Financial assets at FVTPL

Financial assets at FVTPL shall be subsequently measured at fair value. Gains or losses from change in fair value, dividends and interest income related to such financial assets shall be recognized in profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

11.2 Impairment of financial instruments and other items

The Group shall recognize a loss allowance for expected credit losses on financial assets at amortized cost, financial assets at FVTOCI and other items (lease receivables and contract assets).

The Group measures a loss allowance equivalent to the amount of lifetime expected credit losses for the contract assets or accounts receivable arising from transactions adopting Revenue Standards, and lease receivables arising from transactions adopting *ASBEs No. 21 – Leases*.

For other financial instrument, the Group assesses changes in credit risks of the relevant financial asset since initial recognition at each balance sheet date. If the credit risks of the financial instrument has been significantly increased since initial recognition, the Group will make a loss allowance at an amount of lifetime expected credit loss; if not, the Group will make a loss allowance for the financial instrument at an amount in the future 12-month expected credit losses. Increase in or reversal of credit loss provision is included in profit or loss as loss or gain on impairment, except for financial assets classified as at fair value through other comprehensive income. The Group recognizes credit loss provision for financial assets at FVTOCI in other comprehensive income and recognizes loss or gain on impairment in profit or loss for the period, without reducing the carrying amount of the financial assets presented in the balance sheet.

The Group has made a loss allowance against amount of lifetime expected credit losses in the prior accounting period. However, at the balance sheet date, the credit risk on a financial instrument has not increased significantly since initial recognition; the Group will measure the loss allowance for that financial instrument at an amount in the future 12-month expected credit losses. Reversed amount of loss allowance arising from such circumstances shall be included in profit or loss as impairment gains or loss.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

11.2 Impairment of financial instruments and other items (continued)

11.2.1 Significant increase in credit risk

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

The Group will take the following factors into consideration when assessing whether credit risk has increased significantly:

- (1) Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- (2) An actual or expected significant change in the operating results of the borrower.
- (3) Significant increases in credit risk on other financial instruments of the same borrower.
- (4) A significant adverse change in the regulatory, economic, or technological environment of the borrower.
- (5) Significant changes in the expected performance and repayment behavior of the borrower.

The Group may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. If the risk of default of a financial instrument is low, the borrower is highly capable of meeting its contract cash flow obligations in the short term, and the financial instrument is considered to have a lower credit risk even if there is a negative change in the economic situation and operating environment over a longer period of time, but it may not necessarily reduce the borrower's performance of its contract cash obligations.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

11.2 Impairment of financial instruments and other items (continued)

11.2.2 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (1) Significant financial difficulty of the issuer or the borrower;
- (2) A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- (3) The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor that will not be made under any other circumstances;
- (4) It becoming probable that the debtor will enter bankruptcy or other financial reorganizations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or the debtor;

11.2.3 Recognition of expected credit losses

The Group determines expected credit losses of relevant financial instruments using the following methods:

- For financial assets and lease receivables, a credit loss is the present value of the difference between: (a) The contractual cash flows that are due to the Group under the contract; and (b) the cash flows that the Group expects to receive.
- For a financial asset that is credit-impaired at the reporting date, the Group shall measure the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The factors reflected in methods of measurement of expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; time value of money; reasonable and supportable information about past events, current conditions and forecasts on future economic status at balance sheet date without unnecessary additional costs or efforts.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

11.2 Impairment of financial instruments and other items (continued)

11.2.4 Written-off of financial assets

The Group shall directly reduce the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

11.3 Transfer of financial assets

The Group shall derecognize a financial asset when: (1) the contractual rights to the cash flows from the financial asset expire, (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between the carrying amount at the derecognition date of the financial asset transferred and the sum of the consideration received from the transfer of the financial asset and the amount correlating to the derecognition part in the accumulated amount originally recognized in changes in fair value of other comprehensive income is recognized in profit or loss. If the transferred financial asset is the non-tradable equity instrument investment designated as at FVTOCI, cumulative gain or loss that has been recognized in other comprehensive income should be removed from other comprehensive income and be recognized in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognize the transferred financial asset in its entirety. Considerations received should be recognized as a financial liability.

11.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group are classified into financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only its legal form, together with the definition of financial liability and equity instruments on initial recognition.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

11.4 Classification of financial liabilities and equity instruments (continued)

11.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

11.4.1.1 Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include held-for-trading financial liabilities (including derivatives of financial liabilities) and financial liabilities designated as FVTPL. Financial liabilities at FVTPL of the Group comprise held-for-trading financial liabilities.

A financial liabilities meets one of the following conditions, indicating that the purpose of the Group's assumption of the financial liability is transactional:

- The purpose of undertaking related financial liabilities is mainly for the recent repurchase.
- The relevant financial liabilities are,, on initial recognition, a part of the centrally-managed identifiable financial instruments portfolio, and the objective evidence indicates that short-term profit model exists in the near future.
- The related financial liabilities are derivative instruments. However, derivatives that meet the definition of financial guarantee contracts and those designated as effective hedging instruments are excluded.

Financial liabilities at FVTPL are subsequently measured at fair value, and gains or losses from changes in fair value and dividends or interest expenses related to these financial liabilities are included in the current profits and losses.

11.4.1.2 Other financial liabilities

Other financial liabilities of the Group are subsequently measured at amortized cost. Gain or loss arising from derecognition or amortization of such financial liabilities is recognized in profit or loss.

Other financial liabilities of the Group mainly include: short-term borrowings, notes payables, accounts payable, other payables, other current liabilities, long-term borrowings and bonds payable, etc.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

11.4 Classification of financial liabilities and equity instruments (continued)

11.4.2 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing debtor) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

11.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The issuance (including refinance), repurchase, selling or cancellation of these instruments are treated as change in equity. The enterprise should not recognize changes in the fair value of the equity instruments. The related transaction costs are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and stock dividends paid do not affect total amount of shareholders equity.

For the restricted stock incentive plan implemented by the Group, the repurchase obligation of the restricted stock granted by the Group to the incentive target shall be recognized as liability and treated as repurchase of treasury stock.

11.5 Derivatives

Derivative financial instruments include forward exchange contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

11.6 Offsetting a financial asset and a financial liability

Where the Group has a legal right that is currently enforceable to set off the amount of the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

11.7 Convertible bonds

The convertible bonds issued by the Group, which include both liabilities and conversion options, are separated and recognized respectively at the initial recognition. Among them, the conversion option to exchange a fixed amount of cash or other financial assets for a fixed amount of its own equity instrument settlement is accounted as an equity instrument.

At the time of initial recognition, the fair value of the liability is determined according to the current market price of similar bonds without conversion option. The difference between the overall issue price of convertible bonds and the fair value of the liability part shall be taken as the value of the conversion option of the bondholder to convert the bonds into equity instruments and included in other equity instruments.

During subsequent measurement, the liabilities of convertible bonds are measured at amortized cost using the effective interest rate method; The value of the conversion option divided into equity instruments continues to be retained in equity instruments. There is no loss or gain on the maturity or conversion of convertible bonds.

The transaction costs incurred in issuing convertible bonds shall be apportioned between the components of liabilities and equity instruments according to the distribution method consistent with the overall issuance price. The transaction costs related to the components of equity instruments are directly included in equity instruments; The transaction costs related to the composition of liabilities are included in the book value of liabilities and amortized within the term of convertible bonds using the effective interest rate method.

12. Financing with receivables

12.1 Determination and accounting methods for expected credit losses of notes receivable

The Group assesses, on an individual basis, the credit risk of notes receivable with significantly different credit risks. Other notes receivable are assessed on a portfolio basis according to credit risk characteristics.

The amount of increase in or reversal of allowance for expected credit losses on notes receivable is included in profit or loss for the period as credit impairment losses or gains.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Financing with receivables (continued)

12.2 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

In addition to notes receivable for which the credit risk is assessed on an individual basis, the remaining notes receivable are categorized into bank acceptances and commercial acceptances portfolios based on their credit risk characteristics by the Group.

12.3 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

The aging is calculated from the date of initial recognition. If the debtor settles accounts receivable with commercial acceptances or acceptances of finance company, the aging of notes receivable is added to that of the original accounts receivable for calculation.

12.4 Determination criteria for provision of bad debts on an individual basis

The Group assesses the credit risk of notes receivable for which there is objective evidence of impairment with significantly different credit risk on an individual basis.

13. Accounts receivable

13.1 Determination and accounting methods for expected credit losses of accounts receivable

In addition to accounts receivable for which the individual amounts are significant and whose credit risk characteristics are significantly different, the Group assesses the credit loss of the remaining accounts receivable on a portfolio basis using an impairment matrix.

The amount of increase in or reversal of allowance for expected credit losses on accounts receivable is included in profit or loss for the period as credit impairment losses or gains.

13.2 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The accounts receivable are grouped by the Group based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include industry of the debtor, overdue, aging, etc.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

13. Accounts receivable (continued)

13.3 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

As part of the Group's credit risk management, the Group determines the expected credit losses using an impairment matrix base on the overdue age of accounts receivable credit period. The overdue age is calculated from the date the accounts receivable exceed the credit period. If the accounts receivable are converted from contract assets, the overdue age is calculated consecutively from the date on which the corresponding contract assets exceed the credit period.

14. Financing with receivables

For the notes receivable classified as at fair value through other comprehensive income, the portion due within one year (inclusive) since acquisition is presented as financing with receivables.

14.1 Determination and accounting methods for expected credit losses of financing with receivables

The Group assesses the credit loss of financing with receivables on a portfolio basis using an impairment matrix.

The credit loss provision for financing with receivables is recognized in other comprehensive income and the impairment loss or gain is included in profit or loss for the period without reducing the carrying amount of the financing with receivables in the balance sheet.

14.2 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The acceptors of the Group's receivables financing are banks with higher credit ratings and have common credit risk characteristics.

14.3 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

The Group adopts the aging of financing with receivables as a credit risk characteristic to determine the expected credit losses using an impairment matrix. The aging is calculated from the date of initial recognition.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

15. Other receivables

15.1 Determination and accounting methods for expected credit losses of other receivables

In addition to other receivables for which the individual amounts are significant and whose credit risk characteristics are significantly different, the Group assesses the credit loss of the remaining accounts receivable on a portfolio basis using an impairment matrix. The amount of increase in or reversal of allowance for expected credit losses on other receivables is included in profit or loss for the period as credit impairment losses or gains.

15.2 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The other receivables are grouped by the Group based on common risk characteristics. The common credit risk characteristics adopted by the Group include industry of the debtor, nature of other receivables, aging, etc.

15.3 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

The aging is calculated from the date of initial recognition.

16. Inventories

16.1 Categories of inventories, valuation method of inventories upon delivery, inventory count system, and amortization method for low-value consumables and packaging materials

16.1.1 Categories of inventories

Inventories of the Group mainly include raw materials, work-in-progress, finished products and low-value and short-lived consumables. Inventories are initially measured at cost. Cost of inventories includes costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

16.1.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

16.1.3 Inventory count system

The perpetual inventory system is maintained for stock system.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)**16. Inventories** (continued)**16.1 Categories of inventories, valuation method of inventories upon delivery, inventory count system, and amortization method for low-value consumables and packaging materials** (continued)*16.1.4 Amortization method for low-value consumables and other turnover materials*

Turnover materials are materials that can be reused many times and still be remained in original condition after gradual transfer of their value but are not recognized as fixed assets, including low-value consumables and other turnover materials.

Low value consumables and other turnover materials are amortized using the immediate write-off method.

16.2 Recognition criteria and provision method for decline in value of inventories

At the balance sheet date, inventories are calculated at the lower of cost and net realizable value. Provision for inventory impairment is made when the net realizable value is lower than the cost.

Net realizable value represents the estimated selling price of inventories minus cost estimated to incur upon completion, estimated selling costs and relevant taxes during normal course of business. When determining the net realizable value of inventory, basis is relied on the actual evidences obtained while the objectives of inventories holding and the impact of post balance sheet date event are also considered.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

16.3 The portfolios and determination basis of the provision for inventory decline price on a portfolio basis and the determination basis of the net realizable value of different categories of inventories

For large quantity and low value items of inventories, provision for decline in value is made based on categories of inventories. For items of inventories relating to a product line that are produced and marketed in the same geographical area, have the same or similar end uses or purposes, and cannot be practicably evaluated separately from other items in that product line, provision for decline in value is determined on an aggregate basis. Provision for decline in value of other inventories is made based on the excess of cost of inventory over its net realizable value on an item-by-item basis.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Inventories (continued)

16.4 Inventory count system

The inventory count system shall be on a perpetual basis.

16.5 Amortization of low-value and short-lived consumables and other turnover materials

Turnover materials are materials that can be reused many times and still be remained in original condition after gradual transfer of their value but are not recognized as fixed assets, including low-value and short-lived consumables and other turnover materials.

Low-value and short-lived consumables and other turnover materials are amortized by one-time write-off.

17. Contract assets

17.1 Recognition method and criteria of contract assets

Contract asset refers to the Group's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

17.2 Determination and accounting methods for expected credit losses of contract assets

The Group assesses the credit loss of contract assets on a portfolio basis using an impairment matrix. The amount of increase in or reversal of allowance for expected credit losses on contract assets is included in profit or loss for the period as credit impairment losses or gains.

17.3 Categories of portfolios for which bad debt provision is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The contract assets are grouped by the Group based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include industry of the debtor, nature of contract assets, overdue status, aging, etc.

17.4 Aging calculation method for portfolio of credit risk characteristics recognized based on aging

The Group adopts the aging of contract assets as a credit risk characteristic to determine the expected credit losses using an impairment matrix. The aging is calculated from the date of initial recognition.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Long-term equity investments

18.1 Judgement criterion of determining joint control or significant influence over the investee

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of an enterprise, except to control or joint control the formulation of such policies together with other parties. In determining whether there is control or significant influence over the investee, potential voting right factors (such as the convertible corporate bonds for the period and the exercisable stock warrants for the period of the investee and other invested units held) were taken into account.

18.2 Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of book value of owners' equity of combined party in financial statements of ultimate controlling party is recognized as initial investment cost of long-term equity investment at the date of combination. The difference between initial investment cost of long-term equity investment and cash paid, non-cash assets transferred and book value of liabilities assumed, is adjusted in capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination involving enterprises not under common control, the initial investment cost of the long-term equity investment acquired shall be the cost of acquisition.

Any audit, legal service, appraisal and other agency expense and other administration expense occurred during combination, the acquiree shall recognize those expenditure in profit or loss.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost.

18.3 Method for subsequent measurement and profit or loss recognition

18.3.1 Long-term equity investments accounted for using the cost method

The Company's separate financial statements adopted cost method to account for the long-term equity investments of subsidiaries. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Long-term equity investments (continued)

18.3 Method for subsequent measurement and profit or loss recognition (continued)

18.3.2 Long-term equity investments accounted for using the equity method

The Group accounts for investments in associates and joint ventures using equity method. Associate refers to the investee that the Group can exert significant influence on. Joint venture refers to a joint venture arrangement in which the Group only has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost. Where the initial investment cost is less than the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, the difference shall be charged to profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period. Meanwhile, carrying amount of long-term equity investment is adjusted: the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; Other changes in owners' equity of the investee other than net profit or loss and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized in the capital reserve. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making appropriate adjustments. If the accounting policies and accounting periods adopted by the investee are inconsistent with those of the company, the financial statements of the investee shall be adjusted according to the accounting policies and accounting periods of the company, and the investment income and other comprehensive income shall be recognized. For transactions between the Group and associated enterprises and joint ventures, if the assets invested or sold do not constitute business, the unrealized internal transaction profits and losses are calculated according to the proportion enjoyed, and the part attributable to the Group is offset, and the investment profits and losses are recognized on this basis. However, the unrealized internal transaction losses between the Group and the investee are not offset if they belong to the impairment loss of the transferred assets.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)**18. Long-term equity investments** (continued)**18.3 Method for subsequent measurement and profit or loss recognition** (continued)*18.3.2 Long-term equity investments accounted for using the equity method* (continued)

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

18.3.3 Disposal of long-term equity investments

On disposal of a long-term investment, the difference between the carrying amount of the investment and the actual consideration paid is recognized in current profit or loss.

Where the Group loses control over investee due to disposal of part of shares, during preparing separate financial statement, if remaining shares after disposal can make joint control or significant influence on investee, they are accounted under equity method, and adjusted as if they are accounted under equity method since the acquisition date; If remaining shares after disposal cannot make joint control or significant influence on investee, they are accounted according to recognition and measurement of financial instruments, and the difference between fair value on date of losing control and book value is recognized in profit or loss of current period.

19. Investment properties

Investment property refers to real estate held to earn rentals or for capital appreciation, or both, including leased land use right, land use right held and provided for transferring after appreciation and leased constructions, etc.

Investment property is initially measured at cost. Subsequent expenditures related to an investment property shall be included in cost of investment property only when the economic benefits associated with the asset will likely flow to the Group and its cost can be measured reliably. All other subsequent expenditures on investment property shall be included in profit or loss for the current period when incurred.

The Group adopts cost method for subsequent measurement of investment property. Investment properties are depreciated over their useful lives using the straight-line method. The depreciation method, depreciation life, estimated residual value rate and annual depreciation rate of each category of investment properties are as follows:

Category	Depreciation life (year)	Residual value rate (%)	Annual depreciation rate (%)
Buildings	8-40	5	2.38-11.88
Land use rights	50	0	2.00

When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property net of the carrying amount and related taxes and surcharges is recognized in profit or loss for the current period.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Investment properties (continued)

When there is evidence that the Group has converted its own buildings and land use rights to lease, the fixed assets and intangible assets are converted into investment real estate at the book value before conversion. When there is evidence that the buildings and land use rights held to earn rentals or for capital appreciation are converted to self-occupation, the carrying amount of such properties before the conversion are transferred to fixed assets and intangible assets.

20. Fixed assets

20.1 Recognition criteria

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and have a useful life of more than one accounting year. Fixed assets are only recognized when their related economic benefits are likely to flow to the Group and their cost can be reliably measured. Fixed assets are initially measured at cost.

For subsequent expenses related to fixed assets, if the economic benefits related to such fixed assets is likely to inflow and its cost could be reliably measured, they are capitalized to fixed assets cost and the carrying amount of replacement will be derecognized. Other subsequent expenses other than the above are charged to profit or loss for the current period when incurred.

20.2 Depreciation method

In addition to ownership of land assets, a fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The depreciation years, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings	8-40	5	2.38-11.88
Machinery and equipment	10	5	9.50
Transportation vehicles	4-10	5	9.50-23.75
Electronic equipment and others	3-10	5	9.50-31.67

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the stage and in the condition expected at the end of its useful life.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Fixed assets (continued)

20.3 Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the current period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

21. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it has reached the working condition for its intended use, and other related expenses during the construction year. A construction in progress is transferred to fixed assets when it has reached the working condition for its intended use.

22. Borrowing costs

Borrowing costs include interest, amortization of discount or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings. For borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, when expenditures for the asset and borrowing costs are being incurred, activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced, such borrowing costs shall be capitalized as part of the cost of that asset; and capitalization shall discontinue when the qualifying asset is ready for its intended use or sale. Other borrowing costs shall be recognized as expense during the current period in which they are incurred.

Where funds are borrowed for a specific purpose, the amount of interest to be capitalized shall be the actual interest expense incurred during the current period less any bank interest earned from depositing the borrowed funds before being used into banks or any investment income on the temporary investment of those funds. Where funds are borrowed for general purpose, the Group shall determine the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalization rate shall be the weighted average of the interest rates applicable to the general-purpose borrowings.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Intangible assets

23.1 Useful life and the basis for determination, estimates, amortization method or review procedures

Intangible assets include land use right, software and others and non-patent technology, etc.

An intangible asset shall be measured initially at cost.

Land use right acquired shall normally be recognized as an intangible asset. Self-constructed buildings (e.g. plants), related land use right and the buildings shall be separately accounted for as intangible assets and fixed assets. For buildings and structures purchased, the purchase consideration shall be allocated among land use right and the buildings on a reasonable basis. If there is any difficulty in making a reasonable allocation, the consideration shall be recognized in full as fixed assets.

When an intangible asset with a finite useful life is available for use, its original cost less estimated net residual value and any accumulated impairment losses provided is amortized over its estimated useful life using the straight-line method. The intangible assets with infinite useful life are not amortized. The useful life and net residual value rate of various types of intangible assets are as follows:

Category	useful life (years)	Basis of determination	net residual value rate (%)
Land use right	50	Year(s) registered on the certificate of title	0
Software and others	2-10	Year(s) expected to produce economic benefits	0
Non-patent technology	2-10	Year(s) expected to produce economic benefits	0

The Group shall review the finite useful life of an intangible asset and the amortization method applied at the end of the period. A change in the useful life or amortization method used shall be accounted for as a change in accounting estimate.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Intangible assets (continued)

23.2 Scope of research and development expenditure and accounting treatment

The internal research and development expenditures of the Group are classified into research phase expenditure and development phase expenditure.

Expenditure arising from the research phase is accounted for in profit or loss for the current period when incurred.

Expenses incurred during the development phase that satisfy the following conditions are recognized as intangible assets, while those that do not satisfy the following conditions are accounted for in the profit or loss for the current period:

- (1) It is technically feasible that the intangible asset can be used or sold upon completion;
- (2) There is intention to complete the intangible asset for use or sale;
- (3) The intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset;
- (4) There is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;
- (5) The expenses attributable to the development phase of the intangible asset can be measured reliably.

If it is impossible to distinguish between expenditures in the research stage and expenditures in the development stage, all R&D expenditures incurred shall be included in the current profit or loss. The cost of intangible assets formed in internal development activities only includes the total amount of expenditures from the time point when the capitalization conditions are met to the time when the intangible assets reach the predetermined uses. For the same intangible asset, the expenditures that have been expensed into profit and loss before the capitalization conditions are met in the development process will not be adjusted.

The scope of research and development expenditure includes salaries and welfare costs of personnel directly engaged in research and development activities, materials, fuel and power costs directly consumed by research and development activities, depreciation of instruments and equipment for research and development activities, rental and maintenance costs of research and development sites, travel, transportation and communication costs for research and test development. The Group's research and development projects enter the development stage and start to be capitalized after meeting the above capitalization conditions, passing the technical feasibility and economic feasibility studies, and reviewing and approving the projects.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Impairment of long-term assets

The Group assesses at each balance sheet date whether there is any indication that any long-term equity investments, investment properties measured at cost, fixed assets, construction in progress and intangible assets and right-of-use assets with a finite useful life may be impaired. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for the individual asset. Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

The recoverable amount should be estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset is determined at the higher of the net amount after deducting the disposal expenses from the assets' fair value and the current value of the assets' estimated future cash flow.

If the recoverable amount of an asset or an asset group is less than its carrying amount, a provision for impairment loss of the asset will be made for the reduction and is charged to profit or loss for the current period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

An impairment loss once recognized shall not be reversed in a subsequent year.

25. Long-term prepaid expenses

Long-term prepaid expenses are expenses which have incurred but shall be amortized over the current period and subsequent years of more than one year. Long-term prepaid expenses are amortized evenly over the estimated benefit year.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Contract liabilities

Contract liabilities refers to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Contract assets and contract liabilities under common contract are presented as net.

27. Employee benefits

27.1 Accounting treatment of short-term employee benefits

In the accounting year in which employees have rendered services, the Group shall recognize the short-term employee benefits that actually occurred as liability, and charged to profit or loss for the current period or cost of relevant assets. The Group shall recognize the amount of employee welfare that actually occurred and charged to profit or loss for the current period or cost of relevant assets.

During the accounting year which employees rendered service, medical insurance, work-related injury insurance, maternity insurance and other social security contributions and housing provident fund paid by the Group, as well as labor union funds and employees' education expenses extracted by requirement. Based on the required accrual basis and proportions in order to determine the appropriate amount of employee benefits, such employee benefits shall be recognized as corresponding liabilities, and charged to profit or loss during current year or cost of relevant assets.

27.2 Accounting treatment of post-employment benefits

Post-employment benefits within the Group are defined contribution plans and defined benefit plans.

In the accounting year which employees rendered services, the amount of the defined contribution plans shall be recognized as liability and charged to profit or loss during current year or cost of relevant assets.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

27. Employee benefits (continued)

27.2 Accounting treatment of post-employment benefits (continued)

For defined benefit plans, the Group assigns the benefit obligations generated by the defined benefit plan to the period during which employees provide services according to a formula determined by the expected cumulative benefit unit method, and includes them in the current profit and loss or the cost of related assets. The employee compensation cost incurred by the defined benefit plan is divided into the following components:

- (1) Service costs (including current service costs, past service costs, and settlement gains and losses);
- (2) The net interest of the net liabilities of the defined benefit plan (including the interest income of the plan assets, the interest expense of the defined benefit plan obligations, and the interest affected by the asset ceiling); and
- (3) Re-measure the changes in the net liabilities of the defined benefit plan.

Service costs and the net interest of the net liabilities of the defined benefit plan are included in the current profit and loss or the cost of related assets. Re-measurement of changes in defined benefit plan net liabilities (including actuarial gains or losses, return on plan assets deducted from the amount included in the net debt of the defined benefit plan net assets, changes in the impact of the asset ceiling Excluding the amount included in the net interest of the defined benefit plan's net liabilities or) is included in other comprehensive income.

28. Provisions

When obligations related to contingencies meet the following conditions simultaneously, they are recognized as Provisions: (1) the obligation is a current obligation undertaken by the group; (2) Fulfilling this obligation is likely to result in an outflow of economic benefits; (3) The amount of this obligation can be reliably measured.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money.

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the provision.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Share-based payment

A share-based payment is a transaction which the Group grants equity instruments in return for services rendered by employees. All of the Group's share-based payments are equity-settled share-based payments.

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date. Such amount is recognized as related costs or expenses on a straight-line basis over the vesting period, based on the best estimate of the number of equity instruments expected to vest, with a corresponding increase in capital reserve.

At each balance sheet date during the vesting period, the Group makes the best estimate according to the subsequent latest information of change in the number of employees who are granted with options that may vest, etc. and revises the number of equity instruments expected to vest. The effect of the above estimate is recognized as related costs or expenses, with a corresponding adjustment to capital reserve.

Recognition and measurement of restricted stock repurchase obligations

Under the Group's stock incentive plan of restricted stock, the Group grants non-publicly issued shares of the Company for a restricted sale period (the "Restricted Stock") to the incentive targets. During the restricted sale period, restricted shares shall be restricted for sale and shall not be transferred, use to guarantee or repay debts. When the agreed unlocking conditions are met, the restricted stock will be unlocked. If all or part of the shares expire or be canceled due to unlocking, the Group will repurchase the shares at the agreed price.

On the grant date, the Group recognizes the share capital and capital reserve according to the subscription payment received from the incentive targets. Meanwhile, for the Group obligation of restricted stock repurchase, recognized liabilities calculated by the number of restricted stock and the repurchase price, treat as the acquisition of treasury stock. Recognizing the relevant liabilities in accordance with ASBEs No. 22 – recognition and measurement of financial instruments.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

30. Revenue

The revenue from the Group is mainly from selling automobiles and components and parts of automobiles; processing and manufacturing of models; providing services and so on.

The Group recognizes revenue based on the transaction price allocated to such performance obligation when a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation represents the commitment that a good and service that is distinct shall be transferred by the Group to the customer.

The Group’s sales of motor vehicles, spare parts and mould processing to customers are performance obligations performed at a certain point and revenue is recognised when performance obligations are completed. Should one of the following conditions is satisfied, service provided by the Group, is a performance obligation performed within a certain period of time. The Group recognizes revenue within a period of time in accordance with the progress of contract performance. The conditions are: (1) The customer obtains and consumes the economic benefits brought by the contract at the same time performing the contract; (2) The customer is able to control the products under construction during the Group’s performance; (3) The products of the Group have irreplaceable uses, and the Group has the right to ask for payment for the cumulative part that has been completed so far during the entire contract period. Otherwise, the Group recognizes revenue at the point the customer obtains control of the relevant services.

Transaction price refers to the consideration that the Group is expected to charge due to the transfer of goods or services to the customer, but it does not include payments received on behalf of third parties and amounts that the Group expects to return to the customer. In determining the transaction price, the Group should consider the effects of variable consideration, significant financing components in the contract, non-cash consideration and consideration payable to customers.

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to single performance obligation according to relative proportion of the stand-alone selling prices of the goods or services promised by single performance obligation. However, where there is conclusive evidence that the contract discount or variable consideration is only related to one or more (not all) performance obligations in the contract, the Group shall allocate the contract discount or variable consideration to relevant one or more performance obligations. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximize the use of observable inputs and apply estimation methods consistently in similar circumstances.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

30. Revenue (continued)

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either the expected value method or the most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At each balance sheet date, the Group updates the estimated transaction price.

If there is a consideration payable to customers in the contract, unless the consideration is to obtain other clearly distinguishable goods or services from customers, the Group will offset the transaction price with the consideration payable, and offset the current income at the later of the recognition of relevant income and the payment (or commitment) of customer consideration.

For sales with quality assurance terms, if the quality assurance provides a separate service to the customer other than ensuring that the goods or services sold meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Group will account for the quality assurance responsibility in accordance with the No. 13 – Contingencies.

31. Government grants

Government grants are monetary assets and non-monetary assets gratuitous acquired from the government. Government grants are recognized when they meet the requirements of government grants and is receivable.

Government grants are measured in accordance with the amount received or receivable if they are monetary assets.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Government grants (Continued)

31.1 Judgement criteria and accounting treatment of government grants related to asset

A government grant related to an asset is charged against carrying amount of related assets or recognized as deferred income and evenly included in profit or loss over the useful life of the related asset.

31.2 Judgement criteria and accounting treatment of government grants related to income

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent years, the grant is recognized as deferred income, and recognized in profit or loss over the period in which the related costs are recognized. If the grant is a compensation for related expenses and losses already incurred, the grant is recognized immediately in profit or loss for the current period.

Government grants related to the Group's daily activities are included in other income in accordance with its economic substance. Otherwise, government grants are included in non-operating income or expense.

32. Lease

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

At inception of the contracts, the Group assesses whether the contract is, or contains, a lease. Unless the terms and conditions of the contract are changed, the Group does not reassess whether a contract is, or contains, a lease.

32.1 The Group as lessee

32.1.1 Separation of a lease

For a contract that contains one or more lease or non-lease components at the same time, the Group separates the individual lease component and non-lease component of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Lease (continued)

32.1 The Group as lessee (continued)

32.1.2 Right-of-use asset

Except for short-term leases and leases of low-value assets, the Group recognizes right-of-use assets at the commencement date of the lease. The commencement date of a lease is the date that the underlying asset leased out by the lessor is available for use by the Group. Right-of-use assets are initially measured at cost, which includes the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received (if any);
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, exclusive of the cost incurred for production of inventories.

Right-of-use assets is depreciated by the Group in accordance with relevant regulations on depreciation in ASBEs No.4 – Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated over the remaining useful life of the leased assets. Otherwise, right-of-use assets are depreciated over the shorter of lease term and the remaining useful life of the leased assets.

The Group determines whether a right-of-use asset is impaired and makes accounting treatments in accordance with relevant regulations in ASBEs No.8 – Impairment of Assets, and account for the identified impairment loss.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Lease (continued)

32.1 The Group as lessee (continued)

32.1.3 Lease liabilities

At the commencement date of a lease, except for short-term lease and leases of low-value assets, the Group initially measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. The Group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refers to payments relating to the right to use leased assets during the lease term which are made by the Group to the lessor, including:

- fixed payments and in substance fixed payments, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Group.

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are recognized in profit or loss, or in the cost of relevant assets, in the period of those payments.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Lease (continued)

32.1 The Group as lessee (continued)

32.1.3 Lease liabilities (continued)

After the commencement date of a lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate and recognizes the expenses in profit or loss or cost of related assets.

Subsequent to the commencement date of a lease, in case of any of the following circumstances, the Group re-measures lease liabilities and makes a corresponding adjustment to the related right-of-use assets, if the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group calculates the difference in the current profit and loss:

- the Group re-measures the lease liabilities at the present value of revised lease payment discounted at revised discount rate due to the changes of lease term or results of assessment on purchase option.
- the Group re-measures the lease liabilities at the present value of revised lease payment discounted at original discount rate due to the changes in amount payable estimated based on guaranteed residual value or the index or ratio used to determine the amount of lease payment.

32.1.4 Short-term leases and leases of low-value assets

The Group elects not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of transportation vehicle, machinery and electronic equipment. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain any purchase options. A lease of a low-value asset, is a lease that the single underlying asset, when is new, is of low value. The Group shall recognize the lease payments associated with short-term leases and leases of low-value assets as the cost of the related assets or profit or loss on a straight-line basis over the lease term.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Lease (continued)

32.1 The Group as lessee (continued)

32.1.5 Lease modifications

The Group accounts for a lease modification as a separate lease if::

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the scope of increase which is adjusted based on circumstances of such contract.

For a lease modification that is not accounted for as a separate lease, the Group reallocates the revised contract consideration, re-determines the lease term and re-measures the lease liabilities at the present value of the revised lease payments discounted using the revised discount rate.

If the scope of the lease is narrowed or the lease term is shortened as a result of the lease modification, the Group reduces the carrying amount of the right-of-use assets accordingly, and record the relevant gains or losses of partial or complete termination of the lease into the current profit and loss. In case of re-measurement of lease liabilities due to other lease modifications, the Group adjusts the carrying amount of the right-of-use assets accordingly.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Lease (continued)

32.2 The Group as lessor

32.2.1 Separation of a lease

For a contract that contains lease and non-lease components simultaneously, the Group applies the Revenue Standard to allocate consideration in a contract to lease and non-lease components. The basis of the allocation is the separately stand-alone price of the lease component and the non-lease component.

32.2.2 Classification of lease

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Other leases which are not finance leases are operating leases.

32.2.2.1 The Group as lessor under operating leases

Receipts of lease under operating leases are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalized when incurred, and are recognized in profit or loss for the current period on the same basis as recognition of rental income over the lease term.

The variable receipts of lease received by the Group that are related to operating leases and not included in receipts of lease are recognized in profit or loss for the period when they are incurred.

32.2.2.2 The Group as lessor under finance lease

At the commencement date, the Group uses the net lease investment as the accounting value of the finance lease receivables and derecognizes the finance lease assets. The net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease receipts that have not been received at the commencement date, discounted at the interest rate embedded in the lease.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Lease (continued)

32.2 The Group as lessor (continued)

32.2.2 Classification of lease (continued)

32.2.2.2 The Group as lessor under finance lease (continued)

The amount of lease receivable refers to the amount that the Group should collect from the lessee for the purpose of transferring the leased assets during the lease term, including:

- fixed payments and in substance fixed payments to be paid by the lessee, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or rate;
- exercise price of purchase options, if it is reasonably determined that the lessee will exercise the option;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- The residual value of the guarantee provided to the Group by the lessee, a party related to the lessee and an independent third party who has the financial ability to perform the guarantee obligation.

The variable lease receipts that are not included in the measurement of net investment in the lease investment are recognized in current profit or loss when actually incurred.

The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate.

32.3 Sales and leaseback transaction

32.3.1 The Group as a seller-lessee

The Group assesses whether the transfer of the asset in the sales and leaseback transaction constitutes a sale in accordance with the Revenue Standard. If the transfer of the asset is not a sale, the Group continues to recognize the transferred assets and should recognize a financial liability equal to the transfer proceeds. Such financial liability is accounted for applying ASBEs Enterprises No.22 – Recognition and Measurement of Financial Instruments. If the transfer of an asset constitutes a sale, the Group shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use and recognize only the amount of any gain or loss that relates to the rights transferred to the lessor.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

33. Deferred tax assets and deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

33.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods shall be measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

33.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that neither affects the accounting profit nor taxable profits (or deductible losses) nor result in equal amounts of taxable temporary differences and deductible temporary differences, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the year in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

33. Deferred tax assets and deferred tax liabilities (Continued)

33.2 Deferred tax assets and deferred tax liabilities (Continued)

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

For the expenses related to share based payment, during the period when the costs and expenses are recognized in accordance with the ASBEs, the Group estimates the amount that can be deducted before tax according to the information obtained at the end of the accounting period, calculates and determines its tax basis and the resulting temporary differences, and recognizes the relevant deferred income tax when the recognition conditions are met. If the amount that can be deducted before tax in the future period is expected to exceed the costs and expenses related to share based payment recognized in the ASBEs, the income tax impact of the excess part will be directly included in the owner's equity.

33.3 Offsetting of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future year in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

34. Other important accounting policies and accounting estimates

Accounting treatment method of asset securitization business

The Group securitizes some financial lease receivables (“trust property”) and trusts assets to specific purpose entities, which issue priority asset-backed securities to investors. The Group holds subordinated asset-backed securities, which cannot be transferred until the principal and interest of the priority asset-backed securities are paid off. As an asset service provider, the Group provides services such as asset maintenance and daily management, formulation of annual asset disposal plan, formulation and implementation of asset disposal plan, signing relevant asset disposal agreements and regularly preparing asset service reports; At the same time, as a liquidity support institution, the Group provides liquidity support when the principal of priority asset-backed securities is not paid in full to make up the difference between interest or principal. After paying the trust tax and related expenses, the trust property is preferentially used to repay the principal and interest of the priority asset-backed securities. After all the principal and interest are repaid, the remaining trust property is owned by the Group as the income of the subordinated asset-backed securities. The Group has actually retained almost all the risks and rewards related to the trust property, so it has not terminated the recognition of the trust property; At the same time, the Group has actual control over specific purpose entities and has included them in the scope of consolidated financial statements.

When applying the accounting policy of securitized financial assets, the Group has considered the risk and reward of assets transferred to other entities and the extent to which the Group exercises control over the entity:

- When the Group has transferred almost all the risks and rewards of the ownership of the financial asset, the Group will derecognize the financial asset;
- When the Group retains almost all the risks and rewards of the ownership of the financial asset, the Group continues to recognize the financial asset;
- If the Group does not transfer or retain almost all the risks and rewards of the ownership of the financial asset, the Group will consider whether there is control over the financial asset. If the Group does not retain control, the Group will derecognize the financial asset and recognize the rights and obligations generated or retained in the transfer as assets or liabilities respectively. If the Group retains control, financial assets are recognized according to the degree of continued involvement in financial assets.

Notes to the Financial Statements

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Changes in significant accounting policies

35.1 Changes in accounting policies

The *Interpretation No. 16 of the Accounting Standards for Business Enterprises* (the "Interpretation No. 16") was issued by the Ministry of Finance on 30 November 2022, which clarified the accounting treatment concerning the exemption of initial recognition not apply to deferred income tax relating to assets and liabilities arising from a single transaction.

Interpretation No. 16 revised the coverage of exemption of the initial recognition of deferred income tax in the *Accounting Standards for Business Enterprises No. 18 – Income Tax*, and specified that the relevant provisions on the exemption of initial recognition of deferred tax liabilities and deferred tax assets are not applicable to a single transaction (not a business combination) that affects neither the accounting profit nor taxable income (or deductible losses) at the time of transaction, and where the assets and liabilities initially recognized generate equal taxable temporary differences and deductible temporary differences. The Interpretation became effective from 1 January 2023 and could be early applied.

The Group have applied the Interpretation since 1 January 2023, the adoption of this Interpretation has no significant impact on the financial statements of the Group.

IV. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which are described in Note III., the Group is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgements, estimates and assumptions are based on historical experience of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates of the Group.

The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

Critical judgements in applying accounting policies

The Group has made the following critical judgments in applying accounting policies, which had a significant impact on the amounts recognized in the financial statements:

Capitalization of development expenditure

If the expenditure in the development stage meets the conditions as described in Note III. 23.2, it shall be capitalized, or included in profit or loss for the period if not. Whether the expenditure in the development stage is capitalized or expensed requires significant judgment and estimates.

Determination of the lease term of lease contract with renewal option

For the lease contract signed by the Group as the lessee with the renewal option, the Group needs to use judgment to determine the lease term of the lease contract. An assessment of whether the Group is reasonably certain to exercise this option will affect the length of the lease term, which will have a significant impact on the amount of lease liabilities and right-of-use assets recognized.

Critical assumptions and uncertainties in accounting estimates

The followings are critical assumptions and uncertainties in accounting estimates that may cause significant adjustments to carrying amount of assets and liabilities in future periods at the balance sheet date:

Provision for decline in value of inventories

The Group recognizes the provision for decline in value of inventories based on the net realizable value of inventories. When there is an indication that the net realizable value is lower than the cost, the provision for decline in value of inventories should be recognized. Recognition of net realizable value requires judgment and estimates. If the re-estimate result is different from existing estimates, the difference will affect the carrying amount of inventories in the period in which the estimate is changed.

Notes to the Financial Statements

For the year ended 31 December 2023

IV. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES (continued)

Critical assumptions and uncertainties in accounting estimates (continued)

Useful lives of fixed assets

The useful lives of fixed assets are estimated based on the historical experience on the actual useful lives of fixed assets with similar natures and functions. If the period for use of fixed assets is shorter than estimates, the Group will take measures to accelerate the depreciation of fixed assets or to eliminate the fixed assets that are idle and technically obsolete.

Recognition of deferred tax assets

The realization of deferred tax assets depends on the actual tax rate applied to the actual profits and temporary differences in the future years. If the actual profits are less than estimates in the future, or the actual rate is lower than estimates, the recognized deferred tax assets will be reversed, and recognized in the income statement in the period in which the reversal is incurred. If the actual taxable income in the future is more than estimates, or the actual tax rate is higher than estimates, such deferred tax asset shall be adjusted and recognized in the income statement in the period in which they are incurred.

After-sales service expenses

The Group undertakes the warranty obligation for the vehicles sold within a certain warranty period, and accrues the after-sales service expenses according to the sales volume and estimated cost standards. If the actual after-sales service expenses are greater or less than the expected amount, it will affect the profit or loss of the period in which they are incurred.

Notes to the Financial Statements

For the year ended 31 December 2023

V. TAXATION

1. Major tax types and rates

Tax type	Basis	Tax rate
Value-added tax	<i>Sales/Purchase (Note)</i>	1%, 3%, 5%, 6%, 7%, 9%, 13%
Consumption tax	<i>Sales</i>	2%, 3%, 4%, 5%, 8%, 12%
City maintenance and construction tax	<i>Value-added tax and consumption tax</i>	1%, 5%, 7%
Education surcharge	<i>Value-added tax and consumption tax</i>	3%, 2%
Enterprise income tax	<i>Taxable income</i>	Note
Real estate tax	<i>Original cost/rental income of the real estate</i>	For self-occupied real estate of the Group, the tax is calculated at 70% of the original cost and a tax rate of 1.2%. For leased real estate, the tax is calculated at 12% of the rental income
Land use tax	<i>Land use area</i>	Relevant tax rate

Note: Except for the preferential income tax rate policy for branches and subsidiaries mentioned in Note 5 and 2, all companies within the Group located in Chinese mainland are subject to the corporate income tax rate of 25%. The Company's overseas subsidiaries are subject to VAT and corporate income tax calculated and paid at the statutory tax rate of the place where they operate, with the applicable VAT rate ranging from 4% to 21% and the applicable corporate income tax rate ranging from 15% to 34%.

Notes to the Financial Statements

For the year ended 31 December 2023

V. TAXATION (continued)

2. Tax incentives and approvals

2.1 Income tax incentives

2.1.1 Preferential income tax policies for employment of the disabled persons

According to the "Notice on Granting Tax Credit and Exemption Relating to Enterprise Income Tax on the Employment of Disabled Persons" (關於安置殘疾人員就業有關企業所得稅優惠政策問題的通知) (No. 70 [2009] of the MoF) (the "Notice") issued by the MoF and the State Administration of Taxation, the Company and its subsidiaries, The Company and its subsidiaries of the Company, Rizhao Wei Brand Automobile Co., Ltd. (日照魏牌汽車有限公司) ("Rizhao WEY"), Baoding Gerui Machinery Co., Ltd. (保定市格瑞機械有限公司) ("Baoding Gerui"), Baoding Yixin Auto Parts Co., Ltd. (保定億新汽車配件有限公司) ("Baoding Yixin"), NOBO Rubber Products Co., Ltd. (諾博橡膠製品有限公司) ("NOBO Rubber"), NOBO Rubber Products Co., Ltd. Baoding Branch (諾博橡膠製品有限公司保定分公司) ("NOBO Rubber Baoding"), Jingcheng Engineering Automotive Systems Co., Ltd. Shunping Seiko Die-casting Branch (精誠工科汽車系統有限公司順平精工壓鑄分公司) ("Seiko Automobile Shunping Die Casting"), Jingcheng Engineering Automotive Systems Co., Ltd. Shunping Precision Casting Branch (精誠工科汽車系統有限公司順平精工鑄造分公司) ("Jinggong Automobile Shunping Casting"), Jingcheng Engineering Automotive Systems Co., Ltd. Baoding Xushui Precision Chassis Branch (精誠工科汽車系統有限公司保定徐水精工底盤分公司) ("Jinggong Automobile Xushui Chassis"), Jingcheng Engineering Automotive Systems Co., Ltd. Baoding Precision Die Casting Branch (精誠工科汽車系統有限公司保定精工壓鑄分公司) ("Jinggong Automobile Baoding Die Casting"), Jingcheng Engineering Automotive Systems Co., Ltd. Baoding Xushui Precision Die Casting Branch (精誠工科汽車系統有限公司保定徐水精工壓鑄分公司) ("Jinggong Automobile Xushui Die Casting"), Jingcheng Engineering Auto Parts (Rizhao) Co., Ltd. (精誠工科汽車零部件(日照)有限公司) ("Seiko Parts Rizhao"), NOBO Automotive Systems Co., Ltd. (諾博汽車系統有限公司) ("NOBO Automobile"), NOBO Automotive Systems Co., Ltd. Baoding Xushui Company (諾博汽車系統有限公司保定徐水分公司) ("NOBO Auto Xushui"), NOBO Automotive Systems Co., Ltd. Baoding Xushui Seat Branch (諾博汽車系統有限公司保定徐水座椅分公司) ("NOBO Auto Xushui Seat"), NOBO Automotive Systems Co., Ltd. Tianjin Branch (諾博汽車系統有限公司天津分公司) ("NOBO Auto Tianjin"), NOBO Automotive Systems Co., Ltd. Rizhao Branch (諾博汽車系統有限公司日照分公司) ("NOBO Auto Rizhao"), Baoding NOBO Auto Decoration Co., Ltd. (保定諾博汽車裝飾件有限公司) ("NOBO Decoration"), NOBO Auto Parts (Pinghu) Co., Ltd. (諾博汽車零部件(平湖)有限公司) ("NOBO Auto Pinghu"), NOBO Auto Parts (Zhangjiagang) Co., Ltd. (諾博汽車零部件(張家港)有限公司) ("NOBO Auto Zhangjiagang"), NOBO Auto Parts (Tianjin) Co., Ltd. (諾博汽車零部件(天津)有限公司) ("NOBO Auto Tianjin"), NOBO Auto Parts (Rizhao) Co., Ltd. (諾博汽車零部件(日照)有限公司) ("NOBO Parts Rizhao"), NOBO Auto Parts (Ningyang) Co., Ltd. (諾博汽車零部件(寧陽)有限公司) ("NOBO Parts Ningyang"), NOBO Automotive Rubber & Plastic (Anhui) Co., Ltd. (諾博汽車橡塑(安徽)有限公司) ("NOBO Rubber & Plastics Anhui"), MIND Electronic & Electrical Co., Ltd. (曼德電子電器有限公司) ("MIND Electronics"), MIND Electronic & Electrical Co., Ltd. Baoding Xushui Electric System Branch (曼德電子電器有限公司保定徐水電氣系統分公司) ("MIND Electronic & Electrical Baoding Xushui Electric"),

V. TAXATION (continued)**2. Tax incentives and approvals** (Continued)**2.1 Income tax incentives** (Continued)*2.1.1 Preferential income tax policies for employment of the disabled persons* (Continued)

MIND Electronic & Electrical Co., Ltd. Baoding Xushui Optoelectronics Branch (曼德電子電器有限公司保定徐水光電分公司) (“MIND Electronic and Electric Baoding Xushui Optoelectronics”), MIND Electronic and Electric Co., Ltd. Baoding Optoelectronics Branch (曼德電子電器有限公司保定光電分公司) (“MIND Electronic and Electric Baoding Optoelectronics”), MIND Electronic and Electrical Co., Ltd. Baoding Xushui Thermal System Branch (曼德電子電器有限公司保定徐水熱系統分公司) (“MIND Electronic and Electrical Xushui Thermal System”), MIND Electronic and Electrical Co., Ltd. Baoding Thermal System Branch (曼德電子電器有限公司保定熱系統分公司) (“MIND Electronic and Electric Baoding Thermal System”), MIND Electronic and Electric Co., Ltd. Tianjin Electric System Branch (曼德電子電器有限公司天津電氣系統分公司) (“MIND Electronic Appliances Tianjin Electric System”), MIND Auto Parts (Rizhao) Co., Ltd. (曼德汽車零部件(日照)有限公司) (“MIND Parts Rizhao”), MIND Auto Parts (Chongqing) Co., Ltd. (曼德汽車零部件(重慶)有限公司) (“MIND Parts Chongqing”), Salon Mecha Technology Co., Ltd. (沙龍機甲科技有限公司) (“Salon Mecha Technology”), Tianjin Great Wall Lean Auto Parts Co., Ltd. (天津長城精益汽車零部件有限公司) (“Tianjin Lean”), NOBO Automotive Technology Co., Ltd. (諾博汽車科技有限公司) (“NOBO Automotive Technology”), NOBO Automotive Technology Co., Ltd. Shanghai Branch (諾博汽車科技有限公司上海分公司) (“NOBO Automotive Technology Shanghai”), NOBO Automotive Technology Nanjing Co., Ltd. (諾博汽車科技南京有限公司) (“NOBO Automotive Technology Nanjing”), Suzhou Love Voice Technology Co., Ltd. (蘇州愛情之音科技有限公司) (“Suzhou Love Voice”), Great Wall Motor Co., Ltd. Tianjin Haval Branch (長城汽車股份有限公司天津哈弗分公司) (“Great Wall Motor Tianjin Branch”), Great Wall Motor Co., Ltd. Dingxing Branch (長城汽車股份有限公司定興分公司) (“Great Wall Motor Dingxing Branch”), Great Wall Motor Co., Ltd. Tianjin Logistics Branch (長城汽車股份有限公司天津物流分公司) (“Great Wall Motor Tianjin Logistics Branch”), Beijing Great Wall Dongsheng Business Consulting Co., Ltd. (北京長城東晟商務諮詢有限公司) (“Great Wall Dongsheng”) satisfied all conditions as prescribed in the Notice for weighted deduction of 100% of the wages paid to the disabled staff, and when calculating the enterprise income tax, they were entitled to deduct 100% of the actual wages paid to the disabled staff.

Notes to the Financial Statements

For the year ended 31 December 2023

V. TAXATION (continued)

2. Tax incentives and approvals (Continued)

2.1 Income tax incentives (Continued)

2.1.2 Preferential income tax policies for new and high-tech enterprises

According to the “Enterprise Income Tax Law of the People’s Republic of China” and other relevant regulations, the Company and its subsidiaries, MIND Auto Parts (Jingmen) Co., Ltd. (曼德汽車零部件(荊門)有限公司) (“MIND Parts Jingmen”), Zhangjiagang Great Wall Motor R&D Co., Ltd. (張家港長城汽車研發有限公司) (“Zhangjiagang R&D”), FIG Intelligent Technology Co., Ltd. (菲格智能科技有限公司) (“FIG Intelligent”), Honeycomb Transmission Technology Pizhou Co., Ltd. (蜂巢傳動科技邳州有限公司) (“Honeycomb Transmission Pizhou”), Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. (精誠工科汽車零部件(揚中)有限公司) (“Seiko Parts Yangzhong”), Hebei Changzheng Automobile Manufacturing Co., Ltd. (河北長征汽車製造有限公司) (“Hebei Long March”), Honeycomb Transmission Technology Hebei Co., Ltd. (蜂巢傳動科技河北有限公司) (“Honeycomb Transmission Hebei”), Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. (蜂巢智能轉向系統(江蘇)有限公司) (“Honeycomb Intelligent Jiangsu”) and Honeycomb Power System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司) (“Honeycomb Power Jiangsu”), were identified as new high-tech enterprises in 2023 with the validity term of three years, and the applicable income tax rate from 2023 to 2025 is 15%.

The management of the Group expects that the Company’s subsidiaries, Baoding Gray, MIND Electronics, Honeycomb Transmission Technology (Chongqing) Co., Ltd. (蜂巢傳動科技(重慶)有限公司) (“Honeycomb Transmission Chongqing”), MIND Parts Rizhao, Honeycomb Weiling Power Technology (Jiangsu) Co., Ltd. (蜂巢蔚領動力科技(江蘇)有限公司) (“Honeycomb Weiling Power Technology (Jiangsu)”), NOBO Automotive Technology, NOBO Rubber, NOBO Decorations, Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司) (“Seiko Automobile”), NOBO Automobile, NOBO Parts Pinghu, HONEYCOMB Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司) (“HONEYCOMB Transmission”), NOBO Automotive Rubber & Plastics (Anhui) Co., Ltd. (諾博汽車橡塑(安徽)有限公司) (“NOBO Rubber & Plastics”) and Honeycomb Power Systems (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司) (“Honeycomb Power”), will complete the renewal of the high-tech enterprise qualification filing and continue to enjoy the high-tech enterprise tax benefits before the final settlement of income tax in 2023. Therefore, the enterprise income tax in the current period will still be paid at the rate of 15%.

V. TAXATION (continued)

2. Tax incentives and approvals (Continued)

2.1 Income tax incentives (Continued)

2.1.3 Preferential income tax policies for encouraged industry enterprises in the western region

According to the "Notice on Tax Policy Issues concerning Further Implementing the Western China Development Strategy" (關於深入實施西部大開發戰略有關稅收政策問題的通知) (No. 58 [2011]) and the "Announcement on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China" (關於延續西部大開發企業所得稅政策的公告) (Announcement No. 23 [2020]) issued by the MoF, the State Taxation Administration and the National Development and Reform Commission, subsidiaries of the Company including Chongqing Haval Automobile Co., Ltd. (重慶哈弗汽車有限公司) ("Chongqing Haval"), Chongqing Yongchuan District Great Wall Auto Parts Co., Ltd. (重慶市永川區長城汽車零部件有限公司) ("Chongqing Parts"), Chongqing Great Wall Automobile After-sales Service Co., Ltd. (重慶市長城汽車售後服務有限公司) ("Chongqing Great Wall After-sales"), Chongqing Haval Logistics Co., Ltd. (重慶哈弗物流有限公司) ("Chongqing Haval Logistics"), Chongqing Seiko Automobile, NOBO Auto Parts (Chongqing) Co., Ltd. (諾博汽車零部件(重慶)有限公司) ("Chongqing Nobo Parts"), MIND Parts Chongqing, Honeycomb Power System (Chongqing) Co., Ltd. (蜂巢動力系統(重慶)有限公司) ("Honeycomb Power Chongqing"), Honeycomb Power System (Chongqing) Co., Ltd. Foundry Branch (蜂巢動力系統(重慶)有限公司鑄造分公司) ("Honeycomb Power Casting Chongqing"), Chongqing WEY Automobile Sales Co., Ltd. (重慶魏牌汽車銷售有限公司) ("Chongqing WEY brand") and Chongqing Great Wall Automobile Technology Co., Ltd. (重慶長城汽車技術有限公司) ("Chongqing Great Wall Technology") are comply with the provisions of the Notice and are therefore subject to the reduced enterprise income tax rate of 15% from 2021 to 2030.

2.1.4 Preferential income tax policies for small low-profit enterprises

According to the "Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises" (關於實施小微企業普惠性稅收減免政策的通知) (No. 13 [2019]) issued by the MoF and the State Administration of Taxation, the company in the Group as micro and small enterprise, whose annual taxable income not exceeding RMB1 million will reduce to 25% of the annual taxable income to calculate income tax at an income tax rate of 20% in 2020. According to "Announcement on Implementing the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households" 《關於實施小微企業和個體工商戶所得稅優惠政策的公告》 (No. 12 [2021]) issued by the MoF and the State Administration of Taxation, the annual taxable income of the micro and small enterprises of the Group that is not more than RMB1 million shall be subject to one-half reduced enterprise income tax on the basis of the preferential policies as prescribed in Article II of Cai Shui [2019] No. 13 from 1 January 2021 to 31 December 2022.

Notes to the Financial Statements

For the year ended 31 December 2023

V. TAXATION (continued)

2. Tax incentives and approvals (Continued)

2.1 Income tax incentives (Continued)

2.1.4 Preferential income tax policies for small low-profit enterprises (Continued)

According to the “Announcement on Further Implementing the Preferential Income Tax Policies for Micro and Small Enterprises” (關於進一步實施小微企業所得稅優惠政策的公告) (No. 13 [2022]) issued by the MoF and the State Administration of Taxation, the company in the Group as micro and small enterprise, whose annual taxable income exceeding RMB1 million but not more than RMB3 million will reduce to 25% of the annual taxable income to calculate income tax at an income tax rate of 20% from 2022 to 2024.

According to the “Announcement on Further Implementing the Preferential Income Tax Policies for Micro and Small Enterprises” (關於進一步實施小微企業所得稅優惠政策的公告) (No. 6 [2023]) issued by the MoF and the State Administration of Taxation, the company in the Group as micro and small enterprise, whose annual taxable income exceeding RMB1 million but not more than RMB3 million will reduce to 25% of the annual taxable income to calculate income tax at an income tax rate of 20% from 2023 to 2024.

2.1.5 Deducted for Research and Development expenses

According to the Announcement on Further Improving the Policy of Pre-tax Deduction of R&D Expenses (關於進一步完善研發費用稅前加計扣除政策的公告) (No. 7 [2023]) of the State Administration of Taxation of the Ministry of Finance, the Company and its subsidiaries will be deducted before tax at 100% of the actual amount incurred when calculating the taxable income from January 1, 2023, and 200% of the cost of the intangible assets will be amortized before tax from January 1, 2023.

V. TAXATION (continued)

2. Tax incentives and approvals (Continued)

2.2 Value-added tax incentives

2.2.1 Preferential value-added tax policies for employment of disabled persons

According to the “Notice on Preferential VAT Policies for Promoting the Employment of Disabled Persons” (關於促進殘疾人就業增值稅優惠政策的通知) (No. 52 [2016]) issued by the MoF and State Administration of Taxation, Baoding Great, Rizhao WEY, MIND Parts Rizhao and Baoding Yixin, subsidiaries of the Company, met the conditions: the ratio of the disabled persons employed by the taxpayer each month to the number of in-service employees is 25% or more, the number of disabled persons employed by the taxpayer is ten or more, and “the income from production and sales of commodities, the provision of processing, repair and maintenance services and provision of modern services of replacing business tax with VAT and life services accounts for 50% of the taxation income for the purpose of value-added tax” as approved by relevant authorities. The tax authorities shall adopt the method of refund immediately after payment of VAT with a limit to the entities and individual industrial and commercial households employing disabled persons (hereinafter referred to as “taxpayers”) according to the number of disabled persons actually employed. The specific limit of VAT refundable to each disabled person employed by a taxpayer shall be determined by the tax authority at or above the county level as quadruple the minimum monthly wage standard applicable in the district or county (including a county-level city or banner) as approved by the people’s government of a province (including an autonomous region, municipality directly under the Central Government, or city under separate state planning).

Notes to the Financial Statements

For the year ended 31 December 2023

V. TAXATION (continued)

2. Tax incentives and approvals (Continued)

2.2 Value-added tax incentives (Continued)

2.2.2 Value-added tax deduction for advanced manufacturing enterprises

In accordance with the provisions of the Ministry of Finance and the State Administration of Taxation "Announcement on the VAT Deduction Policy for Advanced Manufacturing Enterprises" (關於先進製造業企業增值稅加計抵減政策的公告) ([2023] No. 43), the Company's subsidiaries MIND Electronics, MIND Electronic and Electric Baoding Optoelectronics, MIND Electronic and Electric Baoding Xushui Optoelectronics, MIND Electronic and Electric Xushui Thermal System, MIND Electronic and Electric Baoding Thermal System, MIND Electronic and Electric Baoding Thermal System, MIND Electronic and Electric Baoding Xushui Electric, MIND Electronic and Electric Tianjin Electric System, Baoding Gray, Honeycomb Transmission, Honeycomb Transmission Technology Hebei Co., Ltd. Xushui Company (蜂巢傳動科技河北有限公司徐水分公司) ("Honeycomb Transmission Xushui"), Honeycomb Transmission Hebei, Honeycomb Transmission Chongqing, Baoding Production Branch of Honeycomb Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司保定生產分公司) ("Honeycomb Transmission Baoding Production"), Seiko Automobile, Jingcheng Engineering Automotive System Co., Ltd. Baoding Xushui Precision Punching and Welding Branch (精誠工科汽車系統有限公司保定徐水精工衝焊分公司) ("Seiko Automobile Baoding Xushui Punching and Welding"), Jingcheng Engineering Automotive Systems Co., Ltd. Baoding Mold Technology Branch (精誠工科汽車系統有限公司保定模具技術分公司) ("Seiko Automobile Baoding Mold"), Jingcheng Engineering Automotive Systems Co., Ltd. Baoding Automation Technology Branch (精誠工科汽車系統有限公司保定自動化技術分公司) ("Jingong Automobile Baoding Automation"), Seiko Automobile Shunping Die Casting, Seiko Automobile Shunping Die Casting, Seiko Automobile Xushui Die Casting, Seiko Automobile Xushui Chassis, Noble Decorations, Nobo Rubber, Nobo Rubber Baoding, Nobo Automobile Xushui Seat, Nobo Automotive Technology, Honeycomb Weiling Power Technology (Jiangsu), Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. Xushui Company (蜂巢智能轉向系統(江蘇)有限公司徐水分公司) ("Honeycomb Intelligent Steering Xushui") If the conditions specified in the above documents are met, from January 1, 2023 to December 31, 2027, it is allowed to deduct the VAT payable according to the deductible input tax of the current period plus 5%.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB

Item	31/12/2023	31/12/2022
Cash:		
RMB	197,478.54	261,446.89
GBP	14,585.28	13,541.53
HKD	7,127.78	7,025.93
Others	16,270.34	12,998.10
Bank balances:		
RMB	29,525,636,782.60	23,287,573,730.61
AUD	1,552,102,888.54	982,155,655.74
BRL	1,424,592,474.16	103,474,616.96
USD	1,084,220,252.73	371,896,810.36
ZAR	488,037,675.51	267,260,784.35
EUR	375,901,949.49	651,798,992.61
NZD	309,944,626.21	194,238,389.66
RUB	196,646,284.50	629,167,651.34
Others	314,859,561.67	410,795,234.90
Other cash and bank balances:		
RMB	3,058,917,292.32	8,868,174,976.08
Others	6,139,816.87	6,635,975.22
Total	38,337,235,066.54	35,773,467,830.28
Including: Overseas cash and bank balances	5,254,416,415.90	4,008,702,214.52

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Cash and bank balances (continued)

As at 31 December 2023, the Group has restricted cash and bank balances of RMB3,065,057,109.19. Of which, the guarantee on bank acceptance notes amount to RMB3,003,629,203.68, guarantee on letter of credit amount to RMB45,660,266.01, guarantee on letter of guarantee amount to RMB5,272,042.50, and other guarantees amount to RMB10,495,597.00.

As at 31 December 2022, the Group has restricted cash and bank balances of RMB8,874,810,951.30. Of which, the guarantee on bank acceptance notes amount to RMB8,828,157,244.29, guarantee on letter of credit amount to RMB20,640,048.91, guarantee on letter of guarantee amount to RMB21,504,945.36, and other guarantees amount to RMB4,508,712.74.

2. Held-for-trading financial assets

	<i>RMB</i>	
Item	31/12/2023	31/12/2022
Financial assets classified as at fair value through profit or loss	4,112,386,017.05	2,053,553,807.44
Including: Equity instrument	—	494,949,000.00
Wealth management products	4,112,386,017.05	1,558,604,807.44
Total	4,112,386,017.05	2,053,553,807.44

3. Accounts receivable

(1) Disclosed by aging:

	<i>RMB</i>	
Aging	31/12/2023 Amount	31/12/2022 Amount
Within 1 year	7,280,924,698.20	6,503,334,038.81
1 to 2 years	36,866,796.57	182,961,122.72
2 to 3 years	27,569,006.12	7,298,644.86
Over 3 years	376,389,616.26	370,752,280.11
Total	7,721,750,117.15	7,064,346,086.50

The analysis of aging of accounts receivable is based on the time of revenue recognition.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable (continued)

(2) Disclosed by classification of method of credit loss provision

RMB

Classifications	31/12/2023					31/12/2022				
	Carrying amount		Credit loss provision		Book value	Carrying amount		Credit loss provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)		Amount	Ratio (%)	Amount	Ratio (%)	
Credit loss provision assessed by single	351,072,230.52	4.55	(351,072,230.52)	100.00	—	345,218,300.46	4.89	(345,218,300.46)	100.00	—
Credit loss provision assessed by portfolios	7,370,677,886.63	95.45	(177,484,042.71)	2.41	7,193,193,843.92	6,719,127,786.04	95.11	(107,936,638.89)	1.61	6,611,191,147.15
Total	7,721,750,117.15	100.00	(528,556,273.23)	6.85	7,193,193,843.92	7,064,346,086.50	100.00	(453,154,939.35)	6.41	6,611,191,147.15

Credit loss provision assessed by single

RMB

Entity	31/12/2023			reason
	Carrying amount	Credit loss provision	Ratio (%)	
Entity 1	351,072,230.52	(351,072,230.52)	100	The debtor goes bankrupt
Total	351,072,230.52	(351,072,230.52)		

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable (continued)

(2) Disclosed by classification of method of credit loss provision (continued)

Description of accounts receivable for which credit loss provision has been assessed by portfolios:

As part of the Group's credit risk management, the Group base on the credit period of receivables and overdue aging to assess the expected credit losses of various receivables.

The expected credit loss provision of accounts receivable for which credit loss provision has been assessed by portfolios is as follows:

RMB

Aging	31/12/2023				31/12/2022			
	Expected average loss rate	Carrying amount	Credit loss provision	Book value	Expected average loss rate	Carrying amount	Credit loss provision	Book value
Within credit period	0.00%-4.00%	7,151,007,821.52	(23,137,378.26)	7,127,870,443.26	0.00%-4.00%	6,588,061,060.41	(17,682,147.33)	6,570,378,913.08
1 to 180 days overdue	14.62%-50.00%	76,513,064.50	(11,189,663.84)	65,323,400.66	11.78%-50.00%	46,260,173.57	(5,447,939.50)	40,812,234.07
Overdue more than 180 days	100.00%	143,157,000.61	(143,157,000.61)	—	100.00%	84,806,552.06	(84,806,552.06)	—
Total		7,370,677,886.63	(177,484,042.71)	7,193,193,843.92		6,719,127,786.04	(107,936,638.89)	6,611,191,147.15

RMB

Credit loss provision	2023		Total
	Lifetime ECL (not occurred credit-impairment)	Lifetime ECL (occurred credit-impairment)	
Balance at 1 January 2023	23,130,086.83	430,024,852.52	453,154,939.35
— Transfer to occurred credit impairment	(38,422,461.11)	38,422,461.11	—
Provision for the year	98,337,116.47	45,340,877.47	143,677,993.94
Reversal for the year	(48,717,700.09)	(21,509,847.64)	(70,227,547.73)
Write-off for the year	—	(3,903,042.39)	(3,903,042.39)
Foreign currency translation differences	—	5,853,930.06	5,853,930.06
Balance at 31 December 2023	34,327,042.10	494,229,231.13	528,556,273.23

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable (continued)

(3) Provision, collection or reversal of credit loss provision for the period:

RMB

Category	1/1/2023	Provision	Movement		others	31/12/2023
			Reversal	Write-off		
Credit loss provision assessed by single	345,218,300.46	—	—	—	5,853,930.06	351,072,230.52
Credit loss provision assessed by portfolios	107,936,638.89	143,677,993.94	(70,227,547.73)	(3,903,042.39)	—	177,484,042.71
total	453,154,939.35	143,677,993.94	(70,227,547.73)	(3,903,042.39)	5,853,930.06	528,556,273.23

(4) Accounts receivable actually written-off during the year

RMB

Item	written-off amount
Accounts receivable actually written-off	3,903,042.39

(5) Top five entities with the largest balances of accounts receivable:

RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion of the amount to the total accounts receivable and contract assets (%)	Closing balance of credit loss provision
Customer 1	830,783,481.00	52,210,745.00	882,994,226.00	11.36	—
Customer 2	636,668,043.27	—	636,668,043.27	8.19	—
Customer 3	434,792,002.66	—	434,792,002.66	5.59	—
Customer 4	351,072,230.52	—	351,072,230.52	4.52	(351,072,230.52)
Customer 5	318,296,980.70	—	318,296,980.70	4.09	—
Total	2,571,612,738.15	52,210,745.00	2,623,823,483.15	33.75	(351,072,230.52)

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Notes receivable and financing with receivables

4.1 Notes receivable

(1) Classification of notes receivable

RMB

Category	31/12/2023	31/12/2022
Bank acceptances	2,924,961,144.14	2,686,688,339.57
Commercial acceptances	26,800,467.46	49,197,960.43
Total	2,951,761,611.60	2,735,886,300.00

The Group pledged notes receivable amount to RMB1,444,899,637.66 at the end of this year to issue notes payable.

(2) Financing with receivables endorsed or discounted by the Group at the end of the year and not yet due on the balance sheet date

RMB

Item	The amount of derecognition at the end of the year	The amount of not derecognition at the end of the year
Bank acceptances	–	782,570,980.88
Commercial acceptances	–	20,349,001.17
Total	–	802,919,982.05

4.2 Financing with receivables

(1) Classification

RMB

Category	31/12/2023	31/12/2022
Bank acceptances	28,923,599,369.45	22,152,492,848.09
Total	28,923,599,369.45	22,152,492,848.09

The Group classifies notes as financial assets at fair value through other comprehensive income based on the business model in which the Group manages such notes.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Notes receivable and financing with receivables (continued)

4.2 Financing with receivables (continued)

(2) The pledged financing with receivables at the end of the year

RMB

Item	31/12/2023	31/12/2022
Bank acceptances	18,302,701,191.70	16,921,215,489.61
Total	18,302,701,191.70	16,921,215,489.61

Note: The Group pledged such notes at the end of this year for issuing notes payable.

(3) Financing with receivables endorsed or discounted by the Group at the end of the year and not yet due on the balance sheet date

RMB

Project	The amount of derecognition at the end of the year	The amount of not derecognition at the end of the year
Bank acceptances	35,121,032,072.26	—
Total	35,121,032,072.26	—

Financing with receivables endorsed or discounted by the Group at the end of the year and not yet due on the balance sheet date amount to 35,121,032,072.26 31 December 2022: RMB25,406,016,433.32). Due to the good reputation of the acceptor, the risk that the acceptor will not be able to redeem on the maturity date is very low, the Group considers that almost all of the risks and rewards in the ownership of such discounted or endorsed notes receivable have been transferred and de-recognizes such notes receivable.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Prepayments

(1) Prepayments by aging:

RMB

Aging	31/12/2023		31/12/2022	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	3,279,002,568.52	84.67	2,084,618,548.19	93.53
1 to 2 years	575,181,932.64	14.85	134,864,541.79	6.05
2 to 3 years	14,405,749.31	0.37	5,347,588.98	0.24
Over 3 years	4,137,187.67	0.11	4,063,132.92	0.18
Total	3,872,727,438.14	100.00	2,228,893,811.88	100.00

Description of aging of prepayments:

Prepayments with aging over one year are mainly amounts prepaid to raw material suppliers which are not settled.

(2) Top five entities with the largest balances of prepayments:

RMB

Name of entity	Amount	Proportion of the amount to the total prepayments (%)
Supplier 1	764,639,963.69	19.74
Supplier 2	452,352,242.21	11.68
Supplier 3	113,458,004.37	2.93
Supplier 4	101,906,957.75	2.63
Supplier 5	85,385,386.84	2.20
Total	1,517,742,554.86	39.18

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables

6.1 Summary of other receivables

RMB

Item	31/12/2023	31/12/2022
Interest receivable	1,330,708.90	11,817,739.94
Other receivables	2,112,645,064.03	2,403,757,888.32
Total	2,113,975,772.93	2,415,575,628.26

6.2 Interest receivable

RMB

Item	31/12/2023	31/12/2022
Interest of bank deposits	1,330,708.90	11,817,739.94
Total	1,330,708.90	11,817,739.94

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables (continued)

6.3 Other receivables

(1) Disclosed by aging:

RMB		
Aging	31/12/2023	31/12/2022
Within 1 year	1,892,538,305.37	2,050,283,076.46
1 to 2 years	80,184,221.57	143,563,907.61
2 to 3 years	118,917,812.61	74,022,379.99
Over 3 years	21,004,724.48	135,888,524.26
Total	2,112,645,064.03	2,403,757,888.32

(2) Other receivables classified by nature are as follows:

RMB		
Nature	Carrying amount at 31/12/2023	Carrying amount at 31/12/2022
Taxes refunds	1,323,389,238.20	928,992,309.85
Security and margin deposits	79,891,332.04	87,241,471.35
Pretty cash	29,557,303.29	28,557,029.67
Purchase margin	—	668,208,827.66
Proceeds from land transfer	—	270,758,568.00
Others	681,431,926.79	430,710,402.50
Total	2,114,269,800.32	2,414,468,609.03

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables (continued)

6.3 Other receivables (continued)

(3) Analysis of credit loss provision

RMB

Credit loss provision	Phase 1	Phase 2	Phase 3	Total
	Future 12-month ECL	Lifetime ECL (not occurred credit- impairment)	Lifetime ECL (occurred credit- impairment)	
Balance at				
1 January 2023	—	863,359.43	9,847,361.28	10,710,720.71
Provision for the year	—	—	1,293,983.92	1,293,983.92
Reversal for the year	—	—	(10,199,668.63)	(10,199,668.63)
Write-off for the year	—	—	(180,299.71)	(180,299.71)
Transfer to occurred credit impairment	—	(863,359.43)	863,359.43	—
Balance at 31 December 2023	—	—	1,624,736.29	1,624,736.29

The Group determines the expected credit losses for other receivables based on historical experience data and forward-looking information. For the year of 2023 and 2022, the Group's assessment methods and major assumptions have not changed.

(4) Credit loss provision

RMB

Category	1/1/2023	Provision	Movement			31/12/2023
			Reversal	Write-off	others	
Credit loss provision assessed by portfolios	10,710,720.71	1,293,983.92	(10,199,668.63)	(180,299.71)	—	1,624,736.29
Total	10,710,720.71	1,293,983.92	(10,199,668.63)	(180,299.71)	—	1,624,736.29

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables (continued)

6.3 Other receivables (continued)

(5) Top five entities with the largest balances of other receivables:

RMB					
Name of entity	Amount	Proportion of the amount to the total other receivables (%)	Nature	Aging	Closing balance of credit loss provision
Entity 1	914,385,513.84	43.25	Taxes refunds	Within 1 year	—
Entity 2	217,671,456.69	10.30	Vat refunds	Within 1 year	—
Entity 3	172,658,862.92	8.17	Vat refunds	Within 1 year	—
Entity 4	166,747,657.93	7.89	Advance payment	Within 1 year, 1 to 2 years, 2 to 3 years	—
Entity 5	120,171,000.00	5.68	Other	Within 1 year	—
Total	1,591,634,491.38	75.29			

The Group has no other receivables related to government grant.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Inventories

(1) Inventories by category

RMB

Item	31/12/2023		
	Carrying amount	Provision for decline in value of inventories	Book value
Raw materials	6,559,497,056.31	(77,941,880.18)	6,481,555,176.13
Work-in-progress	2,061,163,374.58	(2,975,884.58)	2,058,187,490.00
Finished goods	17,563,112,796.51	(125,784,964.85)	17,437,327,831.66
Low-valued and short-lived consumables	651,147,053.32	(463,201.16)	650,683,852.16
Total	26,834,920,280.72	(207,165,930.77)	26,627,754,349.95

RMB

Item	31/12/2022		
	Carrying amount	Provision for decline in value of inventories	Book value
Raw materials	7,338,037,595.65	(130,639,116.93)	7,207,398,478.72
Work-in-progress	1,969,018,738.91	(5,880,354.95)	1,963,138,383.96
Finished goods	12,555,442,806.64	(55,480,359.78)	12,499,962,446.86
Low-valued and short-lived consumables	704,967,316.63	(944,249.16)	704,023,067.47
Total	22,567,466,457.83	(192,944,080.82)	22,374,522,377.01

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Inventories (continued)

(2) Provision for decline in value of inventories

RMB

Inventories by category	1/1/2023	Provision for the year	Decrease for the year		Other increase (decrease) for the year	31/12/2023
			Reversals	Written-off or Reversals		
Raw materials	130,639,116.93	155,034,426.85	(31,453,295.33)	(176,360,355.37)	81,987.10	77,941,880.18
Work-in-progress	5,880,354.95	8,932,575.68	(646.01)	(11,836,400.04)	—	2,975,884.58
Finished goods	55,480,359.78	371,084,310.56	(39,539,131.34)	(255,741,153.38)	(5,499,420.77)	125,784,964.85
Low-valued and short-lived consumables	944,249.16	—	(7,008.61)	(448,367.90)	(25,671.49)	463,201.16
Total	192,944,080.82	535,051,313.09	(71,000,081.29)	(444,386,276.69)	(5,443,105.16)	207,165,930.77

(3) Analysis of provision for decline in value of inventories

Item	Basis of provision for decline in value of inventories	Reasons for reversal or written-off of provision for decline in value of inventories during the year	Percentage of the reversal to the closing balance of the inventory during the year (%)
Raw materials	Note 1	Note 2	0.48
Work-in-progress	Note 1	Note 2	—
Finished goods	Note 1	Note 2	0.23
Low-valued and short-lived consumables	Note 1	Note 2	—

Descriptions of inventories:

Note 1: As the estimated net realizable value of some vehicle products was lower than the inventories costs as at the end of the year, provision for decline in value of inventories had been made for raw materials, work-in-progress, and finished goods correspondingly.

Note 2: As the estimated net realizable value of part of the inventory was higher than the inventories costs as at the end of the year, the provision for decline in value of inventories for the previous year has been reversed. In addition, as the inventories for which provision for decline in value has been made in the previous year was sold during the year, the provision for decline in value of inventories has been written off.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Contract assets

(1) Contract assets

RMB

Item	31/12/2023			31/12/2022		
	Carrying amount	Credit loss provision	Book value	Carrying amount	Credit loss provision	Book value
State subsidies receivable	159,478,424.00	—	159,478,424.00	1,293,322,393.00	—	1,293,322,393.00
Less: Reclassified as other non-current assets	107,267,679.00	—	107,267,679.00	1,289,249,601.00	—	1,289,249,601.00
Total	52,210,745.00	—	52,210,745.00	4,072,792.00	—	4,072,792.00

(2) The amount and reason for the material change in book value during the year

RMB

Item	Carry amount	Movement analyse
State subsidies receivable	1,133,843,969.00	The subsidy policy for the purchase of new energy vehicles issued by the Ministry of Industry and Information Technology (MIIT) was terminated on December 31, 2022, and there were no new state subsidy receivables in 2023, and the Group successively recovered the state subsidy receivables from previous years.

9. Other current assets

Details of other current assets:

RMB

Item	31/12/2023	31/12/2022
Taxes to be deducted	1,660,699,347.19	1,674,457,396.94
Mould (Note 1)	685,279,060.12	577,411,498.39
Prepaid enterprise income tax	59,246,481.51	85,502,919.99
Deposits in non-bank financial institutions	—	6,908,799,698.05
Others	154,278,562.56	143,050,022.18
Total	2,559,503,451.38	9,389,221,535.55

Note 1: The estimated useful life is less than one year.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Long-term receivables

(1) Long-term receivables

RMB

Item	31/12/2023			31/12/2022			Discount rate range
	Carrying amount	Credit loss provision	Book value	Carrying amount	Credit loss provision	Book value	
Performance bond	—	—	—	396,861,252.35	—	396,861,252.35	
Land advances	362,926,261.22	—	362,926,261.22	362,171,972.59	—	362,171,972.59	2.21%
Finance lease receivables	3,313,084,567.05	(58,851,833.81)	3,254,232,733.24	2,990,224,044.44	(65,171,364.95)	2,925,052,679.49	0.00-15.00%
Including: Unearned finance income	(341,691,325.14)	—	(341,691,325.14)	(314,677,178.60)	—	(314,677,178.60)	—
Subtotal	3,676,010,828.27	(58,851,833.81)	3,617,158,994.46	3,749,257,269.38	(65,171,364.95)	3,684,085,904.43	—
Less: Long-term receivables due within one year	1,856,492,759.94	(30,492,462.82)	1,826,000,297.12	1,972,308,775.07	(43,634,099.01)	1,928,674,676.06	—
Total	1,819,518,068.33	(28,359,370.99)	1,791,158,697.34	1,776,948,494.31	(21,537,265.94)	1,755,411,228.37	—

(2) Credit loss provision

RMB

Category	31/12/2023					31/12/2022				
	Carrying amount	Ratio (%)	Credit loss provision	Ratio (%)	Book value	Carrying amount	Ratio (%)	Credit loss provision	Ratio (%)	Book value
Credit loss provision by portfolios										
Including: Performance bond and Land advances	362,926,261.22	9.87	—	—	362,926,261.22	759,033,224.94	20.24	—	—	759,033,224.94
Finance lease receivables	3,313,084,567.05	90.13	(58,851,833.81)	1.78	3,254,232,733.24	2,990,224,044.44	79.76	(65,171,364.95)	2.18	2,925,052,679.49
Total	3,676,010,828.27	100.00	(58,851,833.81)	1.60	3,617,158,994.46	3,749,257,269.38	100.00	(65,171,364.95)	1.74	3,684,085,904.43

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Long-term receivables (continued)

(2) Credit loss provision (continued)

Credit loss provision assessed by portfolios

provision by portfolios	Performance bond and Land advance
provision by portfolios	Finance lease receivables

RMB

Item	31/12/2023		
	Carrying amount	Credit loss provision	Ratio(%)
Performance bond and Land advance	362,926,261.22	—	—
Finance lease receivables	3,313,084,567.05	58,851,833.81	1.78
Total	3,676,010,828.27	58,851,833.81	

In order to reduce the credit risk of finance lease receivables, the Group uses the credit risk rating system to divide the finance lease receivables into five risk levels: normal, concerned, subordinate, suspicious and loss based on the transaction records and relevant external information available. During the year of 2023 and 2022, the Group's assessment methods and major assumptions have not changed.

(3) Provision for bad debts according to the model of expected credit losses

RMB

Credit loss provision	2023		Total
	Lifetime ECL (not occurred credit-impairment)	Lifetime ECL (occurred credit-impairment)	
Balance at 1 January 2023	44,709,124.12	20,462,240.83	65,171,364.95
Provision for the year	35,351,964.34	12,753,942.73	48,105,907.07
Reversal for the year	(35,155,844.37)	(15,027,460.79)	(50,183,305.16)
Write-off for the year	—	(4,242,133.05)	(4,242,133.05)
— Transfer to credit impairment occurred	(10,351,655.63)	10,351,655.63	—
Balance at 31 December 2023	34,553,588.46	24,298,245.35	58,851,833.81

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Long-term receivables (continued)

(4) Credit loss provision

RMB

Category	Movement					31/12/2023
	1/1/2023	Provision	Reversal	Write-off	others	
Finance lease receivables	65,171,364.95	48,105,907.07	(50,183,305.16)	(4,242,133.05)	—	58,851,833.81
Total	65,171,364.95	48,105,907.07	(50,183,305.16)	(4,242,133.05)	—	58,851,833.81

(5) Long-term receivables actually written-off during the year

RMB

Item	written-off amount
Finance lease receivables	4,242,133.05
Total	4,242,133.05

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments

The details of long-term equity investments are as follows:

RMB

Investee	1/1/2023	Changes in the year							31/12/2023	Closing balance of impairment provision	
		Increase for the year	Decrease in investment	Investment profit or loss recognized under the equity method	Other comprehensive income adjustment	Other equity changes	Declared cash dividends or profits	Provision for impairment			Others
Joint ventures											
Auto finance	10,212,327,960.02	—	—	785,645,841.96	—	—	(321,680,787.88)	—	—	10,676,293,014.10	—
Chongqing PetroChina Haval Energy Co., Ltd. (重慶中油哈爾濱能源有限公司)	996,613.94	—	—	(36,625.24)	—	—	—	—	—	959,988.70	—
Subtotal	10,213,324,573.96	—	—	785,609,216.72	—	—	(321,680,787.88)	—	—	10,677,253,002.80	—
Associates											
Haomo Zhixing Technology Co., Ltd. (毫未智行科技有限公司)("Haomo Zhixing")	—	—	—	(32,961,404.37)	—	32,961,404.37	—	—	—	—	—
Jiangsu Baojie Electromechanical Co., Ltd. (江蘇寶捷機電有限公司). ("Jiangsu Baojie")	10,244,011.82	—	—	4,399,364.41	—	—	—	—	—	14,643,376.23	—
Jiangsu Longcheng Alloy Material Co. LTD (江蘇隆誠合金材料有限公司) ("Jiangsu Longcheng")	52,029,981.77	—	—	705,869.63	—	641,517.13	—	—	—	53,377,368.53	—
Wuxi Xindong Semiconductor Technology Co., Ltd (無錫芯動半導體科技有限公司) ("Wuxi Xindong")	9,986,742.43	—	—	(4,138,417.38)	—	—	—	—	—	5,848,325.05	—
Subtotal	72,260,736.02	—	—	(31,994,587.71)	—	33,602,921.50	—	—	—	73,869,069.81	—
Total	10,285,585,309.98	—	—	753,614,629.01	—	33,602,921.50	(321,680,787.88)	—	—	10,751,122,072.61	—

As for the loss of Minmo Zhixing in the current year, the Group recognizes the investment loss according to the loss share of the associated enterprise, and the unrecognized loss share in the current year is RMB137,101,869.24. The share of accumulated losses at the end of the period is RMB226,207,270.85.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Other equity instrument investments

RMB

Item	1/1/2023	Movement					31/12/2023	Dividend income of current year	accumulated other comprehensive income	accumulated other comprehensive loss	Reason of designated as financial asset at FVOCI
		Increase in investment	Decrease in investment	Other comprehensive income of current year	Other comprehensive loss of current year	others					
Unlisted equity instrument investments	1,481,976,762.81	—	—	433,300,257.80	—	5,242,895.21	1,920,519,915.82	5,067,360.00	1,254,668,220.61	—	Held for non-trading
Total	1,481,976,762.81	—	—	433,300,257.80	—	5,242,895.21	1,920,519,915.82	5,067,360.00	1,254,668,220.61	—	/

The above unlisted equity instrument investments are equity investments in unlisted enterprises held by the Group and the Company.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Investment properties

The investment properties measured at cost:

RMB

Item	Buildings	Land use right	Total
I. Original carrying amount			
1 January 2023	607,190,383.08	22,185,808.77	629,376,191.85
Additions for the year	165,622,026.54	198,569.30	165,820,595.84
1. Acquisition	4,875,979.58	—	4,875,979.58
2. Transfer from intangible assets	—	198,569.30	198,569.30
3. Transfer from construction in progress	12,615.92	—	12,615.92
4. Transfer from fixed assets	160,733,431.04	—	160,733,431.04
Decrease for the year	(51,084,175.46)	(4,229,233.31)	(55,313,408.77)
1. Disposal	(247,200.00)	—	(247,200.00)
2. Transfer to intangible assets	—	(4,229,233.31)	(4,229,233.31)
3. Transfer to fixed assets	(50,836,975.46)	—	(50,836,975.46)
Foreign currency translation differences	(1,661,110.18)	—	(1,661,110.18)
31 December 2023	720,067,123.98	18,155,144.76	738,222,268.74
II. Accumulated amortization and depreciation			
1 January 2023	202,867,796.90	4,066,273.01	206,934,069.91
Additions for the year	87,981,822.14	868,534.42	88,850,356.56
1. Provision or amortization	46,800,629.51	848,597.82	47,649,227.33
2. Transfer from intangible assets	—	19,936.60	19,936.60
3. Transfer from fixed assets	41,181,192.63	—	41,181,192.63
Decrease for the year	6,778,228.56)	(489,271.25)	(7,267,499.81)
1. Disposal	(28,697.50)	—	(28,697.50)
2. Transfer to intangible assets	—	(489,271.25)	(489,271.25)
3. Transfer to fixed assets	(6,749,531.06)	—	(6,749,531.06)
Foreign currency translation differences	(256,539.09)	—	(256,539.09)
31 December 2023	283,814,851.39	4,445,536.18	288,260,387.57
III. Book value			
1 January 2023	404,322,586.18	18,119,535.76	422,442,121.94
31 December 2023	436,252,272.59	13,709,608.58	449,961,881.17

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets

(1) Information of fixed assets:

RMB

Item	Buildings	Machinery and equipment	Transportation vehicles	Land assets	Other equipment	Total
i. Original carrying amount						
1 January 2023	17,691,650,138.53	27,050,102,086.12	522,334,865.23	—	11,383,384,227.40	56,647,471,317.28
Additions for the year	882,073,054.14	5,239,974,842.56	916,928,372.93	375,658,123.16	2,042,734,715.27	9,457,369,108.06
1. Acquisition	243,358,985.36	1,365,611,742.86	104,923,300.30	—	875,467,728.26	2,589,361,756.78
2. Transfer from construction in progress	587,877,093.32	3,843,071,857.34	656,726,802.10	33,990,244.40	1,125,103,181.18	6,246,769,178.34
3. Transfer from inventories	—	31,291,242.36	155,278,270.53	—	42,163,805.83	228,733,318.72
4. Transfer from investment properties	50,836,975.46	—	—	—	—	50,836,975.46
5. Transfer from others	—	—	—	341,667,878.76	—	341,667,878.76
Decrease for the year	(1,161,051,510.34)	(999,008,995.77)	(62,328,282.72)	—	(225,575,253.64)	(2,447,964,042.47)
1. Disposal or retired	(21,273,257.79)	(174,488,026.53)	(55,686,890.22)	—	(146,418,148.48)	(397,866,323.02)
2. Decrease for transferring to construction in progress	—	(222,645,323.27)	(68,933.40)	—	(11,870,172.79)	(234,584,429.46)
3. Transfer to investment properties	(160,733,431.04)	—	—	—	—	(160,733,431.04)
4. Other transfer-out	(979,044,821.51)	(601,875,645.97)	(1,455,153.51)	—	(66,099,628.85)	(1,648,475,249.84)
5. Decrease for disposal of subsidiaries	—	—	(5,117,305.59)	—	(1,187,303.52)	(6,304,609.11)
Foreign currency translation differences	(194,490,268.71)	(141,752,639.00)	(3,791,591.84)	46,588,551.34	(3,913,581.84)	(297,359,530.05)
31 December 2023	17,218,181,413.62	31,149,315,293.91	1,373,143,363.60	422,246,674.50	13,196,630,107.19	63,359,516,852.82

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets (continued)

(1) Information of fixed assets: (continued)

RMB

Item	Buildings	Machinery and equipment	Transportation vehicles	Land assets	Other equipment	Total
II. Accumulated depreciation						
1 January 2023	4,558,285,695.26	16,516,943,721.76	313,854,068.08	—	7,615,600,026.05	29,004,683,511.15
Additions for the year	506,158,527.69	2,289,208,894.34	136,160,181.27	—	1,108,964,174.74	4,040,491,778.04
1. Provision for the year	499,408,996.63	2,289,208,894.34	136,160,181.27	—	1,108,964,174.74	4,033,742,246.98
2. Transfer from						
investment properties	6,749,531.06	—	—	—	—	6,749,531.06
3. Transfer from others	—	—	—	—	—	—
Decrease for the year	(52,824,217.65)	(288,652,959.40)	(25,983,490.81)	—	(132,252,683.28)	(499,713,351.14)
1. Disposal or retired	(11,643,025.02)	(109,257,797.06)	(25,392,921.77)	—	(111,857,733.79)	(258,151,477.64)
2. Decrease for transferring to						
construction in progress	—	(177,540,158.30)	(26,194.65)	—	(6,790,298.70)	(184,356,651.65)
3. Transfer to investment						
Properties	(41,181,192.63)	—	—	—	—	(41,181,192.63)
4. Other transfer-out	—	(1,855,004.04)	—	—	(13,306,959.48)	(15,161,963.52)
5. Decrease for disposal of subsidiaries	—	—	(564,374.39)	—	(297,691.31)	(862,065.70)
Foreign currency translation differences	(32,549,393.90)	(73,994,858.09)	(1,588,775.97)	—	(411,172.97)	(108,544,200.93)
31 December 2023	4,979,070,611.40	18,443,504,798.61	422,441,982.57	—	8,591,900,344.54	32,436,917,737.12

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets (continued)

(1) Information of fixed assets: (continued)

RMB

Item	Buildings	Machinery and equipment	Transportation vehicles	Land assets	Other equipment	Total
III. Provision for impairment						
1 January 2023	204,878.87	168,626,685.71	3,597,005.65	—	521,339,514.03	693,768,084.26
Additions for the year	—	6,618,620.19	—	—	16,705,286.16	23,323,906.35
1. Provision for the year (Note)	—	6,618,620.19	—	—	16,705,286.16	23,323,906.35
2. Transfer from construction in progress	—	—	—	—	—	—
Decrease for the year	—	(17,485,814.01)	(140,858.77)	—	(11,924,383.45)	(29,551,056.23)
1. Disposal or retired	—	(16,476,047.03)	(140,858.77)	—	(8,665,027.40)	(25,281,933.20)
2. Decrease for transferring to construction in progress	—	(1,009,766.98)	—	—	(3,259,356.05)	(4,269,123.03)
Reclassification	—	(233,875.13)	233,875.13	—	—	—
31 December 2023	204,878.87	157,525,616.76	3,690,022.01	—	526,120,416.74	687,540,934.38
IV. Book value						
1 January 2023	13,133,159,564.40	10,364,531,678.65	204,883,791.50	—	3,246,444,687.32	26,949,019,721.87
31 December 2023	12,238,905,923.35	12,548,284,878.54	947,011,359.02	422,246,674.50	4,078,609,345.91	30,235,058,181.32

Note: Provision of impairment for the year amount to RMB23,323,906.35 as a result of some automobiles model discontinued, change of production techniques, fixed assets damaging and aging.

(2) Fixed assets of which certificates of title have not been obtained

As at 31 December 2023, the net value of the house property in the fixed assets that has not obtained the house property certificate is RMB1,282,954,400.03 (31 December 2022: RMB1,999,887,754.17), and the relevant house property certificate is in progress.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets (continued)

(2) Fixed assets of which certificates of title have not been obtained (continued)

Item	Book value	Reason for not obtaining certificates of title
Item I	460,037,106.66	In progress
Item II	91,973,591.71	In progress
Item III	82,571,576.29	In progress
Item IV	79,164,671.98	In progress
Others	569,207,453.39	In progress
Total	1,282,954,400.03	

15. Construction in progress

(1) The breakdown of construction in progress is as follows:

RMB

Item	31/12/2023			31/12/2022		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Parts and Components Department reconstruction project	1,998,215,560.34	(368,611.44)	1,997,846,948.90	3,016,359,399.02	(600,730.89)	3,015,758,668.13
Xushui automotive project	677,299,067.60	(334,523.67)	676,964,543.93	619,914,103.66	(334,523.67)	619,579,579.99
Shangrao automotive project	647,136,908.77	—	647,136,908.77	626,125,139.85	—	626,125,139.85
Overseas automotive project	923,661,896.54	—	923,661,896.54	985,905,642.98	—	985,905,642.98
Industrial Park Phase I, II and III expansion	301,498,651.90	(3,259,513.29)	298,239,138.61	320,012,324.29	(3,259,513.29)	316,752,811.00
Daye automotive project	292,381,747.01	—	292,381,747.01	605,073,062.25	—	605,073,062.25
Xushui parts and components project	233,985,757.78	(75,351.06)	233,910,406.72	398,609,044.32	(75,351.06)	398,533,693.26
Chongqing Great Wall automotive project	161,986,055.19	—	161,986,055.19	17,596,136.50	—	17,596,136.50
Tianjin automotive project	159,819,290.43	(123,262.86)	159,696,027.57	278,815,224.84	(123,262.86)	278,691,961.98
New technology center	77,091,614.54	—	77,091,614.54	13,584,074.80	—	13,584,074.80
Tianjin parts and components project	74,706,709.08	(306,627.78)	74,400,081.30	274,925,282.04	(306,627.78)	274,618,654.26
Rizhao automotive project	6,225,276.31	—	6,225,276.31	5,067,842.03	—	5,067,842.03
Taizhou automotive project	1,523,064.90	—	1,523,064.90	45,057,021.11	—	45,057,021.11
Jingmen automotive project	1,295,035.16	—	1,295,035.16	194,092,545.23	—	194,092,545.23
Other automotive projects	864,909,918.44	(233,018.75)	864,676,899.69	802,999,095.67	—	802,999,095.67
Other construction in progress projects	60,319,419.06	—	60,319,419.06	106,363,485.48	—	106,363,485.48
Total	6,482,055,973.05	(4,700,908.85)	6,477,355,064.20	8,310,499,424.07	(4,700,009.55)	8,305,799,414.52

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Construction in progress (continued)

(2) Changes in major construction in progress

RMB

Project	Budget amount	1/1/2023	Additions for the year	Transferred to fixed assets	Other Decreases	Proportion of investment to budget (%)	Accumulated capitalized interest amount	Sources of fund	31/12/2023
Parts and Components Department									
reconstruction project	12,748,656,986.60	3,016,359,399.02	2,319,787,546.74	(2,980,475,554.89)	(357,455,830.53)	58.46	—	Own	1,998,215,560.34
Overseas automotive project	5,428,518,119.80	985,905,642.98	476,146,531.22	(305,450,504.18)	(232,939,773.48)	86.01	—	Own	923,661,896.54
Xushui automotive project	13,349,458,320.91	619,914,103.66	493,036,909.67	(421,331,380.72)	(14,320,565.01)	85.58	—	Own	677,299,067.60
Shangrao automotive project	1,379,598,551.93	626,125,139.85	22,857,309.19	(112,515.03)	(1,733,025.24)	47.77	—	Own	647,136,908.77
Total	32,906,231,979.24	5,248,304,285.51	3,311,828,296.82	(3,707,369,954.82)	(606,449,194.26)				4,246,313,433.25

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Construction in progress (continued)

(3) Provision for impairment of construction in progress for the year

RMB

Item	1/1/2023	Additions for the year	Decrease for the year	31/12/2023	Reason of provision
Tianjin automotive project	123,262.86	—	—	123,262.86	Discontinued of the car model
Xushui automotive project	334,523.67	—	—	334,523.67	Change of process
Tianjin parts and components project	306,627.78	—	—	306,627.78	Discontinued of the car model
Parts and Components Department reconstruction project	600,730.89	—	(232,119.45)	368,611.44	Discontinued of the car model
Industrial Park Phase I, II and III expansion	3,259,513.29	—	—	3,259,513.29	Discontinued of the car model
Xushui parts and components project	75,351.06	—	—	75,351.06	Discontinued of the car model
Other projects in automotive	—	233,018.75	—	233,018.75	Discontinued of the car model
Total	4,700,009.55	233,018.75	(232,119.45)	4,700,908.85	

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Right-of-use assets

RMB

Item	Land use right	Buildings	Machine equipment	Transportation vehicle	Total
I. Original carrying amount:					
1 January 2023	68,407,166.11	1,111,740,680.32	356,434,871.57	10,382,538.34	1,546,965,256.34
Additions for the year	2,478,723.48	211,264,563.96	10,856,972.78	5,486,849.83	230,087,110.05
Deductions for the year	(1,557,006.01)	(230,879,871.75)	(5,683,193.71)	(2,871,515.28)	(240,991,586.75)
Foreign currency translation differences	—	13,697,249.62	882,646.74	804,280.56	15,384,176.92
31 December 2023	69,328,883.58	1,105,822,622.15	362,491,297.38	13,802,153.45	1,551,444,956.56
II. Accumulated depreciation					
1 January 2023	27,001,324.13	301,440,216.64	119,499,946.50	6,082,923.54	454,024,410.81
Additions for the year	21,740,794.40	320,124,200.87	116,339,674.11	5,201,799.25	463,406,468.63
1. Provision	21,740,794.40	320,124,200.87	116,339,674.11	5,201,799.25	463,406,468.63
Deductions for the year	(349,605.71)	(95,818,165.78)	(4,026,319.84)	(2,587,084.16)	(102,781,175.49)
Foreign currency translation differences	—	505,471.97	311,107.43	270,279.31	1,086,858.71
31 December 2023	48,392,512.82	526,251,723.70	232,124,408.20	8,967,917.94	815,736,562.66
III. Provision for impairment					
1 January 2023	—	—	—	—	—
31 December 2023	—	—	—	—	—
IV. Book value					
1 January 2023	41,405,841.98	810,300,463.68	236,934,925.07	4,299,614.80	1,092,940,845.53
31 December 2023	20,936,370.76	579,570,898.45	130,366,889.18	4,834,235.51	735,708,393.90

Other notes:

The Group has leased a number of assets, including land use right, buildings, machinery equipment and transportation vehicles, with a lease period ranging from 2 to 10 years. The short-term lease expenses and low-value assets lease expenses included in the simplified processing of current profit or loss for the year are RMB769,736,987.83. The total cash outflow related to leases for the year is RMB1,502,166,927.12.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Intangible assets

(1) Intangible assets

RMB

Item	Land use right	Software and others	Non-patent technology	Total
I. Original carrying amount				
1 January 2023	3,743,804,719.83	1,548,909,812.09	8,598,477,305.91	13,891,191,837.83
Additions for the year	73,881,347.15	753,914,629.17	5,847,079,311.62	6,674,875,287.94
1. Acquisition	69,652,113.84	390,879,493.99	19,082,146.31	479,613,754.14
2. Internal research and development	—	63,274,974.98	5,827,997,165.31	5,891,272,140.29
3. Transferred from construction in progress	—	299,760,160.20	—	299,760,160.20
4. Transferred from investment properties	4,229,233.31	—	—	4,229,233.31
Deductions for the year	(198,569.30)	(313,888,510.79)	(78,506,616.99)	(392,593,697.08)
1. Other transfer-out	—	(311,646,885.68)	(1,015,415.36)	(312,662,301.04)
2. Disposal	—	(2,241,625.11)	(77,491,201.63)	(79,732,826.74)
3. Transferred to investment properties	(198,569.30)	—	—	(198,569.30)
Foreign currency translation differences	—	(7,695,083.51)	—	(7,695,083.51)
31 December 2023	3,817,487,497.68	1,981,240,846.96	14,367,050,000.54	20,165,778,345.18
II. Accumulated amortization				
1 January 2023	752,754,160.12	347,626,120.22	4,593,546,289.13	5,693,926,569.47
Additions for the year	77,630,931.02	110,048,864.17	2,989,676,911.66	3,177,356,706.85
1. Provision	77,141,659.77	110,048,864.17	2,989,676,911.66	3,176,867,435.60
2. Transferred from investment properties	489,271.25	—	—	489,271.25
Deductions for the year	(19,936.60)	(2,285,366.14)	(9,992,290.29)	(12,297,593.03)
1. Disposal	—	(1,700,313.52)	(9,985,501.36)	(11,685,814.88)
2. Transferred to investment properties	(19,936.60)	—	—	(19,936.60)
3. Other transfer-out	—	(585,052.62)	(6,788.93)	(591,841.55)
Foreign currency translation differences	—	(3,543,570.32)	—	(3,543,570.32)
31 December 2023	830,365,154.54	451,846,047.93	7,573,230,910.50	8,855,442,112.97
III. Book value				
1 January 2023	2,991,050,559.71	1,201,283,691.87	4,004,931,016.78	8,197,265,268.36
31 December 2023	2,987,122,343.14	1,529,394,799.03	6,793,819,090.04	11,310,336,232.21

The proportion of intangible assets arising from internal research and development at the end of the year to balance of total intangible assets is 59.90% (31 December 2022: 48.20%).

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Intangible assets (continued)

(2) Land use right of which certificates of title has not been obtained

As at 31 December 2023, among the intangible assets, the net book value of land use right without land use right certificates amounted to RMB1,322,258.32 (31 December 2022: RMB20,985,120.00), and the application of relevant land use right certificates is in progress.

Item	Book value	Reason for not obtaining certificates of title
Item I	1,322,258.32	Land is added in 2023 and certificate is in progress
Total	1,322,258.32	

18. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offsetting

RMB

Item	31/12/2023		31/12/2022	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Credit loss provision	547,006,780.11	94,933,081.18	539,765,043.27	92,994,668.11
Provision for decline in value of inventories	157,615,714.53	10,907,004.08	184,074,221.61	9,393,909.19
Impairment of fixed assets	476,638,526.27	74,349,652.67	489,993,913.37	75,465,995.88
Impairment of construction in progress	4,302,838.46	645,425.77	4,623,631.97	693,544.80
Temporary difference of amortization of intangible assets	4,602,662,190.98	691,362,961.77	2,893,127,605.80	433,265,667.89
Accrued expenses which are deductible upon payment	1,258,574,647.47	290,684,284.38	903,995,415.81	185,977,717.45
Contract liabilities	6,041,529,946.16	967,765,783.63	3,985,014,896.18	598,027,632.83
Deductible loss	16,559,538,338.89	2,792,092,689.84	14,543,057,000.97	2,418,501,685.24
Deferred income	1,492,267,247.10	237,262,628.32	1,110,017,570.71	200,346,293.05
Share-based payments	160,350,327.89	18,436,876.18	991,129,227.94	124,962,996.88
Lease liabilities	945,150,826.78	167,600,127.86	1,277,575,803.50	243,458,763.08
Unrealized profit arising from internal transactions	4,188,578,029.02	900,642,402.14	2,654,172,606.62	526,343,844.98
Others	153,757,323.41	36,352,502.00	200,069,972.81	35,012,030.99
Total	36,587,972,737.07	6,283,035,419.82	29,776,616,910.56	4,944,444,750.37

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Deferred tax assets and deferred tax liabilities (continued)

(2) Deferred tax liabilities before offsetting

RMB

Item	31/12/2023		31/12/2022	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
The impact of accelerated depreciation of fixed assets under tax law	13,639,189,979.00	2,207,519,872.61	12,599,095,404.51	1,983,378,144.85
Right-of-use assets	699,421,224.87	131,228,955.07	1,018,249,798.60	205,615,239.55
Unrealized earnings of financial assets	1,258,570,427.44	314,541,286.12	825,225,097.76	205,920,560.94
The value added of assets appraisal of Business combination not involving enterprise under common control	112,566,799.23	16,885,019.88	130,431,560.13	32,607,890.03
Temporary difference of interest receivable	103,791,745.36	17,130,903.44	228,273,182.37	35,151,817.42
Total	15,813,540,175.90	2,687,306,037.12	14,801,275,043.37	2,462,673,652.79

(3) Deferred tax assets and deferred tax liabilities at net amount after offsetting

RMB

Item	31/12/2023		31/12/2022	
	Offset amount of deferred tax assets and liabilities	Deferred tax assets (liabilities) after offsetting	Offset amount of deferred tax assets and liabilities	Deferred tax assets (liabilities) after offsetting
Deferred tax assets	(1,622,842,977.53)	4,660,192,442.29	(1,691,794,244.45)	3,252,650,505.92
Deferred tax liabilities	1,622,842,977.53	(1,064,463,059.59)	1,691,794,244.45	(770,879,408.34)

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Deferred tax assets and deferred tax liabilities (continued)

(4) Details of unrecognized deferred tax assets

RMB

Item	31/12/2023	31/12/2022
Deductible loss	2,908,689,486.35	1,848,682,209.71
Total	2,908,689,486.35	1,848,682,209.71

The deductible losses of the unrecognized deferred tax assets will expire in the following years:

RMB

Years	31/12/2023	31/12/2022
2023	—	76,498,670.89
2024	8,170,286.78	15,933,754.55
2025	70,263,612.00	84,219,607.50
2026	686,166,243.80	775,726,267.58
2027	805,993,071.16	896,303,909.19
2028	1,338,096,272.61	—
Total	2,908,689,486.35	1,848,682,209.71

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Other non-current assets

Item	31/12/2023			31/12/2022		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Purchase margin	1,420,000,000.00	-	1,420,000,000.00	2,234,685,302.77	-	2,234,685,302.77
Receivable from land transfer	270,758,568.00	-	270,758,568.00	-	-	-
State subsidies receivable	107,267,679.00	-	107,267,679.00	1,289,249,601.00	-	1,289,249,601.00
Others	5,969.09	-	5,969.09	136,222.43	-	136,222.43
Total	1,798,032,216.09	-	1,798,032,216.09	3,524,071,126.20	-	3,524,071,126.20

20. Short-term borrowings and long-term borrowings

(1) Short-term borrowings

Item	RMB	
	31/12/2023	31/12/2022
Credit loans	3,867,147,964.90	3,201,383,918.31
Guaranteed loans (Note 1)	1,318,597,968.34	1,755,037,445.08
Pledge loans (Note 2)	515,105,000.00	986,914,420.07
Total	5,700,850,933.24	5,943,335,783.46

Note 1: The guaranteed loan is the loan obtained by the Company's subsidiaries Great Wall Motor Brazil Co., Ltd. (長城汽車巴西有限公司) ("Great Wall Brazil"), Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. (蜂巢智能轉向系統(江蘇)有限公司) ("Honeycomb Intelligent"), Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. (精誠工科汽車零部件(揚中)有限公司) ("Jinggong Yangzhong"), Honeycomb Transmission, Honeycomb Engine System, HWA Ding International Co., Ltd. (華鼎國際有限公司) ("HWA Ding International"), Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城汽車製造(泰國)有限公司) ("Great Wall Motor Thailand"), Honeycomb Power System (Thailand) Co., Ltd. (蜂巢動力系統(泰國)有限公司) ("Honeycomb Power Thailand") and Mind Automotive Parts (Thailand) Co., Ltd. (曼德汽車零部件(泰國)有限公司) ("Mind Thailand") with the Company as the guarantor.

Note 2: The pledged loan amount to RMB515,105,000.00 obtained from discounted and unmatured notes receivable that did not meet the conditions for derecognition at the end of the reporting period

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Short-term borrowings and long-term borrowings (continued)

(2) Long-term borrowings

RMB

Item	31/12/2023	31/12/2022
Credit loans	16,929,559,388.06	16,025,329,784.58
Guaranteed loans (Note 1)	2,401,674,583.34	2,811,036,173.34
Mortgage loan	—	406,731,546.41
Pledge loan (Note 2)	63,573,730.56	137,088,682.44
Less: Long-term loans due within one year	6,108,718,993.00	3,974,530,334.74
Total	13,286,088,708.96	15,405,655,852.03

Note 1: The guaranteed loan at the end of the period is the loan obtained by the Company with Baoding Great Wall Venture and Investment Co., Ltd. (保定市長城創業投資有限公司) ("Great Wall Venture and Investment"), and the loan obtained by the Company's subsidiaries Jingcheng Engineering Automotive Parts (Yangzhong) Co., Ltd. (精誠工科汽車零部件(揚中)有限公司) ("Jinggong Yangzhong"), Jinggong Motor and Mind Electronics with the Company as the guarantor.

Note 2: The pledged loan is the loan obtained from the pledge of long-term receivables by the Company's subsidiary Tianjin Oula Financial Leasing Co., Ltd. (天津歐拉融資租賃有限公司) ("Tianjin Oula").

21. Notes payable

RMB

Item	31/12/2023	31/12/2022
Bank acceptances	27,870,084,140.78	30,019,571,587.28
Commercial acceptances	69,706,112.30	41,909,734.96
Total	27,939,790,253.08	30,061,481,322.24

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Accounts payable

Accounts payable disclosed as follows:

	<i>RMB</i>	
Item	31/12/2023	31/12/2022
Within 1 year	40,066,698,691.61	29,124,286,756.41
1 to 2 years	399,643,934.31	128,218,625.38
2 to 3 years	60,563,204.75	16,369,488.04
Over 3 years	19,745,288.27	36,982,671.15
Total	40,546,651,118.94	29,305,857,540.98

The aging analysis of accounts payable is based on the time of purchasing materials, goods or receiving services.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Contract liabilities

RMB

Item	31/12/2023	31/12/2022
Receipts in advance	6,880,832,035.00	5,855,526,465.30
Maintenance service	1,977,249,635.75	1,389,778,369.56
Warranty service	690,927,118.57	472,118,075.29
Transportation service	34,066,949.60	35,413,206.55
Total	9,583,075,738.92	7,752,836,116.70

Note:

Revenue included in the opening book value of contract liabilities recognized in the current amount to RMB6,347,063,330.40. Revenue included in the closing book value of contract liabilities will mostly be recognized in the year of 2024.

24. Employee benefits payable

(1) *Employee benefits payable disclosed as follows:*

RMB

Item	1/1/2023	Increase	Decrease	31/12/2023
1. Short-term employee benefits	4,147,324,810.83	17,118,035,957.47	(16,880,099,644.31)	4,385,261,123.99
2. Post-employment benefits- defined contribution plan	61,248,195.89	1,217,893,115.32	(1,270,817,056.31)	8,324,254.90
3. Termination benefits	—	25,495,577.80	(25,191,234.32)	304,343.48
Total	4,208,573,006.72	18,361,424,650.59	(18,176,107,934.94)	4,393,889,722.37

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Employee benefits payable (continued)

(2) Short-term employee benefits payable disclosed as follows:

RMB

Item	1/1/2023	Increase	Decrease	31/12/2023
I. Salaries, bonuses, allowances and subsidies	3,753,876,104.18	13,660,095,227.89	(13,396,041,576.69)	4,017,929,755.38
II. Staff welfare	198,476,985.12	918,141,501.62	(931,164,237.48)	185,454,249.26
III. Staff bonuses and welfare fund	280,505.14	38,269.49	(144.10)	318,630.53
IV. Social insurance premiums	31,367,752.82	653,839,367.36	(673,247,229.37)	11,959,890.81
Including: Medical insurance	28,341,741.38	597,258,425.13	(614,609,252.57)	10,990,913.94
Work-related injury insurance	1,940,774.71	47,049,377.58	(48,320,709.79)	669,442.50
Maternity insurance	1,085,236.73	9,531,564.65	(10,317,267.01)	299,534.37
V. Housing provident funds	2,586,287.15	386,710,331.38	(398,967,248.26)	(9,670,629.73)
VI. Labor union expenditures	18,640,294.60	37,997,540.77	(36,275,213.92)	20,362,621.45
VII. Employees' education expenses	1,701,551.68	9,113,765.36	(9,123,556.51)	1,691,760.53
VIII. Service charge	140,395,330.14	1,452,099,953.60	(1,435,280,437.98)	157,214,845.76
Total	4,147,324,810.83	17,118,035,957.47	(16,880,099,644.31)	4,385,261,123.99

(3) Defined contribution plan

RMB

Item	1/1/2023	Increase	Decrease	31/12/2023
1. Basic endowment insurance	60,262,495.92	1,176,089,422.24	(1,218,657,191.43)	17,694,726.73
2. Unemployment insurance	985,699.97	41,803,693.08	(52,159,864.88)	(9,370,471.83)
Total	61,248,195.89	1,217,893,115.32	(1,270,817,056.31)	8,324,254.90

Employees of the Group are required to join a pension plan implemented by the local government. Under such plan, the Group is required to make contribution at a fixed percentage of the salaries of its employees. Except for the monthly payment and deposit fees, the Group no longer undertakes further payment obligations. The corresponding expenditure is included in the relevant asset cost or current profit or loss when incurred.

For the year of 2023, basic endowment insurance payable of the Group amounted to RMB1,176,089,422.24 (for the year of 2022: RMB1,091,443,920.44); the unemployment insurance payable amounted to RMB41,803,693.08 (for the year of 2022: RMB45,630,581.46). As at 31 December 2023, basic endowment insurance payable of RMB17,694,726.73 (2022 年 12 月 31 日: 人民幣 60,262,495.92 元) and unemployment insurance payable of RMB(9,370,471.83) (2022 年 12 月 31 日: 人民幣 985,699.97 元) of the Group have not yet been paid. Such payables have been paid after the report period.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Taxes payable

RMB

Item	31/12/2023	31/12/2022
Enterprise income tax	594,380,979.31	297,836,607.59
Value added tax	476,857,763.04	703,813,916.85
Consumption tax	344,831,029.41	445,497,033.23
Stamp duty	81,943,828.96	61,218,166.57
Individual income tax	35,605,505.08	43,390,451.02
City maintenance and construction tax	32,491,842.24	67,011,061.88
Education surcharges	23,578,134.26	48,283,889.15
Real estate tax	6,925,656.30	6,376,952.63
Others	793,504,088.97	224,701,199.94
Total	2,390,118,827.57	1,898,129,278.86

26. Other payables

Other payables disclosed by nature are as follows:

RMB

Item	31/12/2023	31/12/2022
Construction payment	166,181,154.48	1,038,351,074.41
Equipment payment	2,503,631,643.76	2,403,985,085.97
Margin or deposit	868,709,411.19	764,453,971.64
Restricted share repurchase obligations	637,503,647.20	452,327,687.45
Output tax related to receipts in advance	900,599,453.84	751,881,655.47
Sales with buyback agreements	543,279,125.00	–
Others	597,981,820.62	752,920,768.74
Total	6,217,886,256.09	6,163,920,243.68

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Non-current liabilities due within one year

RMB

Item	Notes	31/12/2023	31/12/2022
Long-term loans due within one year	VI.20	6,108,718,993.00	3,974,530,334.74
Bonds payable due within one year	VI.29	411,628,192.04	506,774,014.14
Lease liabilities due within one year	VI.30	354,365,561.26	402,225,179.19
Others		15,622,014.90	—
Total		6,890,334,761.20	4,883,529,528.07

28. Other current liabilities

RMB

Item	31/12/2023	31/12/2022
Accrued advertising and media service expenses	2,356,555,681.19	1,827,021,110.54
Accrued after-sales service expenses	1,357,253,618.29	1,107,052,302.40
Accrued transportation expenses	1,046,202,618.43	693,259,700.38
Accrued expenses for Internet of vehicles	497,550,152.92	385,812,185.29
Accrued technology development expenditure	484,797,131.13	234,060,682.06
Accrued Consulting service expenses	123,717,005.64	103,525,023.25
Accrued utilities fees	79,731,625.29	50,341,529.45
Other	1,142,332,223.44	1,154,512,791.69
Total	7,088,140,056.33	5,555,585,325.06

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Bonds payable

(1) Bonds payable

RMB

Item	31/12/2023	31/12/2022
Asset backed securities	283,565,357.27	222,003,877.15
Asset backed notes	172,657,234.77	479,316,136.99
Convertible bond	3,418,465,569.50	3,316,660,000.48
Less: bonds payable due within one year	411,628,192.04	506,774,014.14
Total	3,463,059,969.50	3,511,206,000.48

(2) Increase and decrease of bonds payable

RMB

Bond name	Coupon		Bond term (day)	Issued this year	Accrued interest at par value	Premium amortization and others	Repayment/ conversion of shares this period	Less: bonds payable due within one year	31/12/2023	Default or not			
	face value	rate (%)											
21 Oula 2A (Note 1)	100.00	3.74	13/04/2021	734	930,000,000.00	122,865,299.15	—	815,400.85	(1,664,700.00)	(122,016,000.00)	—	No	
21 Oula 3A (Note 1)	100.00	4.00	21/10/2021	643	462,000,000.00	99,138,578.00	—	745,822.00	(1,478,400.00)	(98,406,000.00)	—	No	
22 Oula Leasing ABN001 priority (Note 2)	100.00	3.35	02/12/2022	786	478,000,000.00	479,316,136.99	—	9,790,501.76	(10,051,403.98)	(306,398,000.00)	172,657,234.77	—	No
Tianfeng Ora lease phase 1 Priority A1 (Note 1)	100.00	3.20	20/09/2023	284	320,000,000.00	—	320,000,000.00	2,293,599.60	(2,273,280.00)	(240,512,000.00)	79,508,319.60	—	No
Tianfeng Ora lease phase 1 Priority A2 (Note 1)	100.00	3.50	20/09/2023	619	204,000,000.00	—	204,000,000.00	2,013,193.67	(1,956,156.00)	—	159,462,637.67	44,594,400.00	No
Great Wall Convertible Bond (Note 3)	100.00	0.6	17/06/2021	2190	3,500,000,000.00	3,316,660,000.48	—	17,907,171.02	98,082,810.00	(14,184,412.00)	—	3,418,465,569.50	No
Total	—	—	—	—	5,894,000,000.00	4,017,980,014.62	524,000,000.00	33,565,688.90	80,658,870.02	(781,516,412.00)	411,628,192.04	3,463,059,969.50	

Note 1: On 13 April 2021, Tianjin Ola, a subsidiary of the Company, as the sponsor, issued RMB930 million of fixed-rate senior asset-backed securities, all of which were held by the Group and the repayment of the senior asset-backed securities was completed in April 2023, and Tianjin Ola, as the sponsor, issued RMB462 million of fixed-rate senior asset-backed securities on 21 October 2021, and the Group holds all of the subordinated asset-backed securities. The senior asset-backed securities were repaid in July 2023; On 20 September 2023, Tianjin Ola acted as the sponsor in the issuance of RMB524 million of fixed-rate senior asset-backed securities, including RMB320 million of preferred A1-rated asset-backed securities and RMB204 million of preferred A2-rated asset-backed securities, all of which are held by the Group, and the preferred A1-rated asset-backed securities will be repaid by July 2024 and the preferred A2-rated asset-backed securities will be repaid by May 2025. The Group has not de-recognized the financial assets related to asset securitization and accounted for the proceeds from the issuance of senior asset-backed securities as bonds payable.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Bonds payable (continued)

(2) Increase and decrease of bonds payable (continued)

Note 2: Tianjin Oula issued RMB478 million of fixed rate priority asset-backed notes as the initiator on 2 December 2022. The Group holds all subordinated asset-backed notes, and the priority asset-backed notes will be repaid in January 2025. The Group has not derecognised financial assets related to assets securitization and accounts the financing from the issuance of priority asset-backed notes as bonds payable.

Note 3: With the approval of Zhengjianxuke [2021] No. 1353, the Company issued A-share convertible corporate bonds (Great Wall Convertible Bond) with a face value of RMB100 and a total face value of RMB3.500 billion in June 2021, with a term of 6 years. The annual coupon rate of convertible corporate bonds is 0.2% in the first year, 0.4% in the second year, 0.6% in the third year, 0.8% in the fourth year, 1.5% in the fifth year and 2.0% in the sixth year. The interest shall be paid once a year, the principal and the interest of the last year shall be paid in the due date. The shares converted period of Great Wall Convertible Bond is from the first trading day after six months from the end of issued date (17 June 2021) to the maturity date, that is, 17 December 2021 to June 9, 2027. On the issue date, the liability component of convertible corporate bonds is initially recognized at fair value, and the part where the issue price exceeds the initially recognized liability component is recognized as equity component.

30. Lease liabilities

RMB

Item	31/12/2023	31/12/2022
Lease liabilities	1,015,930,840.76	1,380,933,595.85
Sub-total	1,015,930,840.76	1,380,933,595.85
Less: Leased liabilities recognized in non-current liabilities due within one year (Note VI.27)	354,365,561.26	402,225,179.19
Total	661,565,279.50	978,708,416.66

31. Deferred income

RMB

Item	1/1/2023	Increase	Decrease	31/12/2023	Causes of formation
Government grants	3,584,723,726.03	1,562,728,691.12	(1,949,732,266.62)	3,197,720,150.53	Government Industrial Policy Support Fund, etc
Total	3,584,723,726.03	1,562,728,691.12	(1,949,732,266.62)	3,197,720,150.53	

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. Deferred income (continued)

Projects related to government grants:

RMB

Type	1/1/2023	Increase in grants for the year	Amount recognized in other income for the year	Other transfer-out	31/12/2023	Related to an asset/related to income
Government industrial policy supporting fund	2,148,976,585.75	1,160,337,540.67	(136,949,840.01)	(1,324,160,795.38)	1,848,203,491.03	Related to an asset/income
Infrastructure supporting fund	683,644,525.11	156,000,000.00	(24,180,175.92)	—	815,464,349.19	Related to an asset
Soft soil foundation subsidy	236,596,922.58	2,600,000.00	(6,370,686.16)	—	232,826,236.42	Related to an asset
New technical center infrastructure construction project	92,203,270.28	28,600,000.00	(15,805,982.00)	—	104,997,288.28	Related to an asset
Urban construction fund	54,270,057.65	100,000,000.00	(2,595,592.56)	(100,000,000.00)	51,674,465.09	Related to an asset
Energy-saving gasoline direct injection engine project	30,833,333.33	—	(10,000,000.00)	—	20,833,333.33	Related to an asset
110KV transformer substation project	22,161,504.41	—	(1,176,717.12)	—	20,984,787.29	Related to an asset
New technical center infrastructure construction project	2,191,806.52	—	(1,179,398.74)	—	1,012,407.78	Related to an asset
Renovation and expansion of expert apartment project	8,181,818.19	—	(1,363,636.36)	—	6,818,181.83	Related to an asset
Others	305,663,902.21	115,191,150.45	(14,129,686.62)	(311,819,755.75)	94,905,610.29	Related to an asset/income
Total	3,584,723,726.03	1,562,728,691.12	(213,751,715.49)	(1,735,980,551.13)	3,197,720,150.53	

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. Share capital

RMB

Item	1/1/2023	Changes for the year			Sub-total	31/12/2023
		New issue (Note (1))	Shares transfer from convertible bond	Others (Note (1))		
Share capital	8,764,512,467.00	26,077,207.00	5,063.00	(293,066,140.00)	(266,983,870.00)	8,497,528,597.00

Note 1: As described in note (xiii), in accordance with the Group's equity incentive plan, in fiscal year 2023, 26,077,207 shares were issued in connection with the exercise of stock options, and the Company canceled 15,935,640 shares of restricted stock repurchased due to lapses.

The Company repurchased 84,707,500 H shares from December 15, 2022 to December 31, 2022 and completed the cancellation on January 9, 2023, which reduced the share capital by RMB84,707,500.00, surplus reserves by RMB702,852,035.02 and treasury shares by RMB787,559,535.02.

In February 2023, the Company repurchased 192,423,000 H shares with total utilized funds of HK\$2,197,847,281 (excluding transaction costs). The aforesaid repurchased shares were completed for cancellation on March 9, 2023, resulting in a reduction of share capital by RMB192,423,000.00, surplus reserves by RMB1,734,028,284.79 and treasury shares by RMB1,926,451,284.79.

33. Other equity instruments

RMB

	1 /1/2023		Increase		Decrease		31 /12/2023	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Equity Instrument portion of Convertible Corporate Bonds Note (VI)29	34,955,331	335,579,596.45	—	—	(5,063)	(19,488.72)	34,950,268	335,560,107.73
Total	34,955,331	335,579,596.45	—	—	(5,063)	(19,488.72)	34,950,268	335,560,107.73

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Capital reserve

RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premiums (Note 1)	3,849,702.97	251,901,409.54	(222,229,090.40)	33,522,022.11
Other capital reserves (Note 2)	2,122,472,870.75	566,283,771.67	(667,636,506.80)	2,021,120,135.62
Total	2,126,322,573.72	818,185,181.21	(889,865,597.20)	2,054,642,157.73

Note 1: The increase in capital premium for the year was due to the increase of RMB251,796,004.30 in the exercise of stock options and unlocking of restricted shares by incentive recipients of the Group during the year, and the increase of RMB105,405.24 in the conversion of part of the "Changqi Convertible Bonds" into shares of the Company. The decrease was due to a decrease of RMB222,229,090.40 from the cancellation of restricted shares repurchased by the Company due to lapses.

Note 2: The increase in other capital surplus during the year was mainly due to the increase in share-based payment expense of RMB532,680,850.17 recognized by the Group based on the estimated number of feasible equity instruments and the increase in the equity method of accounting for the equity in equity of the investee of RMB33,602,921.50 during the year. The decrease in other capital surplus during the year was mainly due to the unlocking of restricted shares and exercise of stock options by incentive recipients.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. Treasury shares

RMB

Item	Opening balance	Increase	Decrease	Closing balance
Related to restricted stock repurchase				
Treasury stock related to restricted stock repurchase obligations (<i>Note 1</i>)	457,769,892.15	469,838,928.00	(282,938,027.55)	644,670,792.60
Repurchase of shares (<i>note 2</i>)	2,002,196,093.41	1,926,451,284.79	(3,769,267,707.79)	159,379,670.41
Total	2,459,965,985.56	2,396,290,212.79	(4,052,205,735.34)	804,050,463.01

Note 1: The annual decrease in treasury stock related to restricted stock repurchase obligations was due to the Group granted restricted stock to incentive targets during the year the cancellation of restricted stock repurchased due to lapses and the unlocking of restricted stock by the Company, as described in note XIII.

Note 2: The increase in treasury stock related to repurchase of shares for the year was due to the increase of RMB1,926,451,284.79 for the repurchase of H shares, and the decrease was due to the effect of the Company's cancellation of the repurchased H shares for the year.

36. Surplus reserve

RMB

Item	Opening balance	Increase	Decrease	Closing balance
2023:				
Statutory surplus reserve (<i>Note 1</i>)	6,645,632,569.24	921,430,747.18	(2,437,231,410.50)	5,129,831,905.92
Discretionary surplus reserve	2,855,650.48	—	—	2,855,650.48
Reserve fund	117,551,617.43	11,114,793.44	—	128,666,410.87
Tax reduction for social welfare enterprises	251,838,024.75	—	—	251,838,024.75
Total	7,017,877,861.90	932,545,540.62	(2,437,231,410.50)	5,513,191,992.02
2022:				
Statutory surplus reserve	6,317,883,154.33	327,763,761.72	(14,346.81)	6,645,632,569.24
Discretionary surplus reserve	2,855,650.48	—	—	2,855,650.48
Reserve fund	104,928,700.30	12,622,917.13	—	117,551,617.43
Tax reduction for social welfare enterprises	251,838,024.75	—	—	251,838,024.75
Total	6,677,505,529.86	340,386,678.85	(14,346.81)	7,017,877,861.90

Note 1: The decrease was due to the effect of the Company's cancellation of repurchased H shares during the year, which amounted to a total decrease of RMB2,436,880,319.81. Decrease of RMB351,090.69 from transfer to undistributed profits of surplus reserves accrued in previous periods from subsidiaries written off or disposed of during the year.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Undistributed profits

RMB

Item	Amount	Proportion of appropriation or allocation
2023:		
Undistributed profits at the beginning of the year	49,176,813,140.82	
Add: Net profit attributable to the shareholders of the parent company for the year	7,021,559,679.84	
Other transfers-in	351,090.69	(1)
Less: Appropriation of statutory surplus reserve	921,430,747.18	(2)
Appropriation of reserve fund	11,114,793.44	(3)
Distribution of cash dividends	2,535,415,105.40	(4)
Others	1,982,423.00	
Undistributed profits at the end of the year	52,728,780,842.33	
2022:		
Undistributed profits at the beginning of the year	41,892,707,709.74	
Add: Net profit attributable to the shareholders of the parent company for the year	8,266,041,808.18	
Other transfers-in	14,346.81	
Less: Appropriation of statutory surplus reserve	327,763,761.72	(2)
Appropriation of reserve fund	12,622,917.13	(3)
Distribution of cash dividends	641,564,045.06	(5)
Undistributed profits at the end of the year	49,176,813,140.82	

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Undistributed profits (continued)

(1) Transfer from write-off or disposal of subsidiaries

Transfer from surplus reserves accrued in previous periods to undistributed profits from the write-off or disposal of subsidiaries during the year amounted to RMB351,090.69.

(2) Appropriation of statutory surplus reserve

According to the Articles of Association, the Company is required to transfer 10% of its net profit to the statutory surplus reserve. The transfer can be ceased if the balance of the statutory surplus reserve has reached 50% of the Company's registered capital. Under the Articles of Associations and relevant company regulations, some statutory surplus reserve can be transferred into share capital of the Company, while the remaining statutory surplus reserve shall be no less than 25% of the registered capital.

(3) Appropriation of enterprise expansion fund, reserve fund and employee incentives and welfare fund

Certain subsidiaries of the Company are Sino-foreign equity joint ventures. Pursuant to the law of the People's Republic of China on Sino-foreign Equity Joint Ventures and relevant provisions of the Articles of Association of relevant companies, such subsidiaries shall appropriate enterprise expansion fund, reserve fund and staff incentive bonus and welfare fund based on the net profits calculated under the ASBEs and relevant requirements in 2023. The ratio of appropriation shall be determined by the Board of Directors the Articles of Association.

(4) Cash dividends approved at the 2023 Annual General Meeting of Shareholders

On June 16, 2023, the 2022 annual general meeting of the Company considered and approved the "Proposal for the Distribution of Profit for the Year 2022", which provided for the distribution of cash dividends to all shareholders on the basis of the total share capital as at the date of registration of shareholdings at the time of the implementation of the distribution of profit by the Company and the deduction of the total number of shares held in the Company's repurchase-specific securities account as the basis of distribution of cash dividends, and distributed to all shareholders per share cash dividends for the year ended December 31, 2022 of RMB0.3 each share RMB0.3 (including tax), totaling RMB2,536,469,692.20.

The cash dividends included in the Group's profit distribution for 2023 have excluded the effect of cash dividends distributed to holders of restricted shares that are not expected to be unlocked in the future and dividends from share buybacks.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Undistributed profits (continued)

(5) Cash dividends approved at the 2022 Annual General Meeting of Shareholders

On 25 April 2022, the 2021 annual general meeting of the Company considered and approved the "Proposal on the Profit Distribution Plan for the Year 2021", under which cash dividends of RMB0.07 per share (including tax) were distributed to all shareholders on the basis of the total share capital as at the date of shareholding registration of the Company at the time of the implementation of the profit distribution, and the total number of shares as at the date of shareholding registration of 19 May 2022 amounted to 9,251,550,308 shares and the total cash dividends amounted to RMB647,608,521.56.

The cash dividends included in the Group's profit distribution in 2022 have excluded the effect of cash dividends distributed to holders of restricted shares that are not expected to be unlocked in the future and dividends from the repurchase of shares.

38. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	2023		2022	
	Income	Costs	Income	Costs
Principal operating activities	171,226,515,049.27	139,075,576,085.24	134,722,958,416.18	108,711,321,141.10
Other operating activities	1,985,561,708.70	1,697,551,664.41	2,617,026,771.58	2,028,012,282.22
Total	173,212,076,757.97	140,773,127,749.65	137,339,985,187.76	110,739,333,423.32

RMB

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Operating revenue and operating costs (continued)

(2) Revenue arising from contracts

RMB

Categories of contracts	2023		2022	
	Revenue	costs	Revenue	costs
Income from the sales of automobiles	153,278,811,270.64	125,099,856,267.79	121,890,861,864.98	99,014,967,604.22
Income from the sales of automotive parts and components	12,614,402,986.78	9,655,487,512.17	8,008,171,091.35	5,888,785,879.95
Income from rendering of services	2,853,369,342.13	2,245,419,685.07	2,565,429,987.37	2,072,760,269.01
Income from the sales of moulds and others	2,479,931,449.72	2,074,812,620.21	2,258,495,472.48	1,734,807,387.92
Other operating income	1,800,055,285.86	1,591,486,472.87	2,532,659,548.53	1,982,389,904.96
Subtotal of income from contracts with customers	173,026,570,335.13	140,667,062,558.11	137,255,617,964.71	110,693,711,046.06
Rental income	185,506,422.84	106,065,191.54	84,367,223.05	45,622,377.26
Total	173,212,076,757.97	140,773,127,749.65	137,339,985,187.76	110,739,333,423.32

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Operating revenue and operating costs (continued)

(3) Description of performance obligations

Item	Time for fulfilling performance obligations	Important payment terms	Nature of company's commitment to transfer goods	Is the person primarily responsible	Amounts assumed by the company that are expected to be refunded to the customer	Types of quality assurance offered by the company and related obligations
Revenue from sales of automobiles	When the customer acquires control of the underlying commodity	Collections within 30-180 days of receipt in advance/signature	Merchandise	Yes	No	Product Quality Assurance
Revenue from sales of spare parts	When the customer acquires control of the underlying commodity	Collections within 30-90 days of pre-receipt/signature	Merchandise	Yes	No	Product Quality Assurance
Revenue from provision of labor services	Provision of labor completed	Collections within 30-180 days of completion of services rendered	Labor service	Yes	No	NA
Revenue from molds and others	Delivery and acceptance completed	Segmented collections in line with project progress	Merchandise	Yes	No	Product Quality Assurance

(4) Description of allocation to remaining performance obligations

At the end of the reporting period, the revenue corresponding to the performance obligations for which a contract has been signed but has not yet been performed or has not been performed completely amounted to RMB11,670,866,863.74 which is expected to be recognized in 2024.

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Taxes and levies

RMB

Item	2023	2022
Consumption tax	4,511,321,394.96	3,800,674,722.86
City maintenances and construction tax	554,722,123.01	506,730,505.81
Educational surcharges	397,994,701.21	363,604,642.94
Stamp duty	272,253,215.18	223,030,469.09
Real estate tax	151,492,446.96	148,761,893.76
Land use tax	70,640,271.41	69,696,400.50
Others	27,829,721.34	8,166,517.47
Total	5,986,253,874.07	5,120,665,152.43

40. Selling expenses

RMB

Item	2023	2022
Advertising and media services expenses	4,045,630,333.37	3,047,648,806.90
Wages and salaries	1,379,322,242.88	1,022,603,167.35
After-sale services expenses	998,964,804.36	825,579,713.46
commission	569,225,185.62	42,693,140.34
Consulting service expenses	293,548,000.47	222,646,898.37
Port charges	229,049,324.08	117,210,023.59
Travelling expenses	114,394,250.22	59,652,918.09
Share-based payments	29,863,172.63	74,577,451.60
Others	625,379,753.82	463,548,643.87
Total	8,285,377,067.45	5,876,160,763.57

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Administrative expenses

RMB

Item	2023	2022
Wages and salaries	2,598,773,378.24	2,730,568,295.78
Depreciation and amortization	446,301,636.46	380,647,892.50
Office expenses	298,929,765.28	287,307,383.46
Consulting service expenses	288,523,208.40	329,699,278.52
Share-based payments	130,867,876.29	365,136,811.54
Business reception expenses	29,143,712.16	17,391,031.47
Auditors' remuneration	6,945,889.16	5,255,911.98
Others	935,661,974.21	777,446,233.24
Total	4,735,147,440.20	4,893,452,838.49

42. Research and development expenses

RMB

Item	2023	2022
Depreciation and amortization	3,325,780,571.49	2,183,290,860.82
Wages and salaries	2,861,889,424.20	2,464,510,618.09
Material test and detection expenses	561,631,936.69	589,684,360.23
Consulting service expenses	270,179,004.38	210,925,353.10
Office expenses	181,037,955.92	150,085,281.62
Share-based payments	64,983,752.71	259,328,789.18
Design and development expenses	532,580,090.18	304,280,038.95
Others	256,169,914.25	283,057,712.78
Total	8,054,252,649.82	6,445,163,014.77

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. Financial expenses

<i>RMB</i>		
Item	2023	2022
Interest expenses	946,652,215.06	716,283,675.83
Including: Interest expenses on lease liabilities	44,690,603.39	51,173,498.45
Interest income	(1,195,237,324.32)	(1,190,819,994.46)
Exchange gains	127,004,278.93	(2,026,511,519.03)
Others	(4,313,979.53)	13,241,699.14
Total	(125,894,809.86)	(2,487,806,138.52)

44. Other income

<i>RMB</i>		
Item	2023	2022
Government grants	1,200,254,921.57	836,828,332.25
Individual income tax rebate	15,810,325.07	9,285,240.59
Weighted deduction of input tax	296,173,388.72	4,245,531.71
Total	1,512,238,635.36	850,359,104.55

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

44. Other income (continued)

Government grants recognized in other income:

RMB

Item	2023	2022	Related to an asset/ Related to income
Automobile retirement subsidies	715,270,703.32	396,239,736.76	Related to income
Special funds for technological upgrading	85,224,776.36	1,030,704.00	Related to income
Immediate refund of VAT of welfare enterprises	37,327,211.34	39,889,860.72	Related to income
Subsidies for national high-skilled talent training base	36,957,642.00	3,303,269.30	Related to income
Subsidies for job stabilization	20,368,930.94	46,536,137.69	Related to income
Foreign trade economic development subsidies	13,599,230.00	16,961,973.15	Related to income
Employment subsidies	9,958,391.58	3,616,981.55	Related to income
Special funds for industrial informatization	8,480,833.41	4,317,700.00	Related to income
Industrial support subsidies	4,930,000.00	24,659,000.00	Related to income
Export subsidies	1,500,000.00	10,441,122.68	Related to income
Others	52,885,487.13	27,857,833.19	Related to income
Amortization of deferred income	213,751,715.49	261,974,013.21	Related to an asset/ income
Total	1,200,254,921.57	836,828,332.25	

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. Investment income

Breakdown:

Item	RMB	
	2023	2022
Income from long-term equity investments under equity method	744,137,403.52	720,976,292.12
Investment gains from the disposal of trading financial assets	57,690,856.18	137,503,692.68
Losses on derecognition of discounted notes	(65,199,268.33)	(198,196,003.72)
Net income from disposal of long-term equity investments	11,901,659.35	10,449,693.66
Investment gains (losses) from the disposal of derivative financial instruments	7,329,459.69	(2,736,234.96)
Dividend income from holding other equity instrument investments	5,067,360.00	3,240,134.00
Total	760,927,470.41	671,237,573.78

There are no significant restrictions on remittance of investment income of the Group.

The Group has no gains on investments from listed companies.

46. Gains from changes in fair values

Source of gains (losses) from changes in fair values	RMB	
	2023	2022
Held-for-trading financial assets		
Including: Equity instruments	2,432,096.19	80,817,800.00
Wealth management products	3,781,209.61	(8,757,147.34)
Derivative financial assets/liabilities	(46,849,715.78)	(21,804,823.49)
Other non-current financial assets	14,600,000.00	81,651.13
Total	(26,036,409.98)	50,337,480.30

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. Losses on credit impairment

<i>RMB</i>		
Item	2023	2022
Accounts receivable	(73,450,446.21)	128,423.26
Other receivables	8,905,684.71	(321,324.53)
Long-term receivables (including those due within 1 year)	2,077,398.09	(25,595,700.77)
Total	(62,467,363.41)	(25,788,602.04)

48. Impairment losses on assets

<i>RMB</i>		
Item	2023	2022
I. Losses on decline in value of inventories	(464,051,231.80)	(255,431,101.30)
II. Impairment losses of fixed assets	(23,323,906.35)	(81,003,157.15)
II. Impairment losses of construction in progress	(233,018.75)	(584,903.32)
Total	(487,608,156.90)	(337,019,161.77)

49. Gains (losses) from disposal of assets

<i>RMB</i>		
Item	2023	2022
Gains (losses) from disposal of asset	99,593.13	4,858,556.38
Including: Losses on disposals of fixed assets	(24,278,556.02)	(42,573,558.21)
Gains on disposals of construction in progress	18,220,413.00	207,358.54
Gains on disposals of intangible assets	(1,199,353.55)	43,071,940.94
Gains on disposals of right-of-use assets	7,357,089.70	4,152,815.11

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

50. Non-operating income

(1) Breakdown of non-operating income is as follows:

RMB

Item	2023	2022	Amount included in non-recurring gains and losses for the year
Government grants	536,855,308.61	749,870,059.73	536,855,308.61
Gains from compensation	71,991,610.54	61,535,830.49	71,991,610.54
Unpayable amounts	53,558,099.19	6,097,026.95	53,558,099.19
Others	81,306,978.66	68,444,321.45	81,306,978.66
Total	743,711,997.00	885,947,238.62	743,711,997.00

(2) Government grants recognized in non-operating income:

RMB

Item	2023	2022	Related to an asset/ Related to income
Industrial development funds	464,414,544.29	621,284,092.36	Related to income
Financial subsidy funds	49,050,000.00	20,785,949.82	Related to income
Subsidies income	10,880,427.00	29,422,275.43	Related to income
Others	12,510,337.32	78,377,742.12	Related to income
Total	536,855,308.61	749,870,059.73	

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. Non-operating expenses

RMB

Item	2023	2022	Amount included in non-recurring gains and losses for the year
Expenditures for donations	34,260,221.16	3,513,877.49	34,260,221.16
Expenses for compensations and fines	4,532,651.62	3,118,760.95	4,532,651.62
Others	81,832,917.46	39,763,665.84	88,386,771.30
Total	120,625,790.24	46,396,304.28	127,179,644.08

52. Income tax expenses

RMB

Item	2023	2022
Current tax expenses	2,032,365,116.98	1,281,879,797.18
Deferred tax expenses	(1,231,125,078.92)	(728,135,387.49)
Total	801,240,038.06	553,744,409.69

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

52. Income tax expenses (continued)

Reconciliation of income tax expenses to the accounting profit is as follows:

Item	<i>RMB</i>	
	2023	2022
Total profit	7,824,052,762.01	8,806,552,019.24
Income tax rate	25%	25%
Income tax expenses calculated at 25%	1,956,013,190.50	2,201,638,004.81
Changes in opening balances of deferred tax assets/ liabilities due to the change in tax rate	—	38,796,249.60
Effects arising from some companies subject to concessionary rates	(179,353,633.75)	(64,910,968.08)
Effect of additional deduction for research and development expenses	(863,137,589.55)	(619,717,581.81)
Fixed assets additional deduction of new high-tech enterprises	—	(731,307,155.20)
Deduction of equity incentive	89,580,199.10	200,884,374.21
Tax effect of non-taxable income	(669,645,548.91)	(414,462,238.11)
Additional deduction for the wages of disabled staff	(11,072,311.55)	(8,833,403.41)
Tax effect of non-deductible expenses	80,204,951.68	148,043,708.93
Differences in prior years' remittances	109,826,322.50	39,097,402.30
The impact of deductible losses on deferred income tax assets not recognized in the prior year	(45,699,610.11)	(460,185,636.77)
The impact of deductible losses on deferred tax assets was not recognized in the year	334,524,068.15	224,701,653.22
Total	801,240,038.06	553,744,409.69

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

53. Net profit

Net profit of the Group has been arrived at after charging (crediting):

Item	Note	RMB	
		2023	2022
Depreciation for fixed assets		4,033,217,372.24	3,978,758,326.03
Depreciation and amortization for investment properties	VI.13	47,649,227.33	21,145,259.14
Amortization of intangible assets		3,176,345,298.62	2,114,390,498.03
Depreciation for right-of-use assets	VI.16	463,406,468.63	426,988,478.45
Amortization of long-term amortized expenses		107,357,646.88	68,060,706.23
Total amount of depreciation and amortization		7,827,976,013.70	6,609,343,267.88
(Gains) losses from disposal of assets	VI.49	(99,593.13)	(4,858,556.38)
Rental income from investment properties		(55,913,016.73)	(41,545,282.52)
Employee benefits expense		14,331,174,050.03	13,570,089,224.02
Research and development expenses		8,054,252,649.82	6,445,163,014.77
Losses on decline in value of inventories	VI.7	464,051,231.80	255,431,101.30

54. Calculation of basic and diluted earnings per share

(1) Calculation of basic earnings per share

The basic earnings per share is calculated based on the current net profit attributable to ordinary shareholders of the Company, deducting the cash dividends distributed to holders of restricted shares that are expected to be unlocked in the future, divided by the weighted average number of outstanding ordinary shares (excluding restricted shares and uncanceled repurchase shares).

Item	2023	2022
Basic earnings per share (RMB/share)	0.82	0.91

(2) Calculation of diluted earnings per share

Diluted earnings per share is calculated by dividing the adjusted current net profit attributable to the owners of the parent company by the adjusted weighted average number of outstanding ordinary shares in the current period under the assumption that all dilutive potential ordinary shares have been converted.

Item	2023	2022
Diluted earnings per share (RMB/share)	0.82	0.91

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

55. Other comprehensive income

RMB

Item	1/1/2023	Amount recognized in the current period					31/12/2023
		Amount incurred for current period before tax	Less: Amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Income tax expenses	Attributable to owners of the parent company after tax	Attributable to minority interests after tax	
Other comprehensive income that will not be reclassified to profit or loss							
Including: Changes in recalculation the net liabilities of the benefit plan	(5,496,728.08)	6,165,518.99	—		6,165,518.99	—	668,790.91
Changes in the fair value of investments in other equity instruments	616,025,972.11	433,300,257.80	—	(108,325,064.45)	324,975,193.35	—	941,001,165.46
Other comprehensive income that will be reclassified to profit or loss							
Including: Changes in fair value of financial assets classified as at FVTOCI	(78,269,669.85)	(4,917,414.35)	—	737,612.15	(4,179,802.20)	—	(82,449,472.05)
Translation difference of financial statements denominated in foreign currency	(297,815,729.23)	(549,212,005.10)	—		(549,212,005.10)	—	(847,027,734.33)
Total other comprehensive income	234,443,844.95	(114,663,642.66)	—	(107,587,452.30)	(222,251,094.96)	—	12,192,749.99

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. Notes to the items in the cash flow statement

(1) Other cash receipts relating to operating activities

	RMB	
Item	2023	2022
Government grants	3,046,716,832.32	2,571,214,055.99
Finance lease payments	2,190,404,583.34	2,284,215,791.95
Interest income	1,050,968,604.14	804,288,633.24
Reparations (penalty) income	71,607,642.88	61,535,830.49
Others	243,807,154.13	413,093,222.68
Total	6,603,504,816.81	6,134,347,534.35

(2) Other cash payments relating to operating activities

	RMB	
Item	2023	2022
Advertising and media services fee	3,703,057,725.53	2,615,503,569.95
Finance lease payments	2,426,159,609.53	1,543,498,125.59
Capacity deposit paid	—	2,143,700,000.00
Transportation costs and port charges	3,739,206,789.91	1,731,135,189.48
Technology development expenditures	1,551,032,496.51	1,557,775,633.76
After-sale services expenses and repair costs	1,270,055,118.29	835,364,427.14
Commissions	569,225,185.62	42,693,140.34
Consultation fees	561,879,226.48	577,536,924.55
Business reception fees and office expenses	371,888,247.67	388,900,630.45
Financial service fee	—	259,924,372.10
Travelling expenses	114,394,250.22	98,644,899.09
Finance leases	—	—
Others	900,879,184.99	132,348,970.43
Total	15,207,777,834.75	11,927,025,882.88

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. Notes to the items in the cash flow statement (continued)

(3) Other cash receipts relating to investing activities

RMB

Item	2023	2022
Collection of performance bond associated with the purchase of land	425,249,958.75	100,000,000.00
Total	425,249,958.75	100,000,000.00

(4) Other cash payments relating to investing activities

RMB

Item	2023	2022
Net cash paid for disposal of subsidiaries and other operating units (Note (vi) 57(2))	38,840,083.76	—
Others	—	3,356,934.96
Total	38,840,083.76	3,356,934.96

(5) Other cash receipts relating to financing activities

RMB

Item	2023	2022
Repurchase of shares and expired restrict shares	5,809,753,842.11	—
Money bought back after sale	367,504,000.00	—
Others	37,344,218.53	—
Total	6,214,602,060.64	—

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. Notes to the items in the cash flow statement (continued)

(6) Other cash payments relating to financing activities

Item	RMB	
	2023	2022
Repurchase of shares and expired restrict shares	2,160,393,960.99	6,860,530,922.01
Increase in restricted bank deposits	—	3,735,104,173.80
Decrease in lease liabilities	671,527,666.50	593,992,619.03
Total	2,831,921,627.49	11,189,627,714.84

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

RMB

Supplementary information	2023	2022
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	7,022,812,723.95	8,252,807,609.55
Add: Provision for impairment of assets	487,608,156.90	337,019,161.77
Impairment losses on credit	62,467,363.41	25,788,602.04
Depreciation of fixed assets	4,033,217,372.24	3,978,758,326.03
Depreciation of right-of-use assets	463,406,468.63	426,988,478.45
Amortization of intangible assets	3,176,345,298.62	2,114,390,498.03
Amortization of long-term prepaid expenses	107,357,646.88	68,060,706.23
Depreciation and amortization of investment properties	47,649,227.33	21,145,259.14
Losses on changes in fair values	26,036,409.98	(50,337,480.30)
Gains from disposal of assets	(99,593.13)	(4,858,556.38)
Amortization of deferred income	(213,751,715.49)	(261,974,013.21)
Financial expenses	730,282,728.15	46,378,419.52
Investment losses (Less: gains)	(851,570,461.44)	(869,433,577.50)
Decrease in deferred tax assets (Less: increase)	(1,416,409,889.65)	(577,994,925.92)
Increase in deferred tax liabilities (Less: decrease)	185,284,810.73	(150,140,461.57)
Decrease in inventories (Less: increase)	(4,968,049,071.40)	(8,842,257,620.03)
Decrease in operating receivables (Less: increase)	(6,123,030,556.96)	9,305,894,961.56
Increase in operating payables (Less: decrease)	14,611,723,499.70	(2,372,768,687.54)
Others	372,508,610.26	863,787,819.57
Net cash flows from operating activities	17,753,789,028.71	12,311,254,519.44
2. Significant investing and financing activities which do not involve cash receipts and payments:		
Leased fixed assets recognized as right-of-use assets	230,087,110.05	1,338,035,685.51
3. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	35,272,177,957.35	26,898,656,878.98
Less: Opening balance of cash and cash equivalents	26,898,656,878.98	27,907,854,151.86
Net (Decrease) Increase in Cash and Cash Equivalents	8,373,521,078.37	(1,009,197,272.88)

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Supplementary information to the cash flow statement (continued)

(2) Net cash receipt from disposal of subsidiaries for the current year

Item	2023	2022
Cash or cash equivalents received in current year for disposal of subsidiaries	146,800,000.00	—
Guangzhou Zhixing Automobile Sales Co. Ltd. (廣州智行汽車銷售有限公司) ("Guangzhou Zhixing Sales")	4,500,000.00	—
Chengdu Zhixing Sanhe Auto Sales and Service Co.,LTD. (成都智行三和汽車銷售服務有限公司) ("Chengdu Zhixing")	12,000,000.00	—
Shijiazhuang Zhixiang Xiangyu Auto Sales and Service Co., LTD. (石家莊智享翔裕汽車銷售服務有限公司) ("Shijiazhuang Zhixiang")	3,900,000.00	—
Chongqing Zhixing Xintian Auto Sales and Service Co., LTD. (重慶市智行新田汽車銷售服務有限公司) ("Chongqing Zhixing Xintian")	3,900,000.00	—
Hangzhou Zhixing Baipeng Auto Sales and Service Co., LTD. (杭州智行佰鵬汽車銷售服務有限公司) ("Hangzhou Zhixing Baipeng")	1,100,000.00	—
Jiaxing Zhiling Yuanxin Auto Sales and Service Co., LTD. (嘉興智領元信汽車銷售服務有限公司) ("Jiaxing Zhiling Yuanxin")	3,600,000.00	—
Shenzhen Weipai Zhixing Automobile Sales Ser-vice Co., Ltd. (深圳魏牌智行汽車銷售服務有限公司) ("Shenzhen Weipai Zhixing")	7,000,000.00	—
Suzhou Zhiling Xinzhicheng Auto Sales and Ser-vice Co., LTD. (蘇州智領心之城汽車銷售服務有限公司) ("Suzhou Zhiling Xinzhicheng")	1,800,000.00	—
Haikou Zhixing Aochuang Auto Sales & Service Co., LTD. (海口市智行奧創汽車銷售服務有限公司) ("Haikou Zhixing Aochuang")	3,000,000.00	—
Guangzhou WeiPai Zhixing Automobile Sales & Service Co., LTD. (廣州魏牌智行汽車銷售服務有限公司) ("Guangzhou Weipai Zhixing")	6,000,000.00	—

RMB

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Supplementary information to the cash flow statement (continued)

(2) Net cash receipt from disposal of subsidiaries for the current year (continued)

Item	2023	2022
Tianjin Zhixin Financing Guarantee Co., LTD. (天津智信融資擔保有限公司) ("Tianjin Zhixin Rongzi")	100,000,000.00	—
Less: Cash and cash equivalents held by subsidiaries at the date of losing control	185,640,083.76	—
Including:		—
Guangzhou Zhixing	26,915,583.03	—
Chengdu Zhixing	1,238,966.09	—
Shijiazhuang Zhixiang	3,678,803.61	—
Chongqing Zhixing Xintian	21,107,580.33	—
Hangzhou Zhixing Baipeng	221,032.41	—
Jiaxing Zhiling Yuanxin	3,015,341.22	—
Shenzhen Weipai Zhixing	139,398.99	—
Suzhou Zhiling Xinzhicheng	3,005,675.29	—
Haikou Zhixing Aochuang	24,346,605.73	—
Guangzhou Weipai Zhixing	359,120.51	—
Tianjin Zhixin Rongzi	101,611,976.55	—
Net cash payment from disposal of subsidiaries	38,840,083.76	—

RMB

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Supplementary information to the cash flow statement (continued)

(3) Components of cash and cash equivalents

RMB

Item	31/12/2023	31/12/2022
I. Cash	35,272,177,957.35	26,898,656,878.98
Including: Cash on hand	235,461.94	295,012.45
Bank deposits ready to be withdrawn on demand	35,271,942,495.41	26,898,361,866.53
II. Closing balance of cash and cash equivalents	35,272,177,957.35	26,898,656,878.98

58. Assets with limited ownership or use right

RMB

Item	Carrying amount at the end of the period	Reasons for the restrictions
Cash and bank balances	3,065,057,109.19	Security and margin deposits for bank acceptances, L/C, letter of guarantee deposits and others
Notes receivable	2,247,819,619.71	Used for issuance of notes payable, endorsed, or discounted
Financing of receivables	18,302,701,191.70	Used for issuance of notes payable
Long-term receivables	674,529,024.64	Used for borrowings and asset-backed securities
Total	24,290,106,945.24	

Notes to the Financial Statements

For the year ended 31 December 2023

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

59. Monetary items denominated in foreign currencies

RMB

Item	Closing balance of foreign currencies	Exchange rate	Closing balance of RMB
Cash and bank balances			3,336,276,222.56
Including: RMB	968,090,801.22	1.0000	968,090,801.22
AUD	240,725,620.93	4.8484	1,167,134,100.51
USD	140,893,342.84	7.0827	997,905,279.34
EUR	13,553,337.61	7.8592	106,518,390.95
JPY	135,034,830.82	0.0502	6,780,503.96
NZD	19,950,741.15	4.4991	89,760,379.49
Others	87,415.46	0.9926	86,767.09
Accounts receivable			2,715,999,289.40
Including: USD	374,366,342.49	7.0827	2,651,524,493.97
Others	9,226,526.07	6.9880	64,474,795.43
Other receivable			2,830,759.75
Including: EUR	296,105.55	7.8592	2,327,152.74
Others	86,430.67	5.8267	503,607.01
Accounts payable			27,758,977.31
Including: USD	3,174,104.83	7.0827	22,481,232.29
Others	4,578,286.22	1.1528	5,277,745.02
Other payables			225,928,375.00
Including: EUR	22,372,147.31	7.8592	175,827,180.14
Others	41,539,603.16	1.2061	50,101,194.86
Short-term borrowing			491,460,113.28
Including: EUR	62,533,096.66	7.8592	491,460,113.28

Notes to the Financial Statements

For the year ended 31 December 2023

VII. RESEARCH AND DEVELOPMENT EXPENSES

1. By nature of costs

RMB

Item	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Wages and salaries	6,888,268,214.54	6,596,164,410.56
Share-based payments	225,155,992.62	829,703,948.66
Depreciation and Amortization	3,341,508,190.73	2,188,387,304.36
Design and development expenses	1,469,602,305.85	2,039,684,860.17
Material test and detection fee	1,152,805,360.38	1,503,176,693.71
Office expenses	184,108,119.85	159,682,839.39
Consulting service fee	357,236,838.04	348,155,300.45
Others	410,492,781.60	397,155,926.54
Total	14,029,177,803.61	14,062,111,283.84
Includes: Expensed research and development expenditure	8,054,252,649.82	6,445,163,014.77
Capitalised research and development expenditure	5,974,925,153.79	7,616,948,269.07

2. Development expenditure on R&D projects eligible for capitalisation

RMB

Item	2023 January 1st	Increase during the period		Decrease during the period		2023 December 31st
		Internal development expenditure	Outsourcing of research and development projects	Recognition as an intangible asset	Transfer to current profit or loss	
Automount projectstive development	11,981,107,869.85	5,826,621,914.82	732,033,493.13	(5,891,272,140.29)	(583,730,254.16)	12,064,760,883.35

Notes to the Financial Statements

For the year ended 31 December 2023

VIII. CHANGES IN CONSOLIDATION SCOPE

1. Disposal of subsidiaries

Single disposal of investments in subsidiaries, i.e. the loss of control

Name of subsidiary	Equity disposal consideration	Equity disposal proportion (%)	Equity disposal approach	Time point of losing control	Determination basis for time point of losing control	<i>RMB</i>
						Difference amount of disposal consideration and shares of corresponding net assets of the subsidiary at consolidated level
Chengdu Zhixing Sanhe Auto Sales and Service Co.,LTD. (成都智行三和汽車銷售服務有限公司) (“Chengdu Zhixing”)	12,000,000.00	100.00	Sold in cash	February 2023	Note	5,155,983.74
Shijiazhuang Zhixiang Xiangyu Auto Sales and Service Co., LTD. (石家莊智享翔裕汽車銷售服務有限公司) (“Shijiazhuang Zhixiang”)	3,900,000.00	100.00	Sold in cash	March 2023	Note	1,806,515.60
Jiaxing Zhiling Yuanxin Auto Sales and Service Co., LTD. (嘉興智領元信汽車銷售服務有限公司) (“Jiaxing Zhiling Yuanxin”)	3,600,000.00	100.00	Sold in cash	February 2023	Note	1,539,530.48
Shenzhen Weipai Zhixing Automobile Sales Ser-vice Co., Ltd. (深圳魏牌智行汽車銷售服務有限公司) (“Shenzhen Weipai Zhixing”)	7,000,000.00	100.00	Sold in cash	June 2023	Note	4,978,619.02
Suzhou Zhiling Xinzicheng Auto Sales and Ser-vice Co., LTD. (蘇州智領心之城汽車銷售服務有限公司) (“Suzhou Zhiling Xinzicheng”)	1,800,000.00	100.00	Sold in cash	March 2023	Note	2,061,431.16
Guangzhou Wei Brand Zhixing Automobile Sales Service Co., LTD.(廣州魏牌智行汽車銷售服務有限公司) (“Guangzhou Wei Brand Zhixing”)	6,000,000.00	100.00	Sold in cash	July 2023	Note	2,044,335.35
Tianjin Zhixin Financing Guarantee company limited (天津智信融資擔保有限公司)	100,000,000.00	100.00	Sold in cash	October 2023	Note	(1,843,250.29)
Others	12,500,000.00	-	Sold in cash	2023	Note	3,423,153.35

Notes to the Financial Statements

For the year ended 31 December 2023

VIII. CHANGES IN CONSOLIDATION SCOPE (continued)

2. Changes in consolidation scope for other reasons

Newly established subsidiaries during the current year:

Name	Date of establishment
Ruibo Ganzhi Technology (Hebei) Co., Ltd.	January 2023
Zhengtu Online Supply Chain (Hebei) Co., Ltd	January 2023
Russian Tank Automobile Trading Co., Ltd	February 2023
Changyou (Tianjin) Information Technology Co., Ltd	February 2023
Chongqing Yongbao International Logistics Co., Ltd	April 2023
Yixintong Energy (Jiangsu) Co., Ltd	April 2023
Great Wall Motors Mexico Co., LTD	April 2023
Great Wall Intelligent Information Technology (Baoding) Co., LTD	December 2023

Cancellation of subsidiaries in current year:

Name	Date of cancellation
Shaanxi Zhixing Qinyue Automobile Sales and Service Co., Ltd.	February 2023
Shenyang Zhixing Xingkailai Automobile Sales and Service Co., Ltd.	March 2023
Qingdao Zhixing Shuncheng Automobile Sales and Service Co., Ltd.	March 2023
Kunming Mibang Automobile Sales Service Co., Ltd.	April 2023
Sanya Jiashang Management Service Co., Ltd.	January 2023
Lanzhou Zhixing Jindao Auto Sales and Service Co., Ltd.	May 2023
Chengdu Zhixing Jianguo Automobile Sales and Service Co., Ltd.	May 2023
Zaoqi (Wenzhou) Automobile sales service Co., LTD	October 2023
Jinan tank Zhixing Shuncheng Automobile sales service Co., LTD	June 2023
Lanzhou Zhixing Kangda Automobile sales Co., LTD	May 2023
Baoding Feiyi Automobile Technology Co., LTD	October 2023
Xinjiang Zhixing Ruixin Automobile sales service Co., LTD	September 2023
Yixin Technology energy Co., LTD	May 2023
Great Wall Motor Europe Investment Holding Co., LTD	February 2023
Great Wall Motor Vietnam Co. LTD	July 2023

IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Structure of the Group

Subsidiaries invested by the Group:

Full name of subsidiary	Legal form	Main place of business	Registered Capitals	Registration place	Nature of the business	Shareholding Ratio (%) Percentage of voting rights (%)	
						Direct	Indirect
Great Wall Baoding Huabei Automotive Company Limited (保定長城華北汽車有限責任公司) ("Great Wall Huabei")	Limited liability company	Gaobeidian	177.55 million RMB	Gaobeidian	Manufacture of automotive parts and components	100.00	—
Baoding Great	Limited liability company	Baoding	135 million RMB	Baoding	Manufacture of automotive parts and components	100.00	—
Baoding Nobo Rubber Production Co., Ltd (保定市諾博橡膠製品有限公司) ("Baoding Nobo")	Limited liability company	Baoding	72.24 million RMB	Baoding	Manufacture of automotive parts and components	100.00	—
Beijing Great Automotive Components Co., Ltd. (北京格瑞特汽車零部件有限公司) ("Beijing Great")	Limited liability company	Beijing	11 million RMB	Beijing	Manufacture of automotive parts and components	100.00	—
Baoding Great Wall Auto Sales Co., Ltd. (保定長城汽車銷售有限公司) ("Great Wall Sales")	Limited liability company	Baoding	0.05 million RMB	Baoding	Marketing and sale of automobiles	20.18	79.82
Tide Technology and Trade Company Limited (泰德科貿有限公司) ("Tide Technology and Trade")	—	Hong Kong	269984567.1 USD + 35000 EUR + 100 million RMB	Hong Kong	Investment and financing services	100.00	—
Mind Electronics	Limited liability company	Baoding	1663.7 million RMB	Baoding	Manufacture of automotive parts and components	100.00	—
Tianjin Lean	Limited liability company	Tianjin Development Area	150 million RMB	Tianjin Development Area	Manufacture of automotive parts and components	100.00	—

Notes to the Financial Statements

For the year ended 31 December 2023

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registered Capitals	Registration place	Nature of the business	Shareholding Ratio (%) Percentage of voting rights (%)	
						Direct	Indirect
Baoding Great Wall Ants Logistics Co., Ltd. (保定市長城螞蟻物流有限公司) ("Great Wall Ants")	Limited liability company	Baoding	250 million RMB	Baoding	Logistics and ordinary goods transportation	100.00	—
Ningxia Great Wall Automobile Rental Co., Ltd. (寧夏長城汽車租賃有限公司) ("Ningxia Rental")	Limited liability company	Yinchuan Economic and Technological	20 million RMB	Yinchuan Economic and Technological	Buildings rental	100.00	—
Baoding Great Wall Resource Recycling Co., Ltd (保定長城再生資源利用有限公司) ("Great Wall Resource Recycling")	Limited liability company	Baoding	10 million RMB	Baoding	Processing, recycling and sale of waste and used material	100.00	—
Baoding Exquisite Automotive Mould Technology Co., Ltd. (保定市精工汽車模具技術有限公司) ("Exquisite Mould")	Limited liability company	Baoding	5 million RMB	Baoding	Research, development and manufacture of auto moulds	100.00	—
Rizhao Weipai	Limited liability company	Rizhao	2,000 million RMB	Rizhao	Manufacture of automotive parts and components	100.00	—
Haval Motors Australia Pty Ltd (哈弗汽車澳大利亞有限公司) ("Haval Australia")	—	Australia	AUD 22.765981 million	Australia	Auto selling	38.50	61.50
Russia Haval Automobile Manufacturing Co., Ltd. (俄羅斯哈弗汽車製造有限責任公司)	—	Russia	2,289.0283 million RMB	Russia	Auto manufacture	75.51	24.49
Haval Motors South Africa Limited (哈弗汽車南非有限公司) ("Haval South Africa")	—	South Africa	59.942266 million R	South Africa	Auto selling	100.00	—
Baoding Great Wall Scrap Car Recycling & Dismantling Co., Ltd. (保定長城報廢汽車回收拆解有限公司) ("Scrap Car Recycling & Dismantling")	Limited liability company	Baoding	5 million RMB	Baoding	Scrap car recycling and dismantling	100.00	—

Notes to the Financial Statements

For the year ended 31 December 2023

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registered Capitals	Registration place	Nature of the business	Shareholding Ratio (%) Percentage of voting rights (%)	
						Direct	Indirect
Great Wall Motor Europe Technical Center GmbH (長城汽車歐洲技術中心有限公司) ("Europe Technical Center")	—	Germany	0.025 million Euros	Germany	Research and design of automobile and auto parts	100.00	—
Great Wall India Research and Development Private Limited (長城印度研發私人有限公司) ("India R&D")	—	India	R280 million	India	Research and design of automobile and auto parts	99.90	0.10
Zaoqi Financial Leasing Company Limited (棗啟融資租賃有限公司) ("Zaoqi Financial Leasing")	Limited liability company	Baoding	170 million RMB million	Baoding	Finance lease business	75.00	25.00
American HAVAL Motor Company (美國哈弗汽車有限公司) ("American HAVAL")	—	United States	0.00005 million US dollars	United States	Investment platform	100.00	—
Guangzhou Great Wall Auto Sales Company Limited (廣州長城汽車銷售有限公司)	Limited liability company	Guangzhou	10 million RMB	Guangzhou	Auto selling	100.00	—
Xiamen Great Wall Auto Sales Co., Ltd. (廈門長城汽車銷售有限公司)	Limited liability company	Xiamen	10 million RMB	Xiamen	Auto selling	100.00	—
Chongqing Auto Parts	Limited liability company	Chongqing	30 million RMB	Chongqing	Manufacture of automotive parts and components	100.00	—
Chongqing Haval	Limited liability company	Chongqing	5 million RMB	Chongqing	Auto selling	100.00	—
Tianjin Oula	Limited liability company	Tianjin	750 million RMB	Tianjin	Finance lease business	75.00	25.00
Honeycomb Yichuang Technology Co., Ltd. (蜂巢易創科技有限公司) ("Honeycomb Yichuang")	Limited liability company	Baoding	4,540 million RMB	Baoding	Research and design of automobile and auto parts	100.00	—

Notes to the Financial Statements

For the year ended 31 December 2023

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registered Capitals	Registration place	Nature of the business	Shareholding Ratio (%) Percentage of voting rights (%)	
						Direct	Indirect
Jinggong Motor	Limited liability company	Baoding	1,000 million RMB	Baoding	Research and design of automobile and auto parts	100.00	—
Nuobo Automotive	Limited liability company	Baoding	2283 million RMB	Baoding	Research and design of automobile and auto parts	100.00	—
Hebei Xiong'an Great Wall Motor Technology Co., Ltd. (河北雄安長城汽車科技有限公司)	Limited liability company	Baoding	50 million RMB	Baoding	Automobile and R&D of unmanned vehicles	100.00	—
Chongqing Great Wall After-sales	Limited liability company	Chongqing	10 million RMB	Chongqing	Customer Service Sales of automobile and auto parts	100.00	—
Chongqing Wei Brand Automobile Sales Co., LTD. (重慶魏牌汽車銷售有限公司) ("Chongqing Wei Brand")	Limited liability company	Chongqing	5 million RMB	Chongqing	Sales of complete vehicles and automotive parts	100.00	—
Baoding Yijian Start Automobile Sales Service Co., Ltd. (保定一見啟動汽車銷售服務有限公司)	Limited liability company	Baoding	200 million RMB	Baoding	Auto-selling; Wholesale and retail of car accessories	100.00	—
India Haval Automobile Private Co., Ltd. (印度哈弗汽車私人有限公司) ("India Haval")	—	India	Rs 210 million	India	Auto selling	99.90	0.10
HWA Ding International	—	Hong Kong	14 million US dollars	Hong Kong	International trading & investment and financing	100.00	—
Shanghai Yuefan Information Technology Co., Ltd. (上海玥泛信息科技有限公司) ("Shanghai Yuefan")	Limited liability company	Shanghai	178.6 million RMB	Shanghai	Investment platform	100.00	—

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IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registered Capitals	Registration place	Nature of the business	Shareholding Ratio (%) Percentage of voting rights (%)	
						Direct	Indirect
Shanghai Great Wall Motor Technology Co., Ltd. (上海長城汽車科技有限公司)	Limited liability company	Shanghai	1.5 million RMB	Shanghai	Technical development and consulting services	100.00	—
Tianjin Great Wall Investment	Limited liability company	Tianjin	500 million RMB	Tianjin	Investment platform	100.00	—
Zhangjiagang Research and Development	Limited liability company	Suzhou	100 million RMB	Suzhou	Research and development of automobile and auto parts	100.00	—
Salon Mecha Technology (沙龍機甲科技有限公司)	Limited liability company	Beijing	500 million RMB	Beijing	Consulting services on automotive R&D	100.00	—
Soul Technology	Limited liability company	Baoding	50 million RMB	Baoding	Research and manufacture of motorcycle and their parts	100.00	—
Confident Zhixing	Limited liability company	Baoding	110 million RMB	Baoding	Consulting services on automotive R&D	100.00	—
Great Wall Zhixing (Chongqing)	Limited liability company	Chongqing	520 million RMB	Chongqing	Auto sales; Wholesale and retail of auto supplies and accessories	100.00	—
Great Wall smart selection Information Technology (Baoding) Co., LTD (長城智選信息科技(保定)有限公司)	Limited liability company	Baoding	500 million RMB	Baoding	Technical services	100.00	—

Notes to the Financial Statements

For the year ended 31 December 2023

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries acquired through business combinations not involving enterprises under common control and assets acquired in the form of acquisition of subsidiaries:

Full name of subsidiaries	Legal form	Place of principal operations	Registered capital	Place of registration	Business nature	Proportion of shareholdings (%)	
						Direct	Indirect
Billion Sunny Development	—	Hong Kong	207.2226 million dollars	Hong Kong	Investment Holding	—	100.00
NOBO Automotive Germany Holding B.V. (諾博汽車德國控股公司)	—	Netherlands	EUR 1	Netherlands	Investment holding	—	100.00
Nobo Automotive Systems Germany GmbH (諾博汽車系統(德國)有限責任公司)	—	Germany	50,000 DM	Germany	Manufacture of automotive parts and accessories	—	100.00
NOBO Automotive Germany GmbH (諾博汽車德國有限責任公司)	—	Germany	EUR 25,000	Germany	Investment holding	—	100.00
NOBO Automotive Holding GmbH & Co. KG (諾博汽車控股兩合公司)	—	Germany	100 Euro	Germany	Investment holding	—	100.00
Great Wall Motor Thailand	—	Thailand	8,799.7 million baht	Thailand	Automobile Manufacturing	—	100.00
Hycet Engine Thailand	—	Thailand	1612.5 million baht	Thailand	Auto Parts Manufacturing	—	100.00
Laoyou Insurance Brokerage Co., Ltd. (老友保險經紀有限公司) ("Laoyou Insurance")	Limited liability company	Beijing	50 million RMB	Beijing	Insurance Brokerage	100.00	—
Hebei Changzheng Automobile Manufacturing Co. LTD	Limited liability company	Xingtai	809.90 million RMB	Xingtai	Automobile Manufacturing	—	100.00

Notes to the Financial Statements

For the year ended 31 December 2023

IX. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries acquired through business combinations involving enterprises under common control:

Full name of subsidiaries	Legal form	Place of principal operations	registered capital	Place of registration	Business nature	Proportion of shareholdings (%)	
						Proportion of voting rights (%)	
						Direct	Direct
Baoding Yixin	Limited liability company	Baoding	13 million RMB	Baoding	Manufacture of automotive parts and components	100.00	—
Changyou Haoche (Tianjin) Automobile Import and Export Co., Ltd. (常有好車(天津)汽車進出口有限公司) ("Changyou Haoche")	Limited liability company	Tianjin	30 million RMB	Tianjin	Sales of automotive parts and components	100.00	—
Ruguo Technology Co., Ltd. (如果科技有限公司) ("Ruguo Technology")	Limited liability company	Baoding	450,000,000 RMB	Baoding	Research and test development of engineering technology	100.00	—
Tianjin Jolion Suju Information Technology Co., LTD. (天津初戀數聚信息科技有限公司) ("Tianjin Jolion Shuju")	Limited liability company	Tianjin	10 million RMB	Tianjin	Network and information security software development	100.00	—
Yunshi Chelian	Limited liability company	Tianjin	50 million RMB	Tianjin	Technical Services and Computer System Services	—	100.00
Wuxi Lingcheng intelligent Technology Co., LTD	Limited liability company	Wuxi	20 million RMB	Wuxi	Automotive Technology R&D, Technical Consultancy	—	100.00

2. No transactions occurred in the current year in which the proportion of equity in subsidiaries has changed while the subsidiaries are still held by the Company.

Notes to the Financial Statements

For the year ended 31 December 2023

IX. INTERESTS IN OTHER ENTITIES (continued)

3. Interests in joint ventures or associates

(1) Significant joint venture

Name of joint venture	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)		Accounting procedures for investment in joint ventures
				Direct	Indirect	
Automotive Finance	Tianjin	Tianjin	Automotive Finance	98.18	—	Equity Method

Description of the difference between the proportion of shareholding and proportion of voting rights in the joint venture:

According to the Articles of Association of Automotive Finance, the activities relating to financial and operational decisions shall be decided upon unanimous approval by the board of directors. Therefore, the Company implements joint control over Automotive Finance.

(2) Key financial information of significant joint venture

RMB

	Closing balance/ Amount incurred in the current year	Opening balance/ Amount incurred in the prior year
Cash and deposits with the central bank	38,472,971.22	340,738,497.99
Deposits with other banks	3,264,619,330.55	3,519,597,067.53
Total assets	52,250,136,988.73	50,945,316,382.92
Total liabilities	41,002,942,570.41	40,213,638,691.36
Net assets	11,247,194,418.32	10,731,677,691.56
Minority interests	—	—
Equity attributable to the shareholders of the Parent Company	11,247,194,418.32	10,731,677,691.56
Share of net assets calculated based on the proportion of shareholding	11,042,495,479.90	10,536,361,157.57
Adjustments		
— Others	(366,202,465.80)	(324,033,197.55)
Carrying amount of investments in equity of joint ventures	10,676,293,014.10	10,212,327,960.02
Operating income	2,069,737,500.98	1,961,208,843.20
Income tax expenses	289,622,057.39	274,402,188.70
Net profit	872,939,824.40	822,239,850.66
Other comprehensive income	—	—
Total comprehensive income	872,939,824.40	822,239,850.66

Notes to the Financial Statements

For the year ended 31 December 2023

X. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments of the Group mainly include cash and bank balances, held-trading financial assets, derivative financial assets/liabilities, accounts receivable, notes receivable, financing with receivables, other receivables, other current assets – deposits with non-bank financial institutions, long-term receivables, other equity instrument investments, other non-current financial assets, other non-current assets – purchase margin, borrowings, accounts payable, notes payable, other payables, other current liabilities and bonds payable etc. Detailed descriptions of these financial instruments are set out in Note VI. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate such risks are set out below. The management of the Group manages and monitors such risk exposures to ensure such risks are limited to a prescribed level.

	31/12/2023 RMB	31/12/2022 RMB
Financial assets		
At FVTPL		
Held-trading financial assets	4,112,386,017.05	2,053,553,807.44
Derivative financial assets	11,834,681.50	13,170,797.64
Other non-current financial assets	207,928,692.28	133,328,692.28
At FVTOCI		
Financing with receivables	28,923,599,369.45	22,152,492,848.09
Other equity instrument investments	1,920,519,915.82	1,481,976,762.81
At amortized cost		
Cash and bank balances	38,337,235,066.54	35,773,467,830.28
Notes receivable	2,951,761,611.60	2,735,886,300.00
Accounts receivable	7,193,193,843.92	6,611,191,147.15
Other receivables	790,586,534.73	1,486,583,318.41
Other current assets – Deposits with non-bank financial institutions	—	6,908,799,698.05
Long-term receivables (less finance lease receivables)	362,926,261.22	759,033,224.94
Other non-current assets – Purchase margin	—	1,499,685,302.77
Financial liabilities		
At FVTPL		
Derivative financial liabilities	84,400,226.04	28,800,759.63
At amortized cost		
Short-term borrowings	5,700,850,933.24	5,943,335,783.46
Notes payable	27,939,790,253.08	30,061,481,322.24
Accounts payable	40,546,651,118.94	29,305,857,540.98
Other payables	5,317,286,802.25	5,412,038,588.21
Other current liabilities	7,088,140,056.33	5,555,585,325.06
Non-current liabilities due within 1 year (excluding lease liabilities due within 1 year)	6,520,347,185.04	4,481,304,348.88
Long-term accounts payables	26,013,927.49	—
Long-term borrowings	13,286,088,708.96	15,405,655,852.03
Bonds payable	3,463,059,969.50	3,511,206,000.48
Other non-current liabilities	169,946,785.38	39,789,867.25

Notes to the Financial Statements

For the year ended 31 December 2023

X. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Group adopts sensitivity analysis technique to analyze how the profit or loss for the period or shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

1. Objective and policies of risk management

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyze the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitor regularly and effectively these exposures to ensure the risks are monitored at a certain level.

1.1 Market risk

1.1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The assets and liabilities (Including internal current account denominated in foreign currency) denominated in foreign currencies which may have impact on the Group's performance as a result of currency risk are as follows:

	<i>RMB</i>	
Item	31 December 2023	31 December 2022
Cash and bank balances	3,336,276,222.56	2,219,296,294.13
Accounts receivable	4,949,191,124.35	2,614,085,412.12
Other receivables	777,920,211.92	5,059,674,680.89
Accounts payable	(2,310,309,436.13)	(3,219,437,693.00)
Other payables	(296,633,563.80)	(148,055,491.69)
Short-term borrowings	(491,460,113.28)	—
Long-term borrowings (due within 1 year inclusive)	(84,409,351.98)	—

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk. Except for the above items, currency risk is not involved in the Group's other financial instruments.

X. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**1. Objective and policies of risk management** (continued)**1.1 Market risk** (continued)**1.1.1 Currency risk** (continued)

Sensitivity analysis on currency risk

Where all other variables are held constant, the effects of potential reasonable changes in exchange rates on the profit or loss and equity interests before tax for the period are set out below:

RMB

Item	Change in exchange rate	2023	
		Effect on total profit	Effect on shareholders' equity
USD	5% increase against RMB	187,117,549.65	187,117,549.65
USD	5% decrease against RMB	(187,117,549.65)	(187,117,549.65)
AUD	5% increase against RMB	58,599,125.03	58,599,125.03
AUD	5% decrease against RMB	(58,599,125.03)	(58,599,125.03)
EUR	5% increase against RMB	30,394,317.00	30,394,317.00
EUR	5% decrease against RMB	(30,394,317.00)	(30,394,317.00)
NZD	5% increase against RMB	4,488,018.97	4,488,018.97
NZD	5% decrease against RMB	(4,488,018.97)	(4,488,018.97)
JPY	5% increase against RMB	4,386,096.25	4,386,096.25
JPY	5% decrease against RMB	(4,386,096.25)	(4,386,096.25)

Note: The potential reasonable changes in other exchange rates has limited effect on the profit or loss and equity interests before tax for the period. The above effect of changes in exchange rate has included the effect of forward exchange contracts held by the Group.

Notes to the Financial Statements

For the year ended 31 December 2023

X. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Objective and policies of risk management (continued)

1.1 Market risk (continued)

1.1.1 Currency risk (continued)

RMB

Item	Change in exchange rate	2022	
		Effect on total profit	Effect on shareholders' equity
USD	5% increase against RMB	117,207,322.50	117,207,322.50
USD	5% decrease against RMB	(117,207,322.50)	(117,207,322.50)
EUR	5% increase against RMB	130,341,183.33	130,341,183.33
EUR	5% decrease against RMB	(130,341,183.33)	(130,341,183.33)
HKD	5% increase against RMB	7,021,035.62	7,021,035.62
HKD	5% decrease against RMB	(7,021,035.62)	(7,021,035.62)
RUB	5% increase against RMB	27,745,995.38	27,745,995.38
RUB	5% decrease against RMB	(27,745,995.38)	(27,745,995.38)
AUD	5% increase against RMB	41,166,146.43	41,166,146.43
AUD	5% decrease against RMB	(41,166,146.43)	(41,166,146.43)

Note: The potential reasonable changes in other exchange rates has limited effect on the profit or loss and equity interests before tax for the period. The above effect of changes in exchange rate has included the effect of forward exchange contracts held by the Group.

X. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**1. Objective and policies of risk management** (continued)**1.1 Market risk** (continued)

1.1.2 Interest rate risk

The Group's cash flow interest rate risk of financial instruments relates primarily to variable-rate bank borrowings. It is the Group's policy to keep its borrowings at floating rate of interests and constantly pay close attention to the effect of interest rate changes on the interest rate risk exposed to the Group.

Sensitivity analysis on interest rate risk

Sensitivity analysis on interest rate risk is based on the following assumption: the changes in market interest rate may have impact on the interest expenses of variable rate financial liabilities.

On the basis of the above assumption, where all other variables are held constant, the effects of potential reasonable changes in interest rates on the profit or loss and equity interests before tax for the period are set out below:

RMB

Item	Interest rate changes	2023	
		Effect on profit	Effect on shareholders' equity
Long-term borrowings	Increase of 100 basis points	(166,416,552.16)	(166,416,552.16)
Long-term borrowings	Decrease of 100 basis points	166,416,552.16	166,416,552.16
Short-term borrowings	Increase of 100 basis points	(12,994,326.21)	(12,994,326.21)
Short-term borrowings	Decrease of 100 basis points	12,994,326.21	12,994,326.21

RMB

Item	Interest rate changes	2022	
		Effect on profit	Effect on shareholders' equity
Long-term borrowings	Increase of 100 basis points	(190,733,019.70)	(190,733,019.70)
Long-term borrowings	Decrease of 100 basis points	190,733,019.70	190,733,019.70
Short-term borrowings	Increase of 100 basis points	(8,681,474.68)	(8,681,474.68)
Short-term borrowings	Decrease of 100 basis points	8,681,474.68	8,681,474.68

Notes to the Financial Statements

For the year ended 31 December 2023

X. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Objective and policies of risk management (continued)

1.1 Market risk (continued)

1.1.3 Other price risks

The Group's price risk arises mainly from investments in other equity instruments and other non-current financial assets. It is the Group's policy to keep its borrowings at floating rate of interests and constantly pay close attention to the effect of interest rate changes on the interest rate risk exposed to the Group.

1.2 Credit risk

As at 31 December 2023, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, is arising from the carrying amounts of the respective recognized financial assets as stated in the consolidated balance sheets. For debt instruments measured at fair value, the carrying amount reflects its risk exposure but not the maximum risk exposure, and the maximum risk exposure will change with future changes in fair value.

The Group only transacts with the third parties having good credit records, and most of the sales transactions are settled by receipts in advance or bank acceptances. In order to minimize the credit risk, the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of the financial assets and contract assets at each balance sheet date to ensure that adequate provision for expected credit loss is made for related assets.

The Group's cash and bank balances are deposited in banks with high credit ratings and the acceptance bank in which bank acceptances receivable are deposited is a bank of relatively high credit ratings, thus cash and bank balances and bank acceptances receivable have limited credit risk.

In respect of other receivables, the management of the Group periodically assesses the recoverability of other receivables based on historical settlement records, past experience and reasonable supporting forward-looking information.

As at 31 December 2023, please refer to Note VI 3 and 6 for details of the top five accounts receivable and other receivables of the Group. In addition, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

As at 31 December 2023, details of credit risk on the Group's accounts receivable, other receivables and financing lease receivables and their expected credit losses are set out in Note VI 3, 6 and 10.

Notes to the Financial Statements

For the year ended 31 December 2023

X. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Objective and policies of risk management (continued)

1.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

At the end of each year, the maturity analysis for non-derivative financial liabilities and lease liabilities held by the Group which is based on undiscounted remaining contractual obligations is as follows:

RMB

	31 December 2023			Total
	Within 1 year	1 to 5 years	Over 5 years	
Short-term borrowings	(5,750,052,376.48)	—	—	(5,750,052,376.48)
Notes payable	(27,939,790,253.08)	—	—	(27,939,790,253.08)
Accounts payable	(40,546,651,118.94)	—	—	(40,546,651,118.94)
Other payables	(5,317,286,802.25)	—	—	(5,317,286,802.25)
Other current liabilities	(7,088,140,056.33)	—	—	(7,088,140,056.33)
Long-term borrowings (due within 1 year inclusive)	(6,547,657,474.62)	(13,568,267,316.21)	—	(20,115,924,790.83)
Lease liabilities (due within 1 year inclusive)	(372,744,389.78)	(721,955,444.20)	—	(1,094,699,833.98)
Bonds payable (due within 1 year inclusive)	(412,760,784.08)	(3,801,488,060.88)	—	(4,214,248,844.96)

RMB

	31 December 2022			Total
	Within 1 year	1 to 5 years	Over 5 years	
Short-term borrowings	(5,969,009,132.84)	—	—	(5,969,009,132.84)
Notes payable	(30,061,481,322.24)	—	—	(30,061,481,322.24)
Accounts payable	(29,305,857,540.98)	—	—	(29,305,857,540.98)
Other payables	(5,412,038,588.21)	—	—	(5,412,038,588.21)
Other current liabilities	(5,555,585,325.06)	—	—	(5,555,585,325.06)
Long-term borrowings (due within 1 year inclusive)	(4,088,553,399.25)	(15,888,148,298.17)	(4,233,275.26)	(19,980,934,972.68)
Lease liabilities (due within 1 year inclusive)	(447,808,423.48)	(979,454,938.60)	—	(1,427,263,362.08)
Bonds payable (due within 1 year inclusive)	(537,552,086.59)	(4,036,091,708.00)	—	(4,573,643,794.59)

Notes to the Financial Statements

For the year ended 31 December 2023

X. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

2. Capital management

The Group manages capital by optimizing the structure of liabilities and shareholders' equity to ensure that the entities within the Group can continue to operate and maximize shareholders' returns at the same time.

The Group's capital structure consists of the Group's net debt (the net amount of borrowings and bonds payable after deducting cash and bank balances as disclosed in Note VI. 20,29 and 1) and the shareholders' equity.

The Group is not subject to external mandatory capital management requirements. The management of the Group reviews the capital structure of the Group on a regular basis.

XI. DISCLOSURE OF FAIR VALUE

1. Fair value at the end of the period of financial assets and financial liabilities measured at fair value

Some of the Group's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation techniques and inputs used).

RMB

Item	Fair value at the end of the period			Total
	Level 1	Level 2	Level 3	
I. Continuous fair value measurement				
(I) Financial assets at fair value through profit or loss				
1. Held-for-trading financial assets	-	4,112,386,017.05	-	4,112,386,017.05
(1) Financial Products	-	4,112,386,017.05	-	4,112,386,017.05
(2) Equity instrument	-	-	-	-
2. Derivative financial assets	-	11,834,681.50	-	11,834,681.50
3. Other non-current financial assets	-	-	207,928,692.28	207,928,692.28
(II) Financial assets at fair value through other comprehensive income				
1. Financing with receivables	-	28,923,599,369.45	-	28,923,599,369.45
(III) Designated as financial assets at fair value through other comprehensive income				
1. Other Equity instrument investments	-	-	1,920,519,915.82	1,920,519,915.82
Total assets measured at fair value on a recurring basis	-	33,047,820,068.00	2,128,448,608.10	35,176,268,676.10
(I) Financial liabilities at fair value through profit or loss				
1. Derivative financial liabilities	-	(84,400,226.04)	-	(84,400,226.04)
Total liabilities measured at fair value on a recurring basis	-	(84,400,226.04)	-	(84,400,226.04)

XI. DISCLOSURE OF FAIR VALUE (continued)**2. Valuation techniques and information of key parameters adopted for level 2 fair value measurement items**

Level 2 fair value measurement items mainly refer to held-for trading financial assets – wealth management products, forward foreign exchange settlement contracts and financing with receivables – notes receivable. Cash flow discount method is adopted for valuation techniques of fair values, and the inputs are contract-linked observable inputs, forward exchange rate, observable interest rate, etc.

3. Valuation techniques and information of key parameters adopted for level 3 fair value measurement items

Level 3 fair value measurement items mainly refer to other equity instrument investments and other non-current financial assets. Asset-based approach and market approach are adopted for valuation techniques of fair value of other equity instrument investments and other non-current financial assets.

4. Fair value of financial assets and financial liabilities which are not measured at fair value

Except for the items set out below, the management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized costs in the financial statements as at 31 December 2023 approximate their fair values.

RMB'000

Item	Book value 31 December 2023	Fair value 31 December 2023
Bonds payable		
– Convertible Corporate bonds	3,754,026	3,764,706
– Asset-backed securities and notes (including within 1 year)	456,223	458,596

Note: The carrying amount of convertible corporate bonds includes the carrying amount of liabilities and equity components.

The fair value of convertible corporate bonds is the unadjusted quotation in the active market, which is a level 1 fair value measurement item.

The fair value of asset-backed securities is determined by the cash flow discount method, and the market return rate of other financial instruments with similar contract terms, credit risks and remaining maturities is taken as the discount rate. It is a level 2 fair value measurement item.

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS

1. Parent company of the Company

RMB

Name of company	Place of registration	Nature of business	Registered capital	Shareholding ratio of the company as At 31 December 2023, (%)	Percentage of voting rights of the company as At 31 December 2023, (%)
Innovation Great Wall	Baoding	Investment	5,000,000,000.00	60.19	60.19

The ultimate controlling shareholder of the Company is Wei Jianjun.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note VIII.

3. Joint ventures and associates of the Company

Details of the joint ventures and associates of the Company are set out in Note VIII.

XII. RELATED PARTIES AND TRANSACTIONS (continued)**4. Other related parties of the Company**

Name	Relationship with the Group
Baoding Great Wall Holdings Company Limited and its subsidiaries (保定市長城控股集團有限公司及其子公司) (Great Wall Holdings and its subsidiaries) (note)	Entity controlled by the ultimate controlling shareholder
Spotlight Automotive Company Limited (光束汽車有限公司) ("Spotlight Automotive")	Joint venture invested by the Company
Baoding Kelkang Medical Management Co., Ltd. (保定市凱爾康醫療管理有限公司) ("Kelkang Medical")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 30% equity)
Baoding Kaierkang Medical Management Co., LTD. (保定市凱爾康醫療管理有限公司徐水凱爾康藥店) ("Kaierkang Medical")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 30% equity)
Baoding Kailkang Medical management Co., LTD. Baoding Lianchi division company (保定市凱爾康醫療管理有限公司保定蓮池區分公司) ("Kelcom Medical (Lianchi)")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 30% equity)
Baoding Aihecheng Kindergarten in Lianchi District (保定市蓮池區愛和城幼兒園) ("Great Wall Kindergarten")	Other related parties (private non-enterprise units controlled by the ultimate controlling shareholder)
Baoding Aihecheng School in Lianchi District (保定市蓮池區愛和城學校) ("Great Wall School")	Other related parties (Private non-enterprise entity indirectly controlled by the ultimate controlling shareholder in the past 12 months)
Hebei Baocang Expressway Co. Ltd. (河北保滄高速公路有限公司) ("Baocang Expressway")	Other related parties (Ultimate controlling shareholder serving as director of the company)
Great Wall Venture	Other related parties (Entity in which the ultimate controlling shareholder serves as a director and indirectly holds more than 30% equity)
Hebei Baoding Tai Hang Group Co., Ltd. (河北保定太行集團有限責任公司) ("Tai Hang Group")	Other related parties (Entity directly controlled by family member closely related with ultimate controlling shareholder)
Baoding Aihecheng Senior High School (保定市愛和城高級中學有限公司) ("Aihecheng Senior High School")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 30% equity)
Tehai Hydrogen Energy Testing (Baoding) Co., LTD (特嗨氫能檢測(保定)有限公司) ("Tehai Hydrogen Energy")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 50% equity)
Baoding home inspection health examination center Co., LTD (保定上門檢健康體檢中心有限公司) ("Baoding Health")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 30% equity)

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

4. Other related parties of the Company (continued)

Name	Relationship with the Group
Xinjiang Zhiyuan Tongtu traffic Co., LTD (新疆智源通途交通有限公司) ("Xinjiang Zhiyuan")	Other related parties (Entity in which the ultimate controlling shareholder serves as a director)
Xingrui Hospital, Baoding (保定興芮醫院) ("Xingrui Hospital")	Other related parties (Entity directly controlled by family member closely related with ultimate controlling shareholder)
Baoding Ruixing Wine Co., LTD (保定芮興酒業有限公司) ("Ruixing Wine")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 50%)
Baoding Ruixing Liquor sales Co., LTD (保定芮興酒類銷售有限公司) ("Rui Xing Sales")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 50%)
Baoding Xingrui electronic commerce Co., LTD (保定興芮電子商務有限公司) ("Xingrui Electronics")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 50%)
Baoding Xingrui Hotel Management Co., LTD (保定興芮酒店管理有限公司) ("Xingrui Hotel")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 50%)
Baoding Xingrui food Co., LTD (保定興芮食品有限公司) ("Xingrui Food")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 50%)
Baoding Xingrui Technology Co., LTD (保定興芮科技有限公司) ("Xingrui Technology")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 50%)
Seda Semiconductor Technology Co., LTD (賽達半導體科技有限公司) ("Seda Semiconductor")	Other related parties (Entity in which the ultimate controlling shareholder indirectly holds more than 50%)

Note: Haomo Zhixing is not only an associate of the Group, but also an entity controlled by the ultimate controlling shareholder of the Group. The related party transactions, receivables and payables between the Group and Haomo Zhixing, are included in the related party transactions, receivables and payables between the Group and Great Wall Holdings and its subsidiaries.

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions

(1) Related party transactions in the purchase and sale of goods, provision and acceptance of services

Purchase of goods/acceptance of services

RMB

Related parties	Related party transaction	2023	2022
Great Wall Holding and its subsidiaries	The purchase of goods	4,977,960,498.41	3,943,389,109.71
	Accepting services,	403,692,652.64	537,663,273.63
	Rental expenses and others	670,250,280.81	526,603,332.83
Automotive Finance	Purchase of goods	213,498.38	4,693.54
	Accepting services,	—	118,261,719.33
Spotlight Automotive	Purchase of goods	758,906,135.64	780,210,828.10
	Accepting services,	134,381,837.78	103,071,797.17
	Rental expenses and others	441,772.57	—
Jiangsu Longcheng	Purchase of goods	—	137,321,151.33
Jiangsu Baojie	Purchase of goods	130,864,950.72	30,126,728.40
Tai Hang Group	Purchase of goods	34,513.27	42,123.00
Kelcom Medical (Lianchi)	Purchase of goods	34,091.32	—
	Accepting services,	693.00	—
Kelkang Medical	Purchase of goods	3,960.00	85,530.00
	Receipt of services	3,224,070.00	3,304,930.00
Kelkang Pharmacy	Purchase of goods	363,883.17	51,201.00
	Accepting services,	4,575.00	—
Tehai Hydrogen Energy	Purchase of goods	952,718.78	—
	Receipt of services	4,891,069.38	877,741.60
	Rental expenses and others	13,529.08	—
Baocang Expressway	Receipt of services	248.18	—
Wuxi core actuator	Purchase of goods	449,760.00	—
Wuxi core actuator	Receipt of services	11,320,754.72	—
Xingrui Hospital	Receipt of services	206,200.00	—
Ruixing Wine	Purchase of goods	180.00	—
Rixing Sales	Purchase of goods	12,785.85	—
Xingrui Electronics	Purchase of goods	6,664.00	—
Xingrui Hotel	Receipt of services	37,148.45	—
Xingrui Food	Purchase of goods	3,413.71	—

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(1) Related party transactions in the purchase and sale of goods, provision and acceptance of services (continued)

Sales of goods/rendering of services

RMB

Related parties	Related party transaction	2023	2022
Great Wall Holding and its subsidiaries	Sales of goods	372,769,211.32	233,680,252.10
	Rendering of services	79,972,195.77	69,272,583.27
	Rental income and others	13,393,555.43	12,236,707.51
Spotlight Automotive	Sale of goods	232,228,477.33	177,382,602.47
	Rendering of services	264,614,292.98	193,368,245.06
Automotive Finance	Sale of goods	9,843.27	24,431.33
	Rendering of services	51,969,694.60	48,007,307.97
	Rental income and others	315,415.85	274,172.48
Aihecheng School	Interest income	177,923,854.04	290,506,562.58
	Sale of goods	—	927,943.25
Great Wall Venture	Rendering of services	—	1,226.42
	Rental income and others	13,794.50	12,833.18

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(1) Related party transactions in the purchase and sale of goods, provision and acceptance of services (continued)

Sales of goods/rendering of services (continued)

		RMB	
Related parties	Related party transaction	2023	2022
Baocang Expressway	Sales of goods	35,398.23	—
	Rendering of services	2,568.76	3,507.77
Aihecheng Senior High School	Sales of goods	18,199.12	—
	Rendering of services	8,699.35	8,112.70
Kelkang Medical	Rental income and others	7,031.86	—
	Rendering of services	1,595.68	1,839.63
Tehai Hydrogen Energy	Rental income and others	—	14,285.71
	Sale of goods	1,240,257.15	52,883,641.87
Tai Hang Group	Rendering of services	739,588.45	300,686.49
	Rental income and others	4,319,845.28	2,800,003.46
Jiangsu Longcheng	Rendering of services	3,995.28	5,608.49
Jiangsu Baojie	Sale of goods	834,270.95	748,124.55
	Sale of goods	—	322,136.50
Kelcom Medical (Lianchi)	Rendering of services	1,021,513.39	4,500,000.00
	Rental income and others	1,167,581.70	—
Wuxi core actuator	Sale of goods	1,835.62	—
	Rental income and others	85,714.32	—
Baoding health	Sale of goods	667,398.57	—
	Rendering of services	13,855,280.63	—
Xinjiang Zhiyuan	Rental income and others	412,229.78	—
	Sale of goods	942.07	—
Xingrui Technology	Rendering of services	1,028.30	—
	Rental income and others	7,714.29	—
Seda Semiconductor	Sale of goods	6,991,150.40	—
Seda Semiconductor	Sale of goods	149,929.72	—
Seda Semiconductor	Sale of goods	27,514,133.37	—
Seda Semiconductor	Rendering of services	3,850,550.38	—

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(2) Emolument for key management

Item	RMB	
	2023	2022
Salary for key management	15,223,087.22	16,588,810.88
Share based payment for key management	1,174,926.41	7,984,910.25

Key management are the individuals who are authorized and responsible for planning, supervision and control of corporate activities, including directors, general manager, chief accounting officer, deputy general managers, and other administration officers.

(a) Remunerations for independent non-executive directors

Remunerations for independent non-executive directors for the current year:

	RMB'000	
	2023	2022
Li Wanjun (Note)	28	60
Ng Chi Kit (Note)	62	135
Yue Ying	60	60
Fan Hui (Note)	33	—
Zou Zhaolin (Note)	73	—
Total	256	255

The above remuneration of the independent non-executive directors represents their remuneration for their services as directors of the Company. There is no other remuneration payable to the independent non-executive directors during the year (2022: Nil).

Mr. Li Wanjun and Mr. Ng Chi Kit will no longer serve as independent non-executive directors of the company from June 16, 2023. Mr. Fan Hui and Mr. Zou Zhaolin will serve as independent non-executive directors of the company from June 16, 2023.

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(2) Emolument for key management (continued)

(b) Executive directors, non-executive directors and supervisors

RMB'000

2023	Emolument	Salaries, subsidies and welfare in kind	Bonus	Retirement benefit contributions	Share based payment	Total remunerations
Executive directors:						
Wei Jianjun	—	3,389	2,335	33	—	5,757
Zhao Guoqing	—	1,480	1,751	33	107	3,371
Li Hongshuan	—	430	1,268	33	997	2,728
Non-executive directors:						
He Ping	60	—	—	—	—	60
Supervisors:						
Liu Qian	20	—	—	—	—	20
Ma Yubo	20	—	—	—	—	20
Lu Caijuan	—	255	144	—	65	464
Total	100	5,554	5,498	99	1,169	12,420

RMB'000

2022	Emolument	Salaries, subsidies and welfare in kind	Bonus	Retirement benefit contributions	Share based payment	Total remunerations
Executive directors:						
Wei Jianjun	—	3,388	2,334	33	—	5,755
Wang Fengying (Note 1)	—	1,906	—	18	4,987	6,911
Yang Zhijuan (Note 2)	—	113	—	—	80	193
Zhao Guoqing (Note 1)	—	1,476	1,516	33	563	3,588
Li Hongshuan (Note 2)	—	291	884	33	1,911	3,119
Non-executive directors:						
He Ping	60	—	—	—	—	60
Supervisors:						
Liu Qian	20	—	—	—	—	20
Ma Yubo	20	—	—	—	—	20
Lu Caijuan	—	255	133	—	—	388
Total	100	7,429	4,867	117	7,541	20,054

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(2) Emolument for key management (continued)

(b) Executive directors, non-executive directors and supervisors (continued)

Note 1: Ms. Wang Fengying resigned as the executive director of the Company in March 2022, and Mr. Zhao Guoqing was appointed as the executive director of the Company since March 2022.

Note 2: Ms. Yang Zhijuan resigned as the executive director of the Company in March 2022, and Ms. Li Hongshuan was appointed as the executive director of the Company since March 2022.

The bonus is determined according to the performance of the Group.

The above remunerations are the compensation to the executive directors for their services as the Company's management personnel. The above remuneration of the independent non-executive directors represents their remuneration for their services as directors of the Company. The above remuneration of the supervisors represents their remuneration for their service as supervisors or managers of the Company.

During the current year, neither the directors nor the supervisors waive or agree to waive any remuneration. The Group has not paid any remuneration to directors or supervisors as a reward for joining the Group or after joining the Group or as compensation for lost jobs.

(c) Top five highest paid employees

Of the five highest paid employees in the Group, remunerations for three (2022: four) highest paid employees are shown in the above table and remunerations for the other two (2022: one) highest paid employees are analyzed below:

	<i>RMB'000</i>	
	2023	2022
Salaries, subsidies and welfare in kind	1,895	421
Bonus	4,794	3,598
Retirement benefit contributions	67	18
Share based payment	70	368
Total	6,826	4,405

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(2) Emolument for key management (continued)

(c) Top five highest paid employees (continued)

The number of employees whose remunerations are ranged as follows:

	2023	2022
HK\$2,000,001 to HK\$2,500,000	—	—
HK\$2,500,001 to HK\$3,000,000	1	—
HK\$4,500,001 to HK\$5,000,000	1	1
HK\$5,500,001 to HK\$6,000,000	—	—

(3) Other related party transactions

(a) Deposits with related parties

Changes in deposits with related parties:

RMB

Related party	1/1/2023	Deposits for the year	Recovery for the year	31/12/2023
Automotive Finance	6,762,000,000.00	—	(6,762,000,000.00)	—

The movements in the amount of interest on deposits with related parties are as follows:

RMB

Related party	1/1/2023	Additions for the year	Recovery for the year	31/12/2023
Automotive Finance	146,799,698.05	177,923,854.04	(324,723,552.09)	—

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(3) Other related party transactions (continued)

(b) Guarantees provided by related parties

RMB

Guarantee company	Currency	Guaranteed amount	Guaranteed start date	Guaranteed end date	Whether the guarantee has been fulfilled
Great Wall Venture Capital	RMB	3,000,000,000.00	July 12, 2022	July 11, 2025	No

(c) Right-of-use assets and lease liabilities

During the current period, the Group signed several new lease agreements with related parties. Except for short-term leases and low-value assets, the Group's recognized right-of-use assets are RMB81,662,138.99. At the end of the period, the balance of lease liabilities between the Group and related parties is RMB651,822,014.10. The interest expense of lease liabilities incurred in this period is RMB14,254,117.64.

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

6. Amounts due from/due to related parties

RMB

Item	Related party transactions	31/12/2023	31/12/2022
Accounts receivable	Great Wall Holding and its subsidiaries	270,450,634.98	200,891,925.14
Accounts receivable	Automotive Finance	15,067,029.41	16,135,882.72
Accounts receivable	Spotlight Automotive	434,792,002.66	350,242,677.58
Accounts receivable	Other related parties	5,047,495.11	6,280.96
Accounts receivable	Jiangsu Longcheng	750,573.32	211,811.52
Accounts receivable	Jiangsu Baojie	8,741.25	—
Subtotal of accounts receivable:		726,116,476.73	567,488,577.92
Other receivables	Great Wall Holding and its subsidiaries	14,627,121.19	9,947,796.57
Other receivables	Spotlight Automotive	250,000.00	1,230,739.50
Other receivables	Other related parties	—	7,660.00
Other receivables	Jiangsu Baojie	1,757.55	1,757.55
Subtotal of other receivables		14,878,878.74	11,187,953.62
Prepayments	Great Wall Holding and its subsidiaries	463,738,572.11	340,857,653.75
Prepayments	Automotive Finance	—	427,388.54
Prepayments	Spotlight Automotive	—	301,753.20
Prepayments	Other related parties	687,245.28	—
Prepayments	Jiangsu Baojie	919,156.06	193,670.08
Subtotal of prepayments		465,344,973.45	341,780,465.57
Notes receivable	Great Wall Holding and its subsidiaries	753,191.11	31,923.09
Subtotal of notes receivable		753,191.11	31,923.09
Financing with receivables	Great Wall Holding and its subsidiaries	88,213,057.96	47,659,659.34
Subtotal of financing with receivables		88,213,057.96	47,659,659.34
Other current assets	Great Wall Holding and its subsidiaries	13,440,055.84	—
Other current assets	Automotive Finance	—	6,908,799,698.05
Subtotal of other current assets		13,440,055.84	6,908,799,698.05

Notes to the Financial Statements

For the year ended 31 December 2023

XII. RELATED PARTIES AND TRANSACTIONS (continued)

6. Amounts due from/due to related parties (continued)

RMB

Item	Related party transactions	31/12/2023	31/12/2022
Other non-current assets	Great Wall Holding and its subsidiaries	420,000,000.00	735,000,000.00
Subtotal of non-current assets		420,000,000.00	735,000,000.00
Accounts payable	Great Wall Holding and its subsidiaries	1,191,494,912.26	608,119,889.01
Accounts payable	Automotive Finance	—	30,370.79
Accounts payable	Spotlight Automotive	130,609,841.33	477,193,197.66
Accounts payable	Other related parties	529,523.32	163,655.83
Accounts payable	Jiangsu Longcheng	51,245,775.49	12,402,877.29
Accounts payable	Jiangsu Baojie	32,201,982.61	24,201,568.86
Subtotal of accounts payable		1,406,082,035.01	1,122,111,559.44
Other payables	Great Wall Holding and its subsidiaries	56,652,616.80	51,031,683.09
Other payables	Automotive Finance	182,646.62	212,746.23
Other payables	Jiangsu Baojie	805,946.62	—
Other payables	Jiangsu Longcheng	56,200,000.00	—
Other payables	Other related parties	80,944.00	45,429.02
Subtotal of other payables:		113,922,154.04	51,289,858.34
Contract liabilities	Great Wall Holding and its subsidiaries	48,048,874.16	31,532,275.42
Contract liabilities	Automotive Finance	1,174,204.75	1,405,740.25
Contract liabilities	Jiangsu Longcheng	—	65,871.29
Contract liabilities	Jiangsu Baojie	930,818.58	4,830,000.00
Subtotal of contract liabilities		50,153,897.49	37,833,886.96
Notes payable	Great Wall Holding and its subsidiaries	13,447,547.71	1,028,837.17
Notes payable	Jiangsu Longcheng	63,278,190.97	6,499,161.03
Notes payable	Jiangsu Baojie	55,198,629.88	9,767,966.81
Subtotal of notes payable:		131,924,368.56	17,295,965.01
Lease liability	Great Wall Holding and its subsidiaries	651,822,014.10	921,355,091.09
Subtotal of lease liabilities:		651,822,014.10	921,355,091.09

Notes to the Financial Statements

For the year ended 31 December 2023

XIII. SHARE-BASED PAYMENTS

1. Various equity instruments

Category of grant recipients	<i>Unit: Share</i>			
	Awarded during the period	Options exercised during the period	Unlocked during the period	Lapsed during the period
Employees – Restricted Stock	34,751,400.00	-	8,935,595.00	16,390,490.00
Employees – Stock Options	-	26,077,207.00	-	149,154,428.00
Total	34,751,400.00	26,077,207.00	8,935,595.00	165,544,918.00

Category of grant recipients	Share options issued and outstanding at the end of the period	
	Range of exercise prices	Remaining duration of the contract
Employee – Restricted Stock	12.36-16.11 per share	4-7 months, 20 months
Employee – Stock Options	25.08-32.89 per share	4-7 months

Other explanations:

According to the "Proposal on restricted shares and share options incentive plans of Great Wall Motor Company Limited in 2020 (the First Revised Draft) and its summary", the "Proposal on the assessment measures for the implementation of restricted shares and share options incentive plans of Great Wall Motor Company Limited in 2020 (Revised)" and the "Proposal to the shareholders' meeting for fully authorizing the board of directors and its authorized persons to handle the matters related to restricted shares and share options incentive plans of the Company in 2020" approved in the Company's 2020 first extraordinary shareholders meeting, 2020 first H-share class shareholders' meeting and 2020 first A-share class shareholders' meeting, and the "Proposal on adjusting the incentive target lists of restricted shares and share options incentive plans and the number of shares granted in 2020" and the "Proposal of Great Wall Motor Company Limited on granting restricted shares or share options to incentive targets of restricted shares and share options incentive plans in 2020" (hereinafter referred to as the "2020 Equity Incentive Plans") approved by the Company at the 34th meeting of the sixth session of board of directors on 27 April 2020, the Company granted 52,678,200 restricted shares for the first time to the incentive targets at a price of RMB4.37 per share on 27 April 2020, while the incentive targets actually subscribed 49,303,500 restricted shares.

Notes to the Financial Statements

For the year ended 31 December 2023

XIII. SHARE-BASED PAYMENTS (continued)

1. General information of share-based payments (continued)

Other explanations: (continued)

At the 13th meeting of the seventh session board of directors on 28 January 2021, the Company approved the "Proposal of Great Wall Motor Company Limited on granting reserved restricted shares or share Options to incentive targets"; and at the 14th meeting of the seventh session board of directors on 12 March 2021, the Company approved the "Proposal of Great Wall Motor Company Limited on adjusting the granting price of reserved restricted shares of the Company's restricted shares and share options incentive plans in 2020". On 28 January 2021, the Company granted 8.748 million restricted shares to incentive targets at a price of RMB20.8 per share, and incentive targets subscribed 1,149,200 restricted shares.

According to the "Proposal on restricted shares incentive plan of Great Wall Motor Company Limited In 2021 (Draft) and its summary", the "Proposal on share options incentive plan of Great Wall Motor Company Limited in 2021 (Draft) and its summary", the "Proposal on the assessment measures for the restricted shares incentive plan's implementation of Great Wall Motor Company Limited in 2021", the "Proposal on the assessment measures for share options incentive plan's implementation of Great Wall Motor Company Limited in 2021", the "Proposal to the general meeting of shareholders to authorize the board of directors and its authorized persons to handle matters relating to the restricted shares incentive plan of the Company in 2021" and the "Proposal to the general meeting of shareholders to authorize the board of directors and its authorized persons to handle matters relating to share options incentive plan of the Company in 2021", approved by the Company's fourth extraordinary general meeting of shareholders in 2021, the second H-share class shareholders' meeting in 2021 and the second A-share class shareholders' meeting in 2021, as well as the "Proposal of Great Wall Motor Company Limited on granting restricted shares to incentive targets of the restricted shares incentive plan and granting share options to the incentive targets of share options incentive plan in 2021", and the "Proposal of Great Wall Motor Company Limited to adjust the incentive target lists and the number of granting shares and option under the restricted shares incentive plan and share option incentive plan in 2021" (hereinafter referred as "2021 Equity Incentive Plans"), approved by the 23rd meeting of the 7th session board of directors and the 21st meeting of the 7th session board of supervisors on 22 July 2021, the Company granted 34,057,000 restricted shares to the incentive targets for the first time at a price of RMB16.78 per share, and the incentive targets actually subscribed for 32,653,200 restricted shares.

At the 38th meeting of the 7th session Board of Directors on 29 April 2022, the Company approved the "Proposal on granting reserved restricted shares to incentive targets in 2021" and the "Proposal on granting reserved share options to incentive targets in 2021". On 29 April 2022, the Company granted 8,600,000 reserved restricted shares to incentive targets at the price of RMB12.73 per share, and incentive targets actually subscribed 7,955,800 restricted shares.

XIII. SHARE-BASED PAYMENTS (continued)**1. Various equity instruments** (continued)***Other explanations:*** (continued)

The conditions on unlocking the restricted shares of incentive targets need to meet certain performance conditions and personal performance evaluation conditions. The vesting periods for restricted shares are 1, 2, and 3 years from the date of first grant. While the vesting periods for reserved restricted shares granted are 1 and 2 years from the date of grant. During the vesting period, the cash dividends distributed by the Company to restricted shareholders are revocable.

According to the 2020 Equity Incentive Plans, the Company granted 87,065,300 share options to incentive targets, with an exercise price of RMB8.73 per share for the first time on 27 April 2020. On 28 January 2021, the Company granted 15.721 million reserved share options to the incentive targets at an exercise price of RMB42.15 per share. According to the 2021 Share Incentive Plans, the Company granted 300,594,000 share options to the incentive targets for the first time on 22 July 2021, with an exercise price of RMB33.56 per share; the Company granted 75,497,100 reserved share options to the incentive targets on 29 April 2022, with an exercise price of RMB25.45 per share. The exercise of the above share options shall meet certain performance conditions and personal performance evaluation conditions. Different vesting periods apply to share options granted to incentive targets, ranging from 1, 2 and 3 years for share options granted for the first time and 1 and 2 years for reserved share options grant, respectively.

According to the Company's Annual General meeting of shareholders in 2022, the third H-share Class shareholders meeting in 2023 and the third A-Share Class shareholders meeting in 2023, the "Motion on the Employee Stock Ownership Plan of Great Wall Motor Co., LTD. (Revised Draft) and its Summary" and the "Motion on Great Wall Motor Co., LTD The Proposal for the Administration of the Employee Stock Ownership Plan 2023 (Revised Draft), the Proposal to request the General Meeting of Shareholders to authorize the Board of Directors to handle Matters related to the Employee Stock Ownership Plan 2023 (hereinafter referred to as the "Employee Stock Ownership Plan 2023"), and the third meeting of the Eighth Board of Directors and the second meeting of the Eighth Supervisory Board on 18 July 2023, The "Motion on Adjusting the Transfer Price of the Company's Employee Stock Ownership Plan in 2023" reviewed and passed, the number of underlying shares involved in the 2023 employee stock ownership plan does not exceed 40,000,043 shares, and the incentive object actually subscribed for 34,751,400 shares. On August 15, 2023, the Company granted incentives to 34,751,400 A-shares of ordinary shares held in the "Great Wall Motor Co., Ltd. repurchase Special Securities Account" at A price of RMB13.52 per share. The restricted stock unlocking of the above incentive objects shall meet certain performance conditions and individual performance appraisal conditions. The waiting period for restricted stock granted to incentive subjects is 1 year and 2 years from the date of grant, respectively. During the waiting period, the company's cash dividends distributed to restricted stockholders can be revoked.

Notes to the Financial Statements

For the year ended 31 December 2023

XIII. SHARE-BASED PAYMENTS (continued)

2. Equity-settled share-based payment

RMB

Method for determining the fair value of equity instruments on the grant date	See other explanations
The basis for determining the number of exercisable equity instruments	Based on the number of restricted shares/options granted, the Company makes the best estimate of the number of restricted shares/options that are expected to be exercised in each period in the unlock/exercise arrangement
Reasons for the significant difference between the current estimate and the previous estimate	N/A
The cumulative amount of equity-settled share-based payments included in the capital reserve	3,900,733,851.95

Other explanations:

For the aforementioned Restricted Shares Incentive Plans, the fair value of restricted shares granted by the Company on the grant date is measured based on the market price of the Company's ordinary shares on the grant date.

For the share options granted in 2022 and 2023, the Company calculates the fair value of the share options on the grant date according to the "Binary Tree Option Pricing Model", main parameters selected in the model are underlying share price, exercise price, option validity, share price volatility, risk-free interest rate and the average dividend yield of the Company in the last 12 months.

Notes to the Financial Statements

For the year ended 31 December 2023

XIII. SHARE-BASED PAYMENTS (continued)

3. Share-based payment expense for the year

RMB

Category of grant recipients	Equity-settled share-based payment expenses
Employees – Restricted Stock	137,003,542.20
Employees – stock options	235,505,068.06
Total	372,508,610.26

XIV. COMMITMENTS

1. Significant commitments

Capital commitments

RMB'000

	31/12/2023	31/12/2022
Contracted but not provided	4,473,194	5,342,558
– Purchase of long-term asset commitments	4,473,194	5,342,558
Total	4,473,194	5,342,558

XV. EVENTS AFTER THE BALANCE SHEET DATE

None.

Notes to the Financial Statements

For the year ended 31 December 2023

XVI. OTHER SIGNIFICANT EVENTS

1. Segment reporting

The Group is mainly engaged in the manufacture and sales of automobiles and automotive parts and components in the PRC, and the majority of its assets are located in the PRC. The management determined the reporting segments according to the organization structure, management requirements and internal reporting system of the Group for the purposes of resource allocation and performance evaluation. As the resource allocation and performance evaluation of the Group are carried out based on the overall operation of the production and sales of automobiles and automotive parts and components, the Group has only one business segment for internal reporting purpose.

Revenue from external customers by location of revenue sources and non-current assets classified by location of assets:

	<i>RMB</i>	
Item	2023	2022
Revenue from external customers in China	119,600,944,128.15	110,589,888,838.80
Revenue from external customers in other countries	53,611,132,629.82	26,750,096,348.96
Total	173,212,076,757.97	137,339,985,187.76

	<i>RMB</i>	
Item	31/12/2023	31/12/2022
Non-current assets located in China	67,516,132,165.68	63,768,462,054.50
Non-current assets located in other countries	4,792,486,560.85	4,495,812,774.06
Total	72,308,618,726.53	68,264,274,828.56

Non current assets do not include financial instruments and deferred income tax assets.

The Group is not dependent on one or more important clients.

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY

1. Cash and bank balances

RMB

Item	31 December 2023	31 December 2022
Cash:		
RMB	121,778.84	179,967.15
GBP	14,585.28	13,541.53
Others	14,075.68	13,924.70
Bank balances:		
RMB	18,438,056,438.24	12,191,133,624.36
AUD	1,162,448,943.43	364,269,348.65
USD	651,391,471.42	110,624,192.08
Others	147,037,375.64	144,486,095.06
Other cash and bank balances:		
RMB	1,391,165,748.37	4,018,974,907.69
Total	21,790,250,416.90	16,829,695,601.22
Including: overseas cash and bank balances	—	—

As at 31 December 2023, the Company had restricted cash and bank balances of RMB1,391,165,748.37 Of which, the guarantee on bank acceptance notes amount to RMB1,390,861,488.21, and other guarantees amount to RMB304,260.16.

As at 31 December 2022, the Company had restricted cash and bank balances of RMB4,018,974,907.69, Of which, the guarantee on bank acceptance notes amount to RMB4,016,360,407.69, and other guarantees amount to RMB2,614,500.00.

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Accounts receivable

(1) Disclosed by aging:

RMB

Aging	31 December 2023 Carrying amount	31 December 2022 Carrying amount
Within 1 year	17,294,214,590.54	25,045,600,665.56
1-2years	251,478,609.55	403,455,758.90
2-3 years	164,575,275.72	237,687,974.44
Over 3 years	652,863,905.37	364,581,868.20
Total	18,363,132,381.18	26,051,326,267.10

The aging analysis of the above accounts receivable is based on the time of revenue recognition.

(2) Disclosed by classification of credit loss provision method

RMB

Category	31/12/2023					31/12/2022				
	Carrying amount		Credit loss provision		Book value	Carrying amount		Credit loss provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)		Amount	Ratio (%)	Amount	Ratio (%)	
Credit loss provision by individuals	344,853,741.32	1.88	(344,853,741.32)	100.00	—	339,103,501.03	1.30	(339,103,501.03)	100.00	—
Credit loss provision assessed by portfolios	18,018,278,639.86	98.12	(2,948,000.93)	0.02	18,015,330,638.93	25,712,222,766.07	98.70	(5,988,966.39)	0.02	25,706,233,799.68
Total	18,363,132,381.18	100.00	(347,801,742.25)	1.89	18,015,330,638.93	26,051,326,267.10	100.00	(345,092,467.42)	1.32	25,706,233,799.68

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Accounts receivable (continued)

(2) Disclosed by classification of credit loss provision method (continued)

Provision for credit losses on an individual basis

RMB

Name	31st December 2023			Rationale for the provision Debtor insolvency
	Carrying amount	Provision for credit losses	Accrual ratio (%)	
Entity 1	344,853,741.32	(344,853,741.32)	100%	Bankruptcy of debtor
Total	344,853,741.32	(344,853,741.32)		

Allowance for credit losses by portfolio

Description of the accounts receivable for which credit loss provision has been assessed by portfolios:

As part of the Company's credit risk management, the Company assesses the expected credit losses for various categories of accounts receivable based on their credit periods and overdue aging.

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Accounts receivable (continued)

(2) Disclosed by classification of credit loss provision method (continued)

Accounts receivable whose credit loss provision are assessed by portfolio and their expected credit losses are as follows:

RMB

Aging	31 December 2023				31 December 2022			
	Expected loss rate	Carrying amount	Credit loss provision	Book value	Expected loss rate	Carrying amount	Credit loss provision	Book value
Within contractual/ Indefinite	0.00%-4.00%	18,014,078,568.27	(128,605.48)	18,013,949,962.79	0.00%-4.00%	25,703,943,405.55	(1,750,926.74)	25,702,192,478.81
Overdue for 1-180 days	0.00%-50.00%	2,504,141.35	(1,123,465.21)	1,380,676.14	11.78%-50.00%	4,580,788.31	(539,467.44)	4,041,320.87
Overdue for over 180 days	100.00%	1,695,930.24	(1,695,930.24)	—	100.00%	3,698,572.21	(3,698,572.21)	—
Total		18,018,278,639.86	(2,948,000.93)	18,015,330,638.93		25,712,222,766.07	(5,988,966.39)	25,706,233,799.68

Provision for bad debts based on general model of expected credit losses

RMB

Credit loss provision	2023		Total
	Lifetime ECL (not occurred credit-impairment)	Lifetime ECL (occurred credit-impairment)	
Balance at 31 December 2022	2,290,394.18	342,802,073.24	345,092,467.42
– Transfer to occurred credit impairment	(237,571.22)	237,571.22	—
Provision	2,649,005.15	192,749.76	2,841,754.91
Reversals	(3,449,757.42)	(2,266,233.97)	(5,715,991.39)
Written-off	—	(166,728.98)	(166,728.98)
Exchange difference	—	5,750,240.29	5,750,240.29
Balance at 31 December 2023	1,252,070.69	346,549,671.56	347,801,742.25

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Accounts receivable (continued)

(3) Provision for credit losses:

RMB

Item	2023 1st January	Amount of change during the year			Other changes	2023 31st December
		Accrual	Recovery or reversal	Write-off		
Provision for credit losses on an individual basis	339,103,501.03	—	—	—	5,750,240.29	344,853,741.32
Credit losses by portfolio	5,988,966.39	2,841,754.91	(5,715,991.39)	(166,728.98)	—	2,948,000.93
Total	345,092,467.42	2,841,754.91	(5,715,991.39)	(166,728.98)	5,750,240.29	347,801,742.25

(4) Actual write-off of accounts receivable during the year

RMB

Item	Amount written off
Accounts receivable actually written off	166,728.98

(5) Top five entities with the largest balances of accounts receivable:

RMB

Name of unit	Accounts receivable at the end of 2023	Contractual assets at the end of 2023	Accounts receivable and contract assets at the end of 2023	Percentage of accounts receivable and contract assets of total (%)	Credit losses Provision year-end balance
Company 1	2,434,554,892.75	—	2,434,554,892.75	13.24	—
Company 2	2,089,570,557.17	—	2,089,570,557.17	11.36	—
Company 3	1,911,052,047.42	—	1,911,052,047.42	10.39	—
Company 4	1,658,827,589.26	—	1,658,827,589.26	9.02	—
Company 5	991,235,544.17	—	991,235,544.17	5.39	—
Total	9,085,240,630.77	—	9,085,240,630.77	49.40	—

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Notes receivable and financing with receivables

3.1 Notes receivable

(1) Classification of notes receivable

RMB

Category	31/12/2023	31/12/2022
Bank acceptances	2,993,354,710.00	2,489,172,285.00
Commercial acceptances	2,178,340.50	1,845,888.00
Total	2,995,533,050.50	2,491,018,173.00

Note: The Company pledged notes receivable amount to RMB1,390,828,876.87 at the end of this year to issue notes payable and pledge loans.

(2) Financing with receivables endorsed or discounted by the Company at the end of the year and not yet due on the balance sheet date

RMB

Item	The amount of derecognition at the end of the year	The amount of not derecognition at the end of the year
Bank acceptances	—	965,547,550.00
Commercial acceptances	—	—
Total	—	965,547,550.00

3.2 Financing with receivables

(1) Classification:

RMB

Category	31/12/2023	31/12/2022
Bank acceptances	23,790,767,837.83	17,437,826,198.48
Total	23,790,767,837.83	17,437,826,198.48

According to the business model of managing these notes, the Company classifies notes receivable as financial assets at fair value through other comprehensive income.

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Notes receivable and financing with receivables (continued)

3.2 Financing with receivables (continued)

(2) Pledged notes receivable as at the end of year:

RMB

Category	31/12/2023	31/12 2022
Bank acceptances	16,070,400,916.11	14,927,595,265.87
Total	16,070,400,916.11	14,927,595,265.87

Note: The Company pledged these notes at the end of the year to issue notes payable.

(3) Notes receivable endorsed and discounted by the Company to other parties but yet undue by the end of the year are as follows:

Category	Amount derecognized at 31/12/2023	Amount not derecognized at 31/12/2023
Bank acceptances	37,237,494,623.86	—
Total	37,237,494,623.86	—

The Company holds that its bank acceptances are not exposed to significant credit risk and will not subject to significant loss due to the default of the notes acceptor, therefore the Group has not made any provision for credit loss.

4. Other receivables

4.1 Summary of other receivables

RMB

Category	31/12/2023	31/12/2022
Interest receivable	1,330,708.90	8,883,412.13
Dividends receivable	577,983,592.91	300,049,810.21
Other receivables	9,910,034,847.17	9,869,156,893.60
Total	10,489,349,148.98	10,178,090,115.94

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Other receivables (continued)

4.2 Other receivables

(1) Disclosed by aging:

RMB

Aging	31st December 2023	31st December 2022
Within 1 year	3,789,657,937.56	6,232,523,132.44
1-2 years	3,743,557,383.11	1,495,786,077.02
2-3 years	563,014,537.63	454,471,285.89
Over 3 years	1,813,804,988.87	1,686,376,398.25
Total	9,910,034,847.17	9,869,156,893.60

(2) Disclosed by nature are as follows:

RMB

Nature of other receivables	Carrying amount at 31/12/2023	Carrying amount at 31/12/2022
Receivables	2,552,778,637.10	4,218,031,111.26
Tax refunds	898,538,398.46	443,983,091.04
Proceeds from land transfer	—	270,758,568.00
Security and margin deposits	30,932,110.61	28,671,815.47
Deposits	12,014,750.68	20,124,479.59
Others	6,415,940,788.32	4,887,757,666.24
Total	9,910,204,685.17	9,869,326,731.60

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Other receivables (continued)

4.2 Other receivables (continued)

(3) Assessment of credit loss provision:

RMB

Credit loss provision	Phase 1	Phase 2	Phase 3	Total
	Future 12-month ECL	Lifetime ECL (not occurred credit-impairment)	Lifetime ECL (occurred credit-impairment)	
Balance at 31 December 2022	—	—	169,838.00	169,838.00
Provision	—	—	—	—
Reversals	—	—	—	—
Written-off	—	—	—	—
Balance at 31 December 2023	—	—	169,838.00	169,838.00

The Company determines the expected credit losses of the other receivables based on the historical experience data and forward-looking information. In 2023, the Company's assessment method and significant assumptions have remained unchanged.

(4) Credit loss provision

RMB

Items	2023 1st January	Amount of change during the year			2023 31st December
		Accrual	Recovery or reversal	Write-off	
Provision for credit losses by portfolio	169,838.00	—	—	—	169,838.00
Total	169,838.00	—	—	—	169,838.00

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Other receivables (continued)

4.2 Other receivables (continued)

(5) Top five entities with the largest balances of other receivables:

RMB

Name of entity	Amount	Proportion of the amount to the total other receivables (%)	Nature	Aging	Closing balance of credit loss provision
Subsidiary 1	2,172,182,216.27	21.92	Others	Within 1 year, 1 to 2 years	—
Subsidiary 2	1,737,789,578.04	17.54	Receivables	Within 1 year, 1-2 years, 2 to 3 years, Over 3 years	—
Subsidiary 3	1,194,130,845.42	12.05	Receivables	Within 1 year, 1-2 years, 2 to 3 years	—
Unit 1	898,538,398.46	9.07	Tax refunds	Within 1 year	—
Subsidiary 4	476,077,536.82	4.80	Receivables	Within 1 year, 1 to 2 years	—
Total	6,478,718,575.01	65.38			—

The Company has no other receivables related to government grants.

5. Inventories

(1) Inventories by category

RMB

Item	31/12/2023		
	Carrying amount	Provision for decline in value of inventories	Book value
Raw materials	2,102,320,969.05	(151,973,210.08)	1,950,347,758.97
Work-in-progress	469,511,491.96	(2,923,205.13)	466,588,286.83
Finished goods	6,999,356,613.24	(154,385,691.61)	6,844,970,921.63
Low-valued and short-lived consumables	179,784,206.51	(463,201.16)	179,321,005.35
Total	9,750,973,280.76	(309,745,307.98)	9,441,227,972.78

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. Inventories (continued)

(1) Inventories by category (continued)

RMB

Item	Carrying amount	31/12/2022	Book value
		Provision for decline in value of inventories	
Raw materials	3,805,515,711.90	(114,163,508.00)	3,691,352,203.90
Work-in-progress	468,204,367.85	(5,083,589.95)	463,120,777.90
Finished goods	6,119,680,214.47	(243,698,118.37)	5,875,982,096.10
Low-valued and short-lived consumables	205,331,371.31	(944,249.16)	204,387,122.15
Total	10,598,731,665.53	(363,889,465.48)	10,234,842,200.05

(2) Provision for decline in value of inventories

RMB

Inventories by category	31/12/2022	Provision for the year	Decrease for the year		Other decrease	31/12/2023
			Reversals	Written-off		
Raw materials	114,163,508.00	392,959,635.51	(29,544,795.16)	(325,605,138.27)	—	151,973,210.08
Work-in-progress	5,083,589.95	8,519,042.55	(646.01)	(10,678,781.36)	—	2,923,205.13
Finished goods	243,698,118.37	513,064,072.47	(8,392,065.54)	(593,984,433.69)	—	154,385,691.61
Low-valued and short-lived consumables	944,249.16	—	(7,008.61)	(448,367.90)	(25,671.49)	463,201.16
Total	363,889,465.48	914,542,750.53	(37,944,515.32)	(930,716,721.22)	(25,671.49)	309,745,307.98

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. Inventories (continued)

(3) Analysis of provision for decline in value of inventories

Item	Basis of provision for decline in value of inventories	Reasons for reversal or written-off of provision for decline in value of inventories during the year	Percentage of the reversal to the closing balance of the inventory during the year (%)
Raw materials	Note 1	Note 2	1.41
Work-in-progress	Note 1	Note 2	—
Finished goods	Note 1	Note 2	0.12
Low-valued and short-lived consumables	Note 1	Note 2	—

Descriptions of inventories:

Note 1: As the estimated net realizable value of some vehicle products was lower than the inventory cost as at the end of the period, provision for decline in value of inventories had been made for raw materials, work-in-progress, low-valued and short-lived consumables finished goods correspondingly.

Note 2: As the estimated net realizable value of some, raw materials, work-in-progress, finished goods, low-valued and short-lived consumables was higher than the inventory cost as at the end of the year, the provision for decline in value of inventories for the previous year has been reversed. In addition, as the inventories for which provision for decline in value has been made in the previous year was sold during the year, the provision for decline in value of inventories has been written off.

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

6. Other current assets

Details of other current assets:

RMB

Item	31/12/2023	31/12/2022
Deposits in non-bank financial institutions (Note 1)	—	6,908,799,698.05
Taxes to be deducted	735,786,199.84	686,295,079.87
Others	37,540,622.10	45,590,544.28
Total	773,326,821.94	7,640,685,322.20

7. Long-term equity investments

Breakdown of long-term equity investments:

RMB

Item	31/12/2023			31/12/2022		
	Carrying amount	Impairment provision	Book value	Carrying amount	Impairment provision	Book value
Investments in subsidiaries	18,691,035,216.48	—	18,691,035,216.48	17,503,413,059.66	—	17,503,413,059.66
Investments in joint ventures	10,676,293,014.10	—	10,676,293,014.10	10,212,327,960.02	—	10,212,327,960.02
Investments in associates	5,848,325.05	—	5,848,325.05	9,986,742.43	—	9,986,742.43
Total	29,373,176,555.63	—	29,373,176,555.63	27,725,727,762.11	—	27,725,727,762.11

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

7. Long-term equity investments (continued)

Breakdown of investments in subsidiaries are as follows:

RMB

Investee	1/1/2023	Increase for the year	Decrease for the year	Others (Note XIII)	31/12/2023	Provision for impairment	Closing balance of impairment provision
Honeycomb Yichuang	3,642,274,998.61	784,494,230.00	—	79,883,673.19	4,506,652,901.80	—	—
Nuobo Automotive	2,556,341,360.04	—	—	92,630,056.14	2,648,971,416.18	—	—
Tide Technology and Trade	1,843,275,742.46	70,873,160.00	—	—	1,914,148,902.46	—	—
Jinggong Motor	1,320,959,936.09	—	—	73,818,087.14	1,394,778,023.23	—	—
Mind Electronics	1,827,581,177.36	—	—	41,830,651.89	1,869,411,829.25	—	—
Russia Manufacturing	1,588,584,098.98	147,600,242.11	—	—	1,736,184,341.09	—	—
Tianjin Oula	565,571,693.50	—	—	1,072,008.24	566,643,701.74	—	—
Rizhao Weipai	381,359,385.47	—	—	400,033.03	381,759,418.50	—	—
Shanghai Yuefan	290,901,538.25	—	(111,400,000.00)	—	179,501,538.25	—	—
Great Wall Huabei	270,473,689.55	—	—	514,140.54	270,987,830.09	—	—
Baoding Yijian Start	200,322,453.52	—	—	(26,361.86)	200,296,091.66	—	—
Tianjin Lean	186,363,431.80	—	—	—	186,363,431.80	—	—
American HAVAL	169,620,600.00	—	—	—	169,620,600.00	—	—
Ruguo Technology	454,856,064.28	—	—	3,966,442.88	458,822,507.16	—	—
Zaoqi Financial Leasing	129,149,455.87	—	—	85,058.70	129,234,514.57	—	—
Great Wall Ants	119,229,914.07	—	—	3,673,359.30	122,903,273.37	—	—
Confident Zhixing	110,000,000.00	—	—	—	110,000,000.00	—	—
Tianjin Zhixin	100,000,000.00	—	(100,000,000.00)	—	—	—	—
HWA Ding International	92,942,500.23	—	—	—	92,942,500.23	—	—
Baoding Nobo	72,240,000.00	—	—	—	72,240,000.00	—	—
Laoyou Insurance	70,486,408.94	—	—	1,729.98	70,488,138.92	—	—
Salon Mecha Technology	434,251,062.48	67,880,000.00	—	71,349.70	502,202,412.18	—	—
Zhangjiagang Research and Development	45,000,000.00	—	—	—	45,000,000.00	—	—
Haval Australia	43,773,250.00	—	—	—	43,773,250.00	—	—

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

7. Long-term equity investments (continued)

Breakdown of investments in subsidiaries are as follows: (continued)

RMB

Investee	1/1/2023	Increase for the year	Decrease for the year	Others (Note XIII)	31/12/2023	Provision for impairment	Closing balance of impairment provision
Xiong'an Great Wall	41,000,000.00	—	—	—	41,000,000.00	—	—
Baoding Great	44,057,105.39	—	—	5,300,356.68	49,357,462.07	—	—
Baoding Yixin	37,538,660.60	—	—	1,781,637.87	39,320,298.47	—	—
Europe Technical Center	33,428,802.00	—	—	—	33,428,802.00	—	—
India R&D	28,082,810.70	—	—	—	28,082,810.70	—	—
Haval South Africa	25,912,080.00	—	—	—	25,912,080.00	—	—
India Haval	20,731,008.88	—	—	—	20,731,008.88	—	—
Changyou Haoche	20,037,183.97	—	—	3,145.41	20,040,329.38	—	—
Ningxia Rental	20,000,000.00	—	—	—	20,000,000.00	—	—
Shanghai Motor Technology	49,419,351.21	—	—	16,022,695.48	65,442,046.69	—	—
Great Wall Sales (Note 8)	58,155,537.38	—	—	3,607,818.56	61,763,355.94	—	—
Beijing Great (Note 9)	22,539,100.00	—	—	—	22,539,100.00	—	—
Soul Technology (Note 10)	53,884,956.52	—	—	1,310,689.27	55,195,645.79	—	—
Great Wall Resource Recycling	10,204,681.55	—	—	(117,877.59)	10,086,803.96	—	—
Chongqing Auto Parts	10,974,179.17	—	—	228,848.57	11,203,027.74	—	—
Exquisite Mould	11,783,156.08	—	—	1,867,750.17	13,650,906.25	—	—
Tianjin Jolion Shuju (Note 11)	10,252,532.05	—	—	—	10,252,532.05	—	—
Scrap Car Recycling & Dismantling	5,786,271.81	—	—	173,833.87	5,960,105.68	—	—
Chongqing Great Wall Customer Service	356,005.87	—	—	75,397.55	431,403.42	—	—
Chongqing Weipai	270,000.00	—	—	—	270,000.00	—	—
Chongqing Haval	93,374.98	—	—	—	93,374.98	—	—
Tianjin Great Wall Investment (Note 13)	350,550,000.00	—	—	—	350,550,000.00	—	—
Guangzhou Great Wall Sales	34,500.00	—	—	—	34,500.00	—	—
Xiamen Great Wall Sales	33,000.00	—	—	—	33,000.00	—	—
Great Wall Wisdom (Chongqing) (Note 14)	132,730,000.00	—	—	—	132,730,000.00	—	—
Total	17,503,413,059.66	1,070,847,632.11	(211,400,000.00)	328,174,524.71	18,691,035,216.48	—	—

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

7. Long-term equity investments (continued)

Breakdown of investments in joint ventures and associates are as follows:

RMB

Investee	1 January 2023	Increase	Reduced investment	Changes for the year					31 December 2023	Closing balance of impairment provision	
				Recognition of investment profit or loss under equity method	Adjustment in other comprehensive income	Movement in other equity	Declaration of cash dividends or profits	Provision for impairment			Others
Joint ventures											
Automotive Finance	10,212,327,960.02	—	—	785,645,841.96	—	—	(321,680,787.88)	—	—	10,676,293,014.10	
Sub-total	10,212,327,960.02	—	—	785,645,841.96	—	—	(321,680,787.88)	—	—	10,676,293,014.10	
Associates											
Wuxi Xindong	9,986,742.43	—	—	(4,138,417.38)	—	—	—	—	—	5,848,325.05	
Sub-total	9,986,742.43	—	—	(4,138,417.38)	—	—	—	—	—	5,848,325.05	
Total	10,222,314,702.45	—	—	781,507,424.58	—	—	(321,680,787.88)	—	—	10,682,141,339.15	

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

8. Investment properties

The investment properties measured under the cost method:

RMB

Item	Buildings	Land use right	Total
I. Original carrying amount			
1 January 2023	3,675,225,400.89	106,582,900.85	3,781,808,301.74
Additions for the year	624,362,622.30	18,561,361.94	642,923,984.24
1. Purchases	13,432,560.60	—	13,432,560.60
2. Transfer from intangible assets	—	18,561,361.94	18,561,361.94
3. Transfer from construction in progress	17,135,364.42	—	17,135,364.42
4. Transfer from fixed assets	593,794,697.28	—	593,794,697.28
Reductions for the year	(334,406,236.86)	(4,044,174.15)	(338,450,411.01)
1. Disposals	(243,761,326.48)	—	(243,761,326.48)
2. Transfer to intangible assets	—	(4,044,174.15)	(4,044,174.15)
3. Transfer to fixed assets	(90,644,910.38)	—	(90,644,910.38)
31 December 2023	3,965,181,786.33	121,100,088.64	4,086,281,874.97
II. Accumulated depreciation and depreciation			
1 January 2023	1,153,697,923.57	25,264,761.64	1,178,962,685.21
Additions for the year	329,963,720.35	4,304,476.30	334,268,196.65
1. Provision or amortization	144,732,658.66	2,395,668.73	147,128,327.39
2. Transfer from intangible assets	—	1,908,807.57	1,908,807.57
3. Transfer from fixed assets	185,231,061.69	—	185,231,061.69
Reductions for the year	(127,122,646.87)	(447,540.64)	(127,570,187.51)
1. Transfer to fixed assets	(24,333,204.11)	—	(24,333,204.11)
2. Transfer to intangible assets	—	(447,540.64)	(447,540.64)
3. Disposals	(102,789,442.76)	—	(102,789,442.76)
31 December 2023	1,356,538,997.05	29,121,697.30	1,385,660,694.35
III. Net book value			
1 January 2023	2,521,527,477.32	81,318,139.21	2,602,845,616.53
31 December 2023	2,608,642,789.28	91,978,391.34	2,700,621,180.62

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

9. Fixed assets

(1) Description of fixed assets:

RMB

Item	Buildings	Machinery and equipment	Transportation vehicles	Electronic equipment and others	Total
I. Original carrying amount					
1 January 2023	11,299,530,546.65	13,003,442,175.34	137,179,955.90	5,403,732,029.22	29,843,884,707.11
Additions for the year	637,486,542.80	1,241,911,616.06	568,865,825.73	1,069,350,556.39	3,517,614,540.98
1. Purchases	192,716,613.65	205,461,267.55	13,599,659.05	297,509,881.71	709,287,421.96
2. Transfer from construction in progress	354,125,018.77	1,036,450,348.51	555,266,166.68	770,597,614.92	2,716,439,148.88
3. Transfer from inventories	—	—	—	1,243,059.76	1,243,059.76
4. Transfer from investment properties	90,644,910.38	—	—	—	90,644,910.38
Reductions for the year	(1,394,628,672.60)	(649,844,694.62)	(16,592,106.71)	(221,270,893.40)	(2,282,336,367.33)
1. Disposal and scrap	(16,089,171.99)	(144,564,815.63)	(15,556,242.96)	(165,082,711.82)	(341,292,942.40)
2. Decrease for transfer to construction in progress	—	(210,979,416.27)	—	(11,323,165.98)	(222,302,582.25)
3. Transfer to investment properties	(593,794,697.28)	—	—	—	(593,794,697.28)
4. Other transfers-out	(784,744,803.33)	(294,300,462.72)	(1,035,863.75)	(44,865,015.60)	(1,124,946,145.40)
31 December 2023	10,542,388,416.85	13,595,509,096.78	689,453,674.92	6,251,811,692.21	31,079,162,880.76
II. Accumulated depreciation					
1 January 2023	3,063,106,803.50	9,086,740,161.65	100,283,046.60	3,707,227,479.81	15,957,357,491.56
Additions for the year	393,728,692.13	988,428,218.56	57,421,680.48	456,037,740.74	1,895,616,331.91
1. Provision	369,395,488.02	988,428,218.56	57,421,680.48	456,037,740.74	1,871,283,127.80
2. Transfer from investment properties	24,333,204.11	—	—	—	24,333,204.11
Reductions for the year	(192,207,498.43)	(288,646,596.86)	(6,915,082.15)	(147,610,333.78)	(635,379,511.22)
1. Disposal and scrap	(6,976,436.74)	(111,767,835.80)	(6,915,082.15)	(140,750,982.01)	(266,410,336.70)
2. Decrease for transfer to construction in progress	—	(174,384,754.49)	—	(6,670,876.38)	(181,055,630.87)
3. Transfer to investment properties	(185,231,061.69)	—	—	—	(185,231,061.69)
4. Other transfers-out	—	(2,494,006.57)	—	(188,475.39)	(2,682,481.96)
31 December 2023	3,264,627,997.20	9,786,521,783.35	150,789,644.93	4,015,654,886.77	17,217,594,312.25

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

9. Fixed assets (continued)

(1) Description of fixed assets: (continued)

RMB

Item	Buildings	Machinery and equipment	Transportation vehicles	Electronic equipment and others	Total
III. Impairment provision					
1 January 2023	204,878.87	117,937,079.61	(166,889.19)	241,644,992.13	359,620,061.42
Additions for the year	—	1,504,691.19	—	1,055,161.73	2,559,852.92
1. Provision (Note)	—	1,504,691.19	—	1,055,161.73	2,559,852.92
2. Transfer from construction in progress	—	—	—	—	—
Reductions for the year	—	(15,422,520.10)	—	(15,669,043.87)	(31,091,563.97)
1. Disposal and scrap	—	(14,412,753.12)	—	(12,409,687.82)	(26,822,440.94)
2. Decrease for transfer to construction in progress	—	(1,009,766.98)	—	(3,259,356.05)	(4,269,123.03)
reclassify	—	(233,875.13)	233,875.13	—	—
31 December 2023	204,878.87	103,785,375.57	66,985.94	227,031,109.99	331,088,350.37
IV. Net book value					
1 January 2023	8,236,218,864.28	3,798,764,934.08	37,063,798.49	1,454,859,557.28	13,526,907,154.13
31 December 2023	7,277,555,540.78	3,705,201,937.86	538,597,044.05	2,009,125,695.45	13,530,480,218.14

Note: Due to suspended production of some vehicle models and changes in craftsmanship, impairment losses of assets of RMB2,559,852.92 (2022: RMB27,098,816.38) has been provided for the current year.

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

10. Construction in progress

(1) Breakdown of construction in progress is as follows:

RMB

Project	31/12/2023			31/12/2022		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Shangrao automotive project	647,136,908.77	—	647,136,908.77	626,125,139.85	—	626,125,139.85
Xushui Automobile Project	586,889,082.68	(334,523.67)	586,554,559.01	619,914,103.66	(334,523.67)	619,579,579.99
Industrial park phase I, II, III reconstruction and expansion	301,498,651.90	(3,259,513.29)	298,239,138.61	320,012,324.29	(3,259,513.29)	316,752,811.00
Daye automotive project	292,381,747.01	—	292,381,747.01	605,073,062.25	—	605,073,062.25
Tianjin automobile project	180,552,194.32	(123,262.86)	180,428,931.46	278,815,224.84	(123,262.86)	278,691,961.98
Chongqing Great Wall vehicle project	161,986,055.19	—	161,986,055.19	17,596,136.50	—	17,596,136.50
Parts and components project reconstruction and expansion	80,148,292.80	(244,463.44)	79,903,829.36	25,436,878.96	(244,463.44)	25,192,415.52
New technology centre	77,091,614.54	—	77,091,614.54	13,584,074.80	—	13,584,074.80
Tianjin parts and components project	74,706,709.08	(306,627.78)	74,400,081.30	274,925,282.04	(306,627.78)	274,618,654.26
Xushui parts and components project	2,891,080.80	—	2,891,080.80	1,772,862.21	—	1,772,862.21
Taizhou automotive project	1,809,790.56	—	1,809,790.56	45,057,021.11	—	45,057,021.11
Jingmen automotive project	1,295,035.16	—	1,295,035.16	194,092,545.23	—	194,092,545.23
Other automotive projects	81,949,733.79	—	81,949,733.79	174,692,063.68	—	174,692,063.68
Longyan automotive project	364,550,529.27	—	364,550,529.27	373,268,812.31	—	373,268,812.31
Other R&D projects	60,319,419.06	—	60,319,419.06	106,363,485.48	—	106,363,485.48
Total	2,915,206,844.93	(4,268,391.04)	2,910,938,453.89	3,676,729,017.21	(4,268,391.04)	3,672,460,626.17

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

10. Construction in progress (Continued)

(2) Changes in major construction in progress

Project	Budget amount	1/1/2023	Additions for the year	Transferred to fixed assets	Other Decreases	Proportion of investment to budget (%)	Accumulated capitalized interest amount	Sources of fund	31/12/2023
Shangrao automotive project	1,379,598,551.93	626,125,139.85	22,857,309.19	(112,515.03)	(1,733,025.24)	47.77	—	Own	647,136,908.77
Xushui Automobile Project	13,349,458,320.91	619,914,103.66	402,626,924.75	(421,331,380.72)	(14,320,565.01)	84.90	—	Own	586,889,082.68
Daye automotive project	784,538,166.17	605,073,062.25	136,720,844.77	(370,436,707.89)	(78,975,452.12)	84.49	—	Own	292,381,747.01
Industrial park phase I, II, III reconstruction and expansion	1,786,196,199.00	320,012,324.29	106,708,178.19	(122,819,112.22)	(2,402,738.36)	93.38	—	Own	301,498,651.90
Longyan Automobile Project	383,483,789.51	373,268,812.31	(8,718,283.04)	—	—	95.06	—	Own	364,550,529.27
Total	17,683,275,027.52	2,544,393,442.36	660,194,973.86	(914,699,715.86)	(97,431,780.73)		—		2,192,456,919.63

Notes to the Financial Statements

For the year ended 31 December 2023

11. Right-of-use assets

RMB

Items	Land use rights	Buildings	Machinery and equipment	Transportation vehicles	Total
I. Original carrying amount					
1 January 2023	29,625,872.52	307,783,231.75	278,889,792.95	5,933,806.79	622,232,704.01
Additions for the year	—	28,002,574.87	2,876,956.53	5,815,408.96	36,694,940.36
Reductions for the year	—	(18,597,619.79)	(3,112,590.89)	(2,936,311.43)	(24,646,522.11)
31 December 2023	29,625,872.52	317,188,186.83	278,654,158.59	8,812,904.32	634,281,122.26
II. Accumulated depreciation					
1 January 2023	13,804,566.44	113,622,462.70	92,700,809.27	3,870,396.39	223,998,234.80
Additions for the year	7,910,653.04	101,988,398.49	89,974,591.00	3,519,659.90	203,393,302.43
1. Provision	7,910,653.04	101,988,398.49	89,974,591.00	3,519,659.90	203,393,302.43
Reductions for the year	—	(16,031,483.62)	(1,924,332.16)	(2,842,851.97)	(20,798,667.75)
31 December 2023	21,715,219.48	199,579,377.57	180,751,068.11	4,547,204.32	406,592,869.48
III. Impairment provision					
1 January 2023	—	—	—	—	—
31 December 2023	—	—	—	—	—
IV. Net book value					
1 January 2023	15,821,306.08	194,160,769.05	186,188,983.68	2,063,410.40	398,234,469.21
31 December 2023	7,910,653.04	117,608,809.26	97,903,090.48	4,265,700.00	227,688,252.78

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

12. Intangible assets

Description of intangible assets:

RMB

Item	Land use right	Software and others	Non-patent technology	Total
I. Original carrying amount				
1 January 2023	3,275,908,562.91	820,788,668.71	6,173,256,209.23	10,269,953,440.85
Additions for the year	57,351,507.17	527,143,169.01	4,140,102,078.11	4,724,596,754.29
1. Purchases	53,307,333.02	243,737,830.16	—	297,045,163.18
2. Internal research and development	—	21,101,246.77	4,140,102,078.11	4,161,203,324.88
3. Transfer from construction in progress	—	262,304,092.08	—	262,304,092.08
4. Transfer from investment properties	4,044,174.15	—	—	4,044,174.15
Reductions for the year	(18,561,361.94)	(12,372,970.47)	(21,746,947.58)	(52,681,279.99)
1. Disposals	—	(10,538,659.43)	(21,746,947.58)	(32,285,607.01)
2. Transfer to investment properties	(18,561,361.94)	—	—	(18,561,361.94)
3. Other transfers-out reclassify	—	(1,834,311.04)	—	(1,834,311.04)
31 December 2023	3,314,698,708.14	1,335,558,867.25	10,291,611,339.76	14,941,868,915.15
II. Accumulated amortization				
1 January 2023	682,443,204.91	251,017,166.19	3,647,859,585.63	4,581,319,956.73
Additions for the year	67,440,049.96	103,971,918.68	2,232,395,895.06	2,403,807,863.70
1. Provision	66,992,509.32	103,971,918.68	2,232,395,895.06	2,403,360,323.06
2. Transfer from investment properties	447,540.64	—	—	447,540.64
Reductions for the year	(1,908,807.57)	(1,444,088.92)	(462,015.17)	(3,814,911.66)
1. Disposals	—	(1,444,088.92)	(462,015.17)	(1,906,104.09)
2. Transfer to investment properties	(1,908,807.57)	—	—	(1,908,807.57)
3. Other transfers-out	—	—	—	—
31 December 2023	747,974,447.30	353,544,995.95	5,879,793,465.52	6,981,312,908.77
IV. Net book value				
1 January 2023	2,593,465,358.00	569,771,502.52	2,525,396,623.60	5,688,633,484.12
31 December 2023	2,566,724,260.84	982,013,871.30	4,411,817,874.24	7,960,556,006.38

The proportion of intangible assets arising from internal research and development at the end of the year to balance of total intangible assets is 55.42%.

As at 31 December 2023, the net value of the Company's land use rights for which the land use right certificates had not yet been issued was RMB1,322,258.32.

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

13. Short-term borrowings and long-term borrowings

(1) Short-term borrowings

RMB

Item	31/12/2023	31/12/2022
Pledged loans (Note 1)	666,905,000.00	586,109,700.00
Credit loans	491,460,113.28	800,000,000.00
Total	1,158,365,113.28	1,386,109,700.00

Note 1: Pledged loans at the end of the year represented discount charges acquired from discounted but undue notes receivable that did not meet the criteria for derecognition at the end of the reporting period.

(2) Long-term borrowings

RMB

Item	31/12/2023	31/12/2022
Secured loan	16,855,837,523.05	15,761,444,278.81
Guaranteed loans	2,001,405,555.56	1,100,890,694.44
Less: Long-term borrowings due within one year	5,599,242,226.01	2,816,251,362.15
Total	13,258,000,852.60	14,046,083,611.10

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

14. Notes payable

RMB

Category	31/12/2023	31/12/2022
Bank acceptances	19,140,453,345.21	21,539,854,918.41
Commercial acceptances	69,369,176.24	41,909,734.96
Total	19,209,822,521.45	21,581,764,653.37

15. Accounts payable

Accounts payable is shown as follows:

RMB

Item	31/12/2023	31/12/2022
Within 1 year	44,486,939,143.31	30,416,343,768.43
1 to 2 years	233,956,297.60	221,696,096.10
2 to 3 years	26,845,328.99	96,470,691.76
Over 3 years	127,424,809.20	68,393,071.89
Total	44,875,165,579.10	30,802,903,628.18

The aging analysis of accounts payable is based on the time of purchasing materials, goods or receiving services.

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

16. Contract liabilities

RMB

Item	31/12/2023	31/12/2022
Receipts in advance	5,358,776,461.03	15,959,187,225.39
Maintenance service	2,007,929,615.49	1,510,271,770.04
Warranty service	592,236,329.57	425,312,960.19
Transportation service	34,066,949.60	35,413,206.55
Total	7,993,009,355.69	17,930,185,162.17

17. Lease liabilities

RMB

Item	31/12/2023	31/12/2022
Lease liabilities	527,517,676.05	707,117,859.12
Sub-total	527,517,676.05	707,117,859.12
Less: Lease liabilities recognized in non-current liabilities due within one year	136,981,738.94	165,829,557.45
Total	390,535,937.11	541,288,301.67

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

18. Capital reserve

RMB

Item	Opening balance	Additions	Reductions	Closing balance
2023:				
Capital premiums (Note 1)	—	251,901,409.54	(222,229,090.40)	29,672,319.14
Other capital reserve (Note 2)	2,135,584,074.82	548,402,393.96	(664,202,508.75)	2,019,783,960.03
Total	2,135,584,074.82	800,303,803.50	(886,431,599.15)	2,049,456,279.17

Note 1: The increase in capital premium for the year was attributable to the increase of RMB251,796,004.30 in the exercise of stock options and unlocking of restricted shares by incentive recipients of the Group for the year. Increase of RMB105,405.24 from the conversion of part of the “Changqi Convertible Bonds” into shares of the Company. The decrease was due to the cancellation and repurchase of shares by RMB222,229,090.40.

Note 2: The increase in other capital surplus during the year was due to the share-based payment expense of RMB532,441,077.37 recognised by the Company during the year based on the estimated number of equity instruments that would become exercisable. The decrease in other capital surplus for the year was due to the income tax effect of RMB74,477,176.19 relating to the Share Incentive Scheme which should be credited to owners’ equity. income tax credited to owners’ equity in relation to the Share Incentive Scheme in the amount of RMB119,107,974.13.

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

19. Undistributed profits

RMB

Item	Amount
2023:	
Undistributed profit at the beginning of the previous year	40,309,635,096.26
Add: Net profit	2,456,459,811.36
Less: Withdrawal of statutory surplus reserves	245,645,981.14
Distribution of cash dividends	2,535,415,105.40
Others	1,982,423.00
Undistributed profits at the end of the year	39,983,051,398.08
2022:	
Undistributed profit at the beginning of the previous year	33,321,678,732.45
Add: Net profit	7,629,520,408.87
Less: Distribution of cash dividends	641,564,045.06
Undistributed profits at the end of the year	40,309,635,096.26

20. Operating revenue and operating costs

(1) Operating revenue and operating costs

RMB

Item	2023		2022	
	Income	Costs	Income	Costs
Principal operating activities	151,051,122,234.90	134,885,670,431.06	123,574,927,802.59	109,464,039,285.12
Other operating activities	3,234,391,192.85	2,483,321,264.70	3,639,893,962.49	2,942,963,357.47
Total	154,285,513,427.75	137,368,991,695.76	127,214,821,765.08	112,407,002,642.59

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

20. Operating revenue and operating costs (Continued)

(2) Revenue from contracts

RMB

Contract classification	2023		2022	
	Revenue	Costs	Revenue	Costs
Revenue from sales of automobiles	143,192,256,402.48	128,802,915,106.24	116,284,034,769.51	104,602,748,985.73
Revenue from sales of spare parts	5,646,598,269.64	4,076,061,415.72	5,824,284,191.42	3,595,369,759.73
Revenue from provision of labour services	2,212,267,562.78	2,006,693,909.10	1,466,608,841.66	1,265,920,539.66
Other revenues	2,799,026,545.75	2,242,491,908.45	3,371,806,418.77	2,798,180,987.53
Subtotal of revenues arising from contracts with customers	153,850,148,780.65	137,128,162,339.51	126,946,734,221.36	112,262,220,272.65
Leasing revenue	435,364,647.10	240,829,356.25	268,087,543.72	144,782,369.94
Total	154,285,513,427.75	137,368,991,695.76	127,214,821,765.08	112,407,002,642.59

21. Taxes and levies

RMB

Item	2023	2022
Consumption tax	4,061,632,917.59	3,508,376,968.91
City maintenances and construction tax	449,604,117.28	387,183,900.44
Educational surcharges	321,783,652.80	277,182,949.09
Stamp duty	215,257,197.07	135,594,733.04
House property tax	129,707,047.52	126,012,678.85
Land use tax	50,338,340.63	50,175,565.99
Others	635,692.56	1,885,273.15
Total	5,228,958,965.45	4,486,412,069.47

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

22. Selling expenses

RMB

Item	2023	2022
Advertising and media services fees	3,162,964,715.68	1,943,983,921.48
Wages and salaries	575,639,849.33	433,020,068.18
Consulting service fees	545,641,175.36	320,692,233.51
After-sales service expenses	397,232,197.27	438,580,578.67
Port charges	140,539,627.40	79,291,904.03
Travelling expenses	83,431,990.74	43,808,612.86
Share-based payments	28,406,467.86	48,039,221.01
Others	196,447,516.87	138,219,592.81
Total	5,130,303,540.51	3,445,636,132.55

23. Administrative expenses

RMB

Item	2023	2022
Wages and salaries	1,166,442,957.61	1,267,806,962.78
Consulting service fee	427,324,679.16	542,317,945.08
Depreciation and amortization	253,615,121.67	241,216,139.32
Office expenses	171,596,168.89	167,083,254.34
Share-based payments	42,803,852.34	105,791,133.17
Business reception fees	17,226,449.32	11,526,508.16
Auditors' remuneration	3,450,320.93	2,900,342.78
Others	492,827,121.32	361,640,397.44
Total	2,575,286,671.24	2,700,282,683.07

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

24. Research and development expenses

RMB

Item	2023	2022
Depreciation and amortization	2,435,599,961.43	1,533,268,903.15
Wages and salaries	951,465,794.30	691,110,373.84
Design and development expenses	758,235,885.35	410,174,459.15
Material test and detection expenses	306,612,185.97	361,452,355.12
Share-based payments	(9,023,981.10)	139,573,601.94
Consulting service fee	230,173,406.36	100,349,710.17
Office expenses	109,134,419.51	99,769,578.64
Others	141,257,987.44	198,865,168.73
Total	4,923,455,659.26	3,534,564,150.74

25. Financial expense

RMB

Item	2023	2022
Interest expenses	650,300,777.37	530,848,488.31
Including: Interest expenses on leases	24,289,431.75	31,331,548.81
Interest income from bank deposits	(855,916,657.32)	(917,972,668.85)
Foreign currency translation differences	(208,505,345.23)	(109,577,860.14)
Others	(13,668,522.14)	7,380,246.41
Total	(427,789,747.32)	(489,321,794.27)

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

26. Investment income

Breakdown:

Item	RMB	
	2023	2022
Income from long-term equity investments under cost method	2,118,303,250.84	5,455,323,212.20
Income from long-term equity investments under equity method	781,507,424.58	740,002,608.02
Losses on deregistration of discounted bills	(61,120,524.37)	(172,053,029.38)
Investment income from wealth management products	45,267,986.20	116,356,934.82
Dividend income from holding other equity instrument investments	5,067,360.00	3,240,134.00
Investment losses from the disposal of derivative financial instruments	36,876.56	(2,736,234.96)
Net losses from disposal of long-term equity investments	1,843,250.29	(200,548.51)
Total	2,890,905,624.10	6,139,933,076.19

There are no significant restrictions on remittance of investment income of the Company.

27. Impairment losses of assets

Item	RMB	
	2023	2022
I. Losses from decline in value of inventories	(876,598,235.21)	(466,409,328.38)
II. Impairment losses of fixed assets	(2,559,852.92)	(27,098,816.38)
III. Impairment losses of construction in progress	—	(160,600.92)
Total	(879,158,088.13)	(493,668,745.68)

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

28. Income tax expenses

	<i>RMB</i>	
Item	2023	2022
Current tax expenses	—	2,306,474.70
Deferred tax expenses	(495,110,239.43)	(3,874,561.66)
Total	(495,110,239.43)	(1,568,086.96)

Reconciliation of income tax expenses to the accounting profit is as follows:

	<i>RMB</i>	
Item	2023	2022
Total profit	1,961,349,571.93	7,627,952,321.91
Income tax rate	15%	15%
Income tax expenses calculated at 15%	294,202,435.79	1,144,192,848.29
Effect of additional deduction for research and development costs	(354,511,588.21)	(249,151,931.94)
Effect of additional deduction for the wages of disabled staff	(291,492.59)	(303,239.40)
Tax effect of non-taxable income	(439,224,768.05)	(853,136,491.97)
The fixed assets of high-tech enterprises shall be deducted in addition	—	(174,259,201.86)
Equity incentive deduction	11,161,945.18	67,892,887.39
Tax effect of non-deductible expenses	34,998,738.11	20,139,552.34
Annual filling differences of prior years	(24,038,398.43)	51,412,445.81
Others	(17,407,111.23)	(8,354,955.62)
Total	(495,110,239.43)	(1,568,086.96)

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

29. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

RMB

Supplementary information	2023	2022
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	2,456,459,811.36	7,629,520,408.87
Add: Impairment losses on assets	879,158,088.13	493,668,745.68
Impairment (gains) losses on credit	(2,874,236.48)	(24,317,154.19)
Depreciation of fixed assets	1,871,283,127.80	1,894,862,253.04
Depreciation of right-of-use assets	203,393,302.43	220,671,185.31
Amortization of intangible assets	2,403,360,323.06	1,484,769,017.44
Amortization of long-term prepaid expenses	14,921,952.03	11,077,584.93
Depreciation and amortization of investment properties	147,128,327.39	137,311,845.77
Gains on disposals of assets	(5,744,112.02)	(34,666,213.23)
Amortization of deferred income	(101,905,028.02)	(159,386,889.41)
Financial expense	331,789,419.17	(92,527,613.25)
Gains (losses) from changes in fair value	4,187,317.06	21,224,283.15
Investment income	(2,957,420,051.60)	(6,311,986,105.57)
Decrease in deferred tax assets (Less: increase)	(495,110,239.43)	(3,874,561.66)
Decrease in inventories (Less: increase)	(79,567,657.73)	(5,070,986,406.97)
Decrease in operating receivables (Less: increase)	2,501,141,995.34	(2,912,181,369.64)
Increase in operating payables (Less: decrease)	1,931,972,152.60	1,073,001,594.33
Net cash flows from operating activities	9,102,174,491.09	(1,643,819,395.40)
2. Significant investing and financing activities which do not involve cash receipts and payments:		
Right-of-use assets recognized by leased fixed assets	36,694,940.36	533,749,813.65
Repayment of dividends with notes receivable by subsidiaries	166,547,934.05	1,949,245,948.04
3. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	20,399,084,668.53	12,810,720,693.53
Less: Opening balance of cash and cash equivalents	12,810,720,693.53	20,288,128,849.56
Net (decrease) increase in cash and cash equivalents	7,588,363,975.00	(7,477,408,156.03)

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

29. Supplementary information to the cash flow statement (continued)

(2) Components of cash and cash equivalents

RMB

Item	31 December 2023	31 December 2022
I. Cash	20,399,084,668.53	12,810,720,693.53
Including: Cash on hand	150,439.80	207,433.38
Bank deposits ready to be withdrawn on demand	20,398,934,228.73	12,810,513,260.15
II. Closing balance of cash and cash equivalents	20,399,084,668.53	12,810,720,693.53

30. Related party transactions

(1) Related party transactions in respect of purchases and sales of goods, receipts and rendering of services:

Purchases of goods/receipts of services:

RMB

Related party	Related party transaction	2023	2022
Subsidiary of the Company	Purchases of goods	58,042,516,323.11	88,904,032,463.73
Joint venture of the Company	Purchases of goods	—	4,693.54
Other related party of the Company	Purchases of goods	5,132,753,432.59	4,441,979,398.01
Subsidiary of the Company	Receipts of services	7,604,772,842.86	4,257,425,054.49
Joint venture of the Company	Receipts of services	—	97,901,411.68
Other related party of the Company	Receipts of services	494,749,787.27	631,853,058.19
Subsidiary of the Company	Rental payment and others	6,625,987.09	5,320,728.90
Other related party of the Company	Rental payment and others	248,256,929.48	155,763,060.50

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

30. Related party transactions (continued)

(1) Related party transactions in respect of purchases and sales of goods, receipts and rendering of services: (continued)

Sales of goods/Rendering of services:

RMB

Related party	Related party transaction	2023	2022
Subsidiary of the Company	Sales of goods	28,008,928,233.70	46,968,753,682.35
Joint venture of the Company	Sales of goods	8,280.00	8,280.00
Other related party of the Company	Sales of goods	12,485,873.86	138,306,009.48
Subsidiary of the Company	Rendering of services	1,531,803,092.39	1,102,546,933.08
Joint venture of the Company	Rendering of services	224,425,357.51	334,437,724.90
Other related party of the Company	Rendering of services	272,891,091.43	214,859,887.34
Subsidiary of the Company	Rental income and others	284,771,492.75	213,588,269.82
Joint venture of the Company	Rental income and others	261,168.07	202,107.56
Other related party of the Company	Rental income and others	16,922,616.97	13,803,769.21
Joint venture of the Company	Interest income from deposits	177,923,854.04	290,506,562.58

(2) Guarantee

RMB

Secured entity	Relationship with the Company	Type of guarantee	Currency type	Maximum guarantee	Guaranteed Unit Actual Borrowing Currency	Guaranteed Unit Actual borrowing balance
Hive Power Thailand, Mande Thailand, Jingcheng Engineering Thailand and Noble Auto Thailand	Subsidiary of the Company	Joint and several liability	USD	80,000,000.00	Thai baht	300,673,924.31
Great Wall Motor Thailand, Thailand sales	Subsidiary of the Company	Joint and several liability	USD	90,000,000.00	Thai baht	423,017,107.28
Great Wall Motor Thailand	Subsidiary of the Company	Joint and several liability	Thai baht	1,500,000,000.00	Thai baht	311,041,990.65

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

30. Related party transactions (continued)

(2) *Guarantee (continued)*

Secured entity	Relationship with the Company	Type of guarantee	Currency type	Maximum guarantee	Guaranteed Unit Actual Borrowing Currency	Guaranteed Unit Actual borrowing balance
Great Wall Brazil	Subsidiary of the Company	Joint and several liability	USD	43,500,000.00	Real	253,165,125.00
Mind Electronic	Subsidiary of the Company	Joint and several liability	RMB	300,000,000.00	RMB	200,000,000.00
Seiko Motor	Subsidiary of the Company	Joint and several liability	RMB	300,000,000.00	RMB	200,000,000.00

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

30. Related party transactions (continued)

(3) Emolument for key management

Item	RMB	
	2023	2022
Salary for key management	15,223,087.22	16,588,810.88
Share based payment for key management	1,174,926.41	7,984,910.25

(4) Right-of-use assets and lease liabilities

During the year, the company entered into several new lease agreements with subsidiaries and other related parties, except for short-term leases and leases of low-value assets, the Company recognised right-of-use assets amounting to RMB1,805,810.20 and RMB6,297,625.16, respectively. The balances of the Company's lease liabilities with subsidiaries and other related parties as at the end of the year amounted to RMB1,260,909.11 and RMB506,324,914.85, respectively, and the interest expenses on the relevant lease liabilities amounted to RMB7,616,215.19 for the year.

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

31. Amounts due from/due to related parties

RMB

Item	Related party	31 December 2023	31 December 2022
Accounts receivable	Subsidiary of the Company	13,633,928,612.03	22,790,838,677.40
Accounts receivable	Joint venture of the Company	13,974,782.94	12,059,969.25
Accounts receivable	Other related party of the Company	252,196,613.39	150,644,390.63
Subtotal of accounts receivable:		13,900,100,008.36	22,953,543,037.28
Other receivables	Subsidiary of the Company	8,730,080,248.60	8,862,515,960.75
Other receivables	Other related party of the Company	2,905,500.00	9,014,119.59
Subtotal of Other receivables:		8,732,985,748.60	8,871,530,080.34
Prepayments	Subsidiary of the Company	759,975,232.10	1,431,249,481.41
Prepayments	Other related party of the Company	340,597,049.13	316,500,297.91
Subtotal of prepayments:		1,100,572,281.23	1,747,749,779.32
Notes receivable	Subsidiary of the Company	165,000,000.00	302,694,760.00
Subtotal of notes receivable		165,000,000.00	302,694,760.00
Financing with receivables	Subsidiary of the Company	4,940,297,007.39	298,019,494.31
Financing with receivables	Other related party of the Company	63,800.00	—
Subtotal of financing with receivables:		4,940,360,807.39	298,019,494.31
Dividends receivable	Subsidiary of the Company	577,983,592.91	300,049,810.21
Subtotal of dividends receivable		577,983,592.91	300,049,810.21
Other current assets	Other related party of the Company	2,911,103.57	—
	Joint venture of the Company	—	6,908,799,698.05

Notes to the Financial Statements

For the year ended 31 December 2023

XVII. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

31. Amounts due from/due to related parties (continued)

RMB

Item	Related party	31 December 2023	31 December 2022
Subtotal of other current assets		2,911,103.57	6,908,799,698.05
Other non-current assets	Other related party of the Company	509,097,074.99	735,000,000.00
Subtotal of other non-current assets		509,097,074.99	735,000,000.00
Accounts payable	Subsidiary of the Company	22,052,120,103.69	19,189,077,613.06
Accounts payable	Other related party of the Company	895,688,631.94	940,756,753.35
Subtotal of accounts payable		22,947,808,735.63	20,129,834,366.41
Other payables	Subsidiary of the Company	730,223,768.84	3,280,168,198.88
Other payables	Joint venture of the Company	151,000.71	181,100.32
Other payables	Other related party of the Company	16,395,164.57	828,724.44
Subtotal of other payables		746,769,934.12	3,281,178,023.64
Contract liabilities	Subsidiary of the Company	174,553,658.42	12,224,779,448.92
Contract liabilities	Joint venture of the Company	1,161,543.90	1,393,079.40
Contract liabilities	Other related party of the Company	568,685.65	712,363.42
Subtotal of contract liabilities		176,283,887.97	12,226,884,891.74
Notes payable	Subsidiary of the Company	8,552,986,594.76	12,149,617,288.32
Notes payable	Other related party of the Company	259,781.42	922,948.34
Subtotal of notes payable:		8,553,246,376.18	12,150,540,236.66
Lease liabilities	Subsidiary of the Company	1,260,909.11	26,597.65
Lease liabilities	Other related party of the Company	506,324,914.85	666,505,694.60
Subtotal of Lease liabilities:		507,585,823.96	666,532,292.25

Supplementary Information

For the year ended 31 December 2023

1. BREAKDOWN OF NON-RECURRING GAINS AND LOSSES

Item	RMB	
	2023	2022
Gains (losses) from disposal of non-current assets	99,593.13	4,858,556.38
Government grants recognized in profit or loss (other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard)	2,030,864,860.91	1,814,561,079.19
Investment income obtained from the disposal of subsidiaries, held-for-trading financial assets, derivative financial instruments and dividend income of other equity instruments during the holding period	55,952,925.23	198,794,765.68
Other non-operating income or expenses other than the above	86,230,898.15	89,680,874.61
Other profit and loss items that meet the definition of non-recurring profit and loss	311,983,713.79	1,932,055,618.26
Effect of income tax	(295,261,503.17)	(250,386,753.96)
Impact of minority shareholders' equity (after tax)	(2,009,638.31)	(47,442.19)
Total	2,187,860,849.73	3,789,516,697.97

The non-recurring gains and losses of the Group was recognized in accordance with the relevant requirements of the *Explanatory Notice for Information Disclosures by Companies that Offer Securities to the Public (No. 01) – Non-recurring Gains and Losses*.

Supplementary Information

For the year ended 31 December 2023

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

This calculation of return on net assets and earnings per share was prepared by the Group in accordance with the relevant requirements of the *Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No. 09) – Calculations and Disclosures for the Return on Net Assets and Earnings per Share* (as amended in 2010) issued by the China Securities Regulatory Commission.

2023	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to shareholders of ordinary shares of the Company	10.61	0.82	0.82
Net profit attributable to shareholders of ordinary shares of the Company, after deducting non-recurring gains and losses	7.30	0.56	0.56

2022	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to shareholders of ordinary shares of the Company	12.66	0.91	0.91
Net profit attributable to shareholders of ordinary shares of the Company, after deducting non-recurring gains and losses	6.86	0.49	0.49

The supplementary information provided by the management of Great Wall Motor Company Limited was endorsed by the followings:

Legal Representative: Wei Jian Jun

Chief Financial Officer: Li Hong Shuan

Head of the Finance Section: Wang Hai Ping

March 28, 2024



長城汽車股份有限公司

GREAT WALL MOTOR COMPANY LIMITED*