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If you have sold or transferred all your shares in Great Wall Motor Company Limited, you should at once pass this circular and the enclosed proxy form to the purchaser, the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



長城汽車股份有限公司
GREAT WALL MOTOR COMPANY LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

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

**2025-2027 ORDINARY RELATED PARTY TRANSACTIONS
UNDER THE SSE LISTING RULES
THE CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EGM**

**INDEPENDENT FINANCIAL ADVISER TO
THE INDEPENDENT BOARD COMMITTEE
AND
THE INDEPENDENT SHAREHOLDERS**



Gram Capital Limited
嘉林資本有限公司

A letter from the Board is set out on pages 5 to 22 of this circular. A letter from the Independent Board Committee, containing its advice to the Independent Shareholders, is set out on page 23 of this circular. A letter from Gram Capital, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 24 to 36 of this circular.

The EGM of the Company is to be held on Friday, 17 January 2025 at 2:00 p.m., at the Company's Conference Room, No. 2266 Chaoyang Road South, Lianchi District, Baoding, Hebei Province, the PRC. Notice of the EGM is set out on pages 44 to 45 of this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon. For H Shareholders, the proxy form should be returned, in person or by post, to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in any event, not less than 24 hours before the designated time for the commencement of the EGM and any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to the office of the secretary to the Board of the Company (for H Shareholders) on or before Friday, 10 January 2025.

** For identification purpose only*

11 December 2024

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DEFINITIONS

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

“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 RMB (Stock Code: 601633);
“A Shareholder(s)”	holders of A Share(s);
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
“Associate(s)”	has the meaning ascribed thereto in the Hong Kong Listing Rules;
“Board”	the board of directors of the Company;
“CleanHeat Supplying”	Baoding CleanHeat Supplying Company Limited* (保定科林供熱有限公司), a company incorporated in the PRC on 20 July 2012 and a company established under the laws of the PRC, which is indirectly held as to 47.83% by Great Wall Holdings;
“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 Hong Kong Stock Exchange and Shanghai Stock Exchange, respectively;
“connected person(s)”	has the meaning ascribed thereto in the Hong Kong Listing Rules;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at 2:00 p.m. on Friday, 17 January 2025 for the purposes of considering and approving, among other things, the continuing connected transactions and the 2025-2027 ordinary related party transactions under the SSE Listing Rules as disclosed herein;

DEFINITIONS

“Framework Agreement”	the framework agreement entered into between the Company and Mr. Wei Jian Jun and his associates on 31 October 2024, pursuant to which the Group shall enter into relevant transactions relating to purchase and sale of products and services as well as leasing during the term of the agreement as specified herein;
“FTXT Energy”	FTXT Energy & Technology Co., Ltd.* (未勢能源科技有限公司), a company incorporated in the PRC on 15 April 2019 under the laws of the PRC, which is indirectly held as to 43.33% by Great Wall Holdings;
“FTXT Energy Group”	FTXT Energy and its subsidiaries;
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of product purchase transactions (including the proposed annual caps) as contemplated under the Framework Agreement;
“Great Wall Holdings”	Baoding Great Wall Holdings Company Limited* (保定市長城控股集團有限公司), which holds 62.854% equity interest in Innovation Great Wall;
“Group”	Great Wall Motor Company Limited and its subsidiaries;
“H Share(s)”	overseas-listed foreign share(s) with a nominal value of RMB1.00 each of the Company which are listed on the Main Board of Hong Kong Stock Exchange and traded in Hong Kong dollars (Stock Code: 02333 (HKD counter) and 82333 (RMB counter));
“H Shareholder(s)”	holders of H Share(s);
“HAOMO.AI”	Haomo AI Technology Co., Ltd.* (毫末智行科技有限公司), a company incorporated in the PRC on 29 November 2019 under the laws of the PRC and is directly held as to 27.64% by Great Wall Holdings, which is controlled by Great Wall Holdings since it holds the majority of voting rights;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“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;
“Independent Board Committee”	the independent board committee established by the Company (comprising Ms. Yue Ying, Mr. Fan Hui and Mr. Tom Siulun Chau, all being independent non-executive Directors) to advise the Independent Shareholders in respect of relevant transactions relating to product purchase and their proposed annual caps as contemplated under the Framework Agreement;
“Independent Shareholders”	independent Shareholders who are not involved or interested in the Framework Agreement;
“Independent Third Parties”	parties who are independent from and not connected with the Group and its connected persons;
“Innovation Great Wall”	Baoding Innovation Great Wall Asset Management Company Limited* (保定創新長城資產管理有限公司), a substantial Shareholder of the Company holding approximately 82.11% of the A Shares of the Company, which accounts for 59.83% of the issued share capital of the Company;
“Latest Practicable Date”	6 December 2024, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained herein;
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange as amended from time to time;
“SSE”	the Shanghai Stock Exchange;

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
“Share(s)”	A Share(s) and H Share(s);
“Shareholders”	holder(s) of the Company’s Shares including A Share(s) and H Share(s);
“Smart Technology”	Baoding Great Wall Smart Technology Co., Ltd.* (保定市長城智能科技有限公司), a company incorporated in the PRC on 21 November 2018 under the laws of the PRC, and a wholly-owned subsidiary indirectly held as to 100% by Great Wall Holdings;
“Smart Technology Group”	Smart Technology and its subsidiaries;
“SVOLT Energy”	SVOLT Energy Technology Co., Ltd.* (蜂巢能源科技股份有限公司), a company incorporated in the PRC on 12 February 2018 and a company established under the laws of the PRC, which is indirectly held as to 39.40% by Great Wall Holdings;
“SVOLT Energy Group”	SVOLT Energy Technology Co., Ltd.* (蜂巢能源科技股份有限公司) and its subsidiaries;
“%”	per cent.

English translations of names in Chinese or another language in this circular which are marked with “” are for identification purposes only.*

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



長城汽車股份有限公司
GREAT WALL MOTOR COMPANY LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

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

Executive Directors:

Wei Jian Jun
Zhao Guo Qing
Li Hong Shuan

***Registered office, head office and principal
place of business:***

No. 2266, 2299 Chaoyang Road
South, Lianchi District
Baoding
Hebei Province
the PRC

Non-executive Director:

He Ping

Independent non-executive Directors:

Yue Ying
Fan Hui
Tom Siulun Chau

11 December 2024

To the Shareholders

Dear Sir or Madam,

**2025-2027 ORDINARY RELATED PARTY TRANSACTIONS
UNDER THE SSE LISTING RULES
THE CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EGM**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 31 October 2024 in relation to, among other things, the entering into of the Framework Agreement between the Company and Mr. Wei Jian Jun and his associates relating to the continuing connected transactions and the proposed annual caps for the three years ending 31 December 2025, 2026 and 2027.

* For identification purpose only

LETTER FROM THE BOARD

This circular is issued in relation to the EGM to be held at 2:00 p.m. on Friday, 17 January 2025 at the Company's Conference Room, No. 2266 Chaoyang Road South, Lianchi District, Baoding, Hebei Province, the PRC.

The purpose of this circular is to provide you with further information on, among other things, (i) 2025-2027 ordinary related party transactions under the SSE Listing Rules; (ii) the continuing connected transactions in relation to the purchase of products by the Group; (iii) the recommendation of the Independent Board Committee in respect of the continuing connected transactions; (iv) the advice of Gram Capital on the continuing connected transactions; and (v) other information as required under the Hong Kong Listing Rules.

2. 2025-2027 PROPOSED ORDINARY RELATED PARTY TRANSACTIONS UNDER THE SSE LISTING RULES

On 31 October 2024, the Company (for itself and on behalf of its subsidiaries) entered into a Framework Agreement with Mr. Wei Jian Jun (for himself and on behalf of companies directly or indirectly controlled by him and companies in which he serves as a director) pursuant to which, the transactions between the Group and Mr. Wei Jian Jun and companies directly or indirectly controlled by him and companies in which he serves as a director ("**Mr. Wei Jian Jun and his related companies**") in the ordinary course of business mainly include purchase of products (including mainly power battery packs, water and electricity, modules, equipment, materials and steam, etc.), sales of products (including mainly materials, equipment, components, steam, etc.), purchase of services (including mainly commissioned testing, hazardous wastes disposal, logistics, warehousing services, plant engineering and construction, tendering services, accommodation and medical check-ups, technology development services and operation services, etc.), and provision of services (including mainly transportation services, vehicle repair and maintenance services, information technology services, etc.), provision of leasing (including mainly venues, offices, forklifts, etc.), leasing (long-term) (including mainly plants, land, equipment, dormitories, etc.), leasing (short-term) (including mainly buildings, equipment, venues, vehicles, dormitories, canteens, etc.).

LETTER FROM THE BOARD

The Group entered into the Framework Agreement with Mr. Wei Jian Jun and his related companies, with a term from 1 January 2025 to 31 December 2027. Pursuant to the Framework Agreement, the pricing for the transactions in relation to purchase of products, sales of products, purchase of services, provision of services, leasing (long-term), leasing (short-term) and provision of leasing between the Group and Mr. Wei Jian Jun and his related companies, shall be in compliance with the requirements of relevant laws, regulations and the SSE Listing Rules, with reference to the prevailing market price charged by the Group for the purchase or provision of similar products and services from/to the Independent Third Parties in the ordinary course of business in accordance with normal commercial terms, and are determined based on fair and reasonable principles and normal commercial terms:

Transaction Category

(by the Group to/from Mr. Wei Jian Jun and/or his related companies)

Pricing Policies

Purchase of products

If the product has a government-prescribed price or guidance price, the Group will purchase the product from Mr. Wei Jian Jun and his related companies at the government-prescribed price or guidance price. If there is no government-prescribed price or guidance price, the procurement price will be determined by the Group through open tendering, or by its business departments with reference to industry standards, market conditions and (if practicable) at least two similar and comparable transactions entered into with the Independent Third Parties in the corresponding period, or at least prices of similar and comparable transactions provided by two Independent Third Parties in the ordinary course of business in the corresponding period, which is subject to the final negotiation with the counterparty.

LETTER FROM THE BOARD

Transaction Category
(by the Group to/from Mr. Wei Jian
Jun and/or his related companies)

Pricing Policies

Sales of products

If the product has a government-prescribed price or guidance price, such price will be adopted as the selling price. If there is no government-prescribed price or guidance price, the Group will determine and negotiate the selling price with reference to the prevailing fair market price of the comparable products and in accordance with the normal commercial terms that are in the interest of the Group. The price at which the Group sells the product will not be lower than the above fair market price range.

The terms of the contracts for sales of products (including price, sales policy, etc.) will not be more favorable to Mr. Wei Jian Jun and his related companies than the terms applicable to the Group's sales of comparable types of products with comparable quality to the Independent Third Parties.

For products that have no comparable prices on the market, the prices would be determined after arm's length negotiation by both parties to the contract. The Group would refer to the relevant historical prices of the products and ensure that the terms of the products provided are fair and reasonable based on the principle of cost plus a fair and reasonable profit margin.

Purchase of services

The transaction price will be determined by the Group through open tendering, or by its business departments with reference to industry standards, market conditions, the Company's operation strategies and (if practicable) at least two similar and comparable transactions entered into with the Independent Third Parties in the corresponding period, or at least prices of similar and comparable transactions provided by two Independent Third Parties in the ordinary course of business in the corresponding period, which is subject to the final negotiation with the counterparty.

LETTER FROM THE BOARD

Transaction Category
(by the Group to/from Mr. Wei Jian
Jun and/or his related companies)

Pricing Policies

Provision of services

The Group will determine and negotiate the selling price with reference to the prevailing fair market price of the comparable services and in accordance with the normal commercial terms that are in the interest of the Group. The price at which the Group provides services will not be lower than the above fair market price range.

Leasing

The transaction price will be determined by the Group through open tendering, or by its business departments with reference to industry standards, market conditions and the Group's operation strategies and (if practicable) at least two similar and comparable transactions entered into with the Independent Third Parties in the corresponding period, or at least prices of similar and comparable transactions provided by two Independent Third Parties in the ordinary course of business in the corresponding period, which is subject to the final negotiation with the counterparty.

Provision of leasing

The Group will determine and negotiate the price with reference to the prevailing fair market price of the comparable leasing business and in accordance with the normal commercial terms that are in the interest of the Group. The price at which the Group provides leasing will not be lower than the above fair market price range.

The transactions will be conducted at any time in compliance with and in accordance with the guidelines, rules and regulations of the SSE Listing Rules and relevant regulatory authorities.

LETTER FROM THE BOARD

The proposed annual caps of ordinary related party transactions between the Group and Mr. Wei Jian Jun and his related companies for 2025-2027 under the Framework Agreement are as follows:

	Currency: RMB		Unit: 0'000
Category	Proposed annual cap for 2025	Proposed annual cap for 2026	Proposed annual cap for 2027
Purchase of products	1,039,090.00	1,194,954.00	1,374,197.00
Sales of products	84,954.00	80,452.00	81,710.00
Purchase of services	39,160.00	17,456.00	14,795.00
Provision of services	14,844.00	14,267.00	14,198.00
Leasing (short-term) (Note)	41,647.00	41,267.00	39,915.00
Leasing (long-term) (Note)	248,864.00	8,250.00	26,688.00
Provision of leasing	2,000.00	2,000.00	2,000.00

Note: According to the Accounting Standards for Enterprises No. 21-Leases revised by the Ministry of Finance of the PRC in 2018, the Group's leasing transactions under the Framework Agreement include leasing (long-term) and leasing (short-term). Leasing (long-term) refers to leases with a lease term of more than 12 months, while leasing (short-term) refers to leases with a lease term of 12 months or less.

According to the Accounting Standards for Enterprises No. 21-Leases revised by the Ministry of Finance of the PRC in 2018, the Group, as the lessee of the transaction of the leasing (long-term) under the Framework Agreement, shall recognize the asset leasing right during the term of the leasing (long-term) as the right-of-use asset. The Group is required to set the annual caps on the value of the right-of-use asset involved in each year of the leasing (long-term) entered into under the Framework Agreement.

The ordinary related party transactions were considered and approved at a special meeting of independent Directors before being submitted to the board of Directors for consideration. All independent Directors unanimously agreed and expressed their independent opinions:

The ordinary related party transactions between the Group and Mr. Wei Jian Jun and his related companies are based on the normal operational needs of the Company, and the pricing of transactions followed the principles of fairness and reasonableness. The related transactions are conducted in the ordinary and usual course of business of the Company and the terms of the Framework Agreement are on normal commercial terms, which are in the interests of the Company and its Shareholders as a whole and would not affect the independence of the Company. There was no situation that harmed the interests of the Company and its Shareholders, especially the minority Shareholders.

According to the SSE Listing Rules, the proportion of the total amount of the related party transactions to the audited net asset of the Company for the latest period exceeds 5% and are subject to consideration at the general meeting of the Company.

LETTER FROM THE BOARD

In the meanwhile, as the highest of all applicable percentage ratios in respect of the sales of products, purchase of services, leasing (long-term) and leasing (short-term) contemplated under the Framework Agreement will be more than 0.1% but less than 5% on an annual basis, these continuing connected transactions under the Framework Agreement are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but are exempted from the Independent Shareholders' approval requirement. In addition, as the highest of all applicable percentage ratios in respect of provision of services and provision of leasing under the Framework Agreement are below 0.1%, therefore such continuing connected transactions under the Framework Agreement are exempted from the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

According to the SSE Listing Rules, when the board of Directors of a listed company considers the related party transactions, the related Directors shall abstain from voting. As a related Director, Mr. Wei Jian Jun abstained from voting on the resolution.

According to the SSE Listing Rules, related Shareholders shall be required to abstain from voting at the EGM in relation to the relevant resolutions to be proposed at the EGM. As at the Latest Practicable Date, Great Wall Holdings holds 37,998,500 H Shares of the Company, Innovation Great Wall holds 5,115,000,000 A Shares of the Company. Meanwhile, to the best knowledge of the Directors, supervisors and the chief executives of the Company, Mr. Mu Feng and Ms. Wu Hui Xiao, directors of HAOMO.AI, a related company of Mr. Wei Jian Jun related to the transactions, holds 1,700,900 A Shares and 10,000 A Shares of the Company, respectively, therefore Great Wall Holdings, Innovation Great Wall, Mr. Mu Feng and Ms. Wu Hui Xiao, as related Shareholders, shall abstain from voting on this resolution at the EGM.

The resolution is made in accordance with SSE Listing Rules.

3. THE 2025-2027 CONTINUING CONNECTED TRANSACTIONS FOR PURCHASE OF PRODUCTS

References are made to the announcements of the Company dated 31 December 2021, 17 February 2023, 30 November 2023 and 23 January 2024, respectively, in respect of certain continuing connected transaction agreements entered into between the Company and Great Wall Holdings during the period from 2022 to 2024. As certain existing continuing connected transaction agreements entered into between the Company and Great Wall Holdings during the period from 2022 to 2024 will expire on 31 December 2024, the Company entered into the Framework Agreement with Mr. Wei Jian Jun and his associates (excluding the Group) for a term commencing from 1 January 2025 to 31 December 2027, pursuant to which the Group will purchase products from Mr. Wei Jian Jun and/or his associates.

Framework Agreement

On 31 October 2024, the Company entered into the Framework Agreement with Mr. Wei Jian Jun and his associates (excluding the Group) in relation to, among other things, purchase of products by the Group.

LETTER FROM THE BOARD

Parties

The Company (for itself and on behalf of its subsidiaries) and Mr. Wei Jian Jun (for himself and on behalf of his associates).

Term of the Framework Agreement

The term of the Framework Agreement is from 1 January 2025 to 31 December 2027.

Transactions

Pursuant to the terms of the Framework Agreement, the Group will conduct the following transactions:

- (i) purchasing products (including mainly power battery pack, water and electricity, module, equipment, materials and steam) from Mr. Wei Jian Jun and/or his associates (excluding the Group);

The Framework Agreement was entered into on normal commercial terms. The particulars of the transactions contemplated thereunder such as the specific requirements for purchase of products (including but not limited to specifications, quantities, prices, quality standards and warranties, settlement methods and delivery methods), will be determined by the parties in specific agreements to be entered into based on the principles set out in the Framework Agreement. In addition, pursuant to the Framework Agreement, the Group shall have the right to choose suppliers at its discretion. The transactions contemplated under the Framework Agreement will be conducted in the ordinary and usual course of business of the parties, on normal commercial terms and on terms not less favourable to the Group than those available to or from (as appropriate) the Independent Third Parties.

Conditions Precedent

The Framework Agreement and the transactions contemplated thereunder having been approved by the Board and having obtained all necessary authorisations and approvals (including, if necessary, approval from the Independent Shareholders) pursuant to relevant laws, regulations and rules.

Pricing Policies

Pursuant to the Framework Agreement, the pricing policies for the transactions in relation to purchase of products between the Group and Mr. Wei Jian Jun and/or his associates (excluding the Group) shall be in compliance with the requirements of relevant laws, regulations and the Hong Kong Listing Rules, with reference to the prevailing market price paid by the Group for the purchase of similar products from the Independent Third Parties in the ordinary course of business in accordance with normal commercial terms, and are determined based on fair and reasonable principles and normal commercial terms.

LETTER FROM THE BOARD

Purchase of products by the Group from Mr. Wei Jian Jun and/or his associates (excluding the Group)

If the product has a government-prescribed price or guidance price, the Group will purchase the product from Mr. Wei Jian Jun and/or his associates (excluding the Group) at the government-prescribed price or guidance price. If there is no government-prescribed price or guidance price, the procurement price will be determined by the Group through open tendering, or by its business departments with reference to industry standards, market conditions and (if practicable) at least two similar and comparable transactions entered into with the Independent Third Parties in the corresponding period, or at least quotations of similar and comparable transactions provided by two Independent Third Parties in the ordinary course of business in the corresponding period, which is subject to the final negotiation with the counterparty.

The major type of transaction with regard to purchase of products is the purchase of power battery packs by the Company from SVOLT Energy (an associate of Mr. Wei Jian Jun). In respect of the purchase of such power battery packs, the Company will refer to industry standards, the prices of the top ten suppliers in terms of installed capacity, and the Independent Third Parties for the same or similar power battery pack models, during the comparable period and in the normal course of commercial transactions, to ensure fairness of the power battery pack price, and then negotiate with SVOLT Energy to determine the final purchase price in order to secure the interests of the Company.

In addition, the Group will have internal control measures in place to ensure that the continuing connected transactions with respect of purchase of products under the Framework Agreement will be conducted on normal or better commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole.

Proposed Caps and Historical Transaction Amounts:

The table below sets out the proposed annual caps for the transactions contemplated under the Framework Agreement for the three years ending 31 December 2027:

Category	For the year ending 31 December		
	2025	2026	2027
	<i>RMB0'000</i>	<i>RMB0'000</i>	<i>RMB0'000</i>
Purchase of products	1,039,090	1,194,954	1,374,197

LETTER FROM THE BOARD

The tables below set out the historical transaction amount^(Note), historical annual cap and historical transaction amount as a percentage of the annual cap in respect of purchase of products conducted between the Group and Mr. Wei Jian Jun and/or his associates (excluding the Group) for the two years ended 31 December 2023 and nine months ended 30 September 2024:

Category	For the year ended 31 December		For the nine months ended 30 September
	2022	2023	2024
	Transaction amount RMB0'000 (audited)	Transaction amount RMB0'000 (audited)	Transaction amount RMB0'000 (unaudited)
Purchase of products	375,219.47	478,274.15	403,528.35

Category	For the year ended 31 December					
	2022		2023		2024	
	Historical transaction amount as a percentage of the Annual cap RMB0'000		Historical transaction amount as a percentage of the Annual cap RMB0'000		Historical transaction amount as a percentage of the Annual cap RMB0'000	
	(%)		(%)		(%)	
Purchase of products	2,154,566	17.42	2,481,629	19.27	2,620,603	15.40

Note: For the period between 1 January 2022 to 30 September 2024, the Group's purchase of products transactions with Mr. Wei Jian Jun and/or his associates (excluding the Group) were mainly transactions between the Group and Great Wall Holdings (and/or its associates) (the transactions were conducted under the Framework Agreement entered into between the Group and Great Wall Holdings on 31 December 2021)

Basis for Determining the Caps

(i) Purchase of products by the Group

The proposed annual caps for the purchase of products by the Group from Mr. Wei Jian Jun and/or his associates (excluding the Group) have been determined mainly with reference to (1) the Group's estimated number of power battery pack from SVOLT Energy Group, equipment from Smart Technology, fuel cell systems and hydrogen storage systems from FTXT Energy, and steam from CleanHeat Supplying, etc. to be purchased by the Group; (2) the Group's planned quantity and the expected level of unit price for new energy automotive from 2025 to 2027; (3) the historical transaction amounts for transactions in respect of sales of products from Mr. Wei Jian Jun and/or his associates (excluding the Group) for the two years ended 31 December 2023 and the nine months ended 30 September 2024; and (4) an adequate buffer (approximately 10%) to allow for possible trading volatility.

LETTER FROM THE BOARD

The purchase of products transaction between the Company and Mr. Wei Jian Jun and/or his associates (excluding the Group) is expected to be mainly the purchase of power battery pack by the Group from SVOLT Energy Group (an associate of Mr. Wei Jian Jun). Due to the fierce market competition, the sales volume of new energy vehicles of the Company failed to reach the relevant estimated quantities, resulting in the transaction amount of the Company being lower than the estimated caps for the three years ended 31 December 2024. However, given the industry and the Company's growing proportion of new energy vehicle sales in total vehicle sales, the Company expects that the transaction amount of power battery pack purchase will continue to increase significantly from 2025 to 2027. According to data from the China Association of Automobile Manufactures, the sales volume of new energy vehicles accounted for approximately 38.6% of the total car sales in the PRC for the nine months ended 30 September 2024. In order to estimate the amount of the Company's purchases of power battery pack in 2025, the Company firstly estimated its total automobile sales for the year 2025. Subsequently, the Company estimated the sales volume of the Company's new energy vehicles in 2025 by taking into account (i) the percentage of sales volume of new energy vehicles in the industry as mentioned above, and (ii) the upward trend in the proportion of sales volume of new energy vehicles within the Company's total automobile sales over the past three years (the proportion increased from 12.3% for the year ended 31 December 2022 to 25.1% for the ten months ended 31 October 2024). Meanwhile, based on the proportion of the Company's supply of power battery packs (over 50%) from SVOLT Energy to the Company's total supply of power battery packs from January to September 2024, the Company has made a reasonable estimate of the amount of power battery packs to be purchased from SVOLT Energy in 2025. The Company estimates that the purchase amount of power battery pack in 2025 will be RMB8,824.074 million. In 2026 and 2027, the Company's purchase amount of power battery pack is expected to increase by 15% compared with that in 2025 and 2026, respectively, reaching RMB10,147.6851 million and RMB11,669.8379 million, respectively.

In addition to the estimated purchase amount for the power battery pack, the estimated amount for other products to be purchased by the Group from Mr. Wei Jian Jun and/or his associates (excluding the Group) is expected to reach RMB622.1995 million, RMB715.5294 million and RMB822.8588 million for the three years ending 31 December 2027, respectively.

Reasons for and Benefits of the Transactions

The Group has entered into the Framework Agreement with Mr. Wei Jian Jun and his associates (excluding the Group) in relation to purchase of products.

The Framework Agreement in respect of purchase of products between the Group and Mr. Wei Jian Jun and his associates (excluding the Group) were entered into in the ordinary course of business, which is conducive to the reasonable allocation of resources pursuant to the advantages on resources of the parties and the improvement of manufacturing efficiency, and is in line with the Group's business development needs for the following reasons: the Group will be provided with a timely and stable supply of products like power battery pack with quality assurance for its new energy complete vehicles business line at reasonable prices by SVOLT Energy Group through the purchase of power battery pack by the Group from SVOLT Energy Group. The Group has been maintaining, and expect to maintain, sound business relationships with SVOLT Energy Group which is familiar with the Group's specific and special requirements for certain commodities, thereby reducing operating risks and costs, enhancing the daily production management of the Group, and promoting the long-term and healthy development of the Group.

LETTER FROM THE BOARD

Internal Control Measures in Relation to the Continuing Connected Transactions

The Company will adopt the following internal control and corporate governance measures to closely monitor continuing connected transactions and ensure compliance with the Hong Kong Listing Rules in the future:

- (1) The Company will adopt and implement a connected transaction decision-making system within the Company, and the Board and various internal departments of the Company will be responsible for the control and daily management of continuing connected transactions;
- (2) The Board and other internal departments of the Company will be jointly responsible for assessing the terms of the relevant agreements with respect of continuing connected transactions, in particular, the fairness of the pricing policy and annual caps for each transaction;
- (3) The securities department of the Group will regularly monitor continuing connected transactions (including but not limited to the transaction amounts and annual caps under the relevant agreements) to ensure that the connected transactions are executed in accordance with the relevant agreements, and will confirm the execution of specific contracts for specific connected transactions that occur under the Framework Agreement, monitor the specific amounts of continuing connected transactions such as purchases on a monthly basis to ensure that the annual caps will not be exceeded, and will report to the audit committee of the Company annually;
- (4) The independent non-executive Directors are required to review the continuing connected transactions on an annual basis and to confirm in the annual report of the Company as to whether the continuing connected transactions have been (i) conducted in the ordinary and usual course of business of the Group; (ii) entered into based on normal commercial terms or better terms; (iii) conducted in accordance with the terms of the agreements in respect of the transactions; and (iv) entered into on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
- (5) The auditors of the Company are required to provide a letter to the Board each year to confirm whether they have noticed anything that would enable them to consider that the continuing connected transactions (i) were not approved by the Board; (ii) were not conducted in accordance with the agreement in all material aspects; and (iii) have exceeded the annual caps as set by the Company.

LETTER FROM THE BOARD

For the conduct of the continuing connected transactions in relation to the purchase of products under the 2025-2027 Framework Agreement, the Group adopts and will continue to implement a set of standard internal control procedures to ensure the continuing connected transactions are conducted in a fair and reasonable manner, including:

If there is a government-prescribed price or guidance price for the products before the transaction, the Group will adopt the government-prescribed price or guidance price for the products purchased. In order to ensure that the relevant transactions of the Company are carried out in accordance with this principle, the Company will adopt the following internal control measures:

1. The business department of the Company will regularly (twice a week) inspect the relevant websites, and regularly (twice a week) review the relevant App of the government departments to check the latest government guidance price and therefore ensure that the transaction price of the Company's procurement of government-prescribed products adopts the government guidance price.
2. If government guidance price is applicable to relevant transactions, the business department of the Company will check the relevant documents and receipts of government charges at the time of each transaction (where needed) to ensure that the amount of relevant expenses paid by the business department of the Company to the connected party is consistent with the government guidance price.

If there is no government-prescribed price or guidance price, the procurement price will be determined by the Group through open tendering, or by its business departments with reference to industry standards, market conditions and (if practicable) at least two similar and comparable transactions entered into with the Independent Third Parties in the corresponding period, or at least quotations of similar and comparable transactions provided by two Independent Third Parties in the ordinary course of business in the corresponding period, which is subject to the final negotiation with the counterparty.

The Company implemented the standard control procedures, which comprise, inter alia, selection processes of suppliers, price determination processes, and quality evaluation processes of the products on its purchase of products transaction (including the proposed continuing connected transaction in relation to the purchase of products) in order to ensure the pricing principles and policies of the above purchase of products transaction will be on industry standards and market conditions or terms which are no less favorable than those provided by the Independent Third Parties.

During the procurement process, depending the specifications of the products required, the Group's procurement department will make reference to other similar products (if applicable) from Independent Third Parties and conduct review and evaluation procedures to compare and determine whether the prices and terms offered by the related parties are better, fair and reasonable and comparable to those offered by Independent Third Parties. The Company will review the transaction price at least annually to consider whether it is fair and reasonable and in line with the pricing policy.

LETTER FROM THE BOARD

Based on the above, the Directors consider that the Company has established sufficient internal control procedures to ensure that the continuing connected transactions under the Framework Agreement will be conducted on normal or better commercial terms without prejudice to the interests of the Company and the Shareholders as a whole.

Information of the Parties Involved

(i) Information on the Company

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

(ii) Information on Mr. Wei Jian Jun and his associates (excluding the Group) mainly involved in the continuing connected transactions

Mr. Wei Jian Jun, as the Chairman and the de facto controller of the Company, indirectly holds 99% equity interest of Great Wall Holdings. Meanwhile, Great Wall Holdings holds 62.85% equity interest of Innovation Great Wall, the controlling Shareholder of the Company, which in turn holds 59.83% of the issued share capital of the Company. Mr. Wei Jian Jun and his associates are mainly involved in manufacture of batteries, sales of batteries, technology development, inspection and testing, residential building construction, industrial and mining engineering construction, sales of hydrogen refueling and hydrogen storage facilities, etc.

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

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SVOLT Energy mainly engages in the business of power supply; installation, repair and commissioning of power facilities; various engineering construction activities; import and export of technologies; import and export of goods; import and export agents; cargo transportation by road (excluding dangerous goods) (for projects subject to approval in accordance with the law, the company can only carry out business activities after approval by the relevant departments, and the specific business projects are subject to the approval results) General items: technical services, technology development, technical consultation, technical exchange, technology transfer and technology promotion; battery manufacturing; battery sales; sales of chemical products (excluding licensed chemical products); information consulting services (excluding licensed information consulting services); Internet data services; information systems integration services; sales of integrated circuit chips and products; design and services of integrated circuit chips; the manufacturing of integrated circuit chips and products; the manufacturing of power transmission, distribution and control equipment; sales of intelligent power transmission, distribution and control equipment; sales of electrical accessories for new energy vehicles; sales of distributed alternating current charging piles; centralized fast charging stations; sales of motor vehicles charging; sales of battery swap facilities for new energy vehicles; operation of charging infrastructure for electric vehicles; management of the contracted energy; engineering and technological research and experimental development; research and development of resource recycling technology; manufacturing of electronic components and electromechanical components equipment; sales of electronic components and electromechanical components equipment; research and development of electronic specialized materials; manufacturing of electronic specialized materials; sales of electronic specialized materials; sales of power electronic components; sales of electronic measuring instruments; sales of electronic specialized equipment; leasing of non-residential real estate; leasing of residential properties; investments using own funds; general warehousing services (excluding hazardous chemicals and other items subject to licensing approval); sales of plastic products; sales of rubber products; wires and cables business; sales of metal materials; sales of high-performance non-ferrous metals and alloy materials; sales of high-performance fibers and composite materials (except for projects that require approval according to law, business activities are conducted independently based on business licenses).

Smart Technology is principally engaged in the research and development of smart home technology; the development, transfer and promotion of new energy technologies; park management services; park infrastructure construction; planning and design management; information technology consulting services; the development and sales of computer software; conference and exhibition services; self-owned premises and equipment leases. (For projects subject to approval according to law, business activities can only be carried out after obtaining the approval of relevant departments).

FTXT Energy is principally engaged in road transportation of goods (excluding hazardous goods) (for projects subject to approval according to law, business activities can only be carried out after obtaining the approval of relevant departments, and the specific business projects are subject to the approval results). General items: technical services, technology development, technical consultation, technical exchange, technology transfer and technology promotion;

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battery manufacturing; sales of mechanical parts and components; sales of hydrogen refueling and hydrogen storage facilities for stations; import and export of goods; import and export of technology; sales of machinery and equipment; machinery and equipment leases; specialized equipment rental; sales of electrical equipment; sales of communications equipment; industrial design services; network and information security software development; software development; brand management; marketing planning; socio-economic consulting services; conference and exhibition services; leasing services (excluding licensing leasing services); project planning and public relations services; corporate image planning; information consulting services (excluding licensing information consulting services) (except for projects subject to approval according to law, business activities are carried out independently on the basis of business licenses).

CleanHeat Supplying is mainly engaged in production and supply of heat; construction of heating engineering; maintenance of facilities (operations which will only be allowed upon obtaining qualification certificates); design of heat supply; sale of ashes; lease of self-owned properties; sale of electric power; thermal power generation; design and construction of electric power engineering; research, development and promotion of energy-saving technologies; electricity sales services; sale and maintenance of electric power facilities; operation and maintenance of electric power facilities, technical development and technical consulting of new energy; sale and lease of electric power facilities; technical services of comprehensive energy-saving; technical consulting of electric power, technical development of new energy and power; installation and maintenance of energy-saving facilities; processing of metal scrap and chip and non-metallic scrap and chip (operations which are subject to special approvals and licenses can only be conducted after obtaining relevant licenses).

Hong Kong Listing Rules Implications

As at the Latest Practicable Date, Mr. Wei Jian Jun is a executive Director and the Chairman of the Company. Accordingly, Mr. Wei Jian Jun and his associates (excluding the Group) are connected persons (as defined under the Hong Kong Listing Rules) of the Company. Therefore, the transactions contemplated under the Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

As the highest of all applicable percentage ratios in respect of the purchase of products contemplated under the Framework Agreement will be more than 5% on an annual basis and the annual caps will exceed HK\$10,000,000, the transaction with regard to the purchase of products under the Framework Agreement is subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 14A.36 of the Hong Kong Listing Rules, any Shareholder who has a material interest in the Framework Agreement and the continuing connected transactions contemplated thereunder, shall abstain from voting on the resolution regarding the same at the EGM. As at the Latest Practicable Date, Great Wall Holdings holds 37,998,500 H Shares of the Company, Innovation Great Wall holds 5,115,000,000 A Shares of the Company. Meanwhile,

LETTER FROM THE BOARD

to the best knowledge of the Directors, supervisors and the chief executive of the Company, Mr. Mu Feng and Ms. Wu Hui Xiao, directors of HAOMO.AI, an associate of Mr. Wei Jian Jun related to the transactions, holds 1,700,900 A Shares and 10,000 A Shares of the Company, respectively, are required to abstain from voting on the resolutions related to the transactions. Therefore, Great Wall Holdings, Innovation Great Wall, Mr. Mu Feng and Ms. Wu Hui Xiao shall abstain from voting on this resolution at the EGM.

General

As Mr. Wei Jian Jun is deemed to have material interests in the transactions under the Framework Agreement, he has abstained from voting on the Board resolutions in relation to the continuing connected transactions as specified in this circular. Save as disclosed above, as at the date of the Board's consideration of the above resolutions, none of the Directors has material interests in the continuing connected transactions or is required to abstain from voting on the relevant Board resolutions.

4. EGM

The EGM will be held at 2:00 p.m. on Friday, 17 January 2025 at the Company's Conference Room, No. 2266 Chaoyang Road South, Lianchi District, Baoding, Hebei Province, the PRC. The notice convening the EGM together with the relevant receipt and proxy form was despatched to the Shareholders on 11 December 2024.

5. BOOK CLOSURE PERIOD

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the H Share register of members of the Company will be closed from Saturday, 11 January 2025 to Friday, 17 January 2025 (both days inclusive), during which no transfer of H Shares will be effected. H Shareholders whose names appear on the H Share register of members of the Company at 4:30 p.m. on Friday, 10 January 2025 shall be entitled to attend and vote at the EGM. In order for the H Shareholders to qualify for attending and voting at the EGM, all completed share transfer documents accompanied by the relevant H Share certificates must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 10 January 2025.

6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Hong Kong Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to vote at the EGM in accordance with the Articles of Association. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

LETTER FROM THE BOARD

H Shareholders who wish to appoint a proxy/proxies to attend the EGM are requested to complete and sign the proxy form in accordance with the instructions contained therein, and deliver the forms to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time designated for the commencement of the EGM.

7. RECOMMENDATION

Your attention is drawn to the Letter from the Independent Board Committee as set out on page 23 of this circular which contains its recommendation to the Independent Shareholders on the terms of the Framework Agreement and the continuing connected transactions contemplated thereunder.

Your attention is also drawn to the letter of advice received from Gram Capital, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders as set out on pages 24 to 36 of this circular which contains, among others, its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Framework Agreement and the continuing connected transactions contemplated thereunder.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Framework Agreement and the ordinary related party transactions under the SSE Listing Rules and continuing connected transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all the Independent Shareholders to vote in favor of the relevant resolutions to be proposed at the EGM.

8. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices of this circular.

Yours faithfully,
By Order of the Board
Wei Jian Jun
Chairman

Baoding, Hebei Province, the People's Republic of China

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



長城汽車股份有限公司
GREAT WALL MOTOR COMPANY LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

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

11 December 2024

To the Independent Shareholders

Dear Sir or Madam,

THE CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 11 December 2024 (the “**Circular**”), of which this letter forms a part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

We, as the independent non-executive Directors who form the Independent Board Committee, hereby advise the Independent Shareholders on whether the purchase of products transactions and their proposed annual caps under the Framework Agreement (details of which are set out in the letter from the Board of the Circular) are conducted in the ordinary and usual course of business of the Company, on normal commercial terms or better, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

Gram Capital has been appointed as the Independent Financial Adviser of the Company and has advised the Independent Board Committee and the Independent Shareholders of the Company on the same matter.

RECOMMENDATION

After considering the letter from the Board and the advice and recommendations of Gram Capital, we are of the view that the terms of the Framework Agreement and the purchase of products transactions contemplated thereunder and their proposed annual caps are conducted in the ordinary and usual course of business of the Company, on normal commercial terms or better, fair and reasonable, and in the interests of the Company and its Shareholders as a whole. Our opinions on such fairness and reasonableness are based on the information, facts and circumstances currently available to us.

As such, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM, so as to approve the continuing connected transactions in relation to the purchase of products as well as their proposed annual caps under the Framework Agreement.

Yours faithfully,
For and on behalf of the Independent Board Committee
Great Wall Motor Company Limited
Ms. Yue Ying Mr. Fan Hui Mr. Tom Siulun Chau
Independent Non-executive Directors

* *For identification purposes only*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

11 December 2024

*To: The independent board committee and the independent shareholders
of Great Wall Motor Company Limited**

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the purchase of products contemplated under the Framework Agreement (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 11 December 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 31 October 2024, the Company entered into the Framework Agreement with Mr. Wei Jian Jun in relation to, among other things, the Transactions for the three years ending 31 December 2027.

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and shall be subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under the Hong Kong Listing Rules.

The Independent Board Committee comprising Ms. Yue Ying, Mr. Fan Hui and Mr. Tom Siulun Chau has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Besides, apart from the advisory fee and expenses payable to us in connection with this engagement as the Independent Financial Adviser, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company.

Having considered the above and that none of the circumstances as set out under the Rule 13.84 of the Hong Kong Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Framework Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Hong Kong Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement as contained in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Mr. Wei Jian Jun and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of entering into of the Framework Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

Information on the Company

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

Information on Mr. Wei Jian Jun and his associates (excluding the Group)

With reference to the Board Letter, Mr. Wei Jian Jun, as the Chairman and the de facto controller of the Company, indirectly holds 99% equity interest of Great Wall Holdings. Meanwhile, Great Wall Holdings holds 62.85% equity interest of Innovation Great Wall, the controlling Shareholder of the Company, which in turn holds 59.83% of the issued share capital of the Company. Mr. Wei Jian Jun and his associates are mainly involved in manufacture of batteries, sales of batteries, technology development, inspection and testing, residential building construction, industrial and mining engineering construction, sales of hydrogen refueling and hydrogen storage facilities, etc.

Great Wall Holdings (one of Mr. Wei Jian Jun's associates) is primarily engaged in corporate headquarter management; IT consulting services; internet information services; internet lifestyle services platform, internet innovative technology platform, internet public services platform; technical services for Internet of Things; decoration and renovations for

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

As advised by the Directors, SVOLT Energy was incorporated in the PRC on 12 February 2018 and a company established under the laws of the PRC, and is an indirect subsidiary of Great Wall Holdings. SVOLT Energy is a supplier of power battery pack and related materials/products pursuant to the Framework Agreement.

Reasons for and benefit of the Transactions

With reference to the Board Letter, as to purchase of products, the Group will be provided with a timely and stable supply of products like power battery pack with quality assurance for its new energy complete vehicles business line at reasonable prices by SVOLT Energy Group through the purchase of power battery pack by the Group from SVOLT Energy Group. The Group has been maintaining, and expect to maintain, sound business relationships with SVOLT Energy Group which is familiar with the Group's specific and special requirements for certain commodities, thereby reducing operating risks and costs, enhancing the daily production management of the Group, and promoting the long-term and healthy development of the Group.

As advised by the Directors, electric power and clean energy are the major directions for future energy revolution, and electricity and hydrogen energy will be key indispensable solutions. China is the world's largest consumer of automobiles. China is also one of the first countries engaging in new energy vehicle development, which has now evolved into one of the world's fastest growing industry with a well thought-out roadmap. The research, development, manufacturing and sale of new energy automotive is important for the Company to seize the market opportunities. The Transactions will allow the Company to be provided with power battery pack parts and components with quality assurance for its new energy automotive business line.

We noted that in October 2020, the State Council of the PRC published the New Energy Vehicle Industry Development Plan (2021-2035)* (《新能源汽車產業發展規劃(2021–2035)》) (https://www.gov.cn/zhengce/content/2020-11/02/content_5556716.htm), stipulating that the development of new energy vehicle is a must for the PRC to transform to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

a powerful automobile country. The State Counsel of the PRC has set the target to raise the penetration rate of new energy vehicles to 20% of the PRC passenger vehicle market by 2025, and battery electric vehicle is expected to become the mainstream new energy vehicle type among the new vehicles sold.

We also noted that the PRC government issued various favourable government policies or guiding opinions in recent years to stipulate the development of new energy vehicles, such as:

- The Guiding Opinions on Further Strengthening the Construction of Safety Systems of New Energy Vehicles Enterprises* (《關於進一步加強新能源汽車企業安全體系建設的指導意見》) published on 29 March 2022 by the Ministry of Industry and Information Technology of the PRC, Ministry of Public Security, Ministry of Transportation, Ministry of Emergency Management of the PRC and the State Administration for Market Regulation of the PRC (https://www.gov.cn/zhengce/zhengceku/2022-04/09/content_5684250.htm), which set out the requirements to improve the safety level of new energy vehicles and promote the high-quality development of the new energy vehicle industry.
- The Implementation Opinions on Accelerating the Construction of Charging Infrastructure to Better Support New Energy Vehicles Going to the Rural Areas and Rural Revitalization* (《關於加快推進充電基礎設施建設更好支持新能源汽車下鄉和鄉村振興的實施意見》) published on 17 May 2023 by the National Development and Reform Commission of the PRC and the National Energy Administration of the PRC (https://www.ndrc.gov.cn/xxgk/zcfb/tz/202305/t20230517_1355814.html), which set out the fundamental implementation guidance to unlock the consumption potential of new energy vehicles, support green transportation and contribute to the comprehensive revitalization of rural areas.
- The Notice on Launching New Energy Vehicles to Rural Areas in 2024* (《關於開展2024年新能源汽車下鄉活動的通知》) published on 15 May 2024 by Ministry of Industry and Information Technology of the PRC, National Development and Reform Commission of the PRC, Ministry of Agriculture and Rural Affairs of the PRC, Ministry of Commerce and National Energy Administration (https://www.gov.cn/zhengce/zhengceku/202405/content_6951174.htm), which set out the notice for launch the new energy vehicles campaign in rural areas with the aim to address the gaps in new energy vehicles consumption in rural areas, enhance green and safety transportation for residents, and contribute to the rural development and revitalization.

Having considered the above factors, in particular, (i) the research, development, manufacturing and sale of new energy automotive is important for the Company to seize market opportunities and (ii) the Transactions will allow the Company to be provided with power battery pack parts and components with quality assurance for its new energy automotive business line, we are of the view that the Transactions are in the interest of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Principal terms of the Transactions

Set out below are the key terms of the Transactions as extracted from the Board Letter. Details of the Framework Agreement are set out under the section headed “Framework Agreement” of the Board Letter.

Date

31 October 2024

Parties

The Company (for itself and on behalf of its subsidiaries) and Mr. Wei Jian Jun (for himself and on behalf of his associates).

Nature of transactions

Pursuant to the terms of the Framework Agreement, the Group will purchase products (including mainly power battery pack, water and electricity, module, equipment, materials and steam) from Mr. Wei Jian Jun and/or his associates (excluding the Group).

The Framework Agreement was entered into on normal commercial terms. The particulars of the transactions contemplated thereunder such as the specific requirements for purchase of products (including but not limited to specifications, quantities, prices, quality standards and warranties, settlement methods and delivery methods), will be determined by the parties in specific agreements to be entered into based on the principles set out in the Framework Agreement. In addition, pursuant to the Framework Agreement, the Group shall have the right to choose suppliers at its discretion. The transactions contemplated under the Framework Agreement will be conducted in the ordinary and usual course of business of the parties, on normal commercial terms and on terms not less favourable to the Group than those available to or from (as appropriate) the Independent Third Parties.

Term of the Framework Agreement

The term of the Framework Agreement is from 1 January 2025 to 31 December 2027.

Pricing principles

Pursuant to the Framework Agreement, the pricing policies for the transactions in relation to purchase of products between the Group and Mr. Wei Jian Jun and/or his associates (excluding the Group) shall be in compliance with the requirements of relevant laws, regulations and the Hong Kong Listing Rules, with reference to the prevailing market price paid by the Group for the purchase of similar products from the Independent Third Parties in the ordinary course of business in accordance with normal commercial terms, and are determined based on fair and reasonable principles and normal commercial terms.

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If the product has a government-prescribed price or guidance price, the Group will purchase the product from Mr. Wei Jian Jun and/or his associates (excluding the Group) at the government-prescribed price or guidance price. If there is no government-prescribed price or guidance price, the procurement price will be determined by the Group through open tendering, or by its business departments with reference to industry standards, market conditions and (if practicable) at least two similar and comparable transactions entered into with the Independent Third Parties in the corresponding period, or at least quotations of similar and comparable transactions provided by two Independent Third Parties in the ordinary course of business in the corresponding period, which is subject to the final negotiation with the counterparty.

Based on our independent research on continuing connected transactions conducted by other companies listed on the Stock Exchange involving purchase or sale of materials/products/services from/to their connected persons, we noted that comparing prices with those offered by/to independent third parties for the same/similar product/service is one of the commonly adopted pricing policies.

Having considered that the procurement prices will be at the government-prescribed price or guidance price or determined by the Company through open tendering or by reference to at least two similar and comparable transactions/quotations from the Independent Third Parties, we consider the pricing policy of the Transactions is fair and reasonable.

We understood that the Group adopted a series of internal control measures to ensure to ensure the Transactions are conducted in a fair and reasonable manner. Details of the internal control measures are set out under the section headed “Internal Control Measures in Relation to the Continuing Connected Transactions” of the Board Letter.

Having considered that (i) there are quotations collection procedures and pricing monitoring policy (for government-prescribed price or guidance price); and (ii) transaction amounts monitoring procedures (on a monthly basis), we are of the view that the internal control measures are sufficient to ensure that (i) the fair pricing of the Transactions is according to the pricing policy; and (ii) the proposed annual caps will not be exceeded.

According to the detailed historical transaction amounts as provided by the Company, the purchase of power battery pack represented approximately 92%, 80% and 93% for of the total purchase of all products pursuant to the existing framework agreement for the two years ended 31 December 2023 and nine months ended 30 September 2024. Therefore, we requested the Company to provide documents of historical purchase of power battery pack for the purpose of assessing the effectiveness of the internal control measures. Furthermore, as confirmed by the Directors, there had been no government-prescribed price, guidance price or price determined by the Company through open tendering adopted in the pricing of power battery packs supplied by SVOLT Energy Group for the two years ended 31 December 2023 and nine months ended 30 September 2024.

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Upon our request with following criteria, (i) invoices issued in 2022, 2023 and 2024; and (ii) power battery packs provided by independent third party(ies) comparable to those provided by SVOLT Energy Group, the Company (a) provided 6 copies of invoices in total in respect of the Group's purchase of power battery packs from SVOLT Energy Group; (b) provided 7 copies of invoices in total in respect of the Group's purchase of power battery packs from an independent third party (being a global leading power battery packs supplier) during the period from 2022 to 2024; and (c) advised the capacity of each type of power battery packs as shown in the aforesaid invoices. As the sample documents covered transactions in all three years and with comparable information, we consider the sampled documents were fair and representative, and sufficient for us we could form our view based on the sample documents. According to the aforesaid documents, we noted that per unit prices of all power battery packs (calculated by the price of each power battery pack as shown in the invoices divided by the capacity of such type of power battery pack) from SVOLT Energy Group were lower than those of comparable power battery packs from the independent third party.

Upon our further request, the Company provided us a list, showing all power battery packs procurement transactions for new project for the ten months ended 31 October 2024. We selected, on a random selection basis, four procurement transactions, being approximately 20% in terms of number of transactions, for the period. The Company provided supplier selection procedure records of the aforesaid procurement transactions to us. After reviewing the records, we noted that (i) there were three suppliers (i.e. one member of SVOLT Energy Group and two independent third parties) participating in supplier selection procedures for each of the selected procurement transactions; and (ii) those who met technical requirements of the Company and offered lowest unit price was selected as the supplier for such procurement transaction regardless of the identity of such supplier.

Based on our findings on pricing policy from the sampling procedures, we consider that the internal control measures for the Transactions are effective.

The proposed annual caps

Set out below are (i) historical amounts of the two years ended 31 December 2023 and nine months ended 30 September 2024 with existing annual caps; and (ii) proposed annual caps of the Transactions for the three years ending 31 December 2027 (the “**Purchase Caps**”):

	For the year ended 31 December 2022 <i>RMB'000</i>	For the year ended 31 December 2023 <i>RMB'000</i>	For the year ending 31 December 2024 <i>RMB'000</i>
Historical amounts	3,752,194.7	4,782,741.5	4,035,283.5 (<i>Note</i>)
Existing annual caps	21,545,660	24,816,290	26,206,030
Utilisation rate	17%	19%	15% (<i>Note</i>)

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	For the year ending 31 December 2025 ("FY2025") RMB'000	For the year ending 31 December 2026 ("FY2026") RMB'000	For the year ending 31 December 2027 ("FY2027") RMB'000
Purchase Caps	10,390,900	11,949,540	13,741,970

Note: The figure was for the nine months ended 30 September 2024.

The basis for determining Purchase Caps for the three years ending 31 December 2027 are set out under the sub-section headed "Proposed Caps and Historical Amounts" under the section headed "3. The 2025-2027 Continuing Connected Transactions for Purchase of Products" of the Board Letter.

With reference to the Board Letter, due to fierce market competition, the Company's sales of new energy vehicles failed to reach the relevant estimated quantities, resulting in a low utilization rate of connected transactions from 2022 to 2024.

We noted that the utilisation rates of the existing annual caps for the three years ended 31 December 2024 were at low levels. The Purchase Caps for the three years ending 31 December 2027 were substantially lower than the existing Purchase Caps for the three years ending 31 December 2024. Despite the aforesaid, the Purchase Caps for the three years ending 31 December 2027 still represented substantial increases as compared to the historical amounts for the two years ended 31 December 2023.

Purchase Cap for FY2025

We discussed with the Directors and noted that the Purchase Cap for FY2025 was determined with reference to (i) total estimated demand of the Transactions for FY2025; and (ii) a buffer of 10% in addition to (i).

Total Estimated Demand

Upon our enquiry with the Directors, we understood that the estimated demand of the Transactions was approximately RMB9.4 billion, comprising estimated demand of power battery pack (the "**Power Battery Demand**") and estimated demand of products other than power battery pack (the "**Ancillary Products Demand**").

We further discussed with the Directors and understood that the estimated demand of power battery pack was approximately RMB8.8 billion and made on the assumption that each new energy vehicle required one power battery pack. The estimated demand of power battery pack of RMB8.8 billion represented the summation of price of different type of power battery pack.

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To assess the fairness and reasonableness of the estimated demand of power battery pack, we conducted the following works:

- Upon our further request, the Directors advised us number of new energy vehicles to be sold in 2024 and 2025 (the “**2025 New Energy Vehicles Quantity**”). To cross-check the 2025 New Energy Vehicles Quantity, which was determined with reference to (i) estimated number of vehicles to be sold in 2025; (ii) proportion of 2025 New Energy Vehicles Quantity to (i), we conducted the following works:

Firstly, we were advised by the Directors the estimated number of vehicles to be sold in 2025. We calculated and noted that the compounded annual growth rate (CAGR) of the (estimated) number of vehicles to be sold from 2023 to 2025 is in line with the increase rate of number of vehicles to be sold from 2022 to 2023 (i.e. approximately 15.3%). Therefore, we consider the estimated number of vehicles to be sold in 2025 being justifiable.

Secondly, we were advised by the Directors the proportion of 2025 New Energy Vehicles Quantity (the “**2025 New Energy Vehicles Proportion**”) to estimated number of vehicles to be sold in 2025. To cross-check the 2025 New Energy Vehicles Proportion, we noted that the proportion of annual number of new energy vehicles sold to annual total number of vehicles sold for the three years ended 31 December 2023 and 10 months ended October 2024 moved in an increasing trend (from 10.7% to 25.1%). In addition, we also noted from 2024年9月汽車工業產銷情況簡析 (Analysis of Manufacturing and production of Vehicles Industry for September 2024*) as published by China Association of Automobile Manufacturers in 31 October 2024 that proportion of number of new energy vehicles produced/sold accounted for approximately 38.7% and 38.6% to the total number of vehicles produced/sold for the nine months ended 30 September 2024. The movement of 2025 New Energy Vehicles Proportion as compared to previous proportions were generally in line with such trend.

Finally, after the multiplying of estimated number of vehicles to be sold in 2025 and the 2025 New Energy Vehicles Proportion, we noted that the aforesaid implied result is approximate the same as the 2025 New Energy Vehicles Quantity. Therefore, we are of the view that the 2025 New Energy Vehicles Quantity is fair and reasonable.

- Upon our further request, we were advised by the Directors the number of new energy vehicles installed with power battery pack supplied by SVOLT Energy Group for FY2025.

To cross-check the estimated number, we obtained proportion of number of new energy vehicles with power battery pack supplied by SVOLT Energy Group to total number of new energy vehicles with power battery pack supplied by all suppliers (the “**SVOLT Energy Supply Proportion**”) for the nine months ended 30 September 2024. We noted that the SVOLT Energy Supply Proportion for FY2025

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is very close to (with difference of approximately two percentage points) the SVOLT Energy Supply Proportion for the nine months ended 30 September 2024, being over 50% of power battery pack supplied by all suppliers in term of quantity. Accordingly, we are of the view that the number of new energy vehicles installed with power battery pack supplied by SVOLT Energy Group for FY2025 is fair and reasonable.

- In respect of the unit price, the Directors advised us unit price range of power battery pack for the nine months ended 30 September 2024. We noted that the estimated unit price range of power battery pack for FY2025 falls within the aforesaid range. As the power battery packs procured by the Group for the nine months ended 30 September 2024 covered a variety of different types power battery packs, we are of the view that the estimated unit price range of power battery pack for FY2025 is justifiable.
- The Power Battery Demand and the Ancillary Products Demand accounted for approximately 93% and 7% to the total demand of the Transactions for FY2025 respectively. Upon our enquiry, we obtained the Power Battery Demand and the Ancillary Products Demand for the nine months ended 30 September 2024. According to the figures, the Power Battery Demand and the Ancillary Products Demand accounted for approximately 93% and 7% to the total demand of the Transactions for the nine months ended 30 September 2024.

Based on the above, we are of the view that the total demand of the Transactions for FY2025 is fair and reasonable.

Buffer

As mentioned above, the Company applied a buffer of 10% to the total estimated amounts of the Transactions. We understood that the buffer was applied for any unforeseeable circumstances such as the unexpected increase in demand of products.

We noted from other Hong Kong listed companies' circulars regarding continuing connected transactions that the incorporation of buffer of 10% in proposed annual caps are not uncommon among companies listed on the Stock Exchange. Accordingly, we consider incorporation of buffer of 10% in the proposed annual caps is in line with market practice and therefore is justifiable.

Our conclusion on the Purchase Cap for FY2025

Based on the above, in particular, the total demand of the Transactions for FY2025 being fair and reasonable; and the buffer of 10% is justifiable, we are of the view that the Purchase Cap for FY2025 is fair and reasonable.

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Purchase Caps for FY2026 and FY2027

The Purchase Caps for FY2026 and FY2027 represented an increase of approximately 15% as compared to those for FY2025 and FY2026 respectively.

According to 2024年9月汽車工業產銷情況簡析 (Analysis of Manufacturing and production of Vehicles Industry for September 2024*) as published by China Association of Automobile Manufacturers in 31 October 2024, there was a substantial increase in manufacturing and sale of new energy automobiles (i.e. pure electric vehicles and hybrid power vehicles) in the PRC for the nine months ended 30 September 2024, representing an increase of approximately 31.7% and 32.5% respectively as compared to those for the corresponding period in 2023.

Having considered the above, we are of the view that the aforesaid increases in the Purchase Caps for FY2026 and FY2027 to be justifiable. Accordingly, we consider the Purchase Caps for FY2026 and FY2027 are fair and reasonable.

Shareholders should note that as the Purchase Caps are relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2027, and they do not represent forecasts of revenue/cost to be recorded/incurred from the Transactions. Consequently, we express no opinion as to how closely the actual revenue/cost to be recorded/incurred from the Transactions will correspond with the Purchase Caps.

Our conclusion on the Transactions

Having considered the principal terms of the Transactions as set out above, we are of the view that the terms of Transactions (including the Purchase Caps) are fair and reasonable.

Listing Rules implications

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Hong Kong Listing Rules pursuant to which (i) the values of the Transactions must be restricted by their respective proposed annual caps for the period concerned under the Framework Agreement; (ii) the terms of the Transactions (including their respective proposed annual caps) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Hong Kong Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded their respective proposed annual caps.

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In the event that the total amounts of the Transactions are anticipated to exceed their respective proposed annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Hong Kong Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Hong Kong Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

* *For identification purpose only*

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has around 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement contained herein misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors, supervisors and chief executives of the Company in the securities of the Company

As at the Latest Practicable Date, 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 C3 to the Hong Kong Listing Rules, were 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 (Note 1)	Interests in controlled companies	5,115,000,000 (L) (A Shares)	82.21	–	59.83
Mr. Wei Jian Jun (Note 1)	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)	–	–	60.28
Mr. Zhao Guo Qing (Note 2)	Beneficial owner	1,635,000 (L) (A Shares)	0.03	–	0.02

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
					%
Ms. Li Hong Shuan (Note 3)	Beneficial owner and interests of spouse	866,855 (L) (A Shares)	0.01	–	0.01
Mr. Mu Feng (Note 4)	Beneficial owner	2,100,900 (L) (A Shares)	0.03	–	0.02

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

Notes:

- As at the Latest Practicable Date, 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 the Latest Practicable Date, Mr. Zhao Guo Qing held 1,035,000 A Shares of the Company and was allocated 600,000 A Shares under the Second ESOP for 2023 of the Company. Accordingly, pursuant to the SFO, Mr. Zhao Guo Qing is deemed to be interested in 1,635,000 A Shares of the Company.
- As at the Latest Practicable Date, Ms. Li Hong Shuan held 161,755 A Shares of the Company and was allocated 50,000 A Shares (not unlocked) under the 2023 ESOP and 480,000 A Shares (not unlocked) under the Second ESOP for 2023 of the Company, and her spouse Mr. Wang Xiao Zu held 82,100 A Shares of the Company and was granted 93,000 Shares in respect of share options under the first grant of the 2023 Share Option Incentive Scheme of the Company. Accordingly, pursuant to the SFO, Ms. Li Hong Shuan is deemed to be interested in 866,855 A Shares of the Company.
- As at the Latest Practicable Date, Mr. Mu Feng held 1,700,900 A Shares of the Company and was allocated 400,000 A Shares under the Second ESOP for 2023 of the Company. Accordingly, pursuant to the SFO, Mr. Mu Feng is deemed to be interested in 2,100,900 A Shares of the Company.

Save as disclosed above, so far as the Directors of the Company are aware, as at the Latest Practicable Date, 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.

3. SUBSTANTIAL SHAREHOLDERS

Shares Held by Substantial Shareholders

So far as is known to the Directors, supervisors and the chief executives of the Company, as at the Latest Practicable Date, the following shareholders (excluding the Directors, supervisors or chief executives of the Company) had interests or short positions in any shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO:

Name	Capacity/ nature of interest	Number 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)	Beneficial owner	5,115,000,000 (L) (A Shares)	82.19	–	59.83
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)	Interests in controlling corporation	5,115,000,000 (L) (A Shares)	82.19	–	59.83
Baoding Great Wall Holdings Company Limited* (保定市長城控股集團有限公司) (Note 3)	Interests in controlling corporation	5,152,998,500 (L) (A Shares and H Shares)	–	–	60.28
		5,115,000,000 (L) (A Shares)	82.19	–	59.83
		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)	Interests in controlling corporation	5,152,998,500 (L) (A Shares and H Shares)	–	–	60.28
		5,115,000,000 (L) (A Shares)	82.19	–	59.83
		37,998,500 (L) (H Shares)	–	1.64	0.45

Name	Capacity/ nature of interest	Number of shares	Approximate percentage of A Shares	Approximate percentage of H Shares	Approximate percentage of total number of shares
			%	%	%
Han Xue Juan (Note 5)	Interests of spouse	5,152,998,500 (L) (A Shares and H Shares)	–	–	60.28
JPMorgan Chase & Co.	Interests in controlling corporation	193,621,654 (L) (H Shares) 143,986,148 (S) (H Shares) 30,307,593 (P) (H Shares)	– – –	8.35(L) 6.20(S) 1.30(P)	2.26 1.68 0.35
BlackRock, Inc.	Interests in controlling corporation	172,261,365 (L) (H Shares) 1,365,000 (S) (H Shares)	– –	7.43(L) 0.06(S)	2.02 0.02
Citigroup Inc.	Interests in controlling corporation	139,102,282 (L) (H Shares) 61,987,671 (S) (H Shares) 76,848,270 (P) (H Shares)	– – –	5.99(L) 2.67(S) 3.31(P)	1.63 0.73 0.90

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

(S) denotes a short position in shares of the Company

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 No. 2066 Chaoyang Road South, 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 the Latest Practicable Date, 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管中心) 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管中心) 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管中心). As at the Latest Practicable Date, 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) 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) pursuant to the SFO.
- (3) As at the Latest Practicable Date, 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) pursuant to 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) is interested in 37,998,500 H Shares of the Company.
- (4) As at the Latest Practicable Date, 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) pursuant to the SFO.
- (5) As at the Latest Practicable Date, 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). As Ms. Han Xue Juan is the spouse of Mr. Wei Jian Jun, she is deemed to be interested in all the shares of the Company in which Mr. Wei Jian Jun is interested pursuant to the SFO.

Save as disclosed above, as at the Latest Practicable Date, 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 or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under Section 336 of the SFO.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, to the knowledge of the Directors, there were no material adverse change in the financial or trading positions of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company have been made up.

5. SERVICE CONTRACTS OF THE DIRECTORS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group which is not expiring within one year or which is determinable by the Company within one year without payment of compensation (other than statutory compensation).

6. INTERESTS OF THE DIRECTORS

Save for the ongoing and proposed continuing connected transactions as disclosed in this circular, as at the Latest Practicable Date:

- (a) The Directors are not aware that any Director or his/her respective associates had, as at the Latest Practicable Date, any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would be required to be disclosed under the Hong Kong Listing Rules.
- (b) No Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant to the business of the Group taken as a whole.
- (c) Since 31 December 2023, being the date of the latest published audited consolidated accounts of the Company, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion and advice contained in this circular:

Name	Qualification
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

- (i) Gram Capital did not have any shareholding, directly or indirectly, in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any member of the Group as at the Latest Practicable Date;
- (ii) Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter/report and reference to its name in the form and context in which they are included; and
- (iii) Gram Capital did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to the Company or any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2023, being the date of the latest published audited consolidated accounts of the Company.

8. GENERAL

- (a) The registered office of the Company is situated at No. 2266 and No. 2299 Chaoyang Road South, Lianchi District, Baoding, Hebei Province.
- (b) The Company's share registrar is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) As at the Latest Practicable Date, Mr. Wei Jian Jun is a director of Innovation Great Wall and Great Wall Holdings. Save as the aforesaid, no Director or proposed Director is a director or employee of the substantial Shareholders of the Company as at the Latest Practicable Date.
- (d) Ms. Li Hong Shuan and Ms. NG, Ka Man are the joint company secretaries of the Company. Ms. Li Hong Shuan is an associate member of The Hong Kong Chartered Governance Institute; Ms. NG, Ka Man is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (e) In the event of any inconsistencies, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange and the Company for a period not less than 14 days from the date of this circular:

- (a) the letter from the Board, the text of which is set out in the "Letter from the Board" of this circular;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the "Letter from the Independent Board Committee" of this circular;
- (c) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the "Letter from the Independent Financial Adviser" of this circular;
- (d) the written consent from Gram Capital referred to in the section "Qualification and Consent of Expert" in this Appendix;
- (e) the Framework Agreement; and
- (f) this circular.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



長城汽車股份有限公司
GREAT WALL MOTOR COMPANY LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

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

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Great Wall Motor Company Limited (the “**Company**”) will be held at 2:00 p.m. on Friday, 17 January 2025 at the Company’s Conference Room, No. 2266 Chaoyang Road South, Lianchi District, Baoding, Hebei Province, the People’s Republic of China (the “**PRC**”) for the purpose of considering, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the proposal in relation to the 2025-2027 proposed ordinary related party transactions under the SSE Listing Rules (details of which are set out in the circular dated 11 December 2024 published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn));
2. To consider and approve the proposal in relation to the proposed caps on the connected transactions in respect of purchase of products for the year (2025-2027) (details of which are set out in the circular dated 11 December 2024 published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.gwm.com.cn)).

By Order of the Board
Wei Jian Jun
Chairman

Baoding, Hebei Province, the People’s Republic of China
11 December 2024

* *For identification purpose only*

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

- (A) The register of members of the Company will be closed from Saturday, 11 January 2025 to Friday, 17 January 2025 (both days inclusive), during which no transfer of shares will be effected. H Shareholders of the Company, whose names appear on the Company's register of members at the close of business on Friday, 10 January 2025, are entitled to attend and vote at the EGM after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the EGM, all completed share transfer documents should be lodged with the Company's H share registrar not later than 4:30 p.m. on Friday, 10 January 2025 (Hong Kong time).

The address of the share registrar for the Company's H shares is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

- (B) Holders of H shares, who intend to attend the EGM, must complete the reply slips for attending the EGM and return them to the office of the secretary to the Board not later than Friday, 10 January 2025.

Details of the office of the secretary to the Board are as follows:

No. 2266 Chaoyang Road South, Lianchi District
Baoding, Hebei Province
the People's Republic of China
Tel: (86-312) 2197813
Fax: (86-312) 2197812

- (C) Each holder of H shares who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxy(ies), whether the representative is a shareholder or not, to attend and vote on his/her behalf at the EGM. The proxies of a shareholder who has appointed more than one proxy may only vote on a poll.
- (D) The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing. If the instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified.
- (E) To be valid, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof.
- (F) If a proxy attends the EGM on behalf of a shareholder, he/she should produce his/her ID card and the authorised instrument signed by the proxy or his/her legal representative, which specifies the date of its issuance. If the legal representative of a legal person shareholder attends the EGM, such legal representative should produce his/her ID card and valid documents evidencing his/her capacity as such legal representative. If a legal person shareholder appoints a representative of the company other than its legal representative to attend the EGM, such representative should produce his/her ID card and an authorised instrument affixed with the seal of the legal person shareholder and duly signed by its legal representative.
- (G) The on-site registration for attending the EGM will open from 1:00 p.m. to 1:50 p.m. on Friday, 17 January 2025, after which no registration in respect of Shareholders' attendance of the meeting will be accepted. The place of registration is at the Conference Room of Great Wall Motor Company Limited, No. 2266 Chaoyang Road South, Lianchi District, Baoding, Hebei Province, the PRC.
- (H) The EGM is expected to last for half a day. Shareholders attending the EGM shall bear their own transportation and accommodation expenses.
- (I) For matters relating to the participation of A Shareholders, please refer to the Notice of the 2025 First Extraordinary General Meeting of Great Wall Motor Company Limited (長城汽車股份有限公司關於召開2025年第一次臨時股東大會的通知) published on the website of the Shanghai Stock Exchange (website: www.sse.com.cn) and the official website of the Company (website: www.gwm.com.cn) on 11 December 2024.