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

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

(Stock Code: 2333)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

The board of directors (the “Board”) of Great Wall Motor Company Limited (the “Company”) is pleased to announce the audited results of the Company and its subsidiaries for the year ended 31 December 2022. This announcement, containing the full text of the 2022 Annual Report of the Company, is prepared with reference to the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of Annual Results. The Company’s 2022 Annual Report will be available for viewing on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and of the Company at www.gwm.com.cn. Printed version of the Company’s 2022 Annual Report will also be delivered to the Company’s shareholders.

By order of the Board
Great Wall Motor Company Limited
Li Hong Shuan
Joint Company Secretary

IMPORTANT NOTICE

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

After Deloitte Touche Tohmatsu Certified Public Accountants LLP audited the 2022 financial report of the Company, the net profit of the Company attributable to shareholders of the parent company was RMB8,266,041,808.18 in 2022. As of 31 December 2022, the undistributed profits of the Company amounted to RMB49,176,813,140.82.

The Company proposes to distribute final cash dividends as of 31 December 2022 to all of the shareholders in an amount of RMB0.3 (tax inclusive) per share based on the total share capital of the Company as at the record date for the profit distribution after deducting the total shares in the Company's specific account for repurchase. This proposal is subject to the approval at the 2022 annual general meeting of the Company.

VI. **Risks relating to forward-looking statements**

Applicable Not applicable

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

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

No

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

No

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

No

X. **Reminder of material risks**

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

XI. **Others**

Applicable Not applicable

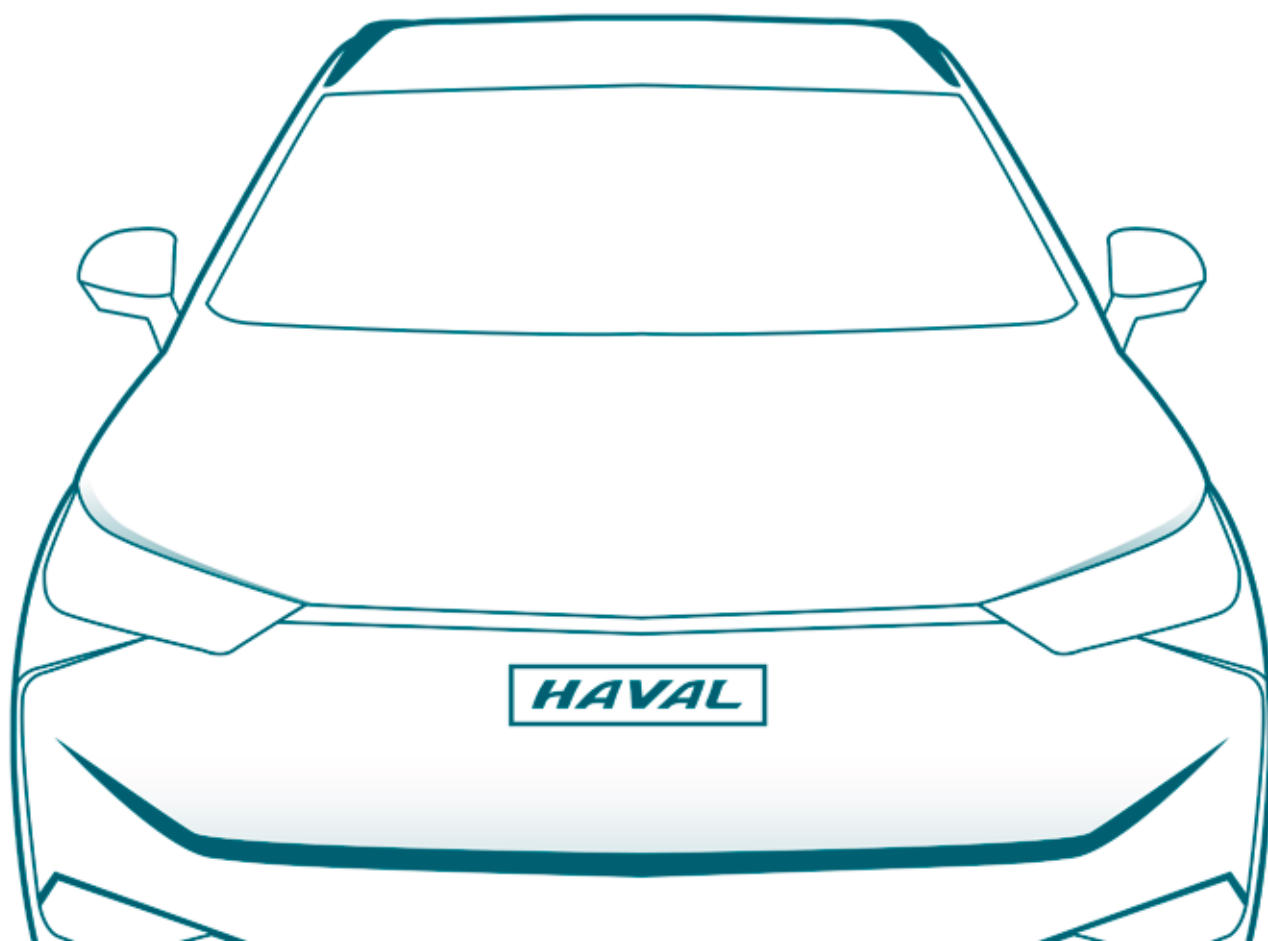
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Index of Documents Available for
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The original financial statements signed and sealed by the legal representative, person in-charge of the accounting affairs and person-in-charge of the accounting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

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



Section 1 Definitions

I. DEFINITIONS

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

Definitions for commonly used terms

“A Share(s)”	domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in Renminbi (Stock Code: 601633);
“A Shareholder(s)”	holder(s) of A Share(s);
“Articles”	articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
“Board”	the board of directors of the Company;
“Company” or “Great Wall Motor”	Great Wall Motor Company Limited (長城汽車股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively;
“Company Law”	Company Law of the PRC;
“Competing Business”	a business that is identical with or similar to the principal business and other businesses of Great Wall Motor Company Limited;
“CSRC”	China Securities Regulatory Commission;
“Group”	Great Wall Motor Company Limited and its subsidiaries;
“H Share(s)”	the overseas-listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars (Stock Code: 2333);
“H Shareholder(s)”	holder(s) of H Share(s);
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules;
“PRC”	the People’s Republic of China;

Section 1 Definitions

“Reporting Period” or “Current Period” or “the Year”	twelve months ended 31 December 2022;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time; and
“Shanghai Stock Exchange”	Shanghai Stock Exchange.

Section 2 Corporate Profile and Key Financial Indicators

I. CORPORATE INFORMATION

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

II. CONTACT PERSONS AND CONTACT METHODS

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

III. BASIC INFORMATION

Registered address of the Company	No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC
Historical changes in the registered address of the Company	No
Office address of the Company	No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC
Postal code of the office address of the Company	071000
Company's website	www.gwm.com.cn
E-mail address	zqb@gwm.com.cn
Principal place of business in Hong Kong	Room 1903-1904, 19/F, Hong Kong Trade Centre, 161 Des Voeux Road Central, Sheung Wan, Hong Kong

IV. INFORMATION DISCLOSURE AND PLACE OF DOCUMENT INSPECTION

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

Section 2 Corporate Profile and Key Financial Indicators

V. INFORMATION ON THE COMPANY'S SHARES

Information on the Company's Shares				
Stock classes	Stock exchanges for the listing of the Company's Shares	Stock abbreviation	Stock code	Previous stock abbreviation
A Shares	Shanghai Stock Exchange	Great Wall Motor	601633	–
H Shares	Hong Kong Stock Exchange	Great Wall Motor	2333	–
Stock classes	Stock exchanges for the listing of the Company's Shares	Listing date	Number of issued shares	Board lot
A Shares	Shanghai Stock Exchange	28 September 2011	6,168,605,967 A Shares (Total shares: 8,764,512,467 shares, H Shares: 2,595,906,500 shares)	100 shares
H Shares	Hong Kong Stock Exchange	15 December 2003	2,595,906,500 H Shares (Total shares: 8,764,512,467 shares, A Shares: 6,168,605,967 shares)	500 shares

Section 2 Corporate Profile and Key Financial Indicators

VI. OTHER RELEVANT INFORMATION

Domestic accounting firm appointed by the Company	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, 222 Yan An Road East, Huangpu District, Shanghai
	Names of the signing accountants	Li Xu Chen Yan Ping
Sponsoring institution assuming the role of continuous supervision during the Reporting Period	Name	Guotai Junan Securities Co., Ltd
	Office address	Guotai Junan Building, 768 Nanjing West Road, Jing'an District, Shanghai
	Names of signing representatives of the sponsor	Chen Liang, Wu Tong Xin
	Period for continuous supervision	From 8 July 2021 to 31 December 2022
Legal adviser to the Company (as to Hong Kong law)	Fangda Partners	
Legal adviser to the Company (as to the PRC law)	Beijing Zhong Lun Law Firm	
H Share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong	
A Share registrar and transfer office	Shanghai Branch of China Securities Depository and Clearing Corporation Limited 14/F, East Tower, China Settlement Building, No. 188 South Yanggao Road, Pudong New Area, Shanghai	
Investor and media relations consultant (H Shares)	Corporatelink Limited 5/F, Chung Nam Building, 1 Lockhart Road, Wanchai, Hong Kong	
Principal bankers	Bank of China Limited, Baoding Yuhua sub-branch The Industrial and Commercial Bank of China, Baoding Yonghua sub-branch China Construction Bank Corporation, Baoding Hengxiang South Street sub-branch China Everbright Bank Corporation Limited, Shijiazhuang branch China CITIC Bank Corporation Limited, Baoding branch Bank of Communications Co., Ltd., Baoding branch Ping An Bank Co., Ltd., Guangzhou branch Shanghai Pudong Development Bank Co., Ltd.	

Section 2 Corporate Profile and Key Financial Indicators

Authorised representatives	Ms. Wang Feng Ying (resigned on 18 March 2022) Ms. Li Hong Shuan (appointed on 18 March 2022) Mr. Xu Hui (resigned on 23 September 2022) Mr. Zhao Guo Qing (appointed on 23 September 2022)
Financial year-end date	31 December
Executive Directors	Mr. Wei Jian Jun (Chairman) Mr. Zhao Guo Qing (Vice Chairman) (appointed with effect on 18 March 2022) Ms. Wang Feng Ying (Vice Chairman) (resigned as Vice Chairman and Executive Director with effect on 18 March 2022) Ms. Yang Zhi Juan (resigned with effect on 18 March 2022) Ms. Li Hong Shuan (appointed with effect on 18 March 2022)
Non-Executive Director	Mr. He Ping
Independent Non-Executive Directors	Mr. Li Wan Jun Mr. Ng Chi Kit Ms. Yue Ying
Employee Representative Supervisor	Ms. Lu Cai Juan
Independent Supervisors	Ms. Liu Qian Mr. Ma Yu Bo
Audit Committee	Mr. He Ping Mr. Li Wan Jun Mr. Ng Chi Kit Ms. Yue Ying
Remuneration Committee	Mr. Wei Jian Jun Mr. Li Wan Jun Ms. Yue Ying
Nomination Committee	Mr. Wei Jian Jun Mr. Ng Chi Kit Ms. Yue Ying
Strategy and Sustainable Development Committee	Mr. Wei Jian Jun Ms. Wang Feng Ying (resigned on 18 March 2022) Ms. Li Hong Shuan (appointed on 18 March 2022) Mr. He Ping Mr. Li Wan Jun Ms. Yue Ying

Section 2 Corporate Profile and Key Financial Indicators

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

(I) Key accounting information

Unit: RMB0'000 Currency: RMB

Key accounting information	2022	2021	Increase/decrease for the Current Period over the corresponding period last year (%)	2020	2019	2018
Total operating revenue	13,733,998.52	13,640,466.30	0.69	10,330,760.72	9,621,068.88	9,922,998.72
Operating revenue	13,733,998.52	13,640,466.30	0.69	10,330,760.72	9,510,807.86	9,779,985.92
Net profit attributable to shareholders of the Company	826,604.18	672,609.39	22.90	536,249.02	449,687.49	520,731.40
Net profit attributable to shareholders of the Company after extraordinary gains/losses	447,652.51	420,274.30	6.51	383,631.94	398,675.10	388,877.21
Net cash flow from operating activities	1,231,125.45	3,531,567.32	-65.14	518,123.29	1,397,230.24	1,969,782.59
Total operating costs	13,058,696.91	13,187,809.18	-0.98	9,884,334.31	9,140,898.60	9,299,224.22
Operating costs	11,073,933.34	11,436,747.28	-3.17	8,553,096.38	7,968,448.73	8,148,094.26
Tax and surcharges	512,066.52	423,411.60	20.94	319,187.61	316,860.30	362,738.04
Selling expenses	587,616.08	519,217.59	13.17	410,338.68	389,666.99	457,519.86
Administrative expenses	489,345.28	404,306.94	21.03	255,267.46	195,545.34	167,630.37
Research and development expenses	644,516.30	448,956.52	43.56	306,747.96	271,622.04	174,337.91
Financial expenses	-248,780.61	-44,830.75	-	39,696.22	-35,102.91	-49,387.52
Impairment losses on assets (losses stated with "-")	-33,701.92	-47,059.61	-	-67,639.68	-50,361.76	-13,652.92
Impairment losses on credit (losses stated with "-")	-2,578.86	-12,240.01	-	-3,528.69	-4,934.87	-18,187.91
Gains or losses from changes in fair value (losses stated with "-")	5,033.75	30,644.09	-83.57	16,520.86	-7,330.20	-14,035.13
Investment gains	67,123.76	110,910.90	-39.48	95,638.51	1,550.51	21,927.02
Share of investment gains of associates and joint ventures	72,097.63	101,654.78	-29.08	91,194.63	30,370.69	-
Other income	85,035.91	104,733.24	-18.81	88,663.24	54,269.70	17,580.53
Gains from disposal of assets (losses stated with "-")	485.86	-2,768.98	-	-919.92	4,320.70	5,797.65
Operating profit	796,700.11	636,876.75	25.09	575,160.73	477,684.36	623,203.73
Non-operating income	88,594.72	116,079.52	-23.68	49,387.18	34,212.43	25,287.99
Non-operating expenses	4,639.63	4,746.04	-2.24	1,819.17	1,841.15	784.53
Losses from disposal of non-current assets	12,912.68	7,708.90	67.50	3,630.78	7,107.44	7,627.54
Total profit	880,655.20	748,210.23	17.70	622,728.74	510,055.64	647,707.20
Income tax expenses	55,374.44	75,708.78	-26.86	86,479.72	56,982.35	122,943.29
Net profit	825,280.76	672,501.45	22.72	536,249.02	453,073.29	524,763.91
Profit or loss attributable to minority interests	-1,323.42	-107.94	-	-	3,385.80	4,032.52

Section 2 Corporate Profile and Key Financial Indicators

	The end of 2022	The end of 2021	Increase/decrease for the Current Period over the end of the corresponding period last year (%)	The end of 2020	The end of 2019	The end of 2018
Net assets attributable to shareholders of the Company	6,520,125.73	6,212,438.21	4.95	5,734,184.76	5,439,922.99	5,252,483.11
Total assets	18,535,730.05	17,540,802.06	5.67	15,401,149.06	11,309,640.95	11,180,041.13
Total liabilities	12,014,139.24	11,327,953.78	6.06	9,666,964.30	5,869,717.96	5,911,182.38
Total share capital as at the end of the Period	876,451.25	923,571.33	-5.10	917,595.33	912,726.90	912,726.90

(II) Key financial indicators

Key financial indicators	2022	2021	Increase/decrease for the Current Period over the corresponding period last year (%)	2020	2019	2018
Basic earnings per share (RMB/share)	0.91	0.73	24.66	0.59	0.49	0.57
Diluted earnings per share (RMB/share)	0.91	0.73	24.66	0.58	N/A	N/A
Basic earnings per share after extraordinary gains/losses (RMB/share)	0.49	0.46	6.52	0.42	0.44	0.43
Weighted average return on net assets (%)	12.66	11.26	Increased by 1.40 percentage points	9.58	8.45	10.27
Weighted average return on net assets after extraordinary gains/losses (%)	6.86	7.02	Decreased by 0.16 percentage point	6.85	7.49	7.67

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

√ Applicable □ Not applicable

During the Reporting Period, the year-on-year increase in net profit attributable to the shareholders of the Company was mainly due to the increase in vehicle profitability as a result of the improvement of product capabilities of the Company and the increase in return of exchange rate. During the Reporting Period, Great Wall Motor firmly determined to transform into a global intelligent technology company, combined with electrification, intelligent technological innovation and global development, deepened category innovation and user operation, and improved system power and ecological construction.

Section 2 Corporate Profile and Key Financial Indicators

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

IX. QUARTERLY KEY FINANCIAL INFORMATION IN 2022

Unit: RMB Currency: RMB

	First Quarter (January to March)	Second Quarter (April to June)	Third Quarter (July to September)	Fourth Quarter (October to December)
Total operating revenue	33,619,299,404.63	28,514,816,603.22	37,346,236,526.01	37,859,632,653.90
Operating revenue	33,619,299,404.63	28,514,816,603.22	37,346,236,526.01	37,859,632,653.90
Net profit attributable to shareholders of the Company	1,633,906,526.09	3,966,595,375.39	2,559,883,994.40	105,655,912.30
Net profit attributable to shareholders of the Company after extraordinary gains/losses	1,303,131,633.41	755,608,836.36	2,281,320,512.33	136,464,128.11
Net cash flow from operating activities	-11,472,383,039.04	19,636,601,711.43	-2,441,856,844.05	6,588,892,691.10

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

Applicable Not applicable

Section 2 Corporate Profile and Key Financial Indicators

X. ITEMS AND AMOUNT OF EXTRAORDINARY GAINS/LOSSES

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Extraordinary gains/losses	2022	Note (where applicable)	2021	2020
Profit or loss from disposal of non-current assets	4,858,556.38		-27,689,757.55	-9,199,220.02
Government grants accounted for in profit and loss account of the Current Period, except for government grants closely related to the Company's normal operations that were granted on an ongoing basis at a fixed standard amount or quantity in accordance with the State's policies and regulations	1,814,561,079.19		2,195,683,034.22	1,266,977,636.02
Net profit and loss of a subsidiary that is acquired in a business combination involving enterprises under common control from the beginning of the period to the date of the combination	-		-7,272,273.67	-
Investment income obtained from the disposal of subsidiaries, held-for-trading financial assets, derivative financial instruments and dividend income of other equity instruments during the holding period	148,457,285.38		214,075,363.44	193,269,299.94
Gains from changes in fair value (losses stated with "-")	50,337,480.30	Other profit and loss items that meet the definition of extraordinary gain or loss during the period mainly arose from exchange gain or loss	306,440,874.33	165,208,627.09
Other non-operating income and expenses other than the above items	89,680,874.61		93,115,357.65	85,699,829.09
Other profit or loss items that fall within the meaning of extraordinary gain or loss	1,932,055,618.26		17,118,415.66	-
Minus: Effect of income tax	-250,386,753.96		-268,120,123.40	-175,785,379.10
Effect of minority interests (after tax)	-47,442.19		-	-
Total	3,789,516,697.97		2,523,350,890.68	1,526,170,793.02

Explanation on the Company's extraordinary gain or loss items as defined the Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No.1 – Extraordinary Gain or Loss (《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》) and defining extraordinary gain or loss items illustrated in the Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No.1 – Extraordinary Gain or Loss (《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》) as recurring gain or loss items.

□ Applicable √ Not applicable

Section 2 Corporate Profile and Key Financial Indicators

XI. ITEMS MEASURED AT FAIR VALUE

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Name of item	Balance at the beginning of the Period	Balance at the end of the Period	Changes in the Current Period	Effect on profit for the Current Period
Financial assets classified as at fair value through profit or loss				
Including: Equity instrument investments	414,131,200.00	494,949,000.00	80,817,800.00	80,817,800.00
Debt instrument investment – Wealth management products	5,632,361,954.78	1,558,604,807.44	-4,073,757,147.34	-8,757,147.34
Derivative financial assets	5,554,185.76	13,170,797.64	7,616,611.88	6,995,911.88
Other non-current financial assets	58,247,041.15	133,328,692.28	75,081,651.13	81,651.13
Financial assets at fair value through other comprehensive income				
Including: Financing with receivables – notes receivable	31,499,637,236.45	22,152,492,848.09	-9,347,144,388.36	
Other equity instrument investments	813,215,710.00	1,481,976,762.81	668,761,052.81	
Financial liabilities at fair value through profit or loss				
Including: Derivative financial liabilities	-1,006,607.03	-28,800,759.63	-27,794,152.60	-28,800,735.37
Total	38,422,140,721.11	25,805,722,148.63	-12,616,418,572.48	50,337,480.30

XII. OTHERS

□ Applicable √ Not applicable

Section 3 Chairman's Statement

To all shareholders:

I am pleased to present the audited consolidated results of the Group for the year ended 31 December 2022.

BUSINESS REVIEW:

The recovery of the national economy in 2022 had been patchy. We are delighted to see continuous bounce back in consumption market after the economic depression. It has been achieved after lots of difficulties have been overcome. Being a pillar industry of the national economic development, the automobile industry also faced severe challenges from the limitations on the movement of goods and people, disruption for capital flow and information flow, as well as high price of core raw materials. However, supported by the policies on reduction of purchase tax on certain passenger cars and extension of exemption of purchase tax of new energy cars, the economy still achieved the goal of steady growth.

In 2022, Great Wall Motor forged ahead, with production and sales volume amounting to 1,111,620 units and 1,061,745 units respectively. While keeping the million mark for sales volume, the Group also actively adjusted its product mix. The average selling price and gross profit margin per vehicle reached RMB129,400 and 19.37% respectively, representing increases of RMB22,900 and 3.21 percentage points respectively. The Company will continue to leverage its technology and global development to steadily enhance its product competitiveness in 2023.

NEW ENERGY:

Looking back at 2022, geopolitics had been driving rapid changes to global energy landscape. Self-owned brands, taking advantage of the rapid growth of new energy, swiftly seized market share. Great Wall Motor's total R&D investment by 2025 will amount to RMB100 billion. The Group continued to intensify new energy development and, adhering to its new energy strategy, established a forest-like ecological system within which diversified "species" interact with each other and continue to evolve. It had formulated a comprehensive business plan, as well as achieved independency and controllability of its core technologies, and high efficiency and synergy in the organization system.

Empowered by its forest-like ecosystem, Great Wall Motor has entered the new stage of acceleration in the implementation progress of new technologies and new projects. In 2023, facing an increasingly intense competitive environment, the Group is well poised to showcase over 10 new new energy car models to the market, to realise product facelift and brand image enhancement.

INTELLIGENTIZATION:

As transformation in the new energy automobile industry speeds up, the progress of combining intelligentization and vehicle networking is also accelerating. Features that offer new car experience such as intelligent driving, intelligent networking, etc, have increasingly become the primary reason for consumers to purchase high-end smart electric vehicles. In view of the ferocious competitive environment, Great Wall Motor stepped up its efforts in intelligence and new energy development, and continued to contribute to the establishment of the most dynamic smart and connected vehicles sector through innovation.

Great Wall Motor has made significant achievements in the field of intelligent technology. Leveraging the forest-like ecological system, the Group was determined to focus on intelligence and new energy development. Among auto companies in China, the Group was the champion in the field of new energy in terms of number of patents published and granted. Great Wall Motor will continue to increase investment in intelligence development and accumulate intelligent and new energy technology. It will also intensify "ONE GWM" global brand strategy, thereby accelerating the pace towards becoming a global intelligent technology company.

Section 3 Chairman's Statement

GLOBALIZATION:

China's total automobile export volume in 2022 exceeded 3 million units, surpassing Germany's 2.61 million units. The country became the world's second largest auto exporter, just behind Japan. Chinese auto brands had also seen increases in both quantity and price in the international market. Against the backdrop of energy conservation and carbon reduction worldwide, the electrification trend of the automobile industry is irreversible. China's auto industry can seize this opportunity to achieve "overtake in the new lane".

During the year, Great Wall Motor's overseas sales volume hit historical high, amounting to over 170,000 units. Monthly sales of Haval, ORA, Great Wall Pickup in their respective market segments in South Africa, Chile, Australia, Thailand, etc, ranked first for several times. In view of the current situation, Great Wall Motor still has great export potential in overseas markets. Against the backdrop of continued recovery in world economy and recovery of global automobile consumption, Great Wall Motor in 2023 will advance further in its globalization process, while adhering to the principles of exploration and innovation.

TRANSFORMATION AND INNOVATION:

Facing the ever-changing industry and in an era of fleeting opportunities, Great Wall Motor is proactive in making changes. It has established ONE GWM global brand to increase the power of the parent brand; pursues absolute advantage in new energy and intelligence advancement, and is developing itself as a responsible, reliable and respected global intelligent technology company, possessing a sense of mission and best representing China's strengths on the world stage. Centring on its corporate values, the Group stepped up efforts in the development of corporate brand and technical brand, thereby taking a leap of brand image.

Preparations made by the Company in 2022 was to get itself ready for the leap in 2023. Great Wall Motor is well poised for the future. Driven by the trends of new energy and intelligent technology, the Group will leverage its technology and global development to accelerate optimization of products, as well as reform innovation to stimulate organizational performance. With a development of higher quality, the Group anticipates a brighter future.

Wei Jian Jun

Chairman

Baoding, Hebei Province, the PRC

30 March 2023

Section 4 Management Discussion and Analysis

I. DISCUSSION AND ANALYSIS OF THE BUSINESS OPERATION

Operating Environment

In 2022, China's automobile industry faced with various unfavorable factors such as structural shortage of chips, rising prices of raw material for power battery, and geopolitical conflicts in certain areas. However, a series of policies to stabilize growth and boost consumption, such as the policy of halving the purchase tax, effectively drove the recovery of China's automobile market amid adversity. Domestic automobile market demand unleashed, and the export market achieved a breakthrough in development.

Financial Review

Unit: RMB Currency: RMB

	From 1 January 2022 to 31 December 2022 (Audited)	From 1 January 2021 to 31 December 2021 (Audited)	Changes %
Total operating revenue	137,339,985,187.76	136,404,663,038.67	0.69
Operating revenue	137,339,985,187.76	136,404,663,038.67	0.69
Revenue generated from the sale of automobiles	121,890,861,864.98	121,307,150,931.83	0.48
Revenue generated from the sale of automotive parts and components and others	15,449,123,322.78	15,097,512,106.84	2.33
Selling expenses	5,876,160,763.57	5,192,175,874.72	13.17
Administrative expenses	4,893,452,838.49	4,043,069,363.44	21.03
Research and development expenses (Note 1)	6,445,163,014.77	4,489,565,228.62	43.56
Financial expenses (Note 2)	-2,487,806,138.52	-448,307,517.96	
Gross profit	26,600,651,764.44	22,037,190,210.78	20.71
Income tax expenses	553,744,409.69	757,087,769.28	-26.86
Net profit attributable to shareholders of the Company (Note 3)	8,266,041,808.18	6,726,093,883.72	22.90
Basic earnings per share	0.91	0.73	24.66
Diluted earnings per share	0.91	0.73	24.66
Gross profit margin (%)	19.37	16.16	Increased by 3.21 percentage points
Percentage of selling expenses to operating revenue (%)	4.28	3.81	Increased by 0.47 percentage point
Percentage of administrative expenses to operating revenue (%)	3.56	2.96	Increased by 0.60 percentage point

(Note 1) The increase in research and development expenses was mainly due to an increase in research and development investment in projects on intelligent, electric and new vehicle models during the Reporting Period.

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

(Note 3) The increase in net profit attributable to shareholders of the Company was mainly due to the increased profitability of vehicle models driven by the Company's improved product competitiveness, and an increase in exchange gains during the Reporting Period.

Section 4 Management Discussion and Analysis

Current assets and current liabilities

Unit: RMB Currency: RMB

	31 December 2022 (Audited)	31 December 2021 (Audited)
Current Assets	107,680,723,551.36	108,365,607,198.99
Including:		
Cash and bank balances	35,773,467,830.28	33,047,560,929.36
Held-for-trading financial assets	2,053,553,807.44	6,046,493,154.78
Accounts receivable	6,611,191,147.15	5,421,996,764.84
Financing with receivables	22,152,492,848.09	31,499,637,236.45
Prepayments	2,228,893,811.88	1,748,896,425.13
Other receivables	2,415,575,628.26	1,121,872,592.52
Inventories	22,374,522,377.01	13,966,418,723.46
Non-current assets due within one year	1,928,674,676.06	2,240,394,116.43
Other current assets	9,389,221,535.55	9,812,817,672.24
Current Liabilities	95,802,048,905.40	95,596,984,528.01
Including:		
Short-term borrowings	5,943,335,783.46	5,204,463,651.75
Accounts payable	29,305,857,540.98	37,083,081,730.25
Notes payable	30,061,481,322.24	26,809,308,822.40
Contract liabilities	7,752,836,116.70	7,387,904,382.08
Employee benefits payable	4,208,573,006.72	3,215,215,491.04
Taxes payable	1,898,129,278.86	2,818,110,266.16
Other payables	6,163,920,243.68	4,867,094,523.67
Other current liabilities	5,555,585,325.06	4,542,933,786.57

Section 4 Management Discussion and Analysis

Gearing ratio

Unit: RMB Currency: RMB

	31 December 2022 (Audited)	31 December 2021 (Audited)
Total liabilities	120,141,392,357.77	113,279,537,815.09
Total equity	65,215,908,115.30	62,128,482,772.84
Gearing ratio	184.22%	182.33%

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

Acquisition and disposal of assets

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

Capital structure

The Group primarily finances its day-to-day operations with its own cash and bank borrowings. As at 31 December 2022, the Company secured short-term borrowings of RMB5,943,335,783.46, mainly used to improve daily liquidity. The Company secured long-term borrowings of RMB19,380,186,186.77 (including long-term borrowings due within one year), mainly used for the construction of domestic and overseas plants and improvement of daily liquidity. For details of interest rates of the borrowings, please refer to the relevant descriptions of Notes to the financial statements in this annual report.

Section 4 Management Discussion and Analysis

Exposure to foreign exchange risk

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

Unit: RMB Currency: RMB

Item	31 December 2022 (Audited)	31 December 2021 (Audited)
Cash and bank balances	2,219,296,294.13	651,194,616.09
Accounts receivable	2,614,085,412.12	696,876,534.03
Other receivables	5,059,674,680.89	2,533,479,173.35
Accounts payable	(3,219,437,693.00)	(4,302,917,064.72)
Other payables	148,055,491.69	(218,458,846.18)
Long-term borrowings	–	(1,582,441,235.47)

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

Employment, training and development

As at 31 December 2022, the Group employed a total of 87,367 employees (31 December 2021: 77,934 employees). Employees were remunerated by the Group based on their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed on a regular basis. As an incentive for employees, bonuses and cash awards may also be given to employees based on individual performance evaluation. Total staff cost (excluding equity incentive costs) accounted for 12.46% of the Group's total operating revenue as at 31 December 2022 (31 December 2021: 9.89%).

Section 4 Management Discussion and Analysis

Segment information

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

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

	2022 RMB (Audited)	2021 RMB (Audited)
China	110,589,888,838.80	120,242,883,244.69
Russia	8,578,987,959.82	4,972,855,747.18
Australia	4,302,113,621.56	2,322,648,446.21
South Africa	3,529,706,722.56	2,610,960,693.03
Thailand	2,297,427,454.74	795,981,378.58
Saudi Arabia	1,718,213,310.55	1,205,320,007.16
Other overseas countries	6,323,647,279.73	4,254,013,521.82
Total	137,339,985,187.76	136,404,663,038.67

Unit: RMB Currency: RMB

	31 December 2022 (Audited)	31 December 2021 (Audited)
Non-current assets located in China	63,033,462,054.50	52,555,571,667.97
Non-current assets located in other countries	4,495,812,774.06	3,999,057,674.04
Total	67,529,274,828.56	56,554,629,342.01

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

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

Section 4 Management Discussion and Analysis

Business Review

Product sales

Unit: unit

Car classification	Item	Sales volume			Production volume		
		Total for the year	Total for last year	Increase/Decrease (%)	Total for the year	Total for last year	Increase/Decrease (%)
Pick-up truck	Domestic sales	147,490	190,740	-22.67	-	-	-
	Export	48,963	46,319	5.71	-	-	-
	Sub-total	196,453	237,059	-17.13	201,598	242,338	-16.81
SUV	Domestic sales	646,903	814,283	-20.56	-	-	-
	Export	115,784	92,895	24.64	-	-	-
	Sub-total	762,687	907,178	-15.93	795,702	912,631	-12.81
Sedan and others (mainly NEV)	Domestic sales	95,165	136,037	-30.04	-	-	-
	Export	7,440	677	998.97	-	-	-
	Sub-total	102,605	136,714	-24.95	114,320	136,766	-16.41
Total	Domestic sales	889,558	1,141,060	-22.04	-	-	-
	Export	172,187	139,891	23.09	-	-	-
	Sub-total	1,061,745	1,280,951	-17.11	1,111,620	1,291,735	-13.94

The Group has five major automobile brands, namely Haval, WEY, ORA, Great Wall Pickup and TANK. Its product portfolio covers three main categories, namely SUVs, sedans and pick-up trucks. With respect to product by power type, it offers traditional energy vehicles and new energy vehicles. In 2022, under the leadership of a new management team and empowered by its well-established forest-like ecological system, Great Wall Motor continued to intensify the development of new energy, intelligent technology and globalization, and prepared for a new round of high-quality growth and for embarking on a new journey.

In 2022, Great Wall Motors recorded automobile sales volume of 1,061,700 units, of which overseas annual sales volume hit historical high, reaching 172,200 units, representing a year-on-year increase of 23.09%. The Group led the industry in terms of sales volume percentage of intelligent cars of 86.17% for the year. Brand enhancement also had a significant positive impact, as the proportion of sales volume for vehicles priced over RMB200,000 increased to 15.27%, while the average unit price of vehicle rose by 21.47% year-on-year to RMB129,400. In 2022, Great Wall Motor's five major automobile brands focused on "new", launching new energy product matrix under the Group to cope with the rapidly growing new energy market. The Group continued to fine-tune its product portfolio to satisfy the diversified needs of consumers.

Section 4 Management Discussion and Analysis

(1) Haval brand

In 2022, the Haval brand continued to step up market development efforts. It had adopted an open approach, by co-creating stylish and new products with users worldwide to achieve co-development of global Haval. In 2022, the Haval brand sold 617,437 units, of which Haval H6 accounted for 285,010 units. With a new positioning as a “new energy SUV expert”, the Haval brand headed in the direction of new energy development with the launch of the third-generation Haval H6 DHT-PHEV and showcase of the second-generation Haval DARGO, and continued to set a new benchmark for the value of new energy SUV.

(2) WEY brand

The WEY brand continued to consolidate its brand positioning of “zero anxiety smart electric vehicle”, leveraging on the two core technologies of smart DHT and COFFEE Intelligence. WEY had successively launched WEY Mocha DHT-PHEV and WEY Latte DHT-PHEV, as well as showcased a new flagship model of WEY brand – the six seater smart SUV WEY Lan Shan DHT-PHEV. With continued optimization of product matrix under the COFFEE Intelligence series, the WEY brand provided Chinese consumers with the option of higher-end new energy vehicles to enjoy a more pleasant lifestyle.

(3) Great Wall Pickup

As the leader of pick-up truck, Great Wall Pickup’s sales volume amounted to 196,453 units in 2022, and continued to rank first in domestic and export sales volume for 25 consecutive years. Its total global sales volume has surpassed 2 million units. 2022 marked the third anniversary of the Great Wall Cannon. It officially released a 2.0 version, which placed great emphasis on customer focus and building a brand for global consumer. Great Wall Cannon stepped up its efforts to develop two major categories, namely trendy commercial pickups and passenger vehicles for leisure, driving market expansion through category innovation. The Group continued to enhance the value of pick-up truck categories. The trendy commercial pickup King Kong Cannon, the 2022 Black Bullet Edition and Shanghai Cannon, being the outdoor king, were launched during the year. Among them, Shanghai Cannon was equipped with a high-performance 3.0T V6+9AT powertrain, with an ultra-luxury premium business cockpit and a flexible cargo space. It will compete with international mainstream brands in the global market and strive to stay among the top in the global premium pick-up truck market.

(4) ORA brand

As a car brand that loves women more, ORA has created a new category for women and has become a pioneer in the women’s car industry. In 2022, the ORA brand launched two new pure electric models, namely Ballet Cat and Lightning Cat. The ORA brand leveraged comprehensive and integrated product capabilities, trendy design, safe products and patented technology applications, to meet the diverse customer needs.

Section 4 Management Discussion and Analysis

(5) TANK brand

The TANK brand positions itself as stylish off-road SUV, aimed to cater to the new mobility needs of the new generation consumers. With a brand proposition that combines toughness and soft-riding features, TANK strives to develop itself as a world leading off-road brand. In 2022, the TANK brand recorded a total sales volume of 125,684 units, up by 47.18% year-on-year, and an accumulated sales volume exceeding 200,000 units. It has sold over 100,000 units of Tank 300. The brand launched a number of co-creation models, such as Cyber Knight and Iron Cavalry 02, and redefined TANK 500 as a mid to large-size business luxury SUV. At the end of the year, the TANK brand had another upgrade for its new energy off-road vehicle. It officially unveiled Tank 500 PHEV long range version, bringing enhanced driving experience with new energy technology.

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

Hybrid power: DHT has become a crucial support to Great Wall Motor's new energy product matrix expansion. It has been adopted in new cars launched by various brands under the Group to satisfy consumers' dual requirements for long range and pure electric. With the DHT capacity expansion and continued product upgrade, Great Wall Motor's technology advantage and market share in new energy segment will further increase.

With respect to pure electric powertrain, Great Wall Motor's new generation three-in-one electric powertrain features electric motor with a power range of 35kW – 200kW, which can be used in various classes of new energy cars. ORA Lightning Cat completed the test of electric car high-speed spiral rollover and falling, the first of its kind in China, and was granted the annual Top Safety Collision Challenge Award.

Hydrogen: Great Wall Motor actively strengthened multi-dimensional and wide-ranging pragmatic cooperation. It had jointly constructed a closed-loop industrial ecological system advocating win-win cooperation. In future, the Group will build supply chain ecosystem integrating "production, storage, transportation, refueling and application" for its hydrogen energy business.

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

In 2022, a total of 6 new car models installed with COFFEE Intelligence were launched, assisted driving distance exceeded 25 million kilometres and the sales volume of cars installed with COFFEE Intelligence surpassed 200,000 units. Urban NOH, as the first batch of urban driving assistance systems mass-produced in China, was installed in Mocha DHT-PHEV LiDAR version, facilitating the advancement of China's automobiles to a new development stage of intelligent driving on urban roads.

Escalated the cultivation of forest-like ecological system to seize "industry niche".

In 2022, Great Wall Motor intelligent core components base in Wuxi and a closed packaging, testing and manufacturing base for the third-generation semiconductor modules of Honeycomb Yichuang and other projects were successively carried out, signifying that the progress of optimisation of the forest-like ecological system was accelerating.

Section 4 Management Discussion and Analysis

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

In 2022, Great Wall Motor’s globalization entered a new stage. At the overseas distributors conference held in 2022, Great Wall Motor released its “ONE GWM” global brand action plan, setting GWM as the core brand in overseas markets. The Group will develop cluster channels for different categories under the parent GWM brand, so as to strengthen brand awareness. It will strive to build flagship products that will become a global star, as well as enhance product competitiveness.

In 2022, overseas sales volume hit a historic high. In July 2022, Great Wall Motor’s accumulated overseas sales volume reached 1 million units. Since October 2022, overseas monthly sales volume exceeded 20,000 units. The annual overseas sales volume increased by 23.09% year-on-year to over 170,000 units. Substantial growth in sales volume was recorded in key regional markets such as Thailand, Australia, New Zealand, South Africa, GCC (Gulf cooperation Council) countries.

Outlook

Great Wall Motor has constructed a forest-like ecosystem that encompasses the entire supply chain from automobiles to core components and parts. Such ecosystem continues to empower Great Wall Motor to move upwards. Facing a new industry trend, Great Wall Motor is leveraging its globalization strategy to expand market coverage, and utilizes the forest-like ecosystem as ground anchor to achieve quality development. The Group will persevere with intelligent, new energy development, intensify global market competitiveness, strive to achieve gradual development of the Company and work all-out to level up.

The Group will continue to introduce more competitive models



WEY Blue Mountain

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



Haval Xiaolong

Haval Xiaolong is positioned as an “almighty new energy SUV with inductance, fashion and fun”. Equipped with Lemon intelligent hybrid DHT technology, it adopts the almighty quality of Haval’s 32 years of automobile manufacturing history as the framework and the unique experience brought about by the future inductance as the soul. Inductance is the appearance design of new energy vehicles and impresses you at the first sight. Inductance is the driving and control experience on new energy vehicles and starts with treading. Inductance is the intelligent use experience and comforts you with voice control. It meets all expectation of young and fashionable users on new energy household SUV.

Section 4 Management Discussion and Analysis



Haval Xiaolong MAX

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



The second-generation Haval DARGO PHEV

Positioned as a “three-quarter fashion and wild model”, the second-generation Haval DARGO PHEV integrated the “light off-road gene of the DOG series” with the “technologies of the DHT new energy series” and covers various scenarios of “urban and off-road conditions and under the electric model”, meeting the imagination of users for light wild models and bringing the new “5+2+e” fashionable and wild driving experience.



Tank 500 PHEV

The TANK brand will launch the new energy luxury off-road model – Tank 500 PHEV. Tank 500 PHEV is positioned as a medium-to-large luxury off-road SUV. With the product strength of super strong stability, super strong power and super strong luxury and in combination with new energy technologies on the TANK platform, it offers stronger practicability and economy and more diversified application scenarios and meets the car-owning experience of users under all scenarios.



Tank 700

The TANK brand will launch a flagship model based on mecha technology, namely Tank 700, which is positioned as a luxury off-road totem. With strong off-road strength and luxurious comfort, the new model will enable users to lead a better life of car ownership with great personality and unlimited freedom.



ORA Saloon Mecha Dragon

Positioned as a “high-performance mecha sports car”, Mecha Dragon is a key model for the Company to enhance brand influence, develop high-end brands and take root in the high-end market. The “pioneer mechanical aesthetic design” endows the unique style of Mecha Dragon and injects new vitality into the high-end battery electric vehicle market. Leveraging on four laser radars, scenario-based intelligent cockpits, CLTC 802km range, 0-100km/h acceleration in three seconds and other core product strength, Mecha Dragon fully leads competitive products in terms of intelligence, control performance and other aspects.

Section 4 Management Discussion and Analysis

Tax Incentives for High-tech Enterprises

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

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

(1) Automobile production and sales increased year-on-year

Despite the impacts of the structural shortage of chips, the high prices of raw materials for power batteries and local geopolitical conflicts in 2022, effectively driven by a series of policies on stabilizing economic growth and promoting consumption such as halving the purchase tax and with the joint efforts of enterprises in the whole industry, China's automobile market achieved overall recovery against headwinds and posted positive growth, demonstrating its strong development resilience. The production and sales volume of automobiles in 2022 amounted to 27,021,000 units and 26,864,000 units, representing increases of 3.4% and 2.1% year-on-year, respectively. Compared with last year, the growth in the production volume stood at the same level while the growth in the sales volume decreased by 1.7 percentage points.

(2) The production and sales volume of passenger vehicles were obviously boosted by policies

Despite the impacts of the shortage of chips, the spread of the pandemic and other factors in 2022, the domestic market sales of passenger vehicles is featured with "U-shaped reversal with remarkable growth" during the year benefiting from the preferential purchase tax and the rapid growth of new energy vehicles. The production and sales volume of passenger vehicles amounted to 23,836,000 units and 23,563,000 units, representing increases of 11.2% and 9.5% year-on-year, respectively, and over 7 percentage points higher than the growth of the industry.

(3) The production and sales volume of new energy vehicles recorded exponential growth

In 2022, new energy vehicles maintained exponential growth with the production and sales volume amounting to 7,058,000 units and 6,887,000 units, representing increases of 96.9% and 93.4% year-on-year, respectively. Its market share reached 25.6%, 12.1 percentage points higher than last year.

(4) Pickup trucks saw a slight decline in production and sales volume

In 2022, the production and sales volume of pickup trucks were 526,000 units and 519,000 units, down by 3.9% and 6.4% year-on-year, respectively. By fuel, the production and sales volume of gasoline vehicles were 122,000 units and 120,000 units, representing decreases of 6.3% and 7.8% year-on-year, respectively. The production and sales volume of diesel vehicles were 397,000 units and 392,000 units, representing decreases of 4.5% and 7.2% year-on-year, respectively.

Section 4 Management Discussion and Analysis

(5) Automobile exports achieved leapfrog breakthroughs

In 2022, due to the insufficient overseas supply and the significantly enhanced export competitiveness of China's automobile enterprises, automobile exports exceeded 3,000,000 units and reached 3,111,000 units, representing an increase of 54.4% year-on-year and effectively driving the overall growth in the industry. By vehicle model, the export of passenger vehicles amounted to 2,529,000 units, up 56.7% year-on-year; the export of commercial vehicles was 582,000 units, up 44.9% year-on-year. The export of new energy vehicles was 679,000, up 1.2 times year-on-year. China's automobile exports exceeded 2 million units from 2021, surpassing the previous level with around 1 million units and achieving leapfrog breakthroughs.

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

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

1. Principal Business of the Company

Great Wall Motor is one of the largest SUVs and pickup trucks manufacturers in the PRC. It currently owns five brands, namely Haval, WEY, ORA, TANK and Great Wall Pickup. The Company, in cooperation with BMW Group, has formed a joint venture named Spotlight Automotive Limited ("Spotlight Automotive") which is engaged in providing three product categories-SUVs, sedans and pick-up trucks, as well as manufacturing and supply of related main auto parts.

2. Operating Model

The Company promotes "user-centric" self-reform and innovates in product categories and technologies to create a leading edge in niche markets. The Company is committed to establishing a global network integrating R&D, production, supply and sales.

In respect of R&D, the Company insists on "making targeted investments" and emphasizes R&D effectiveness to pursue industry leadership. Based on three technology brands, namely, "LEMON", "TANK" and "COFFEE Intelligence", the Company developed a value innovation technology system that encompasses the entire industry chain process, including automobile R&D, design, production and lifestyle, signifying Great Wall Motor's new "car making philosophy". Meanwhile, it speeds up in carrying out technological layout on the new energy sector including hybrid, pure electric and hydrogen energy and boosts efforts on key and core technologies on low-power chips with large computing power, carborundum and other third-generation semiconductors as well as artificial intelligence and other industrial technologies. It has established overseas R&D presence in Europe, ASEAN and South America and is devoted to building a global R&D system.

Great Wall Motor consolidates its development foundation with category innovation, and releases growth potential through global expansion. ORA Lightning Cat was awarded the successful model in the annual TOP Safety challenge at the 2022 China Automotive Safety Conference, becoming the first successful challenger in high-speed spiraling, rolling and dropping among new energy vehicles in China. TANK 300 reached the highest safety standards in all tests of the Australasian New Car Assessment Program (ANCAP) and obtained a five-star safety certification from ANCAP. All these demonstrated the strong product capabilities of Great Wall Motor.

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

Section 4 Management Discussion and Analysis

In respect of procurement of parts and components, the Company strives to build a highly integrated and adaptable industry-wide supply chain system. The 3.0T V6 engine independently developed by the Company, was selected into “Top Ten Engines of ‘China’s Heart’ in 2022”, making it the only large-displacement and high-end power product in the appraisal. 9HDCT is also the world’s first horizontal P2 9-speed wet dual-clutch transmission with remarkable fuel saving effect. The 3.0T+9AT Super Powertrain breaks the technical barriers of sino-foreign joint ventures and achieves all-round ascendancy in performance with a wide variety of innovative technologies, measuring up to the international preeminent level. In the first half of the year, Great Wall Motor signed up to build a smart core parts production base in Wuxi with a total investment of RMB3.1 billion, which will produce 1.1 million electronic air suspension (EAS) systems and 2.6 million EDC suspension systems annually. This move will help the Company develop into a provider of intelligent active suspension systems integrating R&D and production. Moreover, the Company has established in-depth cooperation with the world’s leading suppliers such as Bosch, Continental, Valeo and Harman to build a world-class supply chain system.

In respect of sales, Great Wall Motor achieved a sales volume of 1,061,700 units in 2022, surpassing 1,000,000 units for seven consecutive years. Its overseas markets cover more than 170 countries and regions with over 700 overseas sales channels. Total sales in overseas markets reached 172,200 units, representing an increase of 23.09% year-on-year and exceeding 1,000,000 units in total. The sales volume of models at over RMB200,000 accounted for 15.27%, up by 5 percentage points. It sped up in advancing in the intelligent sector and the sales volume percentage of intelligent cars reached 86.17%.

IV. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

Applicable Not applicable

1. Corporate values

The Company always considers the corporate core values of “Honesty, Responsibility, Development, Sharing” as the primary competitiveness and pursues high-quality and steady operation. With users as the core, it carries out active innovation and brave practice and develops a sustainable and high-quality development system with shareholders, staff, customers, partners, the society and other stakeholders.

2. Strengthening quality culture and focusing on quality improvement

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

3. Focusing on brand building to keep the advantages of category consolidated

Over the years, the Company has been upholding the development strategy of focusing on the principal business while sharing quality resources. It has created unique competitive strengths by concentrating on specific sub-sectors. Following the development strategy of “building brands based on category innovation”, the Company aims to forge “street fashion” and “vogue style” of the new era. It launched new products such as TANK 500, King Kong Cannon, Haval Cool Dog, Shanhai Cannon and ORA Lightning Cat, boosting the popularity of market terminals.

Section 4 Management Discussion and Analysis

4. A user-centred approach

Given the personalized consumption trend of users, Great Wall Motor adhered to the “user-centred” concept. The Company continued to revamp various aspects such as organizational mechanism, corporate culture and marketing innovation, such that the efficiency and quality of corporate operations were raised quickly. New habits, new spending patterns and new trends have made the Company’s new concepts, new ideas and new categories come true. The Company always pursues ultimate user experience, striving to transform from a conventional automaker brand to a lifestyle brand.

5. Technological competitiveness

The Company established a forest-like ecosystem on intelligent new energy vehicles with automobiles as the focus. Leveraging on three important pillars, namely COFFEE Intelligence, Lemon platform and TANK platform, the Company comprehensively deployed on new energy, intelligence and other series of technologies and developed open industrial chains with interactions of multi-technologies and continuous improvement. For the BEV sector, the Company owns battery technologies to effectively prevent power batteries from catching fire and explosion caused by thermal runaway. In terms of intelligence, it has advanced the functions of HWA (highway assist systems), NOH (smart navigation-aided driving systems) and urban NOH (urban smart navigation-aided driving systems) and independently developed the GC-OS, the new electrical/electronic architecture, intelligent chassis by wire and cockpit operating system. All these allowed Great Wall Motor to have the capability on the large-scale and mass production of intelligent driving.

6. Well-established global supply chain system

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

7. Talent cultivation

Great Wall Motor has always practiced the corporate philosophy of “cultivating personnel before making cars”. While providing employees with a stable working and living environment, Great Wall Motor steps up efforts in personnel training to enhance employees’ capabilities, constantly innovates in talent development mechanisms, increases job rotation and cross-appointment, continuously promotes the “Global Talents Plan” (全球人才活水計劃), adheres to the policy of “bringing in and going global”, enables employees to engage in different positions, and encourages employees to work and study overseas. In 2023, Great Wall Motor will establish incentive schemes with the combination of fixed salary and long-term and short-term incentives and jointly led by opportunities and honors based on performance and contributions and create an incentive atmosphere with “ample awards for outstanding contributions”.

Section 4 Management Discussion and Analysis

V. THE PRINCIPAL OPERATION DURING THE REPORTING PERIOD

During the Reporting Period, the total operating revenue, operating profit and net profit attributable to shareholders of the Company were RMB137,340 million, RMB7,967 million and RMB8,266 million, representing a year-on-year increase of 0.69%, 25.09% and 22.90%, respectively.

(I) Analysis of principal business

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

Unit: RMB Currency: RMB

Item	For the			2020	2019	2018
	For the Current Period	corresponding period last year	Changes (%)			
Total operating revenue	137,339,985,187.76	136,404,663,038.67	0.69	103,307,607,209.70	96,210,688,818.80	99,229,987,202.20
Operating revenue	137,339,985,187.76	136,404,663,038.67	0.69	103,307,607,209.70	95,108,078,639.52	97,799,859,204.66
Operating costs	110,739,333,423.32	114,367,472,827.89	-3.17	85,530,963,755.03	79,684,487,295.85	81,480,942,550.61
Selling expenses	5,876,160,763.57	5,192,175,874.72	13.17	4,103,386,826.19	3,896,669,879.09	4,575,198,601.16
Administrative expenses	4,893,452,838.49	4,043,069,363.44	21.03	2,552,674,590.65	1,955,453,366.52	1,676,303,700.58
Financial expenses	-2,487,806,138.52	-448,307,517.96	-	396,962,230.25	-351,029,083.69	-493,875,195.06
Research and development expenses	6,445,163,014.77	4,489,565,228.62	43.56	3,067,479,582.21	2,716,220,367.89	1,743,379,055.09
Net cash flows from operating activities	12,311,254,519.44	35,315,673,246.13	-65.14	5,181,232,925.84	13,972,302,434.79	19,697,825,948.40
Net cash flows from investing activities	-10,504,887,458.38	-11,174,745,612.88	-	-11,588,320,756.01	-15,801,684,305.19	-10,040,436,458.33
Net cash flows from financing activities	-3,132,968,026.33	-9,632,107,664.53	-	11,367,524,972.75	3,943,947,671.02	-6,500,837,532.69

The change in financial expenses was mainly due to an increase in exchange gains during the Reporting Period.

The change in research and development expenses was mainly due to an increase in research and development investment in projects on intelligent, electric and new vehicle models during the Reporting Period.

The change in net cash flows from operating activities was mainly due to the difference in capital return caused by different bill strategies adopted by the Company based on capital costs of the industry.

The change in net cash flows from investing activities was mainly due to a decrease in purchasing wealth management products during the Reporting Period.

The change in net cash flows from financing activities was mainly due to an increase in receipts from banking during the Reporting Period.

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

Applicable Not applicable

Section 4 Management Discussion and Analysis

2. Revenue and cost analysis

√ Applicable □ Not applicable

Refer to the following table for details

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

Unit: RMB Currency: RMB

Principal businesses by industries						
Industry	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating costs over last year (%)	Increase/decrease in gross profit margin over last year (%)
Automotive industry	134,722,958,416.18	108,711,321,141.10	19.31	0.96	-2.87	3.18
Principal businesses by products						
Product	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating costs over last year (%)	Increase/decrease in gross profit margin over last year (%)
Sales of automobiles	121,890,861,864.98	99,014,967,604.22	18.77	0.48	-4.10	Increased by 3.88 percentage points
Sales of automotive parts and components	8,008,171,091.35	5,888,785,879.99	26.47	16.53	31.85	Decreased by 8.55 percentage points
Sales of moulds and others	2,258,495,472.48	1,734,807,387.92	23.19	2.77	4.41	Decreased by 1.21 percentage points
Rendering of labour services	2,565,429,987.37	2,072,760,268.98	19.20	-16.20	-18.45	Increased by 2.23 percentage points
Principal businesses by regions						
Region	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease in operating revenue over last year (%)	Increase/decrease in operating costs over last year (%)	Increase/decrease in gross profit margin over last year (%)
The PRC	108,367,149,365.59	89,502,705,151.16	17.41	-7.79	-8.68	Increased by 0.81 percentage point
Overseas	26,355,809,050.59	19,208,615,989.94	27.12	65.56	38.14	Increased by 14.47 percentage points

Section 4 Management Discussion and Analysis

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

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

The domestic business is mainly located in the mainland China.

(2) Analysis of output and sales volume

Applicable Not applicable

Major product	Unit	Output	Sales volume	Inventory	Increase/decrease in output over last year (%)	Increase/decrease in sales volume over last year (%)	Increase/decrease in inventory over last year (%)
Pick-up trucks	unit	201,598	196,453	22,862	-16.81	-17.13	72.08
SUVs	unit	795,702	762,687	53,940	-12.81	-15.93	31.63
Sedans and others (mostly new energy automobiles)	unit	114,320	102,605	8,286	-16.41	-24.95	223.17
Total	unit	1,111,620	1,061,745	85,088	-13.94	-17.11	49.73

Description of output and sales volume

(3) Performance of major procurement contracts and sales contracts

Applicable Not applicable

Section 4 Management Discussion and Analysis

(4) Cost analysis

Unit: RMB

		By industries						
Industry	Cost item	Amount for the Current Period	Proportion to total costs for the Current Period (%)	Amount for the corresponding period last year	Proportion to total costs for the corresponding period last year (%)	Changes in the amount for the Current Period over the corresponding period last year (%)	Description	
								Automotive industry

		By products						
Product	Cost item	Amount for the Current Period	Proportion to total costs for the Current Period (%)	Amount for the corresponding period last year	Proportion to total costs for the corresponding period last year (%)	Changes in the amount for the Current Period over the corresponding period last year (%)	Description	
								Finished automobiles
Parts and components	Raw materials, labour wages, depreciation, energy, etc.	5,888,785,879.99	5.32	4,466,158,294.49	3.91	31.85	-	
Moulds and others	Raw materials, labour wages, depreciation, energy, etc.	1,734,807,387.92	1.57	1,661,530,337.40	1.45	4.41	-	
Labour services	Finished automobile maintenance service costs, transportation tolls, fuel costs, travel expenses, labour wages, etc.	2,072,760,268.98	1.87	2,541,580,203.31	2.22	-18.45	-	

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

 Applicable Not applicable

Section 4 Management Discussion and Analysis

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

Applicable Not applicable

(7) *Major customers and suppliers*

A. Major customers

Applicable Not applicable

Currency: RMB Unit: RMB

Name of customer	Operating revenue	Proportion to total operating revenue of the Company (%)
Customer 1	3,821,280,036.49	2.78
Customer 2	1,986,676,713.34	1.45
Customer 3	1,701,393,463.47	1.24
Customer 4	1,290,909,817.20	0.94
Customer 5	1,235,433,254.37	0.90
Total	10,035,693,284.87	7.31

Sales to the five largest customers amounted to RMB10,035,693,300, accounting for 7.31% of the total sales of the Year, in which sales of RMB0 came from the related parties, accounting for 0% of the total sales of the Year.

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

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

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

Applicable Not applicable

Section 4 Management Discussion and Analysis

B. Major suppliers

Applicable Not applicable

Currency: RMB Unit: RMB

Name of supplier	Purchases	Proportion to total purchases for the Year (%)
Supplier 1	3,030,639,113.66	2.66
Supplier 2	2,901,945,310.25	2.54
Supplier 3	2,833,435,823.55	2.48
Supplier 4	1,550,907,078.89	1.36
Supplier 5	1,491,305,762.24	1.31
Total	11,808,233,088.58	10.35

Purchases from the five largest suppliers amounted to RMB11,808.2331 million, accounting for 10.35% of the total purchases of the Year, in which, purchases of RMB1,550.9071 million came from the related parties, accounting for 1.36% of the total purchases of the Year.

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

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

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

Applicable Not applicable

Section 4 Management Discussion and Analysis

3. Expenses

√ Applicable □ Not applicable

Currency: RMB Unit: RMB

Items	2022	2021	Changes	Reasons
Selling expenses	5,876,160,763.57	5,192,175,874.72	13.17	
Administrative expenses	4,893,452,838.49	4,043,069,363.44	21.03	
Research and development expenses	6,445,163,014.77	4,489,565,228.62	43.56	Mainly due to an increase in research and development investment in projects on intelligent, electric and new vehicle models during the Reporting Period.
Financial expenses	-2,487,806,138.52	-448,307,517.96	454.93	Mainly due to an increase in exchange gains during the Reporting Period.

4. Research and development expenses

(1) Statement of research and development expenses

√ Applicable □ Not applicable

Currency: RMB Unit: RMB

Research and development expenses for the Current Period	4,563,756,397.41
Research and development expenses capitalised for the Current Period	7,616,948,269.07
Total research and development expenses	12,180,704,666.48
Percentage of total research and development expenses over operating revenue (%)	8.87
Percentage of research and development expenses capitalised (%)	62.53

(2) Research and development personnel

√ Applicable □ Not applicable

Section 4 Management Discussion and Analysis

Total number of research and development personnel of the Company 23,850

Proportion of research and development personnel to the total employees of the Company (%) 27.30

Education level of research and development personnel

Education level	Number
Doctor postgraduate	58
Master postgraduate	2,301
Bachelor's degree	16,802
Degree from a technical college	4,243
Secondary schools and below	446

Age group of research and development employees

Age group	Number
Below 30 (excluding 30)	7,686
30-40 (including 30 but excluding 40)	14,488
40-50 (including 40 but excluding 50)	1,506
50-60 (including 50 but excluding 60)	149
60 and above	21

(3) Description

Applicable Not applicable

In 2022, the Company's total research and development investment was RMB12.181 billion, representing a year-on-year increase of 34.34%.

As of 31 December 2022, Great Wall Motor Company Limited had been granted a total of 12,675 patents, including 2,166 invention patents, 7,207 utility model patents and 3,302 industrial design patents.

In 2022, Great Wall Motor Company Limited submitted 4,463 patent applications, and was granted 2,263 patents, including 339 invention patents, 1,565 utility model patents and 359 industrial design patents.

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

Applicable Not applicable

5. Cash flow

Applicable Not applicable

Section 4 Management Discussion and Analysis

Currency: RMB Unit: RMB

Items	2022	2021	Changes	Explanation of the reasons
Net cash flows from operating activities	12,311,254,519.44	35,315,673,246.13	-65.14	mainly due to the difference in capital return caused by different bill strategies adopted by the Company based on capital costs of the industry.
Net cash flows from investing activities	-10,504,887,458.38	-11,174,745,612.88		mainly due to a decrease in purchasing wealth management products during the Reporting Period.
Net cash flows from financing activities	-3,132,968,026.33	-9,632,107,664.53		mainly due to an increase in receipts from banking during the Reporting Period.

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

Applicable Not applicable

(III) Analysis of assets and liabilities

1. Assets and liabilities

Currency: RMB Unit: RMB

Item	Amount as at the end of the Current Period	Proportion to total assets for the amount as at the end of the Current Period (%)	Amount as at the end of the corresponding period last year	Proportion to total assets for the amount as at the end of the corresponding period last year (%)	Changes in the amount as at the end of the Current Period over the end of the corresponding period last year (%)	Description
Cash and bank balances	35,773,467,830.28	19.30	33,047,560,929.36	18.84	8.25	
Held-for-trading financial assets	2,053,553,807.44	1.11	6,046,493,154.78	3.45	-66.04	The change in held-for-trading financial assets was mainly due to the decrease in principal-guaranteed wealth management products with floating return.
Derivative financial assets	13,170,797.64	0.01	5,554,185.76	0.00	137.13	The change in derivative financial assets was due to the change in the fair value of the forward foreign exchange contracts signed by the Group at the end of the Reporting Period.
Notes receivable	2,735,886,300.00	1.48	3,181,930,272.20	1.81	-14.02	
Accounts receivable	6,611,191,147.15	3.57	5,421,996,764.84	3.09	21.93	
Prepayments	2,228,893,811.88	1.20	1,748,896,425.13	1.00	27.45	

Section 4 Management Discussion and Analysis

Item	Amount as at the end of the Current Period	Proportion to total assets for the amount as at the end of the Current Period (%)	Amount as at the end of the corresponding period last year	Proportion to total assets for the amount as at the end of the corresponding period last year (%)	Changes in the amount as at the end of the Current Period over the end of the corresponding period last year (%)	Description
Other receivables	2,415,575,628.26	1.30	1,121,872,592.52	0.64	115.32	The change in other receivables was mainly due to the increases in purchase deposits receivable which are expected to be recovered within one year and export tax refunds during the Reporting Period.
Inventories	22,374,522,377.01	12.07	13,966,418,723.46	7.96	60.20	The change in inventories was mainly due to the increased inventories at the end of the Reporting Period.
Contract assets	4,072,792.00	0.00	272,035,125.82	0.16	-98.50	The change in contract assets was due to the decrease in the new energy subsidy of the Group pending approval of the government department and expected to be collected within one year.
Current assets	107,680,723,551.36	58.09	108,365,607,198.99	61.78	-0.63	
Other equity instrument investments	1,481,976,762.81	0.80	813,215,710.00	0.46	82.24	The change in other equity instrument investments was due to the increase in new equity investment and change in fair value during the Reporting Period.
Other non-current financial assets	133,328,692.28	0.07	58,247,041.15	0.03	128.90	The change in other non-current financial assets was mainly due to the increase in the investment of the Company during the Reporting Period.

Section 4 Management Discussion and Analysis

Item	Amount as at the end of the Current Period	Proportion to total assets for the amount as at the end of the Current Period (%)	Amount as at the end of the corresponding period last year	Proportion to total assets for the amount as at the end of the corresponding period last year (%)	Changes in the amount as at the end of the Current Period over the end of the corresponding period last year (%)	Description
Construction in progress	8,305,799,414.52	4.48	4,467,242,861.76	2.55	85.93	The change in construction in progress was mainly due to the increase in investment in plant construction.
Right-of-use asset	1,092,940,845.53	0.59	226,764,213.96	0.13	381.97	The change in right-of-use asset was mainly due to the increase in long-term leases during the Reporting Period.
Development expenditure	11,981,107,869.85	6.46	7,144,904,022.66	4.07	67.69	The change in development expenditure was mainly due to the increase in research and development investment in projects on intelligent, electric and new vehicle models during the Reporting Period.
Long-term prepaid expenses	267,214,694.31	0.14	202,597,485.53	0.12	31.89	The change in long-term prepaid expenses was mainly due to the increase in prepaid expenses of decoration and moulds during the Reporting Period.
Derivative financial liabilities	28,800,759.63	0.02	1,006,607.03	0.00	2,761.17	The change in derivative financial liabilities was mainly due to the change in the fair value of the forward foreign exchange contracts signed by the Group at the end of the Reporting Period.
Notes payable	30,061,481,322.24	16.22	26,809,308,822.40	15.28	12.13	
Accounts payable	29,305,857,540.98	15.81	37,083,081,730.25	21.14	-20.97	

Section 4 Management Discussion and Analysis

Item	Amount as at the end of the Current Period	Proportion to total assets for the amount as at the end of the Current Period (%)	Amount as at the end of the corresponding period last year	Proportion to total assets for the amount as at the end of the corresponding period last year (%)	Changes in the amount as at the end of the Current Period over the end of the corresponding period last year (%)	Description
Employee benefits payable	4,208,573,006.72	2.27	3,215,215,491.04	1.83	30.90	The change in employee benefits payable was mainly due to the increase in bonus payable to employees during the Reporting Period.
Tax payable	1,898,129,278.86	1.02	2,818,110,266.16	1.61	-32.65	The change in tax payable was mainly due to the decrease in consumption tax and enterprise income tax payable.
Other payables	6,163,920,243.68	3.33	4,867,094,523.67	2.77	26.64	
Non-current liabilities due within one year	4,883,529,528.07	2.63	3,667,865,267.06	2.09	33.14	The change in non-current liabilities due within one year was mainly due to the increase in long-term borrowings due within one year during the Reporting Period.
Other current liabilities	5,555,585,325.06	3.00	4,542,933,786.57	2.59	22.29	
Current liabilities	95,802,048,905.40	51.69	95,596,984,528.01	54.50	0.21	
Long-term borrowings	15,405,655,852.03	8.31	8,656,160,276.64	4.93	77.97	The change in long-term borrowings was mainly due to the increase in long-term borrowings from banks.

Section 4 Management Discussion and Analysis

Item	Amount as at the end of the Current Period	Proportion to total assets for the amount as at the end of the Current Period (%)	Amount as at the end of the corresponding period last year	Proportion to total assets for the amount as at the end of the corresponding period last year (%)	Changes in the amount as at the end of the Current Period over the end of the corresponding period last year (%)	Description
Lease liabilities	978,708,416.66	0.53	475,905,412.35	0.27	105.65	The change in lease liabilities was mainly due to the increase in long-term leases during the Reporting Period
Long-term employee benefits payable	41,711,136.24	0.02	60,320,099.24	0.03	-30.85	The change in long-term employee benefits payable was mainly due to the decrease in long-term endowment insurance payable during the Reporting Period.
Capital reserve	2,126,322,573.72	1.15	4,871,909,273.63	2.78	-56.36	The change in capital reserve was mainly due to the cancellation of shares repurchased during the Reporting Period
Treasury shares	2,459,965,985.56	1.33	642,035,492.50	0.37	283.15	The change in treasury shares was mainly due to the share repurchase during the Reporting Period.
Other comprehensive income	234,443,844.95	0.13	-247,369,962.28	-0.14		The change in other comprehensive income was mainly due to the fair value of other equity instrument investments and the translation differences of foreign currency statements.
Special reserve	5,673,833.25	0.00	-	-	100.00	The change in special reserve was mainly due to the provision for safe production cost made during the Reporting Period.
Minority interests	14,650,782.77	0.01	4,100,634.23	0.00	257.28	The change in minority interests was mainly due to the increase in the investment of the minority shareholders introduced by the Company's subsidiaries.

Section 4 Management Discussion and Analysis

2. Overseas assets

Applicable Not applicable

(1) Asset size

Including: overseas assets of 28,945,003,696.80 (unit: RMB, currency: RMB), accounting for 15.62% of the total assets.

(2) Description of high proportion of overseas assets

Applicable Not applicable

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

Applicable Not applicable

Item	Carrying amount at the end of the Year	Reasons for the restrictions
Cash and bank balances	8,874,810,951.30	Security and margin deposits for bank acceptances, L/C, letter of guarantee deposits and others
Notes receivable	1,478,153,734.99	Used for issuance of notes payable and borrowings
Financing of receivables	16,921,215,489.61	Used for issuance of notes payable and borrowings
Long-term receivables	1,328,226,119.05	Used for borrowings and asset-backed securities
Total	28,602,406,294.95	

4. Description of other matters

Applicable Not applicable

(IV) Analysis of operation information by industries

Applicable Not applicable

Refer to the following table for details

Analysis of operation information of automobile manufacturing industry

1. Production capacity

Applicable Not applicable

Section 4 Management Discussion and Analysis

Current production capacity

Applicable Not applicable

Major factory	Designated production capacity	Production capacity during the Reporting Period	Utilisation rate of production capacity (%)
Baoding (including Xushui Vehicle Factory)	60	56.68	94.47
Tianjin	30	8.39	27.97
Chongqing	16	21.27	132.94
Taizhou	10	13.12	131.20
Pinghu	10	2.86	28.60
Rizhao	10	0.65	6.50
Jingmen	10	4.97	49.70
Russia	8	2.29	28.63
Total	154	110.23	71.58

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

Production capacity of factories under construction

Applicable Not applicable

Calculation standards of production capacity

Applicable Not applicable

Section 4 Management Discussion and Analysis

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

By types of vehicles

Applicable Not applicable

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

By regions

Applicable Not applicable

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

2. Output and sales volume of parts and components

Applicable Not applicable

The revenue from external sales of manufacturing of automotive parts and components accounted for 5.83% of the total operating revenue of the Company, which is not subject to disclosure.

Section 4 Management Discussion and Analysis

3. *New energy automobile business*

Applicable Not applicable

Production capacity of new energy automobile

Applicable Not applicable

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

Output and sales volume of new energy automobiles

Applicable Not applicable

Car classification	Sales Volume (unit)			Production Volume (unit)		
	Total for the Year	Total for last year	Increase/decrease year-on-year (%)	Total for the year	Total for last year	Increase/decrease year-on-year (%)
New energy automobiles	119,894	139,079	-13.79	134,920	137,372	-1.78

Revenue from and subsidy for new energy automobile business

Applicable Not applicable

Unit: RMB Currency: RMB

Car classification	Revenue	Subsidy for new energy automobile business	Percentage of subsidy to revenue (%)
New energy automobiles	14,695,303,158.92	1,074,994,346.00	7.32

4. *Auto financial business*

Applicable Not applicable

5. *Description of other matters*

Applicable Not applicable

Section 4 Management Discussion and Analysis

(V) Analysis of investments

General analysis of external equity investments

Applicable Not applicable

During the Reporting Period, the total equity investment of the Group was RMB2,583,750,116.35, representing a decrease of 33.25% as compared with RMB3,870,497,158.63 in the corresponding period of last year.

1 Major equity investment

Applicable Not applicable

2 Major investment in non-equity interest

Applicable Not applicable

3 Financial assets measured at fair value

Applicable Not applicable

Currency: RMB Unit: RMB

Asset class	Amount at the beginning of the Period	Gains or losses from changes in fair value for the Current Period	Accumulated changes in fair value included in equity	Impairment loss provided during the Current Period	Purchase amount during the Current Period	Selling/redemption amount during the Current Period	Other changes	Balance at the end of the Period
Shares	414,131,200.00	80,817,800.00						494,949,000.00
Others	5,632,361,954.78	-8,757,147.34			18,510,000,000.00	-22,575,000,000.00		1,558,604,807.44
Derivative instruments	5,554,185.76	6,995,911.88			620,700.00			13,170,797.64
Private equity funds	58,247,041.15	81,651.13			75,000,000.00			133,328,692.28
Others	31,499,637,236.45		-115,231,460.63		102,511,117,317.57	-111,743,030,245.30		22,152,492,848.09
Others	813,215,710.00		302,271,852.81		350,000,000.00		16,489,200.00	1,481,976,762.81
Derivative instruments	-1,006,607.03	-28,800,735.37					1,006,582.77	-28,800,759.63
Total	38,422,140,721.11	50,337,480.30	187,040,392.18		121,446,738,017.57	-134,318,030,245.30	17,495,782.77	25,805,722,148.63

Securities investment

Applicable Not applicable

Type of securities	Securities code	Abbreviation of securities	Initial investment cost	Source of funds	Opening book value	Profit or loss arising from fair value change for the period	Cumulative fair value change charged to equity	Purchase amount for the period	Sales amount for the period	Investment gain or loss for the period	Closing book value	Accounting and auditing subject
Shares	PLS.ASX	PLS	142,573,200.00	Self-owned-funds	414,131,200.00	80,817,800.00	-	-	-	-	494,949,000.00	Held-for-trading financial assets
Total	/	/	142,573,200.00	/	414,131,200.00	80,817,800.00	-	-	-	-	494,949,000.00	/

Privately-offered fund investment

Applicable Not applicable

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

Section 4 Management Discussion and Analysis

Derivative investment

Applicable Not applicable

The Company held the 46th meeting of the seventh session of the Board and the 41st meeting of the seventh session of the Supervisory Committee on 19 August 2022, at which the Resolution on Conducting Foreign Exchange Derivatives Trading Business in 2022 was considered and approved. In 2022, the Group conducted foreign exchange derivatives transactions with a cumulative nominal amount of RMB18.6 billion or in other currency equivalent (accounting for 29.94% of the latest audited net assets of the Company).

According to the principle of risk-neutral management, in order to hedge the risk of exchange rate fluctuation, the Company conducted the foreign exchange derivatives trading business with high correlation with the receipt and payment of major foreign currencies in 2022.

4. Progress of material asset organisation during the Reporting Period

Applicable Not applicable

(VI) Disposal of major assets and equity interest

Applicable Not applicable

(VII) Major subsidiaries and investees

Applicable Not applicable

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

Currency: RMB Unit: RMB

Major subsidiaries and investees	Business nature	Registered capital	Proportion of shareholding (%)	Proportion of voting rights (%)	Total assets as at the end of the Year	Total net assets as at the end of the Year	Operating revenue for the Year	Operating profit for the Year	Net profit for the Year
Russia Haval Automobile Manufacturing Co., Ltd. (俄羅斯哈弗汽車製造有限責任公司)	Auto manufacture	2,254,662,459.77	100%	100%	5,676,636,548.71	3,288,467,817.50	7,922,170,571.86	2,802,316,394.53	2,778,781,408.96
Chongqing Yongchuan Great Wall Auto Parts Co., Ltd. (重慶市永川區長城汽車零部件有限公司)	Sale of vehicle and automotive parts and components	30,000,000.00	100%	100%	13,919,892,953.83	1,776,451,670.96	46,664,010,604.77	1,925,518,415.69	1,749,882,951.41

The net profit during the period of Russia Haval Automobile Manufacturing Co., Ltd. (俄羅斯哈弗汽車製造有限責任公司) amounted to RMB2,779 million, and the net profit after deducting exchange gains and government grants amounted to RMB559 million.

(VIII) Structured entities under the control of the Company

Applicable Not applicable

Section 4 Management Discussion and Analysis

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

(I) Landscape and development trend of the industry

Applicable Not applicable

In terms of annual development, the production and sales volume of automobiles in 2022 amounted to 27,021,000 units and 26,864,000 units, representing increases of 3.4% and 2.1% year-on-year, respectively, and maintaining the growth trend of last year. In particular, passenger vehicles achieved rapid growth and became a key contributor to the slight growth in the whole year driven by policies on stabilizing growth and promoting consumption. Commercial vehicles operated at a low level due to the impacts of various factors. New energy vehicles continuously achieved exponential growth with an annual sales volume of over 6,800,000 units and a market share of 25.6%, gradually entering the stage for comprehensive market-based expansion and entering the new development and growth stage. Automobile exports continued to maintain a relatively high level, repeatedly hitting new historical highs in terms of monthly exports. The average monthly exports have exceeded 300,000 units since August and the annual exports exceeded 3,000,000 units, effectively driving the overall growth in the industry. With outstanding performances, Chinese brands firmly seized the opportunities in the new energy vehicles and the transformation towards intelligent network connection and increasingly enhanced the competitiveness of its products. The market share of passenger vehicles was close to 50%, hitting a new high in recent years.

In 2023, China will continue to adhere to the general keynote of seeking progress amid stability, vigorously boost market confidence, implement strategies on expanding domestic demands and actively promote the overall recovery of the economic operation to achieve effective enhancement in quality and reasonable growth in quantity. We believe that with the implementation of relevant supporting measures, it will further stimulate market entities and consumption vitality. We are full of confidence about the economic rebound for the whole year. In addition, as the short supply of chips and other problems are likely to be significantly relieved in the new year, it is expected that the automobile market will continuously show a trend of recovery amid stability with an increase of about 3% in 2023.

(II) Development strategy of the Company

Applicable Not applicable

Stepping up research and development efforts in intelligent technology, new energy and other advanced technologies to provide customers with comprehensive intelligent mobility solution.

Adhering to its globalization strategy, the Company has focused on business expansion in strategic markets worldwide while accelerating the establishment of a global system comprising research, production, supply and sale of automobiles to facilitate its transformation into a global intelligent technology company.

Section 4 Management Discussion and Analysis

(III) Operational plan

Applicable Not applicable

Great Wall Motor will always undertake the mission of meeting customer demands, firmly adhere to the strategic positioning in intelligent new energy vehicles and the global development path and speed up in returning to the “four principal tracks”, namely principal products, principal prices, principal grades and principal styles. Based on integrated marketing, integrated services, integrated IPDs and integrated supply chains, it will develop end-to-end business processes and penetrate into policies, labors, finance, quality and supervision to improve the internal operational efficiency and promote the achievement of business goals.

(IV) Potential risks

Applicable Not applicable

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

1. International political and economic risks linger, the current drivers to the macroeconomic recovery remain weak and consumer confidence and market are still under pressures, offering limited support to market recovery;
2. With the withdrawal of subsidies on new energy vehicles combined with the catfish effect caused by the price cut by Tesla, domestic automobile manufacturers are caught in the “disorderly pricing competitions”. In the dilemma of “maintaining prices” and “seizing market shares”, the market pattern of the industry may speed up in embracing the “reshuffle” period;
3. With the further advancing of global carbon neutrality, fossil fuel vehicles will gradually withdraw from the market. With the maturity and development of 5G, digitalization, artificial intelligence and other technologies, it is an evitable trend that the market will speed up in developing towards the orientation of electrification, intelligence, light weight and networking;
4. Automotive-grade chips and other key components still face high import dependency and geopolitics will disturb the safety guarantee of automobile industrial chains and supply chains. The supply of chips will remain relatively tight and the cost is unlikely to be alleviated in short term.

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

1. Firmly adhering to the global development path: The Company has sped up in the implementation of the global strategy of “ONE GWM”, embarked on the journey for sales volume of another 1 million units in overseas markets and established comprehensive market layout in Europe, ASEAN, Latin America, Middle East, Australia, South Africa and other regions, facilitating Great Wall Motor to accelerate in expanding to wider global markets;

Section 4 Management Discussion and Analysis

2. Comprehensively transforming towards new energy vehicles: The Company focused on opportunities in new energy vehicles, returned to the market with principal prices and principal grades and public models, seized principal tracks, concentrated resources on mainstream models, expanded market sales and developed star products. It improved the internal efficiency to respond to market pressures. Based on the development investment return management, the lifecycle management and the iteration management on modules, the Company achieved integrated and modularized models newly developed with fewer modules, improved the use of single products, displayed the scale effect and bolstered the internal efficiency;
3. Developing the forest-like ecosystem based on electrification and intelligence: The Company has developed an industrial layout with a forest-like ecosystem featured by crossover integration or vertical integration covering power battery, hydrogen energy, smart cabins, operating systems, intelligent driving and transmission steering. It guaranteed to provide ceaseless technological drivers to technological modules with intelligence and new energy as the core and offered bottom support to continuous innovation in transformation towards new energy and intelligence;
4. Great Wall Motor adopted the strategy of balancing independent manufacturing and investment cooperation in the chip industry. After completing the strategic investment in leading automobile intelligent chips enterprises in the industry, the Company implemented the closed testing project on the third-generation semiconductor module in 2022, embarking on a path of independent manufacturing and R&D and gradually broke away from “chips shortage”;
5. Speeding up in building a user-centric enterprise through comprehensive To C: The Company promoted the user-centric organizational reform, upgraded the single experience management of users into comprehensive experience management, optimized the full-process experience of users, explored the lifecycle incremental value of users and improved user experience and the reputation among users through comprehensive To C.

(V) Others

Applicable Not applicable

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

Applicable Not applicable

Section 5 Report of the Board

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

The subsidiaries of the Company established in the PRC during the year ended 31 December 2022 or in previous years are limited companies.

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

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

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

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

III. RESULTS AND DIVIDENDS

The Group's operating results for the year ended 31 December 2022 and the financial positions of the Company and the Group for the year ended 31 December 2022 are set out in the audited financial statements.

Details of distribution of the final dividend for the year ended 31 December 2022 are set out under "Profit Distribution Plan or Plan for Capitalisation of Capital Reserves" of Section 7 "Corporate Governance" of this report.

IV. SHARE CAPITAL

Details of movements of the share capital of the Company as at 31 December 2022, together with the reasons for such movements, are set out under "Changes in Shares and Shareholders" of Section 10 of this report.

V. FIXED ASSETS

Details of the fixed assets of the Group and the Company as at 31 December 2022 are set out in the audited financial report.

VI. PRE-EMPTIVE RIGHTS

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

VII. RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

Section 5 Report of the Board

VIII. DISTRIBUTABLE RESERVE

After Deloitte Touche Tohmatsu Certified Public Accountants LLP audited the 2022 financial report of the Company, the net profit of the Company attributable to shareholders of the parent company was RMB8,266,041,808.18 in 2022. As of 31 December 2022, the undistributed profits of the Company amounted to RMB49,176,813,140.82.

The Company proposes to distribute final cash dividends as of 31 December 2022 to all of the shareholders in an amount of RMB0.3 (tax inclusive) per share based on the total share capital of the Company as at the record date for the profit distribution after deducting the total shares in the Company's specific account for repurchase. The distribution is subject to the approval at the 2022 annual general meeting of the Company (to be held on 16 June 2023), and after the approval at this annual general meeting, the dividends for H shares will be paid on or about 28 July 2023 to the Shareholders whose names appear on the H shares register of members of the Company as at the close of business on 5 July 2023, and the record date for the cash dividend entitlement of the A Shareholders will be determined after this annual general meeting.

IX. MAJOR CUSTOMERS AND SUPPLIERS

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

X. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

XI. MATERIAL CONTRACTS

During the Reporting Period, the Group did not have any material contract directly entered into with the controlling shareholder or any of its subsidiaries under Appendix 16 of the Hong Kong Listing Rules, nor did the Group have any material contract under which the controlling shareholder or any of its subsidiaries would provide services for the Group.

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

XII. MANAGEMENT CONTRACTS

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

XIII. DIRECTORS' AND SUPERVISORS' INTERESTS IN SECURITIES

As at 31 December 2022, the interests and short positions of each of the directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning as defined in Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in Section 352 of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules, are as follows:

Section 5 Report of the Board

Name of director/ supervisor	Capacity/ nature of interest	Number of shares	Approximate percentage of A Shares (%)	Approximate percentage of H Shares (%)	Approximate percentage of total number of shares (%)
Mr. Wei Jian Jun	Interests in controlled companies	5,115,000,000 (L) (A Shares)	82.93	–	58.36
Mr. Wei Jian Jun	Interests in controlled companies	37,998,500 (L) (H Shares)	–	1.27	0.43
Total		5,152,998,500 (L) (A Shares and H Shares)	–	–	58.79
Ms. Wang Feng Ying	Beneficial owner	2,475,000 (L) (A Shares)	0.04	–	0.03
Mr. Zhao Guo Qing	Beneficial owner	1,035,000 (L) (A Shares)	0.02	–	0.01
Ms. Li Hong Shuan	Beneficial owner and interests of spouse	254,223 (L) (A Shares)	0.004	–	0.003
Mu Feng	Beneficial owner	900,900 (L) (A Shares)	0.015	–	0.01

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

As at 31 December 2022, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) was controlled by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) which was in turn controlled by Mr. Wei Jian Jun. Accordingly, pursuant to the SFO, Mr. Wei Jian Jun is deemed to be interested in the 5,115,000,000 A Shares held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and 37,998,500 H Shares held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司).

As at 31 December 2022, Ms. Li Hong Shuan held 172,123 A Shares of the Company and her spouse Mr. Wang Xiao Zu held 53,066 A Shares and 29,034 A Share options of the Company. Pursuant to the SFO, Ms. Li Hong Shuan is deemed to be interested in 254,223 A Shares.

Ms. Wang Feng Ying resigned as the general manager of the Company on 24 July 2022, and Mr. Mu Feng has been appointed as the general manager the Company from 24 July 2022.

Section 5 Report of the Board

Save as disclosed above, so far as the directors of the Company are aware, as at 31 December 2022, none of the directors, supervisors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in Section 352 of the SFO or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. For this purpose, the relevant provisions of the SFO shall be construed as if they were applicable to the supervisors.

XIV. INTERESTS IN CONTROLLED COMPANIES

As at 31 December 2022, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) was controlled by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) which was in turn controlled by Mr. Wei Jian Jun. Accordingly, pursuant to the SFO, Mr. Wei Jian Jun was deemed to be interested in the 5,115,000,000 A Shares held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and the 37,998,500 H Shares held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司).

Save as disclosed above, so far as the directors of the Company are aware, as at 31 December 2022, none of the directors, supervisors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in Section 352 of the SFO or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. For this purpose, the relevant provisions of the SFO shall be construed as if they were applicable to the supervisors.

XV. SHAREHOLDING STRUCTURE AND NUMBER OF SHAREHOLDERS

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

XVI. SHARES HELD BY SUBSTANTIAL SHAREHOLDERS (SFO REQUIREMENTS)

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

XVII. PUBLIC FLOAT

Based on the public information available to the Company prior to the publication of this report and to the knowledge of the directors of the Company, the directors of the Company confirmed as at 31 December 2022, there was sufficient public float with approximately 41.64% of the issued share capital of the Company held by the public.

Section 5 Report of the Board

XVIII. CONNECTED TRANSACTIONS

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

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

The auditor of the Company performed work in accordance with the regulations in the Hong Kong Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to the Practice Note 740 – Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants, and issued a letter dated 15 March 2023 to the Board of the Company to confirm the relevant procedures performed by the auditor of the Company on continuing connected transactions. The conclusion of the Company’s auditor in the letter is summarized as follows:

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

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

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

Section 5 Report of the Board

XIX. REMUNERATION POLICIES

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

Directors

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

Non-executive directors

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

Employees

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

Pension (endowment insurance) plan

In accordance with relevant statutory requirements, employees of the Group are required to join a pension plan operated by the local government. Under such plan, the Group is required to make contribution at a fixed percentage of the salaries of its employees. In 2022, basic endowment insurance payable by the Group amounted to RMB1,091,443,920.44 (2021: RMB740,103,126.12). For the details of the implementation policies on employee salaries and the pension plan, please refer to the notes to the financial statements.

XX. UNCLAIMED DIVIDENDS

As at 31 December 2022, the Company's unclaimed dividends are shown below:

Dividends	Unclaimed dividends (number of cases)	Unclaimed amount (in HK\$)
2016 final dividends	54	120,117.41
2017 final dividends	58	72,947.56
2018 final dividends	60	118,724.44
2019 final dividends	59	119,991.07
2020 interim dividends	63	124,762.24
2021 interim dividends	63	132,361.57
2021 final dividends	61	28,478.84

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

Section 5 Report of the Board

XXI. MATERIAL LITIGATIONS

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

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

On 25 April 2022, the Company held 2021 annual general meeting, the first H shareholders class meeting in 2022 and the first A shareholders class meeting in 2022, at which the Resolution on Granting the General Mandate to the Board to Repurchase A Shares and H Shares was considered and approved, pursuant to which the Company was granted to repurchase the Company's H Shares during the relevant period with the total par value not exceeding 10% of H Shares in issue (equivalent to 309,954,000 H Shares) as at the date of the annual general meeting, H shareholders class meeting and A shareholders class meeting of the Company.

1. Repurchase and cancellation of H Shares

On 17 November 2022, the Company held the third extraordinary general meeting in 2022, the second H shareholders class meeting in 2022 and the second A shareholders class meeting in 2022, at which the Resolution on the Refreshment of General Mandate of the Company to Repurchase H Shares was considered and approved, pursuant to which the Company was granted to repurchase the Company's H Shares during the relevant period with the total par value not exceeding 10% of H Shares in issue (equivalent to 278,969,750 H Shares) as at the date of the third extraordinary general meeting in 2022, the second H shareholders class meeting in 2022 and the second A shareholders class meeting in 2022.

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

- (1) In June 2022, the Company repurchased 61,647,500 H Shares from the Hong Kong Stock Exchange. The highest purchase price was HKD16.98 per share, and the lowest price was HKD14.18 per share with a total amount of funds used of HKD986,826,178.55 (net of transaction expenses). The above repurchased shares were cancelled on 19 July 2022.
- (2) In July 2022, the Company repurchased 46,845,000 H Shares from the Hong Kong Stock Exchange. The highest purchase price was HKD13.78 per share, and the lowest price was HKD12.42 per share with a total amount of funds used of HKD607,236,082.50 (net of transaction expenses). The above repurchased shares were cancelled on 11 August 2022.
- (3) In September 2022, the Company repurchased 78,385,000 H Shares from the Hong Kong Stock Exchange. The highest purchase price was HKD11.8 per share, and the lowest price was HKD9.86 per share with a total amount of funds used of HKD828,209,240.75 (net of transaction expenses). The above repurchased shares were cancelled on 23 December 2022.

Section 5 Report of the Board

- (4) In October 2022, the Company repurchased 106,348,000 H Shares from the Hong Kong Stock Exchange. The highest purchase price was HKD8.56 per share, and the lowest price was HKD7.6 per share with a total amount of funds used of HKD852,236,226.20 (net of transaction expenses). The above repurchased shares were cancelled on 23 December 2022.
- (5) In November 2022, the Company repurchased 142,786,500 H Shares from the Hong Kong Stock Exchange. The highest purchase price was HKD10.20 per share, and the lowest price was HKD9.04 per share with a total amount of funds used of HKD1,403,307,891.95 (net of transaction expenses). The above repurchased shares were cancelled on 23 December 2022.
- (6) In December 2022, the Company repurchased 152,329,000 H Shares from the Hong Kong Stock Exchange. The highest purchase price was HKD10.82 per share, and the lowest price was HKD9.92 per share with a total amount of funds used of HKD1,582,147,765.45 (net of transaction expenses). Among which, 67,621,500 H shares repurchased from 1 December to 14 December were cancelled on 23 December 2022 and 84,707,500 H shares repurchased from 15 December to 31 December were cancelled on 9 January 2023.
- (7) In February 2023, the Company repurchased 192,423,000 H Shares from the Hong Kong Stock Exchange. The highest purchase price was HKD12.42 per share, and the lowest price was HKD10.1 per share with a total amount of funds used of HKD2,197,847,281 (net of transaction expenses). The above repurchased shares were cancelled on 9 March 2023.

In view of the above, the Company has repurchased a total of 588,341,000 H Shares of the Company from the Hong Kong Stock Exchange during 2022, accounting for 6.71% of the Company's total issued share capital and 22.66% of the total number of H Shares in issue as at 31 December 2022. The highest purchase price was HKD16.98 per share, and the lowest price was HKD7.6 per share with a total amount of funds used of HKD6,259,963,385.40.

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

2. Repurchase of A Shares

- (1) On 15 July 2022, the Company held the 44th meeting of the seventh session of the Board and the 40th meeting of the seventh session of the supervisory committee of the Company, at which the Plan on Repurchase of A Shares by Way of Centralized Bidding was considered and approved on an item-by-item basis, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 10 million shares (inclusive) and not more than 15 million shares (inclusive). The repurchase price shall not exceed RMB45 per share (inclusive), and the repurchase period shall not exceed 12 months from the date when the Board considered and approved the share repurchase plan (subject to the authorized period of the general mandate for A Shares). The repurchased shares will be used for the Company's employee share ownership scheme and/or share incentive scheme. If the Company did not use all the repurchased shares within 36 months after the completion of share repurchase, the unutilized repurchased shares will be cancelled.

Section 5 Report of the Board

On 14 October 2022, the Company convened the 51st meeting of the seventh session of the Board and the 44th meeting of the seventh session of the supervisory committee, at which the Plan on Repurchase of A Shares by Way of Centralized Bidding was considered and approved on an item-by-item basis, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 20 million shares (inclusive) and not more than 40 million shares (inclusive). The repurchase price shall not exceed RMB45 per share (inclusive), and the repurchase period shall not exceed 12 months from the date when the Board considered and approved the share repurchase plan (subject to the authorized period of the general mandate for A Shares). The repurchased shares will be used for the Company's employee share ownership scheme and/or share incentive scheme. If the Company did not use all the repurchased shares within 36 months after the completion of share repurchase, the unutilized repurchased shares will be cancelled.

- (2) On July 2022, the Company repurchased 5,552,958 A Shares from the Shanghai Stock Exchange for the first time through centralized bidding. The highest repurchase price was RMB35.04 per share, and the lowest repurchase price was RMB33.57 per share, with a total amount paid of RMB190,145,539.05 (net of transaction expenses).
- (3) On September 2022, the Company repurchased 6,447,131 A Shares from the Shanghai Stock Exchange through centralized bidding. The highest repurchase price was RMB32.01 per share, and the lowest repurchase price was RMB30.22 per share, with a total amount paid of RMB202,419,625.98 (net of transaction expenses).
- (4) On October 2022, the Company repurchased 11,691,900 A Shares from the Shanghai Stock Exchange through centralized bidding. The highest repurchase price was RMB29.60 per share, and the lowest repurchase price was RMB28.52 per share, with a total amount paid of RMB337,091,662.28 (net of transaction expenses).
- (5) On November 2022, the Company repurchased 13,104,154 A Shares from the Shanghai Stock Exchange through centralized bidding. The highest repurchase price was RMB31 per share, and the lowest repurchase price was RMB27.69 per share, with a total amount paid of RMB389,703,321.29 (net of transaction expenses).
- (6) On December 2022, the Company repurchased 3,203,900 A Shares from the Shanghai Stock Exchange through centralized bidding. The highest repurchase price was RMB30.33 per share, and the lowest repurchase price was RMB29.14 per share, with a total amount paid of RMB95,058,990.00 (net of transaction expenses).

In view of the above, the Company has repurchased a total of 40,000,043 A Shares of the Company from the Shanghai Stock Exchange through centralized bidding during 2022, accounting for 0.46% of the Company's total issued share capital and 0.65% of the total number of A Shares in issue as at 31 December 2022. The highest purchase price was RMB35.04 per share, and the lowest price was RMB27.69 per share with a total amount paid of RMB1,214,419,138.60 (net of transaction expenses).

The abovementioned A Shares repurchased by the Company through centralized bidding were used to implement the Company's employee share ownership scheme and/or share incentive scheme. The Directors believe that the above repurchase of A Shares through centralized bidding is beneficial to the Company and its shareholders, and in the best interest of the Company and its shareholders.

During the Reporting Period, the Company conducted the repurchase and cancellation of A Restricted Shares. For details, please refer to "Changes in Shares and Shareholders" in Section 10 of this report.

Section 5 Report of the Board

XXIII. CORPORATE GOVERNANCE

To the knowledge of the Board, except for the deviation disclosed below, the Company has complied with all the principles and code provisions in the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules during the Reporting Period.

Code provision F.2.2 in the Corporate Governance Code provides the Chairman of the Board should attend the annual general meeting of the Company. Mr. Wei Jian Jun was unable to attend the annual general meeting held on 25 April 2022 due to other important business engagement. In his absence, the annual general meeting was chaired by Ms. Li Hong Shuan (with sufficient caliber for answering questions at the annual general meeting), who liaised with Mr. Wei Jian Jun on all key matters prior to the meeting. Mr. Wei Jian Jun was also debriefed on the meeting and any matters arising to ensure any matters raised at the annual general meeting were followed up and considered by the Board.

XXIV. ENVIRONMENT AND SOCIAL RESPONSIBILITIES

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

For details of environmental policy and social responsibility during the Year, please refer to the Corporate Social Responsibility Report for 2022 of Great Wall Motor Company Limited (《長城汽車股份有限公司2022年度社會責任報告》) disclosed by the Company on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk) at the same time as this report was published.

XXV. DESCRIPTION OF OTHER MATTERS

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

Key relationships with employees, customers, and suppliers:

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

Section 5 Report of the Board

XXVI. AUDIT COMMITTEE

The Company has set up the Audit Committee for the purposes of reviewing and supervising the financial reporting process and internal control of the Group. The Audit Committee comprises three independent non-executive directors and one non-executive director of the Company. At the meeting held on 29 March 2023, the Audit Committee reviewed the 2022 annual report and financial report of the Group and gave their opinions and recommendations to the Board of the Company. The Audit Committee is of the opinion that the 2022 annual report and financial report of the Company comply with the applicable accounting standards and the Company has made appropriate disclosure thereof.

XXVII. REMUNERATION COMMITTEE

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

XXVIII. NOMINATION COMMITTEE

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

XXIX. STRATEGY AND SUSTAINABLE DEVELOPMENT COMMITTEE

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

XXX. COMPLIANCE WITH THE MODEL CODE

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

XXXI. AUDITOR

Deloitte Touche Tohmatsu Certified Public Accountants LLP was the Company's external auditor for the year ended 31 December 2022. A resolution for the re-appointment of Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's external auditor will be proposed at the annual general meeting. There was no change in the auditor of the Company in any of the preceding three years. For details, please refer to Section 7 "Corporate Governance" of this report.

Section 5 Report of the Board

XXXII. TAX AND TAX RELIEF

Shareholders of the Company are taxed in accordance with the following tax regulations and the amendments thereof from time to time. They shall enjoy possible tax relief according to the actual situation. The following cited laws, regulations and normative documents are extracted from relevant provisions issued and effective as of 31 December 2022. Shareholders should seek professional advice from their tax and legal advisors on specific tax payment or impact thereof if necessary.

Holders of A Shares:

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

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

Holders of H Shares:

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

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

Investors of Shanghai-Hong Kong Stock Connect Program:

For tax matters on individual investors in the PRC investing in H shares listed on the Stock Exchange and the investors in Hong Kong investing in A shares listed on the Shanghai Stock Exchange under Shanghai-Hong Kong Stock Connect Program, please refer to Notice on Tax Policy Concerning the Pilot Inter-connected Mechanism for Trading on the Stock Markets of Shanghai and Hong Kong 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(Cai Shui [2014] No.81) and Notice on Continuing Implementation of the Individual Income Tax Policy Concerning the Inter-connected Mechanism for Trading on the Stock Markets of Shanghai and Hong Kong 《關於繼續執行滬港股票市場交易互聯互通機制有關個人所得稅政策的通知》(Cai Shui [2017] No.78) jointly issued by the Ministry of Finance, State Administration of Taxation and CSRC.

Section 6 Report of the Supervisory Committee

To all shareholders:

During the year 2022, all members of the Supervisory Committee of the Company adhered strictly to the requirements of the Company Law of the PRC and the Articles, discharged their supervisory duties in accordance with the relevant regulations and, actively as well as cautiously, proceeded with various initiatives to safeguard the interests of the Company and all its shareholders based on the principle of integrity. The Supervisory Committee played an effective role in ensuring the formalised operation and sustainable development of the Company.

I. MEETINGS AND RESOLUTIONS OF THE SUPERVISORY COMMITTEE

Session of meeting	Date of meeting	Resolution
The 29th meeting of the seventh session of the Supervisory Committee	23 January 2022	Considered and approved the Resolution in Relation to the Amendments to 2022 Ordinary Related Party Transactions with Spotlight Automotive
The 30th meeting of the seventh session of the Supervisory Committee	22 February 2022	Considered and approved the Resolution on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of 2020 Restricted Share and Share Option Incentive Scheme of the Company
The 31st meeting of the seventh session of the Supervisory Committee	29 March 2022	Considered and approved the Resolution on the Audited Financial Accounting Report for 2021, the Resolution on the Work Report of the Supervisory Committee for 2021, the Resolution on the Profit Distribution Plan for 2021, the Resolution on the Annual Report for 2021 and Its Summary, the Resolution on the Re-appointment of the Accounting Firm, the Resolution in Relation to the Bill Pool Business to be Carried Out by the Company for the Year 2022, the Resolution on the 2021 Annual Internal Control Evaluation Report of Great Wall Motor Company Limited, the Resolution on the 2021 Annual Social Responsibility Report of Great Wall Motor Company Limited, the Resolution on the Purchase of Wealth Management Products, the Resolution on Ordinary Related Party Transactions for Sales of Products in 2022 with Spotlight Automobile, and the Resolution on the Deposit and Actual Use of Annually Raised Funds in 2021
The 32nd meeting of the seventh session of the Supervisory Committee	30 March 2022	Considered and approved the Resolution on Cancellation of Certain Share Option under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, and the Resolution on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of 2020 Restricted Share and Share Option Incentive Scheme of the Company

Section 6 Report of the Supervisory Committee

Session of meeting	Date of meeting	Resolution
The 33rd meeting of the seventh session of the Supervisory Committee	14 April 2022	Considered and approved the Resolution on the Achievement of the Unlocking Conditions of the Second Tranche of Restricted Shares under the First Grant and the First Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, and the Resolution on the Fulfilment of the Exercise Conditions of Second Exercise Period of Share Options under the First Grant and First Exercise Period of Share Options under the Reserved Granted of the 2020 Restricted Share and Share Option Incentive Scheme of the Company
The 34th meeting of the seventh session of the Supervisory Committee	22 April 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares and the Cancellation of Certain Share Options under the First Grant of 2020 Restricted Shares or Share Option Incentive Scheme of the Company
The 35th meeting of the seventh session of the Supervisory Committee	29 April 2022	Considered and approved the Proposal on Granting Reserved Restricted Shares in 2021 to Incentive Objects, the Proposal on Granting Reserved Stock Options in 2021 to Incentive Objects, and the Resolutions in Relation to the Grant of 2021 Reserved Restricted Shares to Connected Persons of the Company and the Connected Transaction

Section 6 Report of the Supervisory Committee

Session of meeting	Date of meeting	Resolution
The 36th meeting of the seventh session of the Supervisory Committee	13 May 2022	<p>Considered and approved the Resolution on the Adjustment of the Repurchase Price of Restricted Shares under the First Grant and the Exercise Price of Share Options under the First Grant of 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Adjustment of the Repurchase Price of Restricted Shares under Reserved Grant and the Exercise Price of Share Options under Reserved Grant of 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on Adjustments of the Repurchase Price of Restricted Shares under the First Grant of 2021 Restricted Share Incentive Scheme and the Exercise Price of Share Options under the First Grant of 2021 Share Option Incentive Scheme of the Company, the Resolution on Adjustments to the Grant Price of Restricted Shares under the Reserved Grant of the 2021 Restricted Share Incentive Scheme and the Exercise Price of Share Options under the Reserved Grant of the 2021 Share Option Incentive Scheme of the Company, the Resolutions on Cancelling the Grant of 2021 Reserved Restricted Shares to Connected Persons of the Company and the Connected Transactions, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Chun Lai, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Zhang De Hui, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Meng Xiang Jun, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Cui Kai, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Li Peng, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Chen Biao, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Zhang Li, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Ms. Wang Feng Ying, a Connected Person of the Company and the Connected Transaction, and the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Ms. Yang Zhi Juan, a Connected Person of the Company and the Connected Transaction</p>

Section 6 Report of the Supervisory Committee

Session of meeting	Date of meeting	Resolution
The 37th meeting of the seventh session of the Supervisory Committee	20 May 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company, the Resolution on the Fulfilment of Performance at the Company Level of the Unlocking Conditions of the First Tranche of Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company, and the Resolution on the Fulfilment of Performance at the Company Level of Exercise Conditions of the First Exercise Period of Share Options under the First Grant of the 2021 Share Option Incentive Scheme
The 38th meeting of the seventh session of the Supervisory Committee	24 June 2022	Considered and approved the Resolution on the Cancellation of Certain Share Options under the First Grant of the 2021 Share Option Incentive Scheme of the Company
The 39th meeting of the seventh session of the Supervisory Committee	8 July 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company, the Resolution on the Achievement of the Unlocking Conditions of the First Tranche of Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company, and the Resolution on the Fulfilment of Exercise Conditions of the First Exercise Period of Share Options under the First Grant of the 2021 Share Option Incentive Scheme
The 40th meeting of the seventh session of the Supervisory Committee	15 July 2022	Considered and approved the Plan on Repurchase of A Shares by Way of Centralized Bidding
The 41st meeting of the seventh session of the Supervisory Committee	19 August 2022	Considered and approved the Resolution on Trading of Foreign Exchange Derivatives in 2022
The 42nd meeting of the seventh session of the Supervisory Committee	26 August 2022	Considered and approved the Resolution on the Cash Management Using the Temporarily Idle Proceeds from the Public Issuance of A Share Convertible Corporate Bonds
The 43rd meeting of the seventh session of the Supervisory Committee	30 August 2022	Considered and approved the Resolution on the 2022 Interim Report and Its Summary, the Resolution on Not Proposing the Dividends for 2022 Interim Period at the General Meeting, and the Resolution on the Special Report on the Deposit and Actual Use of Semi-annually Raised Funds in 2022
The 44th meeting of the seventh session of the Supervisory Committee	14 October 2022	Considered and approved the Plan on Repurchase of A Shares by Way of Centralized Bidding

Section 6 Report of the Supervisory Committee

Session of meeting	Date of meeting	Resolution
The 45th meeting of the seventh session of the Supervisory Committee	21 October 2022	Considered and approved the Resolution on the Third Quarterly Report of 2022, and the Resolution on the Joint Establishment of Companies by the Company and Its Connected Persons and the Connected Transactions
The 46th meeting of the seventh session of the Supervisory Committee	17 November 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and under the Reserved Grant of 2020 Restricted Shares or Share Option Incentive Scheme of the Company, and the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and under the Reserved Grant of 2021 Restricted Shares Incentive Scheme of the Company
The 47th meeting of the seventh session of the Supervisory Committee	30 December 2022	Considered and approved the Resolution on the Reconsideration of the Framework Agreement with Spotlight Automotive and the Deliberation of the Third Amended Agreement, the Resolution on Trading of Foreign Exchange Derivatives in 2023, the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Restricted Shares Incentive Scheme, the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Share Option Incentive Scheme, the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Restricted Share Incentive Scheme of Great Wall Motor Company Limited, and the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Share Option Incentive Scheme of Great Wall Motor Company Limited

Section 6 Report of the Supervisory Committee

II. TASKS OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD

During the Reporting Period, the members of the Supervisory Committee not only attended the regular Board meetings of the Company in 2022, but also duly supervised and monitored the financial affairs of the Company, operation decisions made by the management, operation of the Company in accordance with the law and the discharge of duties by the directors and the senior management of the Company. The Supervisory Committee is of the opinion that:

1. The Company and its subsidiaries were not involved in any violation of the Company Law, the Articles, the relevant accounting standards, and the laws and regulations of the PRC during their operation in 2022. Related party transactions of the Company were fair and reasonable, and did not prejudice the interests of other shareholders and the Company, nor were there any significant deficiencies in the design or execution of the Company's internal control system. The Company's internal control system was sound and effectively executed.
2. The directors and senior management of the Company have discharged their duties with commitment, due observance of the law, well-regulated management, innovation, and high regard for all shareholders' interest during 2022 and there was no violation of the Company Law, the Articles, the relevant accounting standards, and the laws and regulations of the PRC.
3. The accounting firm issued a standard and unqualified auditor's report. The Company's financial statements reflected a true view of the financial positions of the Group and the Company as at 31 December 2022, and the results of the Group for the year then ended.
4. The Company disclosed information strictly in accordance with relevant provisions of the regulatory authorities and its information disclosure system. The information disclosed by the Company was true, accurate and complete. There was no information which should be disclosed but was not disclosed by the Company.

By Order of the Supervisory Committee

Lu Cai Juan

Supervisor

Hebei Province, the PRC, 30 March 2023

Section 7 Corporate Governance

I. DESCRIPTION OF CORPORATE GOVERNANCE

Applicable Not applicable

The Company has strictly complied with the Securities Law, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and the requirements of the relevant laws and regulations of the CSRC, as well as the Hong Kong Listing Rules and the requirements of the relevant laws and regulations in Hong Kong to establish and perfect its corporate governance structure, regulate its operations, strengthen its information disclosure system, and improve its investor relations management on an on-going basis.

Since the listing of its H Shares in Hong Kong in 2003, the Company has formulated relevant corporate governance rules, including the Rules of General Meetings (《股東大會議事規則》), the Rules of the Meetings of the Board (《董事會議事規則》), the Rules of the Meetings of the Supervisory Committee (《監事會議事規則》), the Terms of Reference for General Manager (《總經理工作細則》), the Implementation Rules for the Audit Committee under the Board (《董事會審計委員會實施細則》), the Working Procedures for the Nomination Committee under the Board (《董事會提名委員會工作制度》), the Working Procedures for the Remuneration Committee under the Board (《董事會薪酬委員會工作制度》) and the Management Policies of Strategy and Sustainable Development Committee of Great Wall Motor Company Limited (《長城汽車股份有限公司戰略及可持續發展委員會管理制度》).

Since the listing of its A Shares in the PRC in 2011, the Company has amended and refined some of its rules, and formulated the Accountability Rules for Material Errors on Information Disclosure in Annual Report (《年報信息披露重大差錯責任追究制度》), the Working Procedures of Independent Directors on Annual Report (《獨立董事年報工作制度》), the Administrative Rules on the Shares of the Company Held by its Directors, Supervisors and Senior Management and the Changes thereof (《董事、監事和高級管理人員持有本公司股份及其變動管理制度》), the Administrative Rules on Information Disclosure (《信息披露管理制度》), the Administrative Rules on the Release of Information to External Parties and the Use of Such Information (《對外信息報送和使用管理制度》), the Administrative Rules on Fund Raising (《籌資管理制度》) and the Administrative Rules on Donation to External Parties (《對外捐贈管理制度》) in accordance with the relevant requirements in the PRC. These rules and procedures help improve the regulatory system of the Company and ensure that the existing corporate governance of the Company can meet the relevant requirements in both Hong Kong and the PRC.

The Board of the Company considered and passed the Rules on Registration and Filing of Details of Insiders (《內幕信息知情人登記備案制度》) on 22 November 2011 and coordinated with the Administrative Rules on the Release of Information to External Parties and the Use of Such Information (《對外信息報送和使用管理制度》) and strictly implemented thereof so as to effectively prevent the leak of confidential information of the Company.

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

Applicable Not applicable

Section 7 Corporate Governance

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

Applicable Not applicable

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

Applicable Not applicable

III. SUMMARY OF THE GENERAL MEETINGS

Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
The first extraordinary general meeting in 2022	18 March 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	18 March 2022	Considered and approved the Resolution on the Revision of Contemplated Ordinary Related Party Transactions with Spotlight Automotive for the Year of 2022, the Resolution on the Deposit in Tianjin Great Wall Binyin Automotive Finance Company Limited and Other Ordinary Related Party Transactions, the Resolution on the Amendments to the Rules of Procedure of the Board of Directors of Great Wall Motor Company Limited, the Resolution on the Estimated Ordinary Related Party Transactions for 2022-2024, the Resolution on the Product Purchase Connected Transactions and the Proposed Annual Caps for 2022-2024, the Resolution on the Amendments to the Articles of Association, the Resolution on the Election of Mr. Zhao Guo Qing as the Executive Director of the Seventh Session of the Board and the Resolution on the Election of Ms. Li Hong Shuan as the Executive Director of the Seventh Session of the Board
2021 annual general meeting	25 April 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	25 April 2022	Considered and approved the Resolution on the Audited Financial Accounting Report for 2021, the Resolution on the Work Report of Board of Directors for 2021, the Resolution on the Profit Distribution Plan for 2021, the Resolution on the Annual Report for 2021 and Its Summary, the Resolution on the Work Report of Independent Directors for 2021, the Resolution on the Work Report of the Supervisory Committee for 2021, the Resolution on the Corporate Operation Strategy for 2022, the Resolution on the Guarantee Plan of the Company for 2022, the Resolution on Granting the General Mandate to the Board of Directors to Issue A Shares and H Shares and the Resolution on Granting the General Mandate to the Board of Directors to Repurchase A Shares and H Shares

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Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
The first H Shareholders' class meeting in 2022	25 April 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	25 April 2022	Considered and approved the Resolution on Granting the General Mandate to the Board of Directors to Repurchase A Shares and H Shares
The first A Shareholders' class meeting in 2022	25 April 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	25 April 2022	Considered and approved the Resolution on Granting the General Mandate to the Board of Directors to Repurchase A Shares and H Shares
The second extraordinary general meeting in 2022	17 June 2022	Shanghai Stock Exchange www.sse.com.cn Hong Kong Stock Exchange www.hkexnews.hk	17 June 2022	Considered and approved the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Chun Lai, a Connected Person of Great Wall Motor Company Limited and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zhang De Hui, a Connected Person of Great Wall Motor Company Limited and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Meng Xiang Jun, a Connected Person of Great Wall Motor Company Limited and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Cui Kai, a Connected Person of Great Wall Motor Company Limited and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Li Peng, a Connected Person of Great Wall Motor Company Limited and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Chen Biao, a Connected Person of Great Wall Motor Company Limited and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zhang Li, a Connected Person of Great Wall Motor Company Limited and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Ms. Wang Feng Ying, a Connected Person of Great Wall Motor Company Limited and the Connected Transaction and the Resolution on the Grant of 2021 Reserved Restricted Shares to Ms. Yang Zhi Juan, a Connected Person of Great Wall Motor Company Limited and the Connected Transaction

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Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
The third extraordinary general meeting in 2022	17 November 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	17 November 2022	Considered and approved the Resolution on the Refreshment of General Mandate to Repurchase H Shares of the Company
The second H Shareholders' class meeting in 2022	17 November 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	17 November 2022	Considered and approved the Resolution on the Refreshment of General Mandate to Repurchase H Shares of the Company
The second A Shareholders' class meeting in 2022	17 November 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	17 November 2022	Considered and approved the Resolution on the Refreshment of General Mandate to Repurchase H Shares of the Company

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

Applicable Not applicable

Description of general meeting

Applicable Not applicable

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IV. DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT

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

√ Applicable □ Not applicable

Unit: Share(s)

Name	Position (Note)	Gender	Age	Term commencement date	Term expiration date	No. of shares held at the beginning of the Year	No. of shares held at the end of the Year	(+/-) in shareholdings during the Year	Reason for changes	Total remuneration before tax from the Company during the Reporting Period (RMB0'000)	Whether receiving remuneration from related parties of the Company
Wei Jian Jun	Chairman and Executive Director	Male	59	12 June 2020	11 June 2023	0	0	0	-	575.49	No
Zhao Guo Qing ^(Note 1)	Vice Chairman and Deputy General Manager	Male	45	18 March 2022	11 June 2023	1,035,000	1,035,000	0	-	302.49	No
Li Hong Shuan ^(Note 2)	Executive Director, Chief Financial Controller, Secretary to the Board and Joint Company Secretary	Female	39	18 March 2022	11 June 2023	180,000	172,123	-7,877	Share incentive cancellation	120.81	No
Yang Zhi Juan (resigned)	Executive Director	Female	56	12 June 2020	18 March 2022	0	40,000	40,000	Share incentive implementation	11.27	No
He Ping	Non-executive Director	Male	46	12 June 2020	11 June 2023	0	0	0	-	6.00	No
Yue Ying	Independent Non-executive Director	Female	51	12 June 2020	11 June 2023	0	0	0	-	6.00	No
Li Wan Jun	Independent Non-executive Director	Male	59	12 June 2020	11 June 2023	0	0	0	-	6.00	No
Ng Chi Kit	Independent Non-executive Director	Male	49	12 June 2020	11 June 2023	0	0	0	-	13.54	No
Lu Cai Juan	Chairman of Supervisory Committee	Female	55	12 May 2021	11 June 2023	0	0	0	-	38.82	No
Liu Qian	Supervisor	Female	41	12 June 2020	11 June 2023	0	0	0	-	2.02	No
Ma Yu Bo	Supervisor	Male	38	29 October 2021	11 June 2023	0	0	0	-	2.02	No
Wang Feng Ying	Vice Chairman, Executive Director and General Manager (resigned)	Female	52	12 June 2020	24 July 2022	0	2,475,000	2,475,000	Share incentive implementation	192.41	No
Mu Feng	General Manager	Male	47	24 July 2022	11 June 2023	0	900,900	900,900	Share incentive implementation	403.62	No
Xu Hui	Secretary to the Board (resigned)	Male	44	12 June 2020	23 September 2022	322,500	322,500	0	-	52.79	No
Total	/	/	/	/	/	1,537,500	4,945,523	3,408,023	/	1,733.27	/

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Notes:

1. Mr. Zhao Guo Qing was appointed as the Executive Director and Vice Chairman of the Company on 18 March 2022.
2. Ms. Li Hong Shuan was appointed as the Chief Financial Controller of the Company on 29 June 2020 and was appointed as the Secretary to the Board of the Company on 23 September 2022.
3. Ms. Wang Feng Ying resigned as Executive Director of the Company with effect on 18 March 2022, and simultaneously resigned as Vice Chairman, and she resigned as General Manager of the Company on 24 July 2022.
4. At the beginning of the Reporting Period, Mr. Xu Hui held 322,500 A Shares of the Company, of which 86,000 shares have not been unlocked. Since Mr. Xu resigned as the secretary to the Board of the Company with effect on 23 September 2022, the Company cancelled 86,000 A Shares yet to be unlocked held by him on 3 February 2023 in accordance with the management regulations on equity incentive.

Name	Major working experience
Wei Jian Jun	<p>Mr. Wei Jian Jun (魏建軍先生) ("Mr. Wei"), aged 59, is the chairman and executive director of the Company. He graduated from the Committee College of Hebei Province of the PRC Communist Party (中共河北省委黨校) in 1999 majoring in corporate management studies. Mr. Wei joined Baoding Great Wall Motor Industry Company (保定長城汽車工業公司) (the predecessor of the Company) as the general manager in 1990. He has been the chairman of the Company since June 2001. He is responsible for the overall strategic planning and business development of the Group. Mr. Wei was appointed as a representative to the Ninth and Tenth National People's Congress of Hebei Province, as well as a representative to the Eighteenth National Congress of the Communist Party of China. Mr. Wei is concurrently the chairman and general manager of the Company's substantial shareholder, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司).</p>
Zhao Guo Qing	<p>Mr. Zhao Guo Qing (趙國慶先生) ("Mr. Zhao"), aged 45, is the vice chairman, an executive director, and a deputy general manager of the Company. He joined the Company in 2000 and acted as the director of the lean promotion department, the deputy director of the technology research institute, the director of the supporting facilities management department and the deputy supervisor of the technology centre. He is currently responsible for Mind Electronics Company Limited. He has been acting as the deputy general manager of the Company since June 2010, and as the vice chairman and executive director of the Company since 18 March 2022.</p>
Li Hong Shuan	<p>Ms. Li Hong Shuan (李紅栓女士) ("Ms. Li"), aged 39, is an executive director, the chief financial officer and the secretary to the Board of the Company. She is qualified as a PRC registered accountant. She joined the Company in 2007 and engaged in financial management for 13 years. Ms. Li has worked as an assistant to the division head of the finance division of the Company and the chief financial controller of Baoding Great Wall Holdings Co., Ltd. She has presided over the establishment and reform of financial organization as well as the establishment and implementation of financial system and risk control system in the holding group. Ms. Li has been acting as the chief financial officer of the Company since June 2020, as an executive director of the Company since 18 March 2022 and as the secretary to the Board and the joint company secretary of the Company since 23 September 2022.</p>
Yang Zhi Juan	<p>Ms. Yang Zhi Juan (楊志娟女士) ("Ms. Yang"), aged 56, is an executive director of the Company. She graduated from Hebei University (河北大學) with a major in law in 1987. Ms. Yang joined the Company in 1999, and served as the general office supervisor of Baoding Great Wall Huabei Automotive Company Limited (保定長城華北汽車有限責任公司) and the head of the investment management department of the Company. She has served as an executive director of the Company from August 2001 to March 2022. Ms. Yang resigned as the executive director of the Company due to work requirements, with effect on 18 March 2022.</p>

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Name	Major working experience
He Ping	<p>Mr. He Ping (何平先生) (“Mr. He”), aged 46, is a non-executive director of the Company. He graduated from Fudan University (復旦大學) with a major in international economic law in 1997 and obtained a bachelor’s degree in law. Since June 1997, Mr. He had worked in the investment banking headquarters of China Southern Securities Company Limited (南方證券有限責任公司). From March 2002 to December 2005, Mr. He successively acted as the deputy general manager and general manager of the investment banking headquarters of GuoDu Securities Company Limited (國都證券有限責任公司). Mr. He was appointed as the director of the investment department of Beijing Hony Future Investment Advisor Ltd. (北京弘毅遠方投資顧問有限公司) in December 2010. From October 2012 to April 2014, Mr. He was redesignated as the general manager of the risk control and compliance department. Mr. He was appointed as an executive director and the general manager of Wuhu Zhuohui Chuangshi Investment Management Company Limited (蕪湖卓輝創世投資管理有限公司) since October 2014. Mr. He has been acting as a director of Changchun Changsheng Bio-Technology Co., Ltd. (長春長生生物科技有限責任公司) since October 2015, and has been acting as a non-executive director of the Company since May 2002.</p>
Yue Ying	<p>Ms. Yue Ying (樂英女士) (“Ms. Yue”), aged 51, is an independent non-executive Director of the Company. She is an associate professor. Ms. Yue graduated from North China Electric Power University with a major in mechanical manufacturing technology and equipment in 1993 and obtained a master’s degree in engineering from the university in 1996, and serves as its teaching staff. Ms. Yue obtained a doctoral degree in thermal engineering from the university in 2011. She is currently an associate professor of the university’s department of mechanical engineering. Ms. Yue has been acting as an independent non-executive director of the Company since June 2020.</p>
Li Wan Jun	<p>Mr. Li Wan Jun (李萬軍) (“Mr. Li”), aged 59, is an independent non-executive director of the Company. He is a member of the Communist Party. He obtained a master’s degree in management and is a senior accountant, certified public accountant and registered tax advisor. Mr. Li has acted as an independent director of Shijiazhuang Changshan Beiming Technology Co., Ltd. (石家莊常山北明科技股份有限公司) since October 2018. Currently, he works as a partner of Asia Pacific (Group) CPAs (special general partnership) (亞太(集團)會計師事務所(特殊普通合夥)), as the legal representative, manager and an executive director of Hebei Liqin Tax Accountant Office Co., Ltd. (河北力勤稅務師事務所有限公司). Mr. Li has been acting as an independent non-executive director of the Company since May 2017.</p>
Ng Chi Kit	<p>Mr. Ng Chi Kit (吳智傑) (“Mr. Ng”), aged 49, is an independent non-executive director of the Company. Mr. Ng graduated from the Hong Kong Polytechnic University in Hong Kong with a Bachelor of Arts in Accountancy in November 1997. Mr. Ng has been an associate member of Hong Kong Institute of Certified Public Accountants since January 2003 and a fellow member of the Association of Chartered Certified Accountants since June 2006. From March 2000 to December 2009, Mr. Ng worked in the Assurance and Advisory Business Services Department of Ernst & Young and was a senior manager of Ernst & Young from October 2006 to November 2009. From December 2010 to February 2017, Mr. Ng acted as a non-executive director and a member of the audit committee of Chaowei Power Holdings Limited, and was redesignated as an independent non-executive director on 10 February 2017. He is responsible for oversight of financial management and reporting. From December 2013 to July 2022, Mr. Ng acted as the chief financial officer and the company secretary of Suchuang Gas Corporation Limited. Since February 2019, he has been acting as an independent director of Frontier Biotechnologies (Nanjing) Inc. (前沿生物藥業(南京)股份有限公司). Since June 2020, he has been acting as an independent non-executive Director of Immunotech Biopharm Ltd (永泰生物製藥有限公司). Mr. Ng has been acting as an independent non-executive director of the Company since May 2017.</p>
Lu Cai Juan	<p>Ms. Lu Cai Juan (盧彩娟女士) (“Ms. Lu”), aged 55, a certified public accountant in the PRC, joined the Company in 2003 and has been engaged in financial management for 18 years. Ms. Lu used to serve as the director of the financial department of the Company, leading the financial management, fiscal and tax risk prevention and control tasks of the Company, and now serves as an expert in the Company’s financial analysis and management. Since 12 May 2021, she has served as the Company’s employee representative supervisor and Chairman of the Supervisory Committee.</p>

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Name	Major working experience
Liu Qian	Ms. Liu Qian (劉倩女士) (“Ms. Liu”) , aged 41, is an associate professor, and a supervisor of the Company. She graduated from Hebei University with a bachelor’s degree in statistics in 2003 and a master’s degree in statistics in 2006. Since July 2003, she has been teaching in the Statistics Department of the College of Economics of Hebei University. Ms. Liu has been acting as a supervisor of the Company since May 2019.
Ma Yu Bo	Mr. Ma Yu Bo (馬宇博先生) (“Mr. Ma”) , aged 38, has a PhD degree in economics. Mr. Ma received his bachelor’s degree from College of Economics and Management, Taiyuan University of Technology (太原理工大學經濟管理學院) in 2009, his master’s degree in Economics from the Business School of the University of Queensland (澳大利亞昆士蘭大學商學院) in 2012, and his doctoral degree in economics from the School of Economics, Hebei University (河北大學經濟學院) in 2020. He has been teaching in Hebei Finance University (河北金融學院) since July 2013. Mr. Ma has served as a supervisor of the Company since 29 October 2021.
Wang Feng Ying	Ms. Wang Feng Ying (王鳳英女士) (“Ms. Wang”) , aged 52, graduated from Tianjin Institute of Finance (天津財經學院) in 1999 and obtained a master’s degree in economics. Ms. Wang joined the Company in 1991. She is responsible for marketing management of the Company. Ms. Wang served as the vice chairman and executive director of the Company in June 2001, and as the general manager of the Company and the general manager of Baoding Great Wall Automobile Sales Company Limited (保定長城汽車銷售有限公司) in November 2002. In addition, Ms. Wang was a representative to the Eleventh, Twelfth and Thirteenth National People’s Congress. Ms. Wang resigned as the vice chairman and executive director of the Company with effect on 18 March 2022 due to work requirements; resigned as the general manager of the Company with effect on 24 July 2022 due to work adjustments.
Mu Feng	Mr. Mu Feng (穆峰先生) (“Mr. Mu”) , aged 47, is currently mainly responsible for the overall management of the Company. He joined the Company in 2007 and served as the head of research and development, the head of product strategy and the head of whole vehicle business of the Company. Besides, Mr. Mu is currently responsible for the management of the technology research and development branch of the Company, and is the executive director and legal representative of Shanghai Great Wall Motor Technology Co., Ltd., the executive director, manager and legal representative of Hebei Xiong’an Great Wall Motor Technology Co., Ltd., and the executive director and legal representative of Zhangjiagang Great Wall Motor Research and Development Co., Ltd., all of which are wholly-owned subsidiaries of the Company. Mr. Mu has been serving as the general manager of the Company since 24 July 2022.
Xu Hui	Mr. Xu Hui (徐輝先生) (“Mr. Xu”) , aged 44, is the secretary to the Board of the Company. Mr. Xu joined the Company in 2001 and is responsible for works related to information disclosure, investor relations management, corporate finance, equity investment and management authorization. He acted as the head of the securities and legal affairs department of the Company from July 2008 to September 2022 and as the secretary to the Board of the Company from June 2010 to September 2022. Mr. Xu resigned as the secretary to the Board and the company secretary of the Company on 23 September 2022 due to personal reasons, with effect on 23 September 2022.

Additional Information

√ Applicable Not applicable

Directors’ and Supervisors’ Service Agreements and Letters of Appointment

The Company entered into service agreements with each of the executive directors and supervisors in June 2020 and 18 March 2022, and entered into appointment letters with each of the non-executive directors and independent non-executive directors in June 2020. Pursuant to the above service agreements and appointment letters, the term of directors is three years expiring upon the expiry of the seventh session of the Board, and that of supervisors will expire upon the expiry of the seventh session of the Supervisory Committee. Save as disclosed above, none of the directors or supervisors had entered into or proposed to enter into any other service contracts with the Company or its subsidiaries or any service contracts not determinable by the employer within one year without payment of compensation (other than statutory compensation).

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Independence of Independent Non-Executive Directors

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

Interests of Controlling Shareholders, Directors and Supervisors in Material Contracts

None of the controlling shareholders or their subsidiaries, directors or supervisors or entities connected with such directors or supervisors was or had been materially interested, whether directly or indirectly, in any contract subsisting during 2022 or at the end of 2022 which was significant to the business of the Company or any of its subsidiaries.

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

1. Positions held in the Company's shareholders

√ Applicable Not applicable

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

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2. Positions held in other entities

√ Applicable □ Not applicable

Name	Name of other entities	Positions held in other entities	Term commencement date	Term expiration date
Wei Jian Jun	Baoding Great Wall Pioneer Enterprise Investment Company Limited (保定市長城創業投資有限公司)	Chairman and general manager	14 April 2004	
Wei Jian Jun	Hebei Baocang Expressway Co. Ltd. (河北保滄高速公路有限公司)	Vice Chairman	22 December 2004	
Wei Jian Jun	Wensheng Technology (Tianjin) Co., Ltd. (穩晟科技(天津)有限公司)	Manager, executive director	9 April 2021	
Wei Jian Jun	Wangsheng Management Consulting (Tianjin) Co., Ltd. (旺盛管理諮詢(天津)有限公司)	Manager, executive director	6 April 2021	
Wei Jian Jun	Honeycomb Energy Technology Company Limited (蜂巢能源科技股份有限公司)	Director	26 November 2021	
Wei Jian Jun	Wuxi Jidian Optical Energy Technology Co., Ltd. (無錫極電光能科技有限公司)	Director	10 December 2021	
Wei Jian Jun	Haomo Zhixing Technology Co., Ltd. (毫末智行科技有限公司)	Director	26 February 2021	
He Ping	Wuhu Zhuo Hui Chuang Shi Investment Management Ltd. (蕪湖卓輝創世投資管理有限公司)	Executive director, general manager	22 October 2014	
He Ping	Changchun Changsheng Bio-Technology Co., Ltd. (長春長生生物科技有限責任公司)	Director	22 October 2015	
He Ping	Beijing Zhuochuang Xinda Investment Management Co., Ltd. (北京卓創信達投資管理有限公司)	Manager, executive director	15 August 2016	
He Ping	Wuhu Zhuohui Zengrui Investment Management Center (Limited Partnership) (蕪湖卓輝增瑞投資管理中心(有限合夥))	Executive partner	27 October 2016	
He Ping	Ningbo Zhuohui Rongrui Equity Investment Partnership (Limited Partnership) (寧波卓輝榮瑞股權投資合夥企業(有限合夥))	Executive partner	23 December 2016	
He Ping	Ningbo Zhuohui Guanrui Equity Investment Partnership (Limited Partnership) (寧波卓輝冠瑞股權投資合夥企業(有限合夥))	Executive partner	21 June 2017	
He Ping	Wuhu Zhuohui Shengjing Investment Management Center (Limited Partnership) (蕪湖卓輝盛景投資管理中心(有限合夥))	Executive partner	10 October 2014	
He Ping	Qushui Zhuorui Venture Capital Partnership (Limited Partnership) (曲水卓瑞創業投資合夥企業(有限合夥))	Executive partner	19 September 2014	
Li Wan Jun	Asia Pacific (Group) CPAs (special general partnership) (亞太(集團)會計師事務所(特殊普通合夥))	Partner	30 May 2016	
Li Wan Jun	Hebei Liqin Tax Accountant Office Co., Ltd. (河北力勤稅務師事務所有限公司)	Manager, executive director	8 August 2018	

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Name	Name of other entities	Positions held in other entities	Term commencement date	Term expiration date
Ng Chi Kit	Suchuang Gas Corporation Limited (蘇創燃氣股份有限公司)	Chief financial officer/ company secretary	December 2013	July 2022
Ng Chi Kit	Chaowei Power Holdings Limited (超威動力控股有限公司)	Independent non- executive director	February 2017	
Ng Chi Kit	Frontier Biotechnologies (Nanjing) Inc. (前沿生物藥業(南京)股份有限公司)	Independent director	26 February 2019	25 February 2022
Ng Chi Kit	Immunotech Biopharm Ltd (永泰生物製藥有限公司)	Independent non- executive director	6 June 2020	
Wang Feng Ying	Shanghai Langsha Intelligent Technology Co., Ltd. (上海浪鯊智能科技有限公司)	Executive director	25 August 2021	
Wang Feng Ying	Shanghai Jingpai Automobile Technology Co., Ltd. (上海鯨湃汽車科技有限公司)	Executive director	27 August 2021	
Wang Feng Ying	Beijing Xiaoliequan Internet Technology Co., Ltd. (北京小獵犬互聯網科技有限公司)	Chairman, General Manager	8 January 2021	
Li Hong Shuan	Honeycomb Investment Management (Shandong) Co., Ltd. (蜂巢投資管理(山東)有限公司)	Director	19 August 2021	
Li Hong Shuan	Shanghai Fengyun Private Equity Fund Management Co., Ltd. (上海蜂雲私募基金管理有限公司)	Director	22 July 2021	
Zhao Guo Qing	Spotlight Automotive Ltd. (光束汽車有 限公司)	Chairman	2 December 2019	
Xu Hui	Tianjin Great Wall Prosperity Investment Co., Ltd. (天津長城旺盛投資有限公司)	Executive director	24 February 2021	31 October 2022
Xu Hui	Tianjin Great Wall Binyin Automotive Finance Company Limited (天津長城 濱銀汽車金融有限公司)	Chairman	7 January 2022	
Xu Hui	Great Wall Commercial Factoring (Tianjin) Co., Ltd. (長城商業保理(天 津)有限公司)	Executive director	24 August 2021	
Xu Hui	Tianjin Yihe Information Technology Co., Ltd. (天津易和信息科技有限公 司)	Chairman	14 July 2022	
Xu Hui	Xinbao Enterprise Management Service Co., Ltd. (鑫寶企業管理服務有限公 司)	Executive director	26 July 2021	8 October 2022
Xu Hui	Spotlight Automotive Ltd.	Supervisor	2 December 2019	10 November 2022
Description of positions in other entities	-			

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(III) Remuneration of directors, supervisors and senior management

Applicable Not applicable

Decision-making process for determining remuneration of directors, supervisors and senior management	The Board has set up the Remuneration Committee, which conducts evaluation of directors and senior management according to the performance appraisal standards and procedures, and makes reasonable recommendations on remuneration of directors and senior management based on their evaluation results and the Company's operating results.
Basis for determining remuneration of directors, supervisors and senior management	According to the Company's remuneration policy, the annual remuneration of directors, supervisors and senior management is paid by the Company on a monthly basis. Year-end bonuses are given to executive directors and senior management based on the Company's operating results and appraisal results at the end of the year.
Remuneration actually paid to directors, supervisors and senior management	For the actual amount paid to directors, supervisors and senior management according to the above-mentioned principles, please refer to the table under (I) "The change in shareholdings and remuneration of existing and resigned/retired directors, supervisors and senior management during the Reporting Period" of item IV "DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT" in this section.
Total remuneration actually received by all the directors, supervisors and senior management at the end of the Reporting Period	As at the end of the Reporting Period, the total amount of remuneration actually received by all the directors, supervisors and senior management from the Company was RMB17,332,700.

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

Applicable Not applicable

Name	Position held	Change	Reason of change
Wang Feng Ying	Executive Director, Vice Chairman	Resigned	Work requirements
Zhao Guo Qing	Executive Director, Vice Chairman	Elected	Work requirements
Li Hong Shuan	Executive Director	Elected	Work requirements
Yang Zhi Juan	Executive Director	Resigned	Work requirements
Wang Feng Ying	General Manager	Resigned	Work adjustments
Mu Feng	General Manager	Appointment	Work requirements
Xu Hui	Secretary to the Board	Resigned	Personal reason
Li Hong Shuan	Secretary to the Board	Appointment	Work requirements

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

Applicable Not applicable

(VI) Others

Applicable Not applicable

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

Session of meeting	Date of meeting	Resolution of the meeting
The 31st meeting of the seventh session of the Board	23 January 2022	Considered and approved the Resolution on the Preliminary Results of 2021, the Resolution on the Amendments to the 2022 Ordinary Related Party Transactions with Spotlight Automotive and the Resolution on the Election of Directors to be resolved at the 32nd meeting of the seventh session of the Board (including the Resolution on the Election of Mr. Zhao Guo Qing as an Executive Director of the Seventh Session of the Board and the Resolution on the Election of Ms. Li Hong Shuan as an Executive Director of the Seventh Session of the Board)
The 32nd meeting of the seventh session of the Board	22 February 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of 2020 Restricted Share and Share Option Incentive Scheme and the Resolution on the Amendments to the Articles of Association of the Company
The 33rd meeting of the seventh session of the Board	18 March 2022	Considered and approved the Resolution on the Election of Vice Chairman of the Seventh Session of the Board of the Company, the Resolution on the Election of Members of the Strategy and Sustainable Development Committee of the Company, the Resolution on the Change of the Approval and Authorisation for Directors Dealing in Shares of the Company and the Resolution on the Change of the Exchange Authorised Representative under Rule 3.05 of the Hong Kong Listing Rules

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Session of meeting	Date of meeting	Resolution of the meeting
The 34th meeting of the seventh session of the Board	29 March 2022	<p>Considered and approved the Resolution on the Audited Financial Accounting Report for 2021, the Resolution on the Work Report of Board of Directors for 2021, the Resolution on the Work Report of General Manager for 2021, the Resolution on the Profit Distribution Plan for 2021, the Resolution on the Annual Report for 2021 and Its Summary, the Resolution on the Annual Results Announcement for 2021, the Resolution on the Work Report of Independent Directors for 2021, the Resolution on the Corporate Operation Strategy for 2022, the Resolution on the Re-appointment of the Accounting Firm, the Resolution on the Work Report of the Audit Committee of the Board for 2021, the Resolution on the 2021 Annual Internal Control Evaluation Report of Great Wall Motor Company Limited, the Resolution on the 2021 Annual Risk Management Report of Great Wall Motor Company Limited, the Resolution on the Audit Report on Internal Control, the Resolution on the 2021 Annual Social Responsibility Report of Great Wall Motor Company Limited, the Resolution on the Implementation of A Share Related Party Transactions and H Share Connected Transactions in 2021, the Resolution on the Company's Authorisation to Conduct Banking Business, the Resolution on the Purchase of Wealth Management Products, the Resolution in Relation to the Plan of Guarantees to be Provided by the Company for the Year 2022, the Resolution in Relation to the Bill Pool Business to be Carried Out by the Company for the Year 2022, the Resolution in Relation to the Ordinary Connected Transactions Related to the Sales of Products in 2022 with Spotlight Automotive, the Resolution on the Deposit and Actual Use of Annually Raised Funds in 2021, the Resolution in Relation to General Mandate to the Board to Issue A Shares and H Shares, the Resolution in Relation to General Mandate to the Board to Repurchase A Shares and H Shares, and the Resolution on Convening the Annual General Meeting in 2021, the First H Share Class Shareholders' Meeting in 2022 and the First A Share Class Shareholders' Meeting in 2022.</p>

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Session of meeting	Date of meeting	Resolution of the meeting
The 35th meeting of the seventh session of the Board	30 March 2022	Considered and approved the Resolution on Cancellation of Certain Share Option under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, and the Resolution on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of 2020 Restricted Share and Share Option Incentive Scheme of the Company
The 36th meeting of the seventh session of the Board	14 April 2022	Considered the Resolution on the Achievement of the Unlocking Conditions of the Second Tranche of Restricted Shares under the First Grant and the First Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company
The 37th meeting of the seventh session of the Board	22 April 2022	Considered and approved the Resolution on the First Quarterly Report of 2022
The 38th meeting of the seventh session of the Board	29 April 2022	Considered and approved the Resolution on the Grant of 2021 Reserved Restricted Shares to Participants, the Resolution on the Grant of 2021 Reserved Share Options to Participants, the Resolution on the Grant of 2021 Reserved Restricted Shares to Connected Parties and Connected Transactions, and the Resolution on Convening the Second Extraordinary General Meeting of 2022 by the Company

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Session of meeting	Date of meeting	Resolution of the meeting
The 39th meeting of the seventh session of the Board	13 May 2022	<p>Considered and approved the Resolution on the Adjustments to the Repurchase Price of Restricted Shares under the First Grant and the Exercise Price of the Share Options under the First Grant under the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Adjustments to the Repurchase Price of Restricted Shares under the Reserved Grant and the Exercise Price of the Share Options under the Reserved Grant under the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Adjustments to the Repurchase Price of Restricted Shares under the First Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the First Grant under the 2021 Share Option Incentive Scheme of the Company, the Resolution on the Adjustments to the Grant Price of Restricted Shares under the Reserved Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the Reserved Grant under the 2021 Share Option Incentive Scheme of the Company, the Resolution on the Cancellation of the Grant of 2021 Reserved Restricted Shares to Connected Persons of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Chun Lai, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zhang De Hui, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Meng Xiang Jun, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Cui Kai, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant</p>

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Session of meeting	Date of meeting	Resolution of the meeting
The 40th meeting of the seventh session of the Board	20 May 2022	of 2021 Reserved Restricted Shares to Mr. Zheng Li Peng, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Chen Biao, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zhang Li, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Ms. Wang Feng Ying, a Connected Person of the Company and the Connected Transaction and the Resolution on the Grant of 2021 Reserved Restricted Shares to Ms. Yang Zhi Juan, a Connected Person of the Company and the Connected Transaction
The 41st meeting of the seventh session of the Board	24 June 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company, the Resolution on the Achievement of Performance at the Company Level of the First Unlocking Period Conditions of Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company and the Resolution on the Achievement of Performance at the Company Level on Fulfilment of Exercise Conditions of the First Exercise Period of Share Options under the First Grant of the 2021 Share Option Incentive Scheme
The 42nd meeting of the seventh session of the Board	8 July 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company, the Resolution on the Fulfilment of the First Unlocking Period Conditions of Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company and the Resolution on the Fulfilment of Exercise Conditions of the First Exercise Period of Share Options under the First Grant of the 2021 Share Option Incentive Scheme

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Session of meeting	Date of meeting	Resolution of the meeting
The 43rd meeting of the seventh session of the Board	14 July 2022	Considered and approved the Resolution on the Estimated Increase in Results for the Interim Period of 2022
The 44th meeting of the seventh session of the Board	15 July 2022	Considered and approved the Resolution on the Plan for Repurchase of A Shares through Centralized Price Bidding
The 45th meeting of the seventh session of the Board	24 July 2022	Considered and approved the Resolution on the Resignation of General Manager of the Company and the Resolution on the Appointment of General Manager of the Company
The 46th meeting of the seventh session of the Board	19 August 2022	Considered and approved the Resolution on Trading of Foreign Exchange Derivatives in 2022
The 47th meeting of the seventh session of the Board	26 August 2022	Considered and approved the Resolution on the Cash Management Using the Temporarily Idle Proceeds from the Public Issuance of A Share Convertible Corporate Bonds
The 48th meeting of the seventh session of the Board	30 August 2022	Considered and approved the Resolution on the Company's 2022 Interim Results, the Resolution on the 2022 Interim Report and Its Summary, the Resolution on Not Proposing the Dividends for 2022 Interim Period at the General Meeting and the Resolution on the Special Report on the Deposit and Actual Use of Semi-annually Raised Funds in 2022
The 49th meeting of the seventh session of the Board	7 September 2022	Considered and approved the Resolution on Refraining from Downward Adjustments to the Conversion Price of "Great Wall Motor Convertible Bonds"
The 50th meeting of the seventh session of the Board	23 September 2022	Considered and approved the Resolution on the Resignation of the Company Secretary and the Secretary to the Board of the Company, the Resolution on the Appointment of the Joint Company Secretaries of the Company and the Resolution on the Appointment of the Secretary to the Board of the Company
The 51st meeting of the seventh session of the Board	14 October 2022	Considered and approved the Plan for Repurchase of A Shares through Centralized Price Bidding

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Session of meeting	Date of meeting	Resolution of the meeting
The 52nd meeting of the seventh session of the Board	21 October 2022	Considered and approved the Resolution on the Third Quarterly Report of 2022, the Resolution on the Joint Establishment of Companies by the Company and Its Connected Persons and the Connected Transactions and the Resolution on the Changes in the Signatories of the Guarantee Business Contracts and Documents
The 53rd meeting of the seventh session of the Board	28 October 2022	Considered and approved the Resolution on the Refreshment of General Mandate to Repurchase H Shares of the Company and the Resolution on Convening the Third Extraordinary General Meeting in 2022, the Second H Share Class Shareholders' Meeting in 2022 and the Second A Share Class Shareholders' Meeting in 2022
The 54th meeting of the seventh session of the Board	17 November 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and under the Reserved Grant of 2020 Restricted Share and Share Option Incentive Scheme of the Company and the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and under the Reserved Grant of 2021 Restricted Share Incentive Scheme of the Company
The 55th meeting of the seventh session of the Board	30 December 2022	Considered and approved the Resolution on the Reconsideration of the Framework Agreement with Spotlight Automotive and the Deliberation of the Third Amended Agreement, the Resolution on Trading of Foreign Exchange Derivatives in 2023, the Resolution on the Amendments to the Working Procedures for the Remuneration Committee under the Board of Great Wall Motor Company Limited, the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Restricted Share Incentive Scheme, the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Share Option Incentive Scheme, the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Restricted Share Incentive Scheme of Great Wall Motor Company Limited and the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Share Option Incentive Scheme of Great Wall Motor Company Limited

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VI. PERFORMANCE OF DUTIES BY DIRECTORS

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

Name of director	Independent director	Attendance at Board meetings						Attendance at general meetings		
		No. of meetings during the Year	Attendance in person	Attendance by means of communications	Attendance by proxy	Attendance Rate	Absence	Absent from meetings for two consecutive times	Attendance at general meetings	Attendance Rate
Wei Jian Jun	No	25	25	21	0	25/25	0	No	0	0/7
Wang Ying Feng	No	2	2	2	0	2/2	0	No	0	0/7
Yang Zhi Juan	No	2	2	2	0	2/2	0	No	0	0/7
Zhao Guo Qing	No	23	23	19	0	23/23	0	No	0	0/7
Li Hong Shuan	No	23	23	19	0	23/23	0	No	7	7/7
He Ping	No	25	25	21	0	25/25	0	No	0	0/7
Yue Ying	Yes	25	25	21	0	25/25	0	No	0	0/7
Li Wan Jun	Yes	25	25	21	0	25/25	0	No	0	0/7
Ng Chi Kit	Yes	25	25	21	0	25/25	0	No	0	0/7

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

Applicable Not applicable

No. of Board meetings held during the Year	25
Including: no. of on-site Board meetings	0
No. of Board meetings convened by means of communication	21
No. of Board meetings held both on-site and by communication	4

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

Applicable Not applicable

(III) Others

Applicable Not applicable

Section 7 Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD

√ Applicable □ Not applicable

(1) Members of special committees under the Board

Types of special committees	Name of members
Audit Committee	He Ping, Yue Ying, Li Wan Jun, Ng Chi Kit
Nomination Committee	Wei Jian Jun, Ng Chi Kit, Yue Ying
Remuneration Committee	Wei Jian Jun, Li Wan Jun, Yue Ying
Strategy and Sustainable Development Committee	Wei Jian Jun, Li Hong Shuan, He Ping, Li Wan Jun, Yue Ying

(2) The Audit Committee held 8 meetings during the Reporting Period

Date	Meeting content	Important opinions and suggestions	Other performance of duties
23 January 2022	Considered and approved the Resolution on the Amendments to the 2022 Ordinary Related Party Transactions with Spotlight Automotive	No	No
28 March 2022	Considered and approved the Resolution on Reviewing the Independence and Objectivity of External Auditors and Effectiveness of Review Procedures of the Company, the Resolution on the Appointment of Accounting Firm by the Board, the Resolution on Reviewing the Financial Report for 2021 of the Company, the Resolution on Reviewing the Annual Report and Its Summary for 2020 of the Company, the Resolution on Reviewing the Related Party (Connected) Transactions of the Company for 2021, the Resolution on Reviewing the List of Related Parties (Connected Persons) of the Company for 2021, the Resolution in Relation to the Ordinary Connected Transactions Related to the Sales of Products in 2022 with Spotlight Automotive, the Resolution on Reviewing the Internal Control and Audit Report of the Company for 2021, the Resolution on Reviewing the Internal Control Evaluation Report of the Company for 2020, the Resolution on Reviewing the Audit Work Summary for 2021 and Audit Planning Report for 2022, the Resolution on Reviewing the Comprehensive Risk Management Report of the Company for 2021, and the Resolution on Reviewing the Work Report of the Audit Committee of the Board for 2021	No	No

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Date	Meeting content	Important opinions and suggestions	Other performance of duties
21 April 2022	Considered and approved the Resolution on Reviewing the Financial Report of the Company for the First Quarter of 2022	No	No
29 April 2022	Considered and approved the Resolution on the Grant of 2021 Reserved Restricted Shares to Connected Parties and Connected Transactions	No	No
13 May 2022	Considered and approved the Resolution on the Cancellation of the Grant of 2021 Reserved Restricted Shares to Connected Persons of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Chun Lai, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zhang De Hui, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Meng Xiang Jun, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Cui Kai, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Li Peng, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Chen Biao, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zhang Li, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Ms. Wang Feng Ying, a Connected Person of the Company and the Connected Transaction and the Resolution on the Grant of 2021 Reserved Restricted Shares to Ms. Yang Zhi Juan, a Connected Person of the Company and the Connected Transaction	No	No

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Date	Meeting content	Important opinions and suggestions	Other performance of duties
29 August 2022	Considered and approved the Resolution on the Company's 2022 Interim Results, the Resolution on the 2022 Interim Report and Its Summary, the Resolution on Not Proposing the Dividends for 2022 Interim Period at the General Meeting and the Resolution on the Special Report on the Deposit and Actual Use of Semi-annually Raised Funds in 2022	No	No
21 October 2022	Considered and approved the Resolution on the Third Quarterly Report of 2022 and the Resolution on the Joint Establishment of Companies by the Company and Its Connected Persons and the Connected Transactions	No	No
30 December 2022	Considered and approved the Resolution on the Reconsideration of the Framework Agreement with Spotlight Automotive and the Deliberation of the Third Amended Agreement	No	No

(3) The Remuneration Committee held 10 meetings during the Reporting Period

Date	Meeting content	Important opinions and suggestions	Other performance of duties
22 February 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of 2020 Restricted Share and Share Option Incentive Scheme	No	No
30 March 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of 2020 Restricted Share and Share Option Incentive Scheme and the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of 2021 Restricted Share and Share Option Incentive Scheme	No	No

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Date	Meeting content	Important opinions and suggestions	Other performance of duties
14 April 2022	Considered and approved the Resolution on the Achievement of the Unlocking Conditions of the Second Tranche of Restricted Shares under the First Grant and the First Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company and the Resolution on the Fulfilment of the Exercise Conditions of Second Exercise Period of Share Options under the First Grant and First Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	No	No
29 April 2022	Considered and approved the Resolution on the Grant of 2021 Reserved Restricted Shares to Participants, the Resolution on the Grant of 2021 Reserved Share Options to Participants and the Resolution on the Grant of 2021 Reserved Restricted Shares to Connected Parties and Connected Transactions	No	No

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Date	Meeting content	Important opinions and suggestions	Other performance of duties
13 May 2022	<p>Considered and approved the Resolution on the Adjustments to the Repurchase Price of Restricted Shares under the First Grant and the Exercise Price of the Share Options under the First Grant under the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Adjustments to the Repurchase Price of Restricted Shares under the Reserved Grant and the Exercise Price of the Share Options under the Reserved Grant under the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Adjustments to the Repurchase Price of Restricted Shares under the First Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the First Grant under the 2021 Share Option Incentive Scheme of the Company, the Resolution on the Adjustments to the Grant Price of Restricted Shares under the Reserved Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the Reserved Grant under the 2021 Share Option Incentive Scheme of the Company, the Resolution on the Cancellation of the Grant of 2021 Reserved Restricted Shares to Connected Persons of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Chun Lai, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zhang De Hui, a Connected Person of the Company and the Connected Transaction,</p>	No	No

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Date	Meeting content	Important opinions and suggestions	Other performance of duties
	<p>the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Meng Xiang Jun, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Cui Kai, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Li Peng, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Chen Biao, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Mr. Zhang Li, a Connected Person of the Company and the Connected Transaction, the Resolution on the Grant of 2021 Reserved Restricted Shares to Ms. Wang Feng Ying, a Connected Person of the Company and the Connected Transaction and the Resolution on the Grant of 2021 Reserved Restricted Shares to Ms. Yang Zhi Juan, a Connected Person of the Company and the Connected Transaction</p>		
20 May 2022	<p>Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company, the Resolution on the Achievement of Performance at the Company Level of the First Unlocking Period Conditions of Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company and the Resolution on the Achievement of Performance at the Company Level on Fulfilment of Exercise Conditions of the First Exercise Period of Share Options under the First Grant of the 2021 Share Option Incentive Scheme</p>	No	No

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Date	Meeting content	Important opinions and suggestions	Other performance of duties
24 June 2022	Considered and approved the Resolution on the Cancellation of Certain Share Options under the First Grant of the 2021 Share Options Incentive Scheme of the Company	No	No
8 July 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company, the Resolution on the Fulfilment of the First Unlocking Period Conditions of Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company and the Resolution on the Fulfilment of Exercise Conditions of the First Exercise Period of Share Options under the First Grant of the 2021 Share Option Incentive Scheme	No	No
17 November 2022	Considered and approved the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and under the Reserved Grant of 2020 Restricted Share and Share Option Incentive Scheme of the Company and the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and under the Reserved Grant of 2021 Restricted Share Incentive Scheme of the Company	No	No
30 December 2022	Considered and approved the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Restricted Share Incentive Scheme, the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Share Option Incentive Scheme, the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Restricted Share Incentive Scheme of Great Wall Motor Company Limited and the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Share Option Incentive Scheme of Great Wall Motor Company Limited	No	No

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

Date	Meeting content	Important opinions and suggestions	Other performance of duties
29 March 2022	Considered and approved the Resolution on the Corporate Operation Strategy for 2022	No	No

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

Date	Meeting content	Important opinions and suggestions	Other performance of duties
13 January 2022	Considered and approved the Resolution on the Election of Mr. Zhao Guo Qing as the Executive Director of the Seventh Session of the Board and the Resolution on the Election of Ms. Li Hong Shuan as the Executive Director of the Seventh Session of the Board	No	No
24 July 2022	Considered and approved the Resolution on the Appointment of General Manager of the Company	No	No
23 September 2022	Considered and approved the Resolution on the Appointment of the Company Secretary of the Company and the Resolution on the Appointment of the Secretary to the Board of the Company	No	No

(6) Details of any disagreements

Applicable Not applicable

Section 7 Corporate Governance

VIII. EXPLANATION OF THE RISK FOUND BY THE SUPERVISORY COMMITTEE

Applicable Not applicable

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

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

Number of serving employees of the Parent	43,005
Number of serving employees of major subsidiaries	44,362
Total number of serving employees	87,367
Number of disengaged and retired employees for whom the Parent and its major subsidiaries shall be liable to expenses	66

Composition of employees by profession

Profession	Number
Manufacturing personnel	35,329
Sales personnel	4,254
Technicians	23,850
Financial personnel	2,106
Administrative officers	6,022
Other personnel	15,806
Total	87,367

Education level

Education level	Number (person)
PhD	70
Master	3,301
Undergraduate	36,708
Junior college	20,715
High school and below	26,573
Total	87,367

Section 7 Corporate Governance

(II) Remuneration policy

Applicable Not applicable

To effectively attract and retain key and core talents, invigorate the workforce and provide driving force for the sustainable development of the Company, we have established an incentive system oriented towards accountable results and value creation. Based on market and industrial practice, we have designed a remuneration structure comprising position salary and performance-based salary and complemented by an incentive mechanism combining long-term and short-term incentives, ensuring that employees at high-value positions, possessing excellent capabilities and with great contribution to business performance can enjoy better remuneration and incentives, as well as boosting institutional invigoration and driving the achievement of operating goals. The Company has adopted long-term incentive schemes including restricted share schemes and option schemes to fully mobilize the enthusiasm of employees. Please refer to "XIX. Remuneration Policy" in Section 5 of this report. For details of the Company's restricted share schemes and option schemes, please refer to "XI. Equity Incentive Scheme, Employee Share Ownership Scheme or Other Incentives for Employees and Their Effects" in Section 7 of this report.

The remuneration of the senior management of the Company by bands for the year ended 31 December 2022 is set out below:

Remuneration Band HK\$	Number of Senior Management	
	2022	2021
0-500,000 (equivalent to RMB0-446,635)	0	0
500,001-1,000,000 (equivalent to RMB446,636-893,270)	1	1
1,000,001-1,500,000 (equivalent to RMB893,271-1,339,905)	1	1
1,500,001-2,000,000 (equivalent to RMB1,339,906-1,786,540)	0	1
2,000,001-2,500,000 (equivalent to RMB1,786,541-2,233,175)	1	0
2,500,001-3,000,000 (equivalent to RMB2,233,176-2,679,810)	0	0
3,000,001-3,500,000 (equivalent to RMB2,679,811-3,126,445)	1	1
3,500,001-4,000,000 (equivalent to RMB3,126,446-3,573,080)	0	0
4,000,001-4,500,000 (equivalent to RMB3,573,081-4,019,715)	0	0
4,500,001-5,000,000 (equivalent to RMB4,019,716-4,466,350)	1	0
5,000,001-5,500,000 (equivalent to RMB4,466,351-4,912,985)	0	0
5,500,001-6,000,000 (equivalent to RMB4,912,986-5,359,620)	0	0
6,000,001-6,500,000 (equivalent to RMB5,359,621-5,806,255)	0	1

(III) Training Program

Applicable Not applicable

The Company deeply explores the talent cultivation model featured "co-creations, sharing and the combination of training and practice" and implements targeted and differentiated talent empowerment to train and deliver outstanding cadres and professional talents. For details, please refer to the Corporate Social Responsibility Report for 2022 of Great Wall Motor Company Limited 《(長城汽車股份有限公司2022年度社會責任報告)》 disclosed by the Company.

(IV) Outsourcing of labour

Applicable Not applicable

Section 7 Corporate Governance

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

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

Applicable Not applicable

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

During the Reporting Period, the Resolution on the 2021 Annual Profit Distribution Plan was considered and approved at the 2021 annual general meeting of the Company dated 25 April 2022, pursuant to which a final cash dividend of RMB0.07 (tax inclusive) for every share would be paid based on the total share capital of 9,251,550,308 shares on the equity registration date when the Company implements profit distribution, amounting to cash dividends of RMB647,608,521.56 in total. The Board of the Company published the Announcement of Great Wall Motor Company Limited on Implementation of the 2021 Annual Profit Distribution Plan (《長城汽車股份有限公司2021年年度權益分派實施公告》) on China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange on 14 May 2022, and published such announcement in the form of overseas regulatory announcement on the website of Hong Kong Stock Exchange. The profit distribution to A Shareholders was completed on 20 May 2022. In addition, the dividends of H Shareholders of the Company were distributed in accordance with the relevant provisions of the Hong Kong Stock Exchange.

(II) Explanation of cash dividend policy

Applicable Not applicable

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

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

Applicable Not applicable

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

√ Applicable Not applicable

Unit: RMB Currency: RMB

Cash dividend (tax inclusive)	2,533,967,738.70
Net profits attributable to ordinary shareholders of the Company in the consolidated financial statements for the year	8,266,041,808.18
Percentage of dividend to net profits attributable to ordinary shareholders of the Company in the consolidated financial statements (%)	30.66
Repurchase of shares in cash included in cash dividend	1,214,419,138.60
Total cash dividend (tax inclusive)	3,748,386,877.30
Percentage of total dividend to net profits attributable to ordinary shareholders of the Company in the consolidated financial statements (%)	45.35

After Deloitte Touche Tohmatsu Certified Public Accountants LLP audited the 2022 financial report of the Company, the net profit of the Company attributable to shareholders of the parent company was RMB8,266,041,808.18 in 2022. As of 31 December 2022, the undistributed profits of the Company amounted to RMB49,176,813,140.82.

The Company proposes to distribute final cash dividends as of 31 December 2022 to all of the shareholders in an amount of RMB0.3 (tax inclusive) per share based on the total share capital of the Company as at the record date for the profit distribution after deducting the total shares in the Company's specific account for repurchase.

According to the Guidelines for Self-Regulation of Listed Companies of the Shanghai Stock Exchange No. 7 – Share Repurchase and other regulations, shares in the specific account for repurchase of listed companies are not entitled to profit distribution.

As at 30 March 2023, the Company's specific account for repurchase holds 40,000,043 shares of the Company. Should there be changes in the specific account for repurchase due to repurchase for incentives or other reasons, the shares of the Company actually held in the specific account for repurchase shall not participate in the profit distribution herein.

As at present, the total share capital of the Company is 8,486,559,172 shares. The base number after deducting the total of 40,000,043 shares of the Company in the specific account for repurchase as of 31 December 2022 is 8,446,559,129 shares. Calculated on this basis, the proposed cash dividends in aggregate to be distributed for 2022 are RMB2,533,967,738.70 (tax inclusive).

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XI. SHARE INCENTIVE SCHEME, EMPLOYEE SHARE OWNERSHIP SCHEME OR OTHER INCENTIVES FOR EMPLOYEES AND THEIR EFFECTS**(I) Incentives disclosed in preliminary announcements without subsequent development or changes**√ Applicable Not applicable

Event summary	Inquiry index
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 6 January 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-002) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Indicative Announcement of Great Wall Motor Company Limited on Restriction of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	For details, please refer to the announcements dated 8 January 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-004) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 10 February 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-013) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	For details, please refer to the announcements dated 23 February 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-018) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 4 March 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-023) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Second Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	For details, please refer to the announcements dated 4 March 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-022) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Third Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	For details, please refer to the announcements dated 5 March 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-024) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	For details, please refer to the announcements dated 31 March 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-043) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	For details, please refer to the announcements dated 31 March 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-044) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Cancellation of Certain Share Options under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	For details, please refer to the announcements dated 31 March 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-045) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 2 April 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-046) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Implementation of the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Share Option Incentive Scheme	For details, please refer to the announcements dated 13 April 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-048) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Completion of the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Share Option Incentive Scheme	For details, please refer to the announcements dated 19 April 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-051) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Unlocking and Listing of the Second Tranche of Restricted Shares under the First Grant and the First Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 22 April 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-052) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Fulfilment of Exercise Conditions of the Second Exercise Period of Share Options under the First Grant and the First Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 27 April 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-059) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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<p>Indicative Announcement of Great Wall Motor Company Limited on Restriction of the Second Exercise Period of Share Options under the First Grant and the First Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company</p>	<p>For details, please refer to the announcements dated 29 April 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-060) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)</p>
<p>Announcement of Great Wall Motor Company Limited on Grant of 2021 Reserved Share Options to Participants</p>	<p>For details, please refer to the announcements dated 30 April 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-063) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)</p>
<p>Announcement of Great Wall Motor Company Limited on Grant of 2021 Reserved Restricted Shares to Participants</p>	<p>For details, please refer to the announcements dated 30 April 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-064) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)</p>
<p>Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme</p>	<p>For details, please refer to the announcements dated 6 May 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-065) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)</p>
<p>Announcement of Great Wall Motor Company Limited on Adjustments to the Repurchase Price of Restricted Shares under the First Grant and Exercise Price of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company</p>	<p>For details, please refer to the announcements dated 16 May 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-070) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)</p>

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

For details, please refer to the announcements dated 16 May 2022 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2022-071) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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

For details, please refer to the announcements dated 16 May 2022 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2022-072) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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

For details, please refer to the announcements dated 16 May 2022 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2022-073) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Resolutions of the Fortieth Meeting of the Seventh Session of Board of Directors

For details, please refer to the announcements dated 21 May 2022 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2022-078) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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

For details, please refer to the announcements dated 21 May 2022 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2022-080) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company	For details, please refer to the announcements dated 21 May 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-081) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 6 June 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-085) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Results of the Reserved Grant of the 2021 Restricted Share Incentive Scheme	For details, please refer to the announcements dated 24 June 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-088) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Cancellation of Certain Share Options under the First Grant of the 2021 Share Options Incentive Scheme of the Company	For details, please refer to the announcements dated 25 June 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-092) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 5 July 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-093) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Indicative Announcement of Great Wall Motor Company Limited on Restriction of the Second Exercise Period of Share Options under the First Grant and the First Exercise Period of Share Options under the Reserved Grant	For details, please refer to the announcements dated 5 July 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-094) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on Resolutions of the Forty-second Meeting of the Seventh Session of Board of Directors	For details, please refer to the announcements dated 9 July 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-095) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	For details, please refer to the announcements dated 9 July 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-097) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company	For details, please refer to the announcements dated 15 July 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-098) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Implementation of Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Share Incentive Scheme and 2021 Restricted Share Incentive Scheme	For details, please refer to the announcements dated 15 July 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-102) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Completion of Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Share Incentive Scheme and 2021 Restricted Share Incentive Scheme	For details, please refer to the announcements dated 21 July 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-106) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Unlocking and Listing of the First Tranche of Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme	For details, please refer to the announcements dated 22 July 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-110) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 3 August 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-114) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Results of the Reserved Grant of the 2021 Share Option Incentive Scheme	For details, please refer to the announcements dated 3 August 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-116) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Correction of the Number of Participants Eligible for Exercise under the First Grant of the 2021 Share Option Incentive Scheme in the First Exercise Period	For details, please refer to the announcements dated 12 August 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-119) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Fulfilment of Exercise Conditions of the First Exercise Period of Share Options under the First Grant of the 2021 Share Option Incentive Scheme	For details, please refer to the announcements dated 25 August 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-125) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme	For details, please refer to the announcements dated 3 September 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-135) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Indicative Announcement of Great Wall Motor Company Limited on Restriction of the Exercise Period of Share Options of the Company	For details, please refer to the announcements dated 23 September 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-141) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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

For details, please refer to the announcements dated 11 October 2022 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2022-144) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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

For details, please refer to the announcements dated 20 October 2022 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2022-151) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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

For details, please refer to the announcements dated 26 October 2022 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2022-157) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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

For details, please refer to the announcements dated 3 November 2022 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2022-161) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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

For details, please refer to the announcements dated 18 November 2022 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2022-169) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant and under the Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company	For details, please refer to the announcements dated 18 November 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-170) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	For details, please refer to the announcements dated 18 November 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-171) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and the 2021 Share Option Incentive Scheme	For details, please refer to the announcements dated 3 December 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-172) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Indicative Announcement of Great Wall Motor Company Limited on Restriction of the Exercise Period of Share Options of the Company	For details, please refer to the announcements dated 27 December 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-175) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on the Adjustment to the Performance Appraisal Target under the 2021 Restricted Share Incentive Scheme and the 2021 Share Option Incentive Scheme	For details, please refer to the announcements dated 31 December 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-181) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on the Summary of the 2021 Share Option Incentive Scheme (Revised in December 2022)	For details, please refer to the announcements dated 31 December 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-183) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on the Summary of the 2021 Restricted Share Incentive Scheme (Revised in December 2022)	For details, please refer to the announcements dated 31 December 2022 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2022-184) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and the 2021 Share Option Incentive Scheme	For details, please refer to the announcements dated 5 January 2023 on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (announcement No.: 2023-001) and the Hong Kong Stock Exchange (https://www.hkex.com.hk) and the official website of the Company (https://www.gwm.com.cn)

A summary of the 2020 Restricted Share and Share Option Incentive Schemes:

(I) Purpose of the Schemes

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

(II) Participants of the Schemes

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

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(III) Total number of Shares available for issue under the Schemes and percentage of issued shares that it represents as at the date of the Annual Report

The equity proposed to be granted to the Participants under the Incentive Scheme shall be 177,178,200, representing 2% of the issued shares as at the date of the Annual Report.

Note:

It includes 109,757,400 options and 67,420,800 restricted shares, representing 1.25% and 0.77% of the issued shares as at the date of this annual report, respectively.

(IV) Maximum entitlements of each Participant under the Schemes

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

(V) Period within which the grantees may exercise Share Options under the Schemes

Note: See the table of the 2020 Restricted Share and Share Option Incentive Scheme – options under the first grant/options under the reserved grant

(VI) Vesting period of an option or an award under the Schemes

Note: See the table of the 2020 Restricted Share and Share Option Incentive Scheme- options under the first grant/options under the reserved grant; 2020 Restricted Share and Share Option Incentive Schemes – Restricted Shares under the first grant/Restricted Shares under the reserved grant.

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

Not applicable

(VIII) Basis of determination for the Exercise Price of the options granted or the Purchase Price of the Shares granted

(1) Method of determination of the grant price of the Restricted Shares under the first grant

The grant price of the Restricted Shares under first grant shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

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

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(2) *Method of determination of the grant price of the reserved Restricted Shares*

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

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

(3) *Method of determination of the Exercise Price of the Share Options under the first grant*

The Exercise Price of the Share Options under the first grant shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

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

(4) *Method of determination of the Exercise Price of the Share Options under the reserved grant*

The grant of the reserved Share Options is subject to the consideration and approval of related resolution by the Board and the disclosure of related information.

The Exercise Price of the reserved Share Options shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

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

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(IX) Remaining validity period of the Schemes

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

(X) Fair values of the relevant options and awards as at the grant date and the accounting standards and policies adopted

1. Restricted Shares

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

Assuming the first grant of the Restricted Shares takes place in April 2020, based on the data on 23 January 2020, the total amount of fair value of the equity instruments first granted by the Company to the Participants is RMB214,667,700. As estimated above, the total cost of 53,936,600 Restricted Shares first granted under the Scheme is RMB214,667,700 and details of amortization from 2020 to 2023 are set out below:

Currency: RMB

Number of the Restricted Shares under the first grant (0'000 shares)	Total cost to be amortized (RMB0'000)	2020	2021	2022	2023
		(RMB0'000)	(RMB0'000)	(RMB0'000)	(RMB0'000)
5,393.66	21,466.77	10,256.34	8,228.93	2,504.46	477.04

Notes:

- (1) For the consideration of prudent accounting principle, the cost estimate and amortization above have not taken into consideration the future locking of the Restricted Shares.
- (2) The above results do not represent the final accounting costs. The actual accounting costs are related to the actual grant date, the grant price and the number of grant, as well as the actual effective and lapsed quantities, and the possible dilutive effects are brought to the attention of shareholders.
- (3) The final result of the above impact on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

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The estimate is based on certain parameters and the actual costs of share incentives will vary with parameters as determined by the Board after the date of grant. The Company will disclose specific accounting methods and the impact on the financial data of the Company in the regular reports of the Company.

The accounting treatment of the reserved Restricted Shares is same as that of the Restricted Shares under the first grant.

2. Share Options

Assuming the first grant of Share Options takes place in April 2020, the Company uses the "Black-Scholes" model to measure the fair value of the Share Options and estimate the fair value of 87,805,900 Share Options first granted by the Company using such model based on the data as at 23 January 2020. The theoretical value of 87,805,900 Share Options first granted by the Company is RMB125,718,300. The value of the options in each exercise period is as follows:

Currency: RMB

Exercise period	Number of options under the first grant (0'000)	Value per option (RMB)	Total value of the options under the first grant (RMB0'000)
First exercise period	2,926.86	1.21	3,554.05
Second exercise period	2,926.86	1.51	4,405.31
Third exercise period	2,926.86	1.58	4,612.47

Selection of specific parameters is as follows:

- Current price of subject shares: RMB8.35 per share (assuming the closing price of shares on 23 January 2020 is the current price of shares as at the date of grant);
- Exercise price of the Share Options: RMB8.73 per share as determined under the Management Measures;
- Valid period: one, two and three years, respectively (based on the period commencing from the grant date and ending on the first exercisable date for respective period);
- Historical volatility: 43.83%, 39.08% and 34.65%, respectively (the volatility of the Company for the latest one, two and three years before the announcement, respectively; source: Wind database);
- Risk-free rate: 2.18%, 2.48% and 2.59%, respectively (the yield of PRC treasury bond for one, two and three years);

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- f) Dividend yield: 3.47% (the average dividend yield of the Company for the latest 12 months before the announcement of the Incentive Scheme).

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

The accounting treatment of the reserved Restricted Shares is same as that of the Restricted Shares under the first grant.

2020 Restricted Share and Share Option Incentive Scheme- Restricted Shares under the first grant

Name	Position	Number of the Restricted Shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Award shares yet to be vested at the end of the Reporting Period (shares)
Hu Shu Jie	Deputy General Manager	2,000,000	0	0	0	0	0
Zhao Guo Qing	Deputy General Manager	1,380,000	690,000	414,000	0	0	276,000
Xu Hui	Board Secretary	430,000	215,000	129,000	0	0	86,000
Liu Yu Xin	Chief Financial Controller	250,000	125,000	75,000	0	0	50,000
Zheng Chun Lai	Director and general manager of subsidiaries	400,000	200,000	120,000	0	0	80,000
Zhang De Hui	Director and general manager of subsidiaries	400,000	200,000	120,000	0	0	80,000
Li Rui Feng	Director and general manager of subsidiaries	1,260,000	630,000	378,000	0	0	252,000
Total	Connected persons	6,120,000	2,060,000	1,236,000	0	0	824,000
Other management, core technical (business) backbone staff (274 people)							
Total		49,303,500	22,531,500	13,245,530	323,370	0	8,138,600

Notes:

- (1) In respect of the first grant of the 2020 Restricted Shares and Share Option Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such Restricted Shares granted was 49,303,500, and the date of grant was 27 April 2020. The closing price of A Shares of the Company immediately prior to the date of grant of such Restricted Shares was RMB7.91. The vesting periods for the Restricted Share under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The unlocking period was from 27 April 2021 to 27 April 2023, and the purchase price was RMB3.47;
- (2) During the Reporting Period, the number of the Restricted Shares unlocked was 13,245,530; the average closing price of A Shares of the Company immediately prior to the unlocking date was RMB22.31;
- (3) During the Reporting Period, the number of the Restricted Shares cancelled was 323,370;
- (4) During the Reporting Period, the number of the Restricted Shares lapsed was 0.

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

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2020 Restricted Share and Share Option Incentive Scheme- Restricted Shares under the reserved grant

Name	Position	Number of the Restricted Shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Award shares yet to be vested at the end of the Reporting Period (shares)
Other management, core technical (business) backbone staff (149 people)		1,149,150	1,138,150	569,075	0	0	569,075
Total		1,149,150	1,138,150	569,075	0	0	569,075

Notes:

- (1) In respect of the reserved grant of the 2020 Restricted Share and Share Option Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such Restricted Shares granted was 1,149,150, and the date of grant was 28 January 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such Restricted Shares was RMB42.21. The vesting periods for the Restricted Shares under the reserved grant were 12 months and 24 months from the date of grant, respectively. The unlocking period was from 28 January 2022 to 28 January 2023, and the purchase price was RMB20.43;
- (2) During the Reporting Period, the number of the Restricted Shares unlocked was 569,075; the average closing price of A Shares of the Company immediately prior to the unlocking date was RMB22.31;
- (3) During the Reporting Period, the number of the Restricted Shares cancelled was 0;
- (4) During the Reporting Period, the number of the options lapsed was 0.

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

2020 Restricted Share and Share Option Incentive Scheme-options under the first grant

Name	Position	Number of the Share Options granted (shares)	Options not exercised at the beginning of the Reporting Period (shares)	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	Options yet to be exercised at the end of the Reporting Period (shares)
Core management, core technical (business) backbone staff (1,651 people)		87,065,300	57,066,428	27,771,364	1,016,723	6	28,278,335
Total		87,065,300	57,066,428	27,771,364	1,016,723	6	28,278,335

Notes:

- (1) In respect of the first grant of the 2020 Restricted Share and Share Option Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such options granted was 87,065,300, and the date of grant was 27 April 2020. The closing price of A Shares of the Company immediately prior to the date of grant of such options was RMB7.91. The vesting periods for the options under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The exercise period was from 27 April 2021 to 26 April 2024, and the exercise price was RMB7.83;
- (2) During the Reporting Period, the number of options exercised was 27,771,364; the average closing price of A Shares of the Company immediately prior to the exercise date was RMB24.82;
- (3) During the Reporting Period, the number of options cancelled was 1,016,723;
- (4) During the Reporting Period, the number of options lapsed was 6.

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

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2020 Restricted Share and Share Option Incentive Scheme- options under the reserved grant

Name	Position	Number of the Share Options granted (shares)	Options not exercised at the beginning of the Reporting Period (shares)	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	Options yet to be exercised at the end of the Reporting Period (shares)
Other management, core technical (business)							
	backbone staff (497 people)	15,721,000	15,721,000	9,397	725,500	0	14,986,103
Total		15,721,000	15,721,000	9,397	725,500	0	14,986,103

Notes:

- (1) In respect of the reserved grant of the 2020 Share Option Incentive Scheme, all share options of which have been granted prior or subsequent to the Reporting Period, the number of such options granted was 15,721,000, and the date of grant was 28 January 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such options was RMB42.21. The vesting periods for the options under the reserved grant were 12 months and 24 months from the date of grant, respectively. The exercise period was from 28 January 2022 to 27 January 2024, and the exercise price was RMB41.50;
- (2) During the Reporting Period, the number of options exercised was 9,397; the average closing price of A Shares of the Company immediately prior to the exercise date was RMB24.82;
- (3) During the Reporting Period, the number of options cancelled was 725,500;
- (4) During the Reporting Period, the number of options lapsed was 0.

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

A summary of the 2021 Restricted Share Incentive Scheme and the 2021 Share Option Incentive Scheme of the Company are as follows:

(1) Purpose of the Schemes

Based on long-term development and governance for the future, by building an innovative long-term incentive mechanism to entrust the participants with rights and obligations, effectively promote the transformation of employees from “workers” to “partners” so that change their ideal from “doing work” into “doing cause”, thus gather a group of contemporary strivers and business leaders with common values to promote the long-term and steady development of the Company, and to align the interests of all shareholders. Specifically, those incentive plans are launched for the following purposes:

1. by establishing and improving its operating mechanism and its incentive and restraint mechanism for senior management, middle management and core technical (business) backbone staff, to fully mobilize their enthusiasm, enhance their cohesion, and align the interests of Shareholders, the Company and its key personnel, so as to secure “concerted efforts with common interests” and promote the sustainable, steady and rapid development of the Company.

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2. by setting challenging performance targets to bring both pressure and motivation, to not only help enhance the Company's competitiveness but also help mobilize the enthusiasm and creativity of the management and core backbone staff, and ensure the Company to realize its future development strategies and business objectives, so as to create more sustainable and greater returns for Shareholders.
3. to help attract and retain outstanding management talents and core business staff so that meet the Company's huge demand for core technical and management talents through comprehensive and accurate coverage of high-value positions and key talents, so as to enhance the Company's cohesion, establish the Company's human resources advantages, further stimulate the Company's innovation vitality, and inject new power into the Company's sustained and rapid development.

(2) Participants of the Schemes

The Participants shall be the senior management, directors and senior management of the subsidiaries of the Company, middle management and core technical (business) backbone staff of the Company (including the subsidiaries) and other employees that the Company believes should be motivated and have a direct impact on the Company's operation performance and future development, excluding the Company's Independent Directors, Supervisors, the Shareholders individually or in aggregate holding 5% or more of the Shares of the Company or the de facto controllers and their spouses, parents or children.

(3) Total number of shares available for issue under the Schemes and percentage of issued shares that it represents as at the date of the Annual Report

The 2021 Restricted Share Incentive Scheme: the total number of Shares available for issue shall be 43,184,000, representing 0.5% of the issued Shares as at the date of the Annual Report;

The 2021 Share Option Incentive Scheme: the total number of underlying shares under the Share Options shall be 397,101,000, representing 4.5% of the issued Shares as at the date of the Annual Report.

(4) Maximum entitlements of each Participant under the Schemes

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

(5) Period within which the grantees may exercise Share Options under the Schemes

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

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(6) Vesting period of an option or award under the Schemes

Note: See the tables of 2021 Share Option Incentive Scheme – Share Option under the First Grant/Share Option under Reserved Grant; 2021 Restricted Share Incentive Scheme – Restricted Share under the First Grant/Restricted Share under Reserved Grant.

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

Not applicable

(8) Basis of determination for the Exercise Price of the Options granted or the Purchase Price of the Shares granted

1. 2021 Restricted Share Incentive Scheme:

(1) Method of determination of the grant price of Restricted Shares under the first grant

The grant price of the Restricted Shares under first grant shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

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

(2) Method of determination of the grant price of the reserved Restricted Shares

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

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

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2. 2021 Share Option Incentive Scheme:

- (1) Method of determination of the Exercise Price of the Share Options under the first grant

The Exercise Price of the Share Options under the first grant shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

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

- (2) Method of determination of the Exercise Price of the Share Option under the reserved grant

The grant of the reserved Share Options is subject to the consideration and approval of related resolution by the Board and the disclosure of related information.

The Exercise Price of the reserved Share Options shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

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

(9) Remaining validity period of the Schemes

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

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(10) Fair values of the relevant options and awards as at the Grant Date and the accounting standards and policies adopted

1. 2021 Restricted Share Incentive Scheme:

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

Assuming the first grant of the Restricted Shares takes place in July 2021, based on the data on 25 May 2021, the total amount of fair value of the equity instruments first granted by the Company to the Participants is RMB639,810,400.

As estimated above, the total cost of 34,547,000 Restricted Shares first granted under the Scheme is RMB639,810,400 and details of amortization from 2021 to 2024 are set out below:

Currency: RMB

Number of the Restricted Shares under the first grant (0'000 shares)	Total cost to be amortized (RMB0'000)	2021 (RMB0'000)	2022 (RMB0'000)	2023 (RMB0'000)	2024 (RMB0'000)
3,454.70	63,981.04	24,259.48	26,658.77	10,396.92	2,665.88

Notes:

- (1) For the consideration of prudent accounting principle, the cost estimate and amortization above have not taken into consideration the future locking of the Restricted Shares.
- (2) The above results do not represent the final accounting costs. The actual accounting costs are related to the actual Grant Date, the Grant Price and the number of grant, as well as the actual effective and lapsed quantities, and the possible dilutive effects are brought to the attention of shareholders.
- (3) The final result of the above impact on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

The estimate is based on certain parameters and the actual costs of share incentives will vary with parameters as determined by the Board after the date of grant. The Company will disclose specific accounting methods and the impact on the financial data of the Company in the regular reports of the Company.

The accounting treatment of the reserved Restricted Shares is same as that of the Restricted Shares under the first grant.

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2. 2021 Share Option Incentive Scheme:

Estimated value of the Share Options

Assuming the first grant of Share Options takes place in July 2021, the Company uses the "Black-Scholes" model to measure the fair value of the Share Options and estimate the fair value of 317,681,000 Share Options first granted by the Company using such model based on the data as at 25 May 2021. The theoretical value of 317,681,000 Share Options first granted by the Company is RMB2,044,754,400. The value of the options in each exercise period is as follows:

Currency: RMB

Exercise period	Number of options under the first grant (0'000)	Value per option (RMB)	Total value of the options under the first grant (RMB0'000)
First exercise period	10,589.37	5.36	56,709.43
Second exercise period	10,589.37	6.39	67,674.76
Third exercise period	10,589.37	7.56	80,091.25

Selection of specific parameters is as follows:

- a) Current price of underlying shares: RMB35.3 per share (assuming the closing price of shares on 25 May 2021 is the current price of shares as at the Grant Date);
- b) Exercise Price of the Share Options: RMB33.56 per share as determined under the Management Measures;
- c) Validity Period: 1.5 years, 2.5 years and 3.5 years, respectively (based on the period commencing from the Grant Date and ending on the Exercise Date for respective period, assuming even exercise following the Exercisable Date);
- d) Historical volatility: 25.87%, 24.38% and 25.10%, respectively (the volatility of the automobile industry for the latest one, two and three years before the announcement, respectively; source: Wind database);
- e) Risk-free rate: 2.35%, 2.62% and 2.74%, respectively (the yield of PRC treasury bond for one, two and three years);
- f) Dividend yield: 1.49% (the average dividend yield of the Company for the latest 12 months before the announcement).

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

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

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2021 Restricted Share Incentive Scheme- Restricted Share under the first grant

Name	Position	Number of the Restricted Shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Award shares yet to be vested at the end of the Reporting Period (shares)
Zheng Chun Lai	Director and general manager of subsidiaries	200,000	200,000	71,248	8,752	0	120,000
Zhang De Hui	Director and general manager of subsidiaries	200,000	200,000	71,248	8,752	0	120,000
Meng Xiang Jun	Director and general manager of subsidiaries	200,000	200,000	71,248	8,752	0	120,000
Cui Kai	Director and general manager of subsidiaries	80,000	80,000	28,499	3,501	0	48,000
Zheng Li Peng	Director and general manager of subsidiaries	250,000	250,000	89,060	10,940	0	150,000
Tang Hai Feng	Director and general manager of subsidiaries for the last 12 months	450,000	450,000	160,308	19,692	0	270,000
Wu Nan	General manager of subsidiaries	178,000	178,000	63,411	7,789	0	106,800
Li Jiang	General manager of subsidiaries	104,000	104,000	37,049	4,551	0	62,400
Chen Biao	Supervisor of the Company for the last 12 months	120,000	120,000	42,749	5,251	0	72,000
Li Hong Shuan	Chief financial controller	180,000	180,000	64,123	7,877	0	108,000
Total	Connected persons	1,962,000	1,962,000	698,943	85,857	0	1,177,200
	Other management, core technical (business) backbone staff (547 people)	30,691,200	30,691,200	10,044,250	3,001,430	0	17,645,520
Total		32,653,200	32,653,200	10,743,193	3,087,287	0	18,822,720

Notes:

- (1) In respect of the first grant of the 2021 Restricted Share Incentive Scheme, all share options of which have been granted prior or subsequent to the Reporting Period, the number of such Restricted Shares granted was 32,653,200, and the date of grant was 22 July 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such Restricted Share was RMB50.07. The vesting periods for the Restricted Share under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The unlocking period was from 22 July 2022 to 22 July 2024, and the purchase price was RMB16.41;
- (2) During the Reporting Period, the number of Restricted Share unlocked was 10,743,193; the average closing price of A Shares of the Company immediately prior to the unlocking date was RMB34.07;
- (3) During the Reporting Period, the number of Restricted Share cancelled was 3,087,287;
- (4) During the Reporting Period, the number of Restricted Share lapsed was 0.

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

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2021 Restricted Share Incentive Scheme- Restricted Share under the reserved grant

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

Notes:

(1) Performance targets:

Where the performance appraisal target at the Company level is achieved, corresponding proportions of shares can be unlocked based on the performance appraisal requirements at the individual level: 100% shares can be unlocked if the annual performance appraisal results of the participants at the individual level reach A/B; 80% shares can be unlocked if C; and 0 share can be unlocked if D/E

The actual proportion of shares unlocked of the individual participant for the current year = the proportion of shares to be unlocked for the current period × the proportion of shares unlocked at the Company level × the proportion of shares unlocked at the individual level

For the details of the performance targets, please refer to the announcement dated 28 April 2022 of the Company;

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- (2) During the Reporting Period, the reserved Restricted Shares were granted under the 2021 Restricted Share Incentive Scheme, the number of such Restricted Shares granted was 7,955,800, and the date of grant was 29 April 2022. The closing price of A Shares of the Company immediately prior to the date of grant of such Restricted Shares was RMB22.89. The vesting periods for the reserved Restricted Share were 12 months and 24 months from the date of grant, respectively. The unlocking period was from 29 April 2023 to 29 April 2024, and the purchase price was RMB12.66. For the accounting standards and policies adopted for the grant, please refer to "Fair values of the relevant options and awards as at the grant date and the accounting standards and policies adopted" above.
- (3) During the Reporting Period, such Restricted Shares have not been unlocked, and the number of Restricted Share unlocked was 0;
- (4) During the Reporting Period, the number of Restricted Share cancelled was 0;
- (5) During the Reporting Period, the number of options lapsed was 0.

As at the beginning and end of the Reporting Period, the number of restricted shares that can be granted pursuant to the reserved grant under the 2021 Restricted Share Incentive Scheme was 7,955,800 shares and 0 share, respectively.

2021 Share Option Incentive Scheme- Shares Options under the first grant

Name	Position	Number of the Shares Options granted (shares)	Options not exercised at the beginning of the Reporting Period (shares)	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	Options yet to be exercised at the end of the Reporting Period (shares)
Other management, core technical (business) backbone staff (8,147 people)							
		30,059,4000	300,594,000	4,612	38,646,252	0	261,943,136
Total		30,059,4000	300,594,000	4,612	38,646,252	0	261,943,136

Notes:

- (1) In respect of the first grant of the 2021 Share Option Incentive Scheme, the number of such Share Options granted was 300,594,000, and the date of grant was 22 July 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such Share Options was RMB50.07. The vesting periods for the share options under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The exercising period was from 22 July 2022 to 21 July 2025, and the Exercise Price was RMB33.19;
- (2) During the Reporting Period, the number of options exercised was 4,612; the average closing price of A Shares of the Company immediately prior to the exercise date was RMB34.2;
- (3) During the Reporting Period, the number of options cancelled was 38,646,252;
- (4) During the Reporting Period, the number of options lapsed was 0.

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

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2021 Share Option Incentive Scheme- Shares Options under the reserved grant

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

Notes:

(1) Performance targets:

Where the performance appraisal target at the Company level is achieved, corresponding proportions of options can be exercised based on the performance appraisal requirements at the individual level: 100% options can be exercised if the annual performance appraisal results of the participants at the individual level reach A/B; 80% options can be exercised if C; and 0 option can be exercised if D/E

The actual proportion of options exercised of the individual participant for the current year = the proportion of options to be exercised for the current period × the proportion of options exercised at the Company level × the proportion of options exercised at the individual level

For the details of the performance targets, please refer to the announcement dated 28 April 2022 of the Company;

- (2) During the Reporting Period, the reserved Share Options were granted under the 2021 Share Option Incentive Scheme, the number of such Share Options granted was 75,497,100, and the date of grant was 29 April 2022. The closing price of A Shares of the Company immediately prior to the date of grant of such Share Options was RMB22.89. The vesting periods for the reserved Share Options were 12 months and 24 months from the date of grant, respectively. The exercising period was from 29 April 2023 to 28 April 2025, and the Exercise Price was RMB25.45. For the accounting standards and policies adopted for the grant, please refer to "Fair values of the relevant options and awards as at the grant date and the accounting standards and policies adopted" above.
- (3) During the Reporting Period, the number of options exercised was 0;
- (4) During the Reporting Period, the number of options cancelled was 0;
- (5) During the Reporting Period, the number of options lapsed was 0.

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As at the beginning and end of the Reporting Period, the number of options that can be granted pursuant to the reserved grant under the 2021 Share Option Incentive Scheme was 75,497,100 shares and 0 share, respectively.

As of 31 December 2022, there were 28,278,335 outstanding A Share options under the first grant of the Company's 2020 Share Option Incentive Scheme, representing approximately 0.46% of the total issued A Shares of the Company; and there were 14,986,103 outstanding A Share options under the reserved grant, representing approximately 0.24% of the total issued A Shares of the Company. There were 261,943,136 outstanding A Share options under the first grant of the Company's 2021 Share Option Incentive Scheme, representing approximately 4.25% of the total issued A Shares of the Company; and there were 75,497,100 outstanding A Share options under the reserved grant, representing approximately 1.22% of the total issued A Shares of the Company.

As of 31 December 2022, the total number of A Shares available for issuance under the first grant of the Company's 2020 Restricted Share Incentive Scheme was 0 share, representing approximately 0% of the total issued A Shares of the Company; and the total number of A Shares available for issuance under the Reserved Grant was 0 share, representing approximately 0% of the total issued A Shares of the Company. The total number of A Shares available for issuance under the first grant of the Company's 2021 Restricted Share Incentive Scheme was 0 share, representing approximately 0% of the total issued A Shares of the Company; and the total number of A Shares available for issuance under the reserved grant was 0 share, representing approximately 0% of the total issued A Shares of the Company.

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

Share Option Incentive Scheme

Applicable Not applicable

Other descriptions

Applicable Not applicable

Employee Incentive Scheme

Applicable Not applicable

Other incentives

Applicable Not applicable

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

Share options granted to directors and senior management during the Reporting Period

Applicable Not applicable

Restricted Shares granted to directors and senior management during the Reporting Period

Applicable Not applicable

Unit: Share(s)

Name	Position	Number of restricted Shares held at the beginning of the year	Number of restricted Shares newly granted during the Reporting Period	Grant price of restricted shares (RMB)	Unlocked shares	Locked shares	Number of restricted Shares held at the end of the period	Market price at the end of the Reporting Period (RMB)
Wang Feng Ying	Executive Director and General Manager	0	2,475,000	12.66	0	2,475,000	2,475,000	29.62
Yang Zhi Juan	Executive Director	0	40,000	12.66	0	40,000	40,000	29.62
Total	/	0	2,515,000	/	0	2,515,000	2,515,000	/

Notes:

- Ms. Wang Feng Ying resigned as Executive Director of the Company with effect on 18 March 2022, and simultaneously resigned as Vice Chairman; she resigned as the General Manager of the Company with effect on 24 July 2022, and accordingly the Company will cancel the shares held by her pursuant to the relevant provisions of the Restricted Share Incentive Scheme.
- Ms. Yang Zhi Juan resigned as Executive Director of the Company with effect on 18 March 2022.

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Description of material defect of internal control during the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

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

XIV. RELEVANT MATTERS OF AUDIT REPORT ON INTERNAL CONTROL

Applicable Not applicable

For details, please refer to the Internal Control Audit Report disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 30 March 2023.

Has the audit report on internal control been disclosed: Yes

Type of opinion on the audit report on internal control: Standard unqualified opinion

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

Not applicable

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XVI. OTHERS

√ Applicable Not applicable

The Company is committed to enhancing its corporate governance standard by improving its transparency, independence, accountability and fairness. The Company has adopted appropriate measures to comply with the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules and its principles. To the knowledge of the Board, except for the deviation disclosed below, the Company has complied with all the principles and code provisions in the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules during the Reporting Period.

Code provision F.2.2 in the Corporate Governance Code provides the Chairman of the Board should attend the annual general meeting of the Company. Mr. Wei Jian Jun was unable to attend the annual general meeting held on 25 April 2022 due to other important business engagement. In his absence, the annual general meeting was chaired by Ms. Li Hong Shuan (with sufficient caliber for answering questions at the annual general meeting), who liaised with Mr. Wei Jian Jun on all key matters prior to the meeting. Mr. Wei Jian Jun was also debriefed on the meeting and any matters arising to ensure any matters raised at the annual general meeting were followed up and considered by the Board.

Principal Corporate Governance Principles and Practices of the Company

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

A. Board of Directors

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

The members of the Board are as follows:

Executive Directors:

Mr. Wei Jian Jun (*Chairman*)

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

Ms. Li Hong Shuan

Non-Executive Director:

Mr. He Ping

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Independent Non-Executive Directors:

Ms. Yue Ying

Mr. Li Wan Jun

Mr. Ng Chi Kit

- During the Year, the Company complied with the requirements regarding the number of independent non-executive directors and accounting or related financial management expertise set out under Rule 3.10 (1) and (2) and Rule 3.10A of the Hong Kong Listing Rules, respectively.
- All independent non-executive directors complied with the guidelines on independence set out under Rule 3.13 of the Hong Kong Listing Rules and did not violate any provision thereunder throughout the Year.
- During the Year, none of the directors engaged in or was interested in any business which competed or was likely to compete, directly or indirectly, with the business of the Group.
- There is no financial, business, family or other material relationship among members of the Board.
- During the Year, Ms. Wang Feng Ying resigned as Executive Director of the Company with effect on 18 March 2022, and simultaneously resigned as Vice Chairman; and Mr. Zhao Guo Qing was appointed as Executive Director and Vice Chairman of the Company with effect on 18 March 2022.
- The biographies of directors are set out in (I) "The change in shareholdings and remuneration of existing and resigned/retired directors, supervisors and senior management during the Reporting Period" under IV. "Directors, Supervisors, and Senior Management" in section 7 "Corporate Governance".

Deviation: NIL

Section 7 Corporate Governance

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

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

Deviation: NIL

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

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

- Pursuant to the Articles, “the directors shall be elected at a general meeting for a term of three years. Upon expiry of his term of office, a director may offer himself for re-election”. All the directors of the Company, including the independent non-executive directors and non-executive directors, were re-elected or elected and appointed on 12 June 2020 and 18 March 2022 for a term of three years.

Deviation: NIL

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

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

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

Deviation: NIL

Section 7 Corporate Governance

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

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

Deviation: NIL

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

- During the Year, the Board held 25 meetings. Pursuant to the Articles, “meetings or extraordinary meetings of the Board may be convened by means of telephone or similar telecommunication facilities”.
- Regular meetings of the Board were held in the middle of the Year and at the end of the Year. Additional meetings were also held to consider important matters arising from time to time. Directors may attend such meetings in person or through other electronic means of communication.
- Notice will be given to each director 14 days prior to a Board meeting. Documents containing meeting agenda will be sent to each director four days before the date appointed for the relevant meeting.
- The secretary to the Board assists the chairman of the Board in preparing the meeting agenda. The directors are allowed to submit agenda proposals to the secretary to the Board before the date appointed for the relevant meeting.
- Minutes of Board meetings and meetings of committees are kept by the secretary to the Board and are available for inspection by the directors at any time. Such minutes of the meeting will record opinions and suggestions raised by the directors in the meeting, the final version of which will be sent to directors for confirmation and signing.
- Transactions in which directors are deemed to have a conflict of interests or deemed to be materially interested will not be dealt with by written resolution. The relevant director will be allowed to attend the meeting but may not express any opinion and will be required to abstain from voting.
- The directors may seek independent professional advice on professional matters involved in the agenda at the expense of the Company.

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- The secretary to the Board assists the chairman of the Board in preparing the meeting agenda. The directors are allowed to submit agenda proposals to the secretary to the Board before the date appointed for the relevant meeting.

Directors' Solicitation of Independent Views

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

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

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

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

Attendance of individual directors at Board meetings and general meetings in 2022

Please refer to item (I) "Attendance of directors at Board meetings and general meetings" in the section 7 herein.

Deviation: NIL

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

- The company secretary provides up-to-date information on trading of H Shares and A Shares in Hong Kong and in the PRC respectively on each trading day to the directors and committee members and keeps them abreast of the latest developments of the Group and business progress of the Company.
- Pursuant to the prevailing “Rules and Procedures of Independent Directors” (《獨立董事工作制度》), non-executive directors and independent non-executive directors are entitled to attend and propose to convene Board meetings. All the committees of the Company currently comprise independent non-executive directors.
- The Company regularly provides all directors, whose names are set out in this section, with information in relation to their professional conduct and enhancement of their expertise for training purposes in order to ensure all directors are familiar with the operation and business of the Company and relevant laws and regulations (including but not limited to the listing rules of Hong Kong and China).

Deviation: NIL

Trainings received by Directors

During the Reporting Period, Directors of the Company have complied with the training requirements related to continuous professional development under the Corporate Governance Code. Directors have participated in continuous professional development, developed and updated their knowledge and skills to ensure that they continue to make contributions to the Board with comprehensive information and appropriate needs.

During the Reporting Period, Mr. Wei Jian Jun, Mr. Zhao Guo Qing, Ms. Wang Feng Ying, Ms. Yang Zhi Juan, Ms. Li Hong Shuan, Mr. He Ping, Mr. Li Wan Jun, Mr. Ng Chi Kit, and Ms. Yue Ying have all participated in the training session conducted by our Hong Kong legal advisers on the continuous professional development related to the corporate governance of Hong Kong listed companies, as well as other corporate governance trainings (including but not limit to the training required by the Hong Kong Listing Rules and the Shanghai Stock Exchange). In addition, as the Joint Company Secretary of the Company, Ms. Li Hong Shuan has participated in not less than 15 hours of relevant professional training during the Reporting Period.

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Compliance with Model Code

- The Company has complied with the Model Code set out in Appendix 10 to the Hong Kong Listing Rules and has not adopted any separate code of conduct on terms more exacting than those set out in the Model Code. The Company has made specific enquiry to each director in respect of securities transactions by directors. None of the directors of the Company violated any provisions of the Model Code.

Strategy and Sustainable Development Committee	Remuneration Committee	Nomination Committee	Audit Committee
Mr. Wei Jian Jun (<i>Chairman</i>) Ms. Li Hong Shuan	Mr. Wei Jian Jun Ms. Yue Ying (<i>Chairman</i>)	Mr. Wei Jian Jun Ms. Yue Ying (<i>Chairman</i>)	Mr. He Ping Ms. Yue Ying
Mr. He Ping	Mr. Li Wan Jun	Mr. Ng Chi Kit	Mr. Li Wan Jun (<i>Chairman</i>)
Ms. Yue Ying	/	/	Mr. Ng Chi Kit
Mr. Li Wan Jun	/	/	Ms. Yue Ying

Deviation: NIL

B Strategy and Sustainable Development Committee

The Company has set up the Strategy and Sustainable Development Committee comprising two independent non-executive directors (Yue Ying and Li Wan Jun), one non-executive director (He Ping) and two executive directors (Wei Jian Jun (Chairman of this committee) and Li Hong Shuan).

Attendance of committee members at meetings of the Strategy and Sustainable Development Committee in 2022

No. of meetings	1	
Date and Business	29 March 2022 To consider the proposal on the operational strategies of the Company for the year of 2022	
	No. of attendance/ No. of meeting	Attendance rate
Wei Jian Jun	1/1	100%
Li Hong Shuan	1/1	100%
He Ping	1/1	100%
Yue Ying	1/1	100%
Li Wan Jun	1/1	100%
Average attendance rate	–	100%

During the Reporting Period, the Company held a meeting of the Strategy and Sustainable Development Committee to consider and approve the operational strategies of the Company for the year of 2022.

Deviation: NIL

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C. Remuneration Committee

- The Company has set up the Remuneration Committee comprising two independent non-executive directors (Yue Ying (Chairman of this committee) and Li Wan Jun) and one executive director (Wei Jian Jun).
- The Remuneration Committee is responsible for making recommendations on the remuneration policies in relation to the directors and senior management of the Group, and determining the remuneration packages for executive directors and senior management, including benefits in kind, pensions and compensation payments. The terms of reference of the Remuneration Committee include the specific duties set out under the Corporate Governance Code.
- The Group proposes the basis of remuneration for directors and employees according to the performance and qualification of the directors and employees as well as the prevailing industry practice. The remuneration policies and packages are reviewed regularly. Based on the performance assessment report, employees may receive bonus and incentive payments as rewards.
- In June 2020 and March 2022, the Company and each of the directors, including non-executive directors and independent non-executive directors, entered into a Director's Service Agreement or an appointment letter for a term of three years, which set out the respective remunerations of the directors.
- Details of directors' and senior management's remuneration as well as the five highest paid individuals in the Group are set out in item IV. (III) "The remuneration of directors, supervisors and senior management" in Section 7 and note (XII) to the financial statements. The Company formulates the policy on executive Directors' remuneration and determines the remuneration packages for all directors with formal and transparent procedures.
- The Remuneration Committee formulates the remuneration scheme or plan according to the aforesaid remuneration policy and the main scopes, duties and importance of the positions of Directors and senior management as well as the remuneration levels of similar positions of other similar enterprises, and puts forward proposals on remuneration of Directors and senior management to the Board in respect of such schemes or plans, that is, adopting the method as set out in Rule E.1.2(c)(ii) in Appendix 14 of the Hong Kong Listing Rules.
- During the Reporting Period, the Remuneration Committee reviewed and approved the matters related to the share scheme mentioned in Chapter 17 of the Hong Kong Listing Rules. For details, please refer to (3) under VII. "Special Committees under the Board" in this section. During the Reporting Period, the Company did not have matters relating to any grants of options or awards to the Directors or senior managers of the Company as set out in Rule 17.03(F) and Rules 17.06B(7) and (8) of the Hong Kong Listing Rules.

Section 7 Corporate Governance

Attendance of committee members at meetings of the Remuneration Committee in 2022

No. of meetings 10

Date and Business	Details are set out in paragraph ⁽³⁾ of VII Special Committees Under The Board in this section	
	No. of attendance/ No. of meetings	Attendance rate
Wei Jian Jun	10/10	100%
Yue Ying	10/10	100%
Li Wan Jun	10/10	100%
Average attendance rate	–	100%

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

Deviation: NIL

D. Nomination Committee

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

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

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

Section 7 Corporate Governance

Attendance of committee members at meetings of the Nomination Committee in 2022

No. of meetings 3

Date and Business	Details are set out in paragraph ⁽⁵⁾ of VII Special Committees Under The Board in this section	
	No. of attendance/ No. of meetings	Attendance rate
Wei Jian Jun	3/3	100%
Yue Ying	3/3	100%
Ng Chi Ki	3/3	100%
Average attendance rate	–	100%

Details of matters considered by the Nomination Committee during the Reporting Period are set out in paragraph (5) of VII Special Committees under the Board in this section.

Deviation: NIL

Board diversity policy

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

The Board has set measurable objectives (in terms of gender, skills, experience, etc.) and timelines (currently expected to be no later than the year of 2024) to implement the policy according to applicable listing rules and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives, and will review the policy, as appropriate, to ensure its continued effectiveness from time to time.

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

Deviation: NIL

Section 7 Corporate Governance

Diversity of employees

The Group has 20,352 female employees, accounting for approximately 23.29% of the total number of employees. The Group has 67,015 male employees, accounting for approximately 76.71% of the total number of employees.

The Group insists on the recruitment strategy of hiring suitable employees for different positions, to achieve the diversity of all employees (including senior management) in terms of gender, age, cultural and educational background, professional experience, skills and knowledge. As of 31 December 2022, the female employees of the Group accounted for approximately 23.29% of the total number of employees, which demonstrates that the Group has achieved gender diversity of employees.

E. Accountability, Audit and Audit Committee

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

- The directors are responsible for supervising the preparation of accounts for each financial period, which are required to give a true and fair view of the operating conditions, results and cash flow of the Group during the relevant period. When preparing the accounts for the year ended 31 December 2022, the directors have:
 1. selected and consistently applied appropriate accounting policies, made prudent and reasonable judgments and estimations and prepared accounts on a going concern basis; and
 2. announced interim and final results of the Group every year in accordance with the Hong Kong Listing Rules and disclosed other financial information as required by the Hong Kong Listing Rules.

Deviation: NIL

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

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

Deviation: NIL

Section 7 Corporate Governance

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

- Deloitte Touche Tohmatsu Certified Public Accountants LLP was the external auditor of the Company in 2022. Its reviewing fees in respect of the interim audit service amounted to RMB566,000. The financial statements of the Company's annual report have been prepared in accordance with the China Accounting Standards for Business Enterprises and audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP. In 2022, Deloitte Touche Tohmatsu Certified Public Accountants LLP charged the Company RMB1,650,900, RMB330,200, RMB188,700, RMB1,262,400 and RMB2,259,700 for the auditing fees in respect of the annual audit, the annual internal control audit, the special report and review report on the deposit and actual use of the proceeds, audit service provided by Deloitte (including other entities under Deloitte) to the Company's subsidiaries, and the annual consultation fees (including other entities under Deloitte) respectively. Apart from these, there was no fee payable for non-audit services by Deloitte Touche Tohmatsu Certified Public Accountants LLP in 2022.
- The directors of the Company acknowledge that it is their responsibility for preparing the accounts of the Group.
- A statement by the auditors about their reporting responsibilities is set out in Section 13 "Financial Report".
- During the Year, the Board conducted a review of the effectiveness of the internal control system of the Group.
- The Company has set up an Audit Committee comprising all the current independent non-executive directors (Li Wan Jun (Chairman of the Audit Committee), Yue Ying, Ng Chi Kit) and one non-executive director (He Ping) of the Company. The composition of the Audit Committee of the Company is in compliance with Rule 3.21 of the Hong Kong Listing Rules.

Section 7 Corporate Governance

- The terms of reference of the Audit Committee conformed with the recommendations set out in A Guide for Effective Audit Committees issued by the Hong Kong Institute of Certified Public Accountants, which stipulates the following specific functions:
 - (I) monitoring and evaluating the external auditors;
 - (II) providing guidance on internal audit work;
 - (III) reviewing financial statements, annual reports, interim reports and quarterly reports of the Company and making comments thereon;
 - (IV) assessing the effectiveness of internal control and risk management;
 - (V) reviewing and confirming the list of related parties;
 - (VI) coordinating communication between the management, internal audit departments and relevant departments with the external auditors;
 - (VII) other matters as authorized by the Board of the Company and other matters involved in the relevant laws and regulations.
- The principal work of the Audit Committee includes reviewing and supervising the financial reporting procedures and internal control of the Group as well as auditing and reviewing the Company's financial reporting, risk management and internal control system, reviewing the effectiveness of the issuer's internal audit function, and fulfilling other duties set out in the Corporate Governance Code.

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

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

Section 7 Corporate Governance

Attendance of committee members in meetings of the Audit Committee in 2022

No. of meetings 8

Date and Main Business	Details are set out in paragraph ⁽³⁾ of VII Special Committees Under The Board in this section	
	No. of attendance/ No. of meetings	Attendance rate
He Ping	8/8	100%
Li Wan Jun	8/8	100%
Yue Ying	8/8	100%
Ng Chi Kit	8/8	100%
Average attendance rate	–	100%

- The Audit Committee held a meeting on 30 March 2023 and reviewed the audited annual results announcement, annual report and annual financial statements of the Group for the year ended 31 December 2022.
- The terms of reference of the Audit Committee covered all duties set out in the Corporate Governance Code. During the Year, the Audit Committee recommended to the Board for the reappointment of Deloitte Touche Tohmatsu Certified Public Accountants LLP as the external auditor of the Company for the year of 2022.
- The Audit Committee reviewed the independence and objectivity as well as the effectiveness of the auditing procedures adopted by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the external auditor of the Company.
- The Audit Committee reviewed the Company and its subsidiaries' financial report for 2021, the first quarterly financial report for 2022, the interim financial report for 2022, the third quarterly financial report for 2022.
- The Audit Committee reviewed the related party transactions of the Company for 2021 and for the interim period of 2022.
- The Audit Committee reviewed the internal control system of the Company and its subsidiaries for 2022.
- The Audit Committee reviewed the adjustment on the cap of ordinary related party transactions for 2022.
- The minutes of meetings of the Audit Committee are duly kept by the secretary to the Board and provided a detailed record of the opinions and suggestions of the committee members. The minutes are filed for record upon signing and confirmation by the committee members.

Section 7 Corporate Governance

- All the current independent non-executive directors and one non-executive director of the Company serve as members of the Audit Committee.
- Deloitte Touche Tohmatsu Certified Public Accountants LLP was re-appointed as the external auditor of the Company in 2022. In the last three years, the Company had not changed its auditor.

Deviation: NIL

F. Corporate Governance Functions

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

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

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

Deviation: NIL

G. Risk Management and Internal Control

The Board confirms that it is obliged to monitor the risk management and internal control system of the Group and review its effectiveness on an annual basis through the Audit Committee. The risk management and internal control system is designed to manage rather than to eliminate the risks of failure to reach operation objectives, and may only provide reasonable instead of absolute assurance against material misstatement or loss. The Audit Committee is responsible for assisting the Board in evaluating the effectiveness of internal control and risk management, which includes monitoring the finance, operation, compliance and other material aspects of the Group. The Board has reviewed the risk management and internal control system of the Group, and confirmed that, for the year ended 31 December 2022, the risk management and internal control system was effective and no material fault or weakness in respect of supervision was identified during the Reporting Period.

Section 7 Corporate Governance

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

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

1. Main characteristics of risk management and internal control

Risk management and internal control system:

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

Duties:

The Board

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

Audit Committee

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

Section 7 Corporate Governance

The management

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

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

The Group has implemented policies and procedures to review the effectiveness of risk management and internal control and remedy the material defects of internal control, including requesting the management to conduct evaluation on a regular basis to keep abreast of related information in a timely manner. Furthermore, the Group has set up a system to safeguard integrity and honesty, combat corruption and facilitate case report and supervision. The Board considers that the Group has adopted a set of effective and adequate risk management and internal control systems for the year ended 31 December 2022.

Disclosure of Inside Information

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

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

Relevant procedures:

(1) Risk identification

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

(2) Risk evaluation

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

Section 7 Corporate Governance

(3) Risk management

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

(4) Risk monitoring

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

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

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

3. Internal audit

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

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

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

5. Information disclosure rules

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

Deviation: NIL

Section 7 Corporate Governance

H. Company Secretary

Mr. Xu Hui served as a secretary to the Board and the company secretary of the Company. In compliance with Rule 3.29 of the Hong Kong Listing Rules, Mr. Xu Hui has taken no less than 15 hours of relevant professional training during the year ended 23 September 2022, and Mr. Xu Hui resigned as the secretary to the Board and the company secretary of the Company on 23 September 2022.

Ms. Li Hong Shuan was appointed as a secretary to the Board and the joint company secretary of the Company on 23 September 2022. In compliance with Rule 3.29 of the Hong Kong Listing Rules, Ms. Li Hong Shuan has taken no less than 15 hours of relevant professional training during the year ended 31 December 2022.

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

Deviation: NIL

I. Corporate Communications

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

- The Company communicates with shareholders by publishing the latest resolutions of the Board in its annual and interim reports and announcements. Contact details of secretary to the Board of the Company are contained in the "Investor Relations" channel on the Company's website. The Company also responds to queries raised by investors.
- At the general meetings, the chairman of the meeting will put forward separate resolutions for each substantially independent issue.
- At the annual general meeting, the chairman of the Board will answer and provide proper explanations of questions raised by shareholders, their proxies and members of the Audit Committee.
- The details of the procedures for voting by poll and the shareholders' rights for demanding a poll are set out in the circulars despatched to shareholders.

Deviation: NIL

Section 7 Corporate Governance

J. Shareholders' Rights

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

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

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

Deviation: NIL

Section 7 Corporate Governance

K. Investor Relations

- During the Year, the Company enhanced two-way communication between the Company and its investors so as to enable general investors to keep abreast of the operation condition of the Company promptly, promote a good relationship between the Company and its investors and help its investors acquire a timely and accurate understanding of the business operation of the Company. In addition to periodic reports and temporary announcements published by the Company, the Company also published the information on its solutions and products and market expansion and the latest progress on its official website, to make investors get to know the latest development trends of the Company timely. Through investor hotline, e-mail, the SSE E-interactive platform, etc., the Company allowed investors to fully express their opinions and communicated with investors. During the Year, the Company enabled its investors to have a timely understanding of the Company's business operation through inviting them to participate in the Company's activities such as general meetings, car exhibitions, brand launch conferences and technical conferences. The Company had comprehensive communication with its investors by arranging domestic and overseas online/offline roadshows, receiving survey and research delegations from investors, arranging teleconferences and attending online/offline summit meetings hosted by investment banks. During the Year, the Company conducted 9 domestic and overseas roadshows, received 8 survey and research delegations from domestic and overseas investors, held 199 teleconferences, and participated in 112 summit meetings hosted by investment banks. During the Year, the Company has reviewed the implementation and effectiveness of its shareholders' communication policy. Based on comprehensive feedbacks from investors through the tubes mentioned above, the Company believes that its shareholder communication policy is effective. For the details of the Company's investor relations system and its implementation during the Year, please refer to the section "Investor Relations Management" in the Corporate Social Responsibility Report for 2022 of Great Wall Motor Company Limited (《長城汽車股份有限公司2022年度社會責任報告》) simultaneously published with this report.
- At the 2022 first extraordinary general meeting convened on 18 March 2022 by the Company, the amendments to the Articles of Association of the Company concerning the corporate governance were considered and approved, and came into effect on 18 March 2022.

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

Deviation: NIL

Section 8 Environment and Social Responsibilities

I. ENVIRONMENTAL INFORMATION

Whether environment-related mechanism has been established Yes
 Capital contributed to protect environment during the Reporting Period (unit: RMB0'000) 3,605.7

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

√ Applicable □ Not applicable

1. Pollution discharging

√ Applicable □ Not applicable

Name of company or subsidiary	Name of major pollutants and specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total Emissions (t)	Verified total emissions(t/a)	Excessive emission		
Great Wall Motor Company Limited	Sewage	Intermittent emission	2	The discharge outlet on the factory site of Great Wall Motor Company Limited located at Chaoyang South Avenue	pH	7.91	Integrated Wastewater	-	-	Nil	
					Chemical oxygen demand	71.21	mg/L	Discharge Standards (GB 8978-1996); import water	19.95	39.14	Nil
					Ammonia nitrogen	26.71	mg/L	quality requirements for	7.54	13.5	Nil
					Total phosphorus	3.12	mg/L	Yindingzhuang Sewage	0.87	1.41	Nil
					Total nitrogen	42.09	mg/L	Station	11.79	23.5	Nil
					Suspended solids	23	mg/L		6.44	-	Nil
					Five-day BOD	13.2	mg/L		3.70	-	Nil
	Exhaust gas	Regular emission	8	Around the coating workshop and general assembly workshop	Total nickel	0.16	mg/L		0.006	0.009	Nil
					VOCs	2.95	mg/m ³	Integrated Emission Standards of Air Pollutants	33.3	124.464	Nil
					Sulfur dioxide	ND	mg/m ³	(GB 16297-1996); Emission	0	1.49	Nil
					Nitrogen oxides	16	mg/m ³	Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016)	1.11	26.914	Nil
	Soil	In 2022, 1,384 tons of hazardous waste was generated								Nil	
		Xushui Branch of Great Wall Motor Company Limited	Intermittent emission	3	Main discharge outlets of No. 1 plant and No. 2 plant of Xushui Branch	pH	7.86	Integrated Wastewater	-	-	Nil
Chemical oxygen demand	50.51					mg/L	Discharge Standards (GB 8978-1996); import water	37	37.03	Nil	
Ammonia nitrogen	3.56					mg/L	quality requirements for	2.2	2.382	Nil	
Total phosphorus	0.45					mg/L	Dawangdian Treatment	0.38	1.427	Nil	
Total nitrogen	17.31					mg/L	Sewage Station	15.1	-	Nil	
Suspended solids	17					mg/L		13.42	-	Nil	
Five-day BOD	12.83					mg/L		13.04	-	Nil	
Total nickel	0.046	mg/L		0.03	0.26	Nil					
Fluoride	2.02	mg/L		1.57	-	Nil					

Section 8 Environment and Social Responsibilities

Name of company or subsidiary	Name of major pollutants and specific pollutants		Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total Emissions (t)	Verified total emissions(t/a)	Excessive emission	
Tianjin Haval Branch of Great Wall Motor Company Limited	Sewage	pH	Intermittent emission	2	West side of the factory site	7.86	Integrated Wastewater Discharge Standards (DB 12/356-2018)	-	-	Nil	
		Chemical oxygen demand				35.5		mg/L	4.86	96.313	Nil
		Ammonia nitrogen				0.47		mg/L	0.26	5.85	Nil
		Total phosphorus				0.43		mg/L	0.09	1.541	Nil
		Total nitrogen				2.255		mg/L	1.24	13.484	Nil
		Suspended solids				4.6		mg/L	0.57	-	Nil
		Five-day BOD				14.8		mg/L	1.93	-	Nil
	Total nickel	0.18	mg/L	0.003	0.126	Nil					
	Exhaust gas	VOCs	Regular emission	55	Around the factory	5.19	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB12/524-2020)/Integrated Emission Standards of Air Pollutants (GB 16297-1996)	10.84	398.29	Nil	
		Sulfur dioxide				5		mg/m ³	0.25	-	Nil
Nitrogen oxides		79				mg/m ³		11.41	-	Nil	
Particulates		3.1				mg/m ³		0.73	-	Nil	
Solid and hazardous waste	In 2022, 606 tons of hazardous waste was generated, and 47 boxes of ordinary solid waste (length*width*height: 3.45m*2.2m*1m) were generated								Nil		
Chongqing Branch of Great Wall Motor Company Limited	Exhaust gas	VOCs	Regular emission	24	Around the factory	1.67	Integrated Emission Standards of Air Pollutants (DB50/418-2016); Emission Standards of Air Pollutants from Boilers in Chongqing (DB50/658-2016)	1.2	35.85	Nil	
		Sulfur dioxide				14		mg/m ³	0.87	8.63	Nil
		Nitrogen oxides				39		mg/m ³	12.34	57.16	Nil
		Particulates				17.5		mg/m ³	10.38	15.19	Nil
	Soil	In 2022, 2,349 tons of hazardous waste was generated								Nil	
Jingmen Branch of Great Wall Motor Company Limited	Sewage	pH	Intermittent emission	2	Main discharge outlet of domestic/ industrial sewage	7	Integrated Wastewater Discharge Standards (GB 8978-1996)	-	-	Nil	
		Chemical oxygen demand				40		mg/L	2.87	6.73	Nil
		Ammonia nitrogen				0.46		mg/L	0.03	0.673	Nil
		Total phosphorus				0.9		mg/L	0.06	-	Nil
		Total nitrogen				3.51		mg/L	0.62	-	Nil
		Suspended solids				27		mg/L	1.64	-	Nil
		Five-day BOD				10.3		mg/L	0.85	-	Nil
	Total nickel	0.28	mg/L	0.003	0.012	Nil					
	Fluoride	2.66	mg/L	0.18	-	Nil					
	Exhaust gas	VOCs	Regular emission	41	Within the factory	9	Emission Standards of Volatile Organic Compounds: Surface Coating (Automobile Manufacturing Industry) (DB42_1539-2019); Integrated Emission Standards of Air Pollutants (GB 16297-1996)	6.05	39.05	Nil	
Sulfur dioxide		20				mg/m ³		0.23	-	Nil	
Nitrogen oxides		100				mg/m ³		3.48	-	Nil	
Particulates		5				mg/m ³		5.1	-	Nil	

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Name of company or subsidiary	Name of major pollutants and specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total Emissions (t)	Verified total emissions(t/a)	Excessive emission		
Rizhao Weipai Automobile Co., Ltd. (日照魏牌汽車有限公司)	Sewage	Intermittent emission	1	Main discharge outlet of the Company	pH	8	Quality Standards for Sewage Discharged into Urban Sewers (GB/T 31962-2015); Water intake requirements for the sewage treatment plant in the Development Zone of Rizhao Water Group Sewage Treatment Co., Ltd.	-	-	Nil	
					Chemical oxygen demand	16.6	mg/L	0.81	10.18	Nil	
					Ammonia nitrogen	1.23	mg/L	0.05	1.02	Nil	
					Total phosphorus	0.13	mg/L	0.22	-	Nil	
					Total nitrogen	22	mg/L	2.65	-	Nil	
					Suspended solids	10	mg/L	0.34	-	Nil	
					Total nickel	0.02	mg/L	0.00083	0.0102	Nil	
	Exhaust gas	Regular emission	16	Within the factory	VOCs	3.55	mg/m ³	Emission Standards of Volatile Organic Compounds Part 1: Automobile Manufacturing Industry DB37/ 2801.1- 2016	1.06	18.33	Nil
					Sulfur dioxide	11	mg/m ³	0.47	-	Nil	
					Nitrogen oxides	25	mg/m ³	1.27	-	Nil	
Particulates					3.5	mg/m ³	1.36	-	Nil		
Soil	In 2022, 129 tons of hazardous waste was generated								Nil		
Baoding Yixin Automotive Parts Company Limited	Sewage	Intermittent emission	1	Hard water — sewage outlet	pH	7.8	Integrated Wastewater Discharge Standards (GB 8978-1996); import water quality requirements for Yindingzhuang Sewage Station	-	-	Nil	
					Chemical oxygen demand	268.68	mg/L	0.21	10.719	Nil	
					Ammonia nitrogen	16.91	mg/L	0.0076	-	Nil	
					Total phosphorus	0.13	mg/L	0.0003	-	Nil	
					Suspended solids	11	mg/L	0.023	-	Nil	
	Five-day BOD	7.4	mg/L	0.036	-	Nil					
	Exhaust gas	Intermittent emission	18	Around the factory	VOCs	2.86	mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises DB13/2322— 2016	2.92	47.904	Nil
					Sulfur dioxide	ND	mg/m ³	0	-	Nil	
					Nitrogen oxides	24	mg/m ³	0.96	-	Nil	
					Particulates	2.4	mg/m ³	2.29	-	Nil	
Soil	In 2022, 358 tons of hazardous waste was generated								Nil		
Baoding Xushui Branch of Nobo Automotive Systems Co., Ltd.	Soil	In 2022, 974 tons of hazardous waste was generated								Nil	
Baoding Xushui Vehicle Seats Branch of Nobo Automotive Systems Co., Ltd.	Soil	In 2022, 235 tons of hazardous waste was generated								Nil	

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Name of company or subsidiary	Name of major pollutants and specific pollutants		Way of emission	Number of		Emission concentration	Adopted emission standards for pollutants	Total Emissions (t)	Verified total emissions(t/a)	Excessive emission
				discharge outlet	Location of discharge outlet					
Nobo Automotive Parts (Tianjin) Co., Ltd.	Sewage	pH	Intermittent emission	1	West side of the factory site	7.4	Integrated Wastewater Discharge Standards (DB 12/356-2018)	-	-	Nil
		Chemical oxygen demand				48		0.97	183.8031	Nil
		Ammonia nitrogen				1.83		0.026	13.3454	Nil
		Total phosphorus				2.27		0.062	3.455	Nil
		Total nitrogen				21.2		0.765	30.227	Nil
		Suspended solids				31		0.459	-	Nil
		Five-day BOD				14.6		0.277	-	Nil
	Exhaust gas	VOCs	Regular emission	11	Around the factory	10.1	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises DB12/524-2020	5.705	18.66	Nil
		Sulfur dioxide				ND		1.265	-	Nil
		Nitrogen oxides				5.67		1.18	-	Nil
Solid and hazardous waste	Particulates				2.55		0.89	-	Nil	
	In 2022, 365 tons of hazardous waste was generated, and 221 boxes of ordinary solid waste (length*width*height: 3.45m*2.2m*1m) were generated									
Baoding Nobo Rubber Production Co., Ltd.	Sewage	pH	Intermittent emission	1	West side of the factory site	7.75	Integrated Wastewater Discharge Standards (GB 8978-1996); import water quality requirements for Yindingzhuang Sewage Station	-	-	Nil
		Chemical oxygen demand				14		65.04	-	Nil
		Ammonia nitrogen				0.394		0.386	-	Nil
		Total phosphorus				0.11		0.636	-	Nil
		Total nitrogen				0.038		0.635	-	Nil
		Suspended solids				13		39.036	-	Nil
	Five-day BOD	4.4	19.265	-	Nil					
	Exhaust gas	VOCs	Regular emission	3	Around the factory	2.27	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016); Emission Standards for Industrial Pollutants of Rubber Products (GB 27632-2011); Integrated Emission Standards of Air Pollutants (GB 16297-1996)	1	-	Nil
Particulates		2.2				0.153		-	Nil	

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Name of company or subsidiary	Name of major pollutants and specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total Emissions (t)	Verified total emissions(t/a)	Excessive emission		
Nuobo Rubber Production Company Limited	Sewage	Intermittent emission	1	Main discharge outlet	pH	7.9	-	Integrated Wastewater	-	-	Nil
					Chemical oxygen demand	33	mg/L	Discharge Standards (GB 8978-1996)	1.73	17.601	Nil
					Ammonia nitrogen	0.759	mg/L		0.25	0.622	Nil
					Total phosphorus	0.65	mg/L		0.031	-	Nil
					Total nitrogen	10.7	mg/L		0.695	2.08	Nil
					Suspended solids	23	mg/L		0.72	-	Nil
					Five-day BOD	11.9	mg/L		0.58	-	Nil
	Exhaust gas	Regular emission	21	Around the factory	VOCs	2.64	mg/m ³	Integrated Emission Standards of Air Pollutants (GB 16297-1996); Emission Standards for Industrial Pollutants of Rubber Products (GB 27632-2011); Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322—2016); Notice on printing and distributing The Plan for Comprehensive Control of Air Pollution in Industrial Furnaces and Kilns (Huan Da Qi) [2019] No.56)	3.45	-	Nil
					Sulfur dioxide	0	mg/m ³		0.00058	0.0499	Nil
					Nitrogen oxides	11.55	mg/m ³		0.091	0.565	Nil
				Particulates	1.96	mg/m ³		2.3	4.21	Nil	
Baoding Nuobo Auto Decorations Company Limited	Sewage	Intermittent emission	1	Main discharge outlet of the sewage station in the plant	pH	7	-	Integrated Wastewater	-	-	Nil
					Chemical oxygen demand	10.63	mg/L	Discharge Standards (GB 8978-1996); Emission Standards for Electroplating Pollutants (GB 21900 - 2008); Import water quality requirements for Dawangdian Industrial Park Sewage Treatment Station	0.12	4.25	Nil
					Ammonia nitrogen	1.06	mg/L		0.0113	0.15	Nil
					Total phosphorus	0.8	mg/L		0.0102	-	Nil
					Suspended solids	9	mg/L		0.191	-	Nil
					Fluoride	0.46	mg/L		0.049	-	Nil
	Exhaust gas	Regular emission	6	Around the factory	Nitrogen oxides	8	mg/m ³	Integrated Emission Standards of Air Pollutants (GB 16297-1996); Notice on printing and distributing The Plan for Comprehensive Control of Air Pollution in Industrial Furnaces and Kilns (Huan Da Qi) [2019] No.56)	0.024	-	Nil
					Particulates	1.8	mg/m ³		0.522	-	Nil

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Name of company or subsidiary	Name of major pollutants and specific pollutants		Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total Emissions (t)	Verified total emissions(t/a)	Excessive emission
Jingcheng Engineering Automotive Systems Co., Ltd.	Sewage	pH	Intermittent emission	1	Main discharge outlets of the plant	7.67	Integrated Wastewater Discharge Standards (GB 8978-1996)	-	-	Nil
		Chemical oxygen demand				69.53 mg/L		1.22	3.355	Nil
		Ammonia nitrogen				0.167 mg/L		0.018	0.191	Nil
		Total phosphorus				0.762 mg/L		0.015	-	Nil
		Total nitrogen				14.67 mg/L		0.127	-	Nil
		Suspended solids				21.52 mg/L		0.288	-	Nil
		Five-day BOD				23.24 mg/L		0.283	-	Nil
	Total nickel	0.196 mg/L	0.006	-	Nil					
Soil	In 2022, 92 tons of hazardous waste was generated								Nil	
Baoding Xushui Chassis Branch of Jingcheng Engineering Automotive Systems Co., Ltd.	Sewage	pH	Intermittent emission	2	Main discharge outlet of phase 1, Main discharge outlet of No. 2 plant	7.7	Integrated Wastewater Discharge Standards (GB 8978-1996); import water quality requirements for Dawangdian Treatment Sewage Station	-	-	Nil
		Chemical oxygen demand				22 mg/L		3.57	4.534	Nil
		Ammonia nitrogen				0.247 mg/L		0.91	1.814	Nil
		Total phosphorus				0.04 mg/L		0.073	0.503	Nil
		Total nitrogen				9.13 mg/L		2.58	3.022	Nil
		Suspended solids				25 mg/L		2	-	Nil
Baoding Exquisite Automotive Mould Technology Co., Ltd.	Sewage	pH	Intermittent emission	2	The discharge outlet at the Chaoyang South Avenue, the discharge outlet of Jiaozhuang Sewage Station	7.4	Integrated Wastewater Discharge Standards (GB 8978-1996)	-	-	Nil
		Chemical oxygen demand				34 mg/L		0.552	-	Nil
		Ammonia nitrogen				19.1 mg/L		0.31	-	Nil
		Total phosphorus				0.95 mg/L		0.015	-	Nil
		Total nitrogen				24.3 mg/L		0.394	-	Nil
		Suspended solids				13 mg/L		0.211	-	Nil
Five-day BOD	31.8 mg/L	0.516	-	Nil						
Baoding Great Machinery Company Limited (保定市格瑞機械有限公司)	Sewage	pH	Intermittent emission	1	Main discharge outlets of the plant	8.3	Integrated Wastewater Discharge Standards (GB 8978-1996); import water quality standard for Lugang Sewage Treatment Plant	-	-	Nil
		Chemical oxygen demand				282 mg/L		2.36	3.563	Nil
		Ammonia nitrogen				3.38 mg/L		0.028	0.2	Nil
		Total phosphorus				1.16 mg/L		0.0097	-	Nil
		Total nitrogen				4.6 mg/L		0.039	-	Nil
		Suspended solids				13 mg/L		0.109	-	Nil
		Five-day BOD				84.4 mg/L		0.707	-	Nil
Total nickel	0.46 mg/L	0.004	-	Nil						

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Name of company or subsidiary	Name of major pollutants and specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total Emissions (t)	Verified total emissions(t/a)	Excessive emission		
Shunping Precision Die Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd.	Sewage	Intermittent emission	1	Main discharge outlet of the sewage station in the plant (share with Precision Casting Branch)	pH	7	Integrated Wastewater	-	-	Nil	
					Chemical oxygen demand	55	mg/L	Discharge Standards (GB 8978-1996); import water	8.96	-	Nil
					Ammonia nitrogen	4.49	mg/L	quality requirements for Shunping Qingyuan	0.73	-	Nil
					Total phosphorus	0.15	mg/L	Sewage Treatment Co., Ltd.	0.042	-	Nil
					Total nitrogen	12.4	mg/L		2.02	-	Nil
	Exhaust gas	Regular emission	6	Around the factory	Suspended solids	13	mg/L		2.45	-	Nil
					Five-day BOD	18.9	mg/L		3.08	-	Nil
					VOCs	2.32	mg/m ³	Integrated Emission Standards of Air Pollutants (GB 16297-1996); Emission Standards of Industrial Furnace Kiln Air Pollutants (DB13/1640-2012)	2.02	-	Nil
					Sulfur dioxide	ND	mg/m ³		0	-	Nil
					Nitrogen oxides	10	mg/m ³		0.96	-	Nil
Particulates	2.4	mg/m ³		0.94	-	Nil					
Shunping Precision Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd.	Sewage	Intermittent emission	1	Main discharge outlet of the sewage station in the plant	pH	8	Integrated Wastewater	-	-	Nil	
					Chemical oxygen demand	106.3	mg/L	Discharge Standards (GB 8978-1996); import water	21.14	-	Nil
					Ammonia nitrogen	10.52	mg/L	quality requirements for Shunping Qingyuan	1.104	-	Nil
					Total phosphorus	1.05	mg/L	Sewage Treatment Co., Ltd.	0.029	-	Nil
					Total nitrogen	33	mg/L		1.31	-	Nil
					Suspended solids	23	mg/L		2.106	-	Nil
Five-day BOD	46.9	mg/L		3.032	-	Nil					
Baoding Xushui Optoelectronics Branch of Mind Electronics Company Limited	Sewage	Intermittent emission	1	Main discharge outlets in the sewage station of the plant	pH	7.9	Integrated Wastewater	-	-	Nil	
					Chemical oxygen demand	35	mg/L	Discharge Standards (GB 8978-1996); import water	3.50	-	Nil
					Ammonia nitrogen	1.67	mg/L	quality requirements for Dawangdian Industrial Park	0.103	-	Nil
					Total phosphorus	0.33	mg/L	Sewage Treatment Station	0.402	-	Nil
					Total nitrogen	24.8	mg/L		2.04	-	Nil
	Exhaust gas	Regular emission	5	Around the factory	Suspended solids	14	mg/L		0.99	-	Nil
					VOCs	0.8	mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises(DB13/2322—2016); Integrated Emission Standards of Air Pollutants (GB 16297-1996)	0.19	3.272	Nil
					Sulfur dioxide	ND	mg/m ³		0	-	Nil
					Nitrogen oxides	ND	mg/m ³		0	-	Nil
					Particulates	2.3	mg/m ³		0.292	1.444	Nil
Baoding Heating System Branch of Mind Electronics Company Limited	Soil	In 2022, 169 tons of hazardous waste was generated							Nil		
Baoding Optoelectronics Branch of Mind Electronics Company Limited	Soil	In 2022, 82 tons of hazardous waste was generated							Nil		

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Name of company or subsidiary	Name of major pollutants and specific pollutants		Way of emission	Number of		Emission concentration	Adopted emission standards for pollutants	Total Emissions (t)	Verified total emissions(t/a)	Excessive emission
				discharge outlet	Location of discharge outlet					
Dingxing Branch of Great Wall Motor Company Limited	Exhaust gas	VOCs	Regular emission	17	Around the factory	14.183 mg/m ³	Integrated Emission Standards of Air Pollutants (GB 16297-1996); Emission Standards of Industrial Furnace Kiln Air Pollutants (DB13/1640-2012); Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016)	1.701	-	Nil
		Sulfur dioxide				ND		0	-	Nil
		Nitrogen oxides				30.75 mg/m ³		0.478	0.572	Nil
		Particulates				5.95 mg/m ³		18.17	-	Nil
Honeycomb Engine System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司)	Soil	In 2022, 132 tons of hazardous waste was generated								Nil
Xushui Branch of Honeycomb Transmission Technology Hebei Co., Ltd.	Sewage	pH	Intermittent emission	1	Main discharge outlet of the sewage station	7.6	Integrated Wastewater Discharge Standards (GB 8978-1996); import water quality requirements for Dawangdian Treatment Sewage Station	-	-	Nil
		Chemical oxygen demand				42 mg/L		0.17	-	Nil
		Ammonia nitrogen				2.66 mg/L		0.011	-	Nil
		Total phosphorus				1.28 mg/L		0.005	-	Nil
		Total nitrogen				20.2 mg/L		0.084	-	Nil
		Suspended solids				24 mg/L		0.0996	-	Nil
Five-day BOD	13.3 mg/L	0.055	-	Nil						

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

In 2022, a total of 16,335 tons of hazardous waste consisting mainly of sludge, paint waste and contaminated waste was produced, representing a unit production of 0.01 ton per vehicle. Such waste was transferred in accordance with the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), Notice on the Application of Dynamic Solid Waste Information Management Platform (《固體廢物動態信息管理平台應用有關工作的通知》), the Notice on the Relevant Procedures of Launching Tianjin's Hazardous Waste Online Transfer Supervision Platform for the Transfer of Hazardous Wastes in the City of Tianjin (《關於啟動天津市危險廢物在線轉移監管平台辦理危險廢物市內轉移相關手續的通知》), Notice of Chongqing Ecological Environment Bureau on Strengthening Information Management of Solid Waste (《重慶市生態環境局關於強化固體廢物信息化管理有關工作的通知》) and the procedures for obtaining approval of transfer established by the competent authorities in Tianjin, Baoding, Chongqing, Rizhao and Jingmen. Hazardous waste in Tianjin was transferred to Tianjin Hejia Veolia Environmental Services Co., Ltd. (天津合佳威立雅環境服務有限公司), Tianjin Binhai Hejia Veolia Environmental Services Co., Ltd. (天津濱海合佳威立雅環境服務有限公司), Qinhuangdao Xushankou Hazardous Waste Treatment Co., Ltd. (秦皇島市徐山口危險廢物處理有限公司),

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Tianjin Sanyi Langzhong Environmental Protection Technology Co., Ltd. (天津三一朗眾環保科技有限公司), Hengshui Ruitao Environmental Protection Technology Co., Ltd. (衡水睿韜環保技術有限公司) and other companies for disposal. Hazardous waste in Baoding was transferred to Baoding Kexiong Environmental Protection Technology Co., Ltd. (保定市科雄環保科技有限公司), Henan Fengda Renewable Energy Technology Co., Ltd. (河南豐達再生能源科技有限公司), Hebei Fenghua Environmental Protection Technology Co., Ltd. (河北風華環保科技股份有限公司), Cangzhou Jihuan Veolia Environmental Services Co., Ltd. (滄州冀環威立雅環境服務有限公司), Tangshan Youyi Shengxing Renewable Resources Co., Ltd. (唐山優藝勝星再生資源有限公司), Qinhuangdao Xushankou Hazardous Waste Treatment Co., Ltd. (秦皇島市徐山口危險廢物處理有限公司) and other companies for disposal. Hazardous waste in Chongqing was transferred to Chongqing Lite Juxin Resource Recycling Technology Co., Ltd. (重慶利特聚欣資源循環科技有限責任公司), Chongqing Yunxin Environmental Protection Industry Development Co., Ltd. (重慶雲鑫環保產業發展有限公司) and Chongqing Herun Zhongtian Environmental Protection Technology Co., Ltd. (重慶市禾潤中天環保科技有限公司) and other companies for disposal. Hazardous waste in Shandong was transferred to Rizhao Kairun Development and Use of Renewable Resources Co., Ltd. (日照凱潤再生資源開發利用有限公司), Taian Dezheng Haizhong Environmental Protection Technology Co., Ltd. (泰安德正海中環保科技有限責任公司), Jining Hailuo Chuangye Environmental Technology Co., Ltd. (濟寧海螺創業環境科技有限責任公司) and Zibo Zutian Environmental Protection Technology Co., Ltd. (淄博祖天環保科技有限公司) for disposal. Hazardous waste in Jingmen was transferred to Beikong Urban Environmental Resources (Yichang) Co., Ltd. (北控城市環境資源(宜昌)有限公司), Jingzhou Changsheng Environmental Protection Engineering Co., Ltd. (荊州市昌盛環保工程有限公司) and Hubei Lühe Renewable Resources Co., Ltd. (湖北綠合再生資源有限公司) for disposal. In 2022, a total of 13,660 tons of general solid waste was produced, representing a unit production of 0.01 ton per vehicle, which was disposed of by the qualified waste recycling service providers engaged by the Company.

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

√ Applicable Not applicable

In compliance with national laws and regulations as well as emissions standards, the waste emissions indicators of the Company and its major subsidiaries adhered to the most stringent domestic requirements currently in force. Emissions levels of sewage, exhaust gas, noise and solid waste complied with requirements. ① Sewage: sewage from plant sites was fully treated at sewage treatment plants of the Company, undergoing pre-treatment, biochemical treatment, filtering and disinfection procedures, with the treated grey water used for flushing and greening. Licensed discharge of the remaining grey water was made through the municipal sewage network, and the levels of sewage pollutants discharged were much lower than the emissions limits required by laws and regulations. ② Exhaust gas: VOCs produced by stoving were treated by combustion in its RTO, exhaust gas from spraying and coating was treated by zeolite rotor and combustion facilities on top of the existing Giovanni treatment facilities based on their characteristics, undergoing adsorption, desorption and combustion procedures so as to achieve the treatment of VOCs in exhaust gas from spraying and coating. Treated exhaust gas was discharged through exhaust vents at height after meeting the required standards. A real time monitoring system for organic exhaust gas was installed and the discharge situation of VOCs was transmitted to environmental authorities in real time, with supervision by environmental authorities. ③ Noise: in order to reduce noise, the Company proactively adopted various noise prevention and mitigation measures to reduce the impact on the environment. Installation of acoustic shields and anti-vibration

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bases for noise-generating equipment and constructing green belts in the vicinity of noise sources were the main measures undertaken for preventing and controlling noise. Effectively keeping off and lowering noise ensured eliminating noise efficiently for meeting the required emissions standards. ④ Waste management: the Company tackled the process of waste management at source by storing waste by type and setting up temporary storage sites for solid waste. It also placed emphasis on recycling of resources, with all useful waste of value sold to external parties or re-used and worthless waste handled by dedicated waste disposal companies for compliant disposal. Hazardous waste reduction was implemented to cut hazardous waste at source and at end. Dedicated storage sites meeting requirements, equipped with smart monitoring systems and connected with environmental authorities through the Internet, were set up for all hazardous waste. Real time supervision by government authorities round the clock during the year can ensure that waste storage and disposal meet the required standards.

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

Applicable Not applicable

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

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

4. *Emergency plan for environmental contingency*

Applicable Not applicable

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

Section 8 Environment and Social Responsibilities

5. *Voluntary environmental monitoring plan*

Applicable Not applicable

We would carry out third-party monitoring of pollutant discharge on schedule in accordance with the requirements of Technical Specifications for Application and Issuance of Pollutant Discharge Permit – Automobile Manufacturing Industry (《排污許可證申請與核發技術規範汽車製造業》), including:

- ① Regularly monitoring the discharge of sewage, keeping monitoring records, installing automatic pH scale, flow, Chemical oxygen demand (COD), ammoniacal nitrogen, total nitrogen and total phosphorus monitoring equipment, and transmitting data in real-time;
- ② Regularly monitoring the discharge of VOCs, and installing online VOC monitoring equipment;
- ③ Regularly monitoring noise on a voluntary basis and appointing external parties to monitor noise, ensuring that the monitoring results meet the requirements of the relevant standards.

6. *Administrative punishment for environmental issues during the Reporting Period*

Applicable Not applicable

7. *Other environmental information which shall be disclosed*

Applicable Not applicable

According to the relevant requirements under the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Measures for the Disclosure of Environmental Information by Enterprises and Institutions (Order No. 31 of the Ministry of Environmental Protection) (《企業事業單位環境信息公開辦法》(環保部第31號令)), the key pollutant discharge units announced by the local environmental protection departments in the places where the Company and its major subsidiaries are located are Great Wall Motor Company Limited, Xushui Branch of Great Wall Motor Company Limited, Tianjin Haval Branch of Great Wall Motor Company Limited, Chongqing Branch of Great Wall Motor Company Limited, Jingmen Branch of Great Wall Motor Company Limited, Rizhao Weipai Automobile Co., Ltd., Baoding Yixin Automotive Parts Company Limited, Baoding Xushui Branch of Nobo Automotive System Co., Ltd, Xushui Vehicle Seats Branch of Nobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司徐水座椅分公司), Tianjin Branch of Nobo Automotive System Co., Ltd., Baoding Nobo Rubber Production Co., Ltd., Baoding Nobo Auto Decorations Company Limited (保定諾博汽車裝飾件有限公司), Jingcheng Engineering Automotive Systems Co., Ltd. Baoding Xushui Jinggong Chassis Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司保定徐水精工底盤分公司), Baoding Mould Technology Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司保定模具技術分公司), Baoding Great Machinery Company Limited (保定市格瑞機械有限公司), Baoding Great Wall Scrap Car Recycling & Dismantling Co., Ltd., Shunping Precision Die Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工壓鑄分公司), Shunping Precision Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有

Section 8 Environment and Social Responsibilities

限公司順平精工鑄造分公司), Tianjin Haval Branch of Great Wall Motor – Interior and Exterior Decoration and Chassis Business Department (長城汽車天津哈弗分公司內外飾和底盤事業部), Baoding Xushui Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定徐水光電分公司), Baoding Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定光電分公司), Baoding Heating System Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定熱系統分公司), Dingxing Branch of Great Wall Motor Company Limited, Honeycomb Power System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司), Tianjin Haval Branch of Great Wall Motor Company Limited – Power Business Department (長城汽車股份有限公司天津哈弗分公司動力事業部), Xushui Branch of Honeycomb Transmission Technology Hebei Co., Ltd. Relevant topics and sections on environmental information have been created on the Company's official website to publish the Company's environmental-related information.

(II) Description of environmental protection of companies other than key pollutant discharging units

Applicable Not applicable

1. *Administrative punishment for environmental issues*

Applicable Not applicable

2. *Disclosure of other environmental information with reference to key pollutant discharging units*

Applicable Not applicable

- ① Companies other than key pollutant discharging units shall conduct third party monitoring in accordance with the pollutant discharge specifications, and strictly implement the pollutant discharge standards and total amount control requirement to discharge pollutants, ensuring compliance discharge of wastewater, exhaust gas, and noise;
- ② There are compliance storage sites for general solid wastes and hazardous wastes in the Company, and all of them are delivered to qualified manufacturers for compliance disposal.

3. *Reasons for failure to disclose other environmental information*

Applicable Not applicable

(III) Information that is conducive to ecological protection, pollution prevention and control, and environmental responsibility

Applicable Not applicable

The Company actively established and improved the environmental management system, and passed the certification audit of the Environmental Management System Audit (ISO14001:2004) for the first time in 2008. In 2022, the Company had completed the supervision audit (ISO14001:2015), ensuring the suitability, adequacy and effectiveness of the environmental management system in the Company.

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(IV) Measures taken to reduce carbon emissions and their effects during the Reporting Period

Whether any measure to reduce carbon emissions has been taken	Yes
Reducing emission of CO2 equivalents (unit: tonnes)	209,120
Type of measures to reduce carbon emissions (such as the use of clean energy to generate electricity, application of carbon reduction technology in the production process, and research and development and manufacture of new products contributing to reducing carbon emissions)	See specific explanation for details

Specific Explanation

Applicable Not applicable

In order to achieve the overall sustainable development of the Company, Great Wall Motor carried out energy conservation and carbon reduction in all fields covering the entire life cycle.

In the product development stage, the carbon emission in the whole life cycle of auto products was included in the performance indicators of vehicle development to set the carbon emission limits of vehicle models and the carbon emission was reduced by 3.5% during the Reporting Period compared with that in 2020 through the optimization of product structure, iterative upgrading of power technology, application of recycled materials, clean energy production, lightweight design and other technologies and management means. Meanwhile, Great Wall Motor adhered to the technical development of clean energy to accelerate the layout of new energy products and speed up its advanced development.

In the manufacturing stage, Great Wall Motor made continuous efforts on energy conservation and carbon reduction from several aspects such as process and technical innovation, refined energy management and expansion of the proportion of renewable energy application, with a total of 209,120 tons of carbon reduced at the factory end during the Reporting Period. In particular, the Company realized an annual carbon emission reduction of 89,763 tons during the Reporting Period through measures such as process enhancement, production efficiency improvement, application of energy-saving equipment, and digital energy management and control. Meanwhile, the Group vigorously promoted the application of renewable energy, and achieved an annual carbon emission reduction of 119,357 tons by continuously increasing distributed photovoltaics and procurement of green electricity generated. Going forward, Great Wall Motor will adhere to the concept of sustainable development and constantly promote the continuous reduction of carbon emissions in production links.

In the scrapping and recycling stage, Great Wall Motor has been committed to maximizing the value of recycled materials. It has devised a sound resource recycling system, and established a recycling system for the automobile industry chain, so as to take advantage of the value of circular economy, promote the sound development of the remanufacturing industry and maximize the use of resources.

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In March 2022, Baoding Great Wall Resource Recycling Co., Ltd (保定長城再生資源利用有限公司) under Great Wall Motor obtained the world's first automobile parts remanufacturing management system certification issued by TUV Rheinland for its remanufactured transmission and headlamp business, and Great Wall Motor became the first vehicle enterprise in China to obtain the remanufacturing quality management system certification.

In October 2022, Great Wall Motor fulfilled its responsibilities as a producer, and after passing the examination of the Ministry of Industry and Information Technology, the Ministry of Science and Technology, the Ministry of Finance and the Ministry of Commerce, it has declared to be a pilot enterprise for the extension of producer responsibility of automobile products.

II. SOCIAL RESPONSIBILITIES

(I) Whether or not to separately disclose social responsibility report, sustainable development report or ESG report

Applicable Not applicable

For details of social responsibility during the Year, please refer to the Corporate Social Responsibility Report for 2022 of Great Wall Motor Company Limited (《長城汽車股份有限公司2022年度社會責任報告》) published by the Company on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk).

(II) Specific information on social responsibility

Donation and charitable projects to external parties	Quantity/ substance	Description
Total investment (RMB0'000)	490.40	See specific explanation for details
Including: Cash (RMB0'000)	139.01	See specific explanation for details
Materials represented by cash (RMB0'000)	351.39	See specific explanation for details
Number of beneficiaries (person)	15,396	See specific explanation for details

Specific Explanation

Applicable Not applicable

1. Pakistan had been hit by rounds of rainstorms since mid-June 2022 and many provinces suffered serious flood disasters. In the crucial stage for reconstruction after the disaster, Great Wall Motor responded quickly and deployed actively. It joined Sazgar Company, its dealer in Pakistan, donated flour, oil, ingredients and other daily necessities with a total weight of nearly 20 tonnes to people in the affected areas for reconstruction after the disaster through the MTJ foundation, a local charitable organization, bringing hope to the life of 530 families. Great Wall Motor fulfilled social responsibilities with practical actions and joined hands with Pakistan in overcoming the difficulties;

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2. A 6.8-magnitude earthquake hit Luding county in Ganzi prefecture in Sichuan province in September 2022, which touched people's hearts. Great Wall Motor immediately donated money and materials with a total value of RMB2 million to assist Luding county in Ganzi prefecture and Shimian county in Yaan City in Sichuan Province and surrounding quake-hit areas. Among which, it donated Great Wall pick-ups with a total value of RMB1.50 million to the Chinese Red Cross Foundation for the transportation of quake relief materials, emergency rescue in quake-hit areas and subsequent reconstruction after the disaster. It donated RMB500,000 to China Women's Development Foundation for purchase of urgent materials and medical and protective items for women and children and psychological assistance to women and children in quake-hit areas to tide over the difficulties with quake-hit people;
3. On 8-9 January 2022, Great Wall Motor, together with the Tourism Authority of Thailand and branches of the tourism authority in central Thailand, carried out the Road Trip charity in communities, which cares about communities and children and concerns about the development of tourism;
4. In the end of March 2022, Great Wall Motor joined hands with the Tourism Authority of Thailand again and held the long-distance test drive to care about and support the recovery of tourism and the development of environmental protection causes in Thailand;
5. In April 2022, Great Wall Motor and Thammasat University signed an MOU. They will conduct continuous and in-depth cooperation on innovation by young people and other aspects to support the innovation and development of education;
6. In April 2022, the TANK brand of Great Wall Motor developed the Together with Charity, a theme activity under the unified charity IP of the "Light of TANK". It joined hands with Wavelib in caring about the healthy growth of migrant children to enhance their pursuit and love for knowledge and literature;
7. In June 2022, the Haval brand of Great Wall Motor initiated the large charitable activity themed "1,000 Haval owners in 100 cities picking up candidates for college entrance examinations" with users and provided the candidates with free services. Meanwhile, they offered stationery gift packages and facilitated them to realize dreams through the examinations;
8. Great Wall Motor has sponsored the national automobile skills contest for secondary school students hosted by the China Automotive Maintenance and Repair Trade Association for three consecutive years since 2020 and provided automobiles, parts and components as well as special equipment and technical support services during the whole process, facilitating the success of the contest and injecting energy and resources into the vocational education sector.

Section 8 Environment and Social Responsibilities

III. CONSOLIDATE AND EXPAND ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL VITALIZATION

Poverty alleviation and rural vitalization projects	Quantity/ substance	Description
Total investment (RMB0'000)	2,521.18	See specific explanation for details
Including: Cash (RMB0'000)	2,520.48	See specific explanation for details
Materials represented by cash (RMB0'000)	0.70	See specific explanation for details
Number of beneficiaries (person)	716	See specific explanation for details
Ways of poverty alleviation (such as poverty alleviation through creating new businesses, employment and education)	Poverty alleviation through offering employment opportunities, health subsidies and educational assistance	See specific explanation for details

Specific Explanation

√ Applicable Not applicable

- Offering employment opportunities to alleviate poverty: After considering its own circumstances, the Company provides an employment platform for 481 physically challenged people during the year to help them overcome financial and employment difficulties;
- Offering health subsidies to employees in poverty: The Company offers one-off poverty alleviation funding to employees who are in severe poverty due to natural disasters, serious illness and other special reasons. We assessed and investigated the conditions of employees reported to be in poverty to get a clear picture of the reasons for and extent of their poverty as well as their living conditions. Based on that, we visited employees in poverty during its annual anniversary and the Chinese New Year to make them feel the warmth of the Company as a big family;
- Offering educational assistance to alleviate poverty: In early June 2022, Great Wall Motor visited the slum in Bangkok. It provided free food and gifts to local children and cared about their education and life, offering warmth and care to children in the slum;
- Offering educational assistance to alleviate poverty: In October 2022, the Great Wall Pick-up brand of Great Wall Motor and the Blue Sky Rescue Team offered trainings on rescue knowledge to students at Shihuiyao Primary School in Qujing City, Yunnan Province, which improved the quality and capability of students on emergency response. At the same time, they donated stationery and sporting goods and encouraged students to study hard and make progresses.

Section 9 Significant Events

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings of the de facto controller, shareholders, related parties, acquiring parties of the Company and the Company and other parties involved during the Reporting Period or subsisting to the Reporting Period

√ Applicable Not applicable

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
Undertakings relating to the initial public offering	Resolving related party transaction	Great Wall Motor Company Limited	Since 1 January 2012, Great Wall Motor Company Limited (長城汽車股份有限公司) has ceased to enter into any transactions relating to automotive parts and components with Hebei Baoding Tai Hang Group Company Limited (河北保定太行集團有限責任公司) and Baoding Tai Hang Pump Manufacturing Company Limited (保定市太行製泵有限公司).	From January 2012, permanent	No	Yes	/	/

Section 9 Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
	Resolving business competition of the same industry	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	<ol style="list-style-type: none"> Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) is not directly or indirectly engaged in any Competing Business. As long as Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) remains a related party that has control over Great Wall Motor Company Limited (長城汽車股份有限公司), its directly or indirectly controlled subsidiaries would not in any way, directly or indirectly, engage in any existing or potential Competing Business. Subject to the same conditions, Great Wall Motor Company Limited (長城汽車股份有限公司) shall have the right of first refusal on the investment or other business opportunities relating to Competing Businesses that Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) will pursue or may get in the future. 					

Section 9 Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
	Resolving business competition of the same industry	Wei Jian Jun	<p>1. The subsidiaries directly or indirectly controlled by Mr. Wei Jian Jun are not directly or indirectly engaged in any Competing Business.</p> <p>2. As long as Mr. Wei Jian Jun remains a related party who has control over Great Wall Motor Company Limited (長城汽車股份有限公司), the subsidiaries directly or indirectly controlled by him would not in any way, directly or indirectly, engage in any existing or potential Competing Business.</p> <p>3. Subject to the same conditions, Great Wall Motor Company Limited (長城汽車股份有限公司) shall have the right of first refusal on the investment or other business opportunities relating to the Competing Businesses that the subsidiaries directly or indirectly controlled by Mr. Wei Jian Jun will pursue or may get in the future.</p>					

Section 9 Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
Undertakings relating to re-financing	Others	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), Wei Jian Jun	<ol style="list-style-type: none"> Undertakes to exercise its rights as a shareholder in accordance with the relevant laws, regulations and the relevant provisions of the Articles of Association of Great Wall Motor Company Limited, not to interfere with the Company's operation or management activities beyond its authority, and not to infringe on the Company's interests. Undertake to effectively perform relevant compensation recovery measures developed by Great Wall Motor and any undertaking made by the undertaking party thereon in relation to the compensation recovery measures. If the undertaking party violates such undertakings and consequently causes any loss to Great Wall Motor or any investor, the undertaking party is willing to assume relevant legal liabilities to Great Wall Motor or the investor. If China Securities Regulatory Commission ("CSRC") puts forth new regulatory requirements on compensation recovery measures or the relevant undertakings in the period from the date of these undertakings to the completion of the public issuance of A Share convertible corporate bonds, and the undertakings above cannot meet such new regulatory requirements of CSRC, the undertaking party undertakes to make additional undertakings in accordance with the latest requirements of CSRC. 	From 6 November 2020, permanent	No	Yes		

Section 9 Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
	Other	All Directors and senior management	<ol style="list-style-type: none"> 1. Undertake to perform my duties as a Director and/or a senior management of the Company and uphold the legitimate rights and interests of the Company and all Shareholders of the Company faithfully and diligently. 2. Undertake not to convey any benefits to other entities or individuals for free or under unfair terms or otherwise jeopardise the interests of the Company. 3. Undertake to limit my spending when performing my duties as a Director and/or a senior management. 4. Undertake not to use the assets of the Company in making investments or expenditures other than in relation to the performance of my duties. 5. Within the duties and scope of lawful authorisation, undertake to fully procure that the remuneration system formulated by the Board or the remuneration and assessment committee under the Board will correspond to the implementation of the recovery measures of the Company, and I will vote in favour of the relevant proposals considered by the Board and at the Shareholders' General Meeting (if voting rights are applicable). 	From 6 November 2020, permanent	No	Yes		

Section 9 Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Specific reasons for failure to perform timely	Next step taken due to failure to perform timely
			<p>6. If the Company adopts any share incentive scheme in the future, within my duties and scope of my lawful authorisation, I undertake to fully procure that the conditions for the exercise of the right of the share incentive scheme will correspond to the implementation of the recovery measures of the Company, and I will vote in favour of the relevant proposals considered by the Board and at the Shareholders' General Meetings (if voting rights are applicable).</p> <p>7. From the date of this undertaking letter to the completion of implementation of the Public Issuance of Convertible Corporate Bonds of the Company, if the CSRC promulgates other new regulatory provisions on the recovery measures and the relevant undertakings, and the above undertakings cannot satisfy such new regulatory provisions as promulgated by the CSRC, I undertake to issue supplementary undertakings then according to the latest stipulations of the CSRC.</p> <p>8. Undertake to fully execute the relevant recovery measures formulated by the Company and each undertaking I made in relation to recovery measures. If I breach such undertakings and cause any loss to the Company or investors, I am willing to bear the relevant legal responsibility to the Company or investors in accordance with the laws.</p>					

Section 9 Significant Events

(II) Explanation of the Company for whether the assets or projects on which a profit forecast is subsisting or subsisted during the Reporting Period have reached the original profit forecast and the reasons therefor

Yes No Not applicable

(III) Fulfilment of performance undertakings and their impact on goodwill impairment testing

Applicable Not applicable

II. NON-OPERATIONAL FUNDS OCCUPIED BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

Applicable Not applicable

III. IRREGULAR GUARANTEE

Applicable Not applicable

IV. EXPLANATION OF THE BOARD OF THE COMPANY FOR “NON-STANDARD AUDITOR’S REPORT” ISSUED BY THE ACCOUNTING FIRM

Applicable Not applicable

V. EXPLANATION OF THE COMPANY FOR THE REASONS FOR AND EFFECTS OF CHANGES IN THE ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR REMEDIES FOR MAJOR ACCOUNTING ERRORS

(I) Explanation of the Company for the reasons for and effects of changes in the accounting policies and accounting estimates

Applicable Not applicable

Please refer to “(III) Significant Accounting Policies and Accounting Estimates” in the Auditor’s report

(II) Explanation of the Company for the reasons for and effects of remedies for major accounting errors

Applicable Not applicable

(III) Communication with the former accounting firm

Applicable Not applicable

(IV) Other explanations

Applicable Not applicable

Section 9 Significant Events

VI. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRM

Unit: RMB Currency: RMB

	Current appointment
Name of local accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration for local accounting firm	2,547,169.82
Audit years of local accounting firm	13 years
Name of certified public accountant of local accounting firm	Li Xu and Chen Yan Ping
Continuous period for provision of audit services by certified public accountant of local accounting firm	1 year

	Name	Remuneration
Accounting firm for internal control audit	Deloitte Touche Tohmatsu Certified Public Accountants LLP	330,188.68

Description of appointment and dismissal of accounting firm

Applicable Not applicable

During the Reporting Period, the Company continued to engage Deloitte Touche Tohmatsu Certified Public Accountants LLP as its auditor and there was no change of the accounting firm.

Change of the accounting firm during the audit period

Applicable Not applicable

VII. RISKS OF DELISTING

(I) Reasons for delisting risk warning

Applicable Not applicable

(II) Measures to be adopted by the Company

Applicable Not applicable

(III) Delisting and its reasons

Applicable Not applicable

Section 9 Significant Events

VIII. BANKRUPTCY AND RESTRUCTURING

Applicable Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION

The Company was involved in material litigation and arbitration during the Year

The Company was not involved in material litigation and arbitration during the Year

X. ALLEGED VIOLATION OF LAWS AND REGULATIONS AND PUNISHMENT AND CORRECTION OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

Applicable Not applicable

XI. EXPLANATION OF INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

Applicable Not applicable

XII. MATERIAL RELATED PARTY TRANSACTIONS

(I) Related party transactions relating to daily operations

1. *Matters disclosed in preliminary announcements without subsequent development or changes*

Applicable Not applicable

2. *Matters disclosed in preliminary announcements with subsequent development or changes*

Applicable Not applicable

(1) *The Group and Great Wall Holdings Company Limited ("Great Wall Holdings")*

On 31 December 2021, the Company held the 30th meeting of the seventh session of the Board, at which the Resolution on the Estimates of Ordinary Related Party Transactions for 2022-2024 was considered and approved in relation to the estimated aggregate amount of ordinary transactions for leasing, provision of leases, purchase of products, sales of products, purchase of services and provision of services between the Group and Great Wall Holdings from 2022 to 2024. The resolution has been considered and approved by the 2022 first extraordinary general meeting held on 18 March 2022. For details, please refer to relevant announcements published by the Company on 31 December 2021 and 18 March 2022.

Section 9 Significant Events

Set out below are the ordinary related party transactions conducted in 2022 between the Group and Great Wall Holdings (including companies directly or indirectly controlled by Great Wall Holdings and companies in which the de facto controllers of Great Wall Holdings serve as directors):

Great Wall Holdings is the controlling shareholder of Innovation Great Wall, which is the controlling shareholder of the Company, and therefore it is a connected person of the Company (as defined in the Hong Kong Listing Rules). The Company entered into a framework agreement with Great Wall Holdings on 31 December 2021, in relation to certain continuing connected transactions, including (i) the Group's purchase of products from Great Wall Holdings; (ii) the Group's sales of products to Great Wall Holdings; (iii) the Group's purchase of services from Great Wall Holdings; (iv) the Group's provision of services to Great Wall Holdings; and (v) the Group's leasing from Great Wall Holdings, which was considered and approved at the extraordinary general meeting held by the Company on 18 March 2022. The auditors of the Company have confirmed such continuing connected transactions in accordance with those set out in Rule 14A.56 of the Hong Kong Listing Rules, and the independent non-executive directors of the Company have also confirmed such continuing connected transactions in accordance with those set out in in Rule 14A.55 of the Listing Rules.

Currency: RMB Unit: 0'000

Type	Estimated cap for 2022	Actual amount in 2022	Reasons for the relatively large difference between the estimated amount and the actual amount
Purchase of products	2,154,566	375,219.47	Mainly due to the relatively small number of battery packs purchased from related parties as a result of the small sale scale of new energy vehicles of the Company
Sales of products	212,155	28,749.18	Mainly due to the relatively small number of parts, components and other products of the Company sold
Purchase of services	97,593	54,184.59	Mainly due to the relatively small number of service projects of the Company during the Year
Provision of services	13,780	6,959.36	–
Leasing (short-term)	91,235	52,660.33	Mainly due to the relatively small number of equipment leased from related parties by the Company
Leasing (long-term)	126,615	88,421.52	Mainly due to the relatively small number of plants leased from related parties by the Company

Section 9 Significant Events

The total amount of the ordinary related party (connected) transactions between the Group and Baoding Great Wall Holdings Company Limited (including companies directly or indirectly under its control) in 2022 did not exceed the estimated cap for 2022.

(2) *The Group and Tianjin Great Wall Binyin Automotive Finance Company Limited (hereinafter referred to as "Great Wall Binyin")*

On 31 December 2021, the Company held the 30th meeting of the seventh session of the Board, at which the Resolution on Deposits with Tianjin Great Wall Binyin Automotive Finance Company Limited (天津長城濱銀汽車金融有限公司) and Related Party Transactions was considered and approved in relation to the estimated deposit by the Company with Great Wall Binyin, a related party, as well as the estimated aggregate amount of ordinary transactions for provision of leasing, sales of products, purchase of services and provision of services between the Group and Great Wall Binyin from 2022 to 2024. The resolution has been considered and approved by the first extraordinary general meeting of the Company in 2022. For details, please refer to relevant announcements published by the Company on 31 December 2021 and 18 March 2022.

In 2022, the related party transactions for deposits between the Group and Great Wall Binyin in 2022 are as follows:

Currency: RMB Unit: 0'000

Type	Estimated daily cap of deposit balance for 2022	Maximum amount of single-day deposit balance in 2022	Reasons for the relatively large difference between the estimated amount and the actual amount
Deposit	1,270,000	776,200	Mainly due to maturity of certain term deposits of the Company

Section 9 Significant Events

In 2022, other ordinary related party transactions between the Group and Great Wall Binyin are as follows:

Currency: RMB Unit: 0'000

Type	Estimated cap for 2022	Actual amount in 2022	Reasons for the relatively large difference between the estimated amount and the actual amount
Sales of products	3,426	2.44	–
Purchase of services	129,549	11,826.17	Mainly due to the decrease in the number of contracts as the Company brought in bank discount channels through which the discount business was diverted to the bank
Provision of services	6,412	4,800.73	–
Provision of leases	68	27.42	–
Purchase of products	–	0.47	–
Total	139,455	16,657.23	–

Note: Great Wall Binyin is a related party under the Listing Rules of the Shanghai Stock Exchange. Accordingly, the deposit transactions contemplated with Great Wall Binyin constitute related party transactions under the Listing Rules of the Shanghai Stock Exchange but do not constitute connected transactions under the Hong Kong Listing Rules.

(3) *The Group and Spotlight Automotive Ltd. (hereinafter referred to as "Spotlight Automotive")*

On 12 June 2020, the Company held the 1st meeting of the seventh session of the Board, at which the Resolution on the Contemplated Ordinary Related Party Transactions with Spotlight Automotive was considered and approved to estimate the ordinary related party transactions between the Group and Spotlight Automotive. The resolution was considered and approved at the 2020 second extraordinary general meeting held on 10 July 2020. For details, please refer to the relevant announcements published by the Company on 12 June 2020 and 10 July 2020, respectively.

On 23 January 2022, the Company held the 31st meeting of the seventh session of the Board, at which the Resolution on the Amendments to Ordinary Related Party Transactions in 2022 with Spotlight Automotive was considered and approved. Such resolution was considered and approved at the 2022 first extraordinary general meeting held on 18 March 2022. For details, please refer to the relevant announcements published by the Company on 23 January 2022 and 18 March 2022.

On 29 March 2022, the Company held the 34th meeting of the seventh session of the Board, at which the Resolution on Ordinary Related Party Transactions for Sales of Products in 2022 with Spotlight Automobile was considered and approved. Such resolution was considered and approved at the 2021 annual general meeting held on 25 April 2022. For details, please refer to the relevant announcements published by the Company on 29 March 2022 and 25 April 2022.

Section 9 Significant Events

On 30 December 2022, the Company held the 55th meeting of the seventh session of the Board, at which the Resolution on the Deliberation of Framework Agreement and the Third Amended Agreement entered into with Spotlight Automotive was considered and approved, the Framework Agreement was reconsidered and the Third Amended Framework Agreement (the "Third Amended Agreement"), a related party transaction, with Spotlight Automotive, which specifies the cap of amount of related party transaction by type between the Company and Spotlight Automotive.

In 2022, the related party transactions between the Group and Spotlight Automotive are as follows:

1. The Group sold products to Spotlight Automotive. The actual amount of related party transactions was RMB177,382,600.
2. The Group provided labour services to Spotlight Automotive. The actual amount of related party transactions was RMB193,368,200.
3. The Group purchased products from Spotlight Automotive. The actual amount of related party transactions was RMB780,210,800.
4. The Group received labour services from Spotlight Automotive. The actual amount of related party transactions was RMB103,071,800.

The ordinary related party transactions between the Group and Spotlight Automotive for the year from January to December 2022 did not exceed the corresponding estimated caps.

Note: Spotlight Automotive is a related party under the Listing Rules of the Shanghai Stock Exchange. Accordingly, the relevant transactions between the Company and Spotlight Automotive constitute related party transactions under the Listing Rules of the Shanghai Stock Exchange but do not constitute connected transactions under the Hong Kong Listing Rules.

For details of development of ordinary related party transactions of the Company, please refer to Related Parties and Related Party Transactions in Note 11 to the financial statements in this report.

3. *Matters undisclosed in preliminary announcements*

Applicable Not applicable

Section 9 Significant Events

(II) Related party transactions relating to asset or equity interest acquisition or disposal

1. *Matters disclosed in preliminary announcements without subsequent development or changes*

Applicable Not applicable

2. *Matters disclosed in preliminary announcements with subsequent development or changes*

Applicable Not applicable

3. *Matters undisclosed in preliminary announcements*

Applicable Not applicable

4. *Disclosure about the realization of contracted performance within the Reporting Period*

Applicable Not applicable

(III) Significant related party transactions in respect of foreign investments

1. *Matters disclosed in preliminary announcements without subsequent development or changes*

Applicable Not applicable

2. *Matters disclosed in preliminary announcements with subsequent development or changes*

Applicable Not applicable

3. *Matters undisclosed in preliminary announcements*

Applicable Not applicable

Section 9 Significant Events

(IV) Amounts due to or from related parties

1. Matters disclosed in preliminary announcements without subsequent development or changes

Applicable Not applicable

2. Matters disclosed in preliminary announcements with subsequent development or changes

Applicable Not applicable

3. Matters undisclosed in preliminary announcements

Applicable Not applicable

(V) Financial business between the Company and its related financial company, and between financial company controlled by the Company and related parties

Applicable Not applicable

(VI) Others

Applicable Not applicable

Apart from the related party transactions between the Group and Hebei Baocang Expressway Co., Ltd. (河北保滄高速公路有限公司), between the Group and Spotlight Automotive as well as between the Group and Tianjin Great Wall Binyin Automotive Finance Co., Ltd. (天津長城濱銀汽車金融有限公司), the related party transactions set out in Note 11 to the financial statements constitute connected transactions and continuing connected transactions in accordance with Hong Kong Listing Rules. The Company has complied with relevant approval and disclosure procedures, or has been exempted from complying with the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Section 9 Significant Events

XIII. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

(I) Trust, contracting and leasing

1. Trust

Applicable Not applicable

2. Contracting

Applicable Not applicable

3. Leasing

Applicable Not applicable

(II) Guarantee

Applicable Not applicable

Unit: RMB Currency: RMB

External guarantee of the Company (excluding those provided to subsidiaries)	
Total guaranteed amount during the Reporting Period (excluding guarantees provided for subsidiaries)	0
Total guaranteed balance as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries)	0
Guarantees provided by the Company and its subsidiaries for subsidiaries	
Total guaranteed amount to subsidiaries during the Reporting Period	6,980,266,471.55
Total guaranteed balance to subsidiaries as at the end of the Reporting Period (B)	11,086,383,884.36
Total guarantees (including guarantees to subsidiaries) provided by the Company	
Total guaranteed amount (A+B)	11,086,383,884.36
Total guaranteed amount as a percentage of the net asset value of the Company (%)	17.00
Of which:	
Guaranteed amount provided for shareholders, parties which have de facto control and their related parties (C)	
Debt guaranteed amount provided directly or indirectly for parties with gearing ratio exceeding 70% (D)	4,971,293,316.10
Total guaranteed amount in excess of 50% of net asset value (E)	0
Total guaranteed amount of the above three items (C+D+E)	4,971,293,316.10
Statement on the contingent joint liability in connection with unexpired guarantees	N/A
Details of guarantee	See the notes below

Section 9 Significant Events

Notes:

1. Guarantee plans considered and approved:

- (1) In April 2021, the Company held a shareholders' general meeting, at which the Resolution on the 2021 Guarantee Plan (hereinafter referred to as the "2021 Guarantee Plan") was considered and approved, pursuant to which the estimated total additional guarantee amount to controlled subsidiaries would not exceed RMB6,200.00 million. Provided that the estimated total amount was not exceeded, the guarantee amount to controlled subsidiaries can be allocated among subsidiaries within the Company;
- (2) In April 2022, the Company held a shareholders' general meeting, at which the Resolution on the 2022 Guarantee Plan (hereinafter referred to as the "2022 Guarantee Plan") was considered and approved, pursuant to which the estimated total additional guarantee amount to controlled subsidiaries would not exceed RMB16,169.7240 million. Provided that the estimated total amount was not exceeded, the guarantee amount to controlled subsidiaries can be allocated among subsidiaries within the Company.

2. Guarantees occurred (the companies mentioned below are all subsidiaries directly or indirectly controlled by the Company):

- (1) Tianjin Oula Financial Leasing Co., Ltd. (天津歐拉融資租賃有限公司)

In November 2019, the Board of the Company considered and approved a guarantee of RMB1,000,000,000, which was equivalent to the amount actually provided to Tianjin Oula Financial Leasing Co., Ltd.;

In August 2020, the Company provided a guarantee of RMB2,000,000,000 for Tianjin Oula Financial Leasing Co., Ltd. under the 2020 Guarantee Plan;

In April 2022, the Company provided a guarantee of RMB1,000,000,000 to Tianjin Oula Financial Leasing Co., Ltd. under the 2021 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB1,438,109,629.

- (2) Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. (精誠工科汽車零部件(揚中)有限公司)

In April 2021, the Company provided a guarantee of RMB400,000,000 for Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. under the 2021 Guarantee Plan;

In January 2022, the Company provided a guarantee of RMB100,000,000 to Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. under the 2021 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB468,302,127.07.

- (3) Honeycomb Power System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司)

In December 2019, the Board of the Company considered and approved a guarantee of RMB975,224,000 to Honeycomb Power System (Jiangsu) Co., Ltd., an indirect wholly-owned subsidiary of the Company;

In November 2021, the Company provided a guarantee of RMB300,000,000 (Part 1) to Honeycomb Power System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In November 2021, the Company provided a guarantee of RMB300,000,000 (Part 2) to Honeycomb Power System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB781,813,486.69.

- (4) Honeycomb Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司)

In January 2020, the Company held a Board meeting to consider and approve a guarantee of RMB158,860,000, which was equivalent to the amount actually provided to Honeycomb Transmission System (Jiangsu) Co., Ltd., an indirect wholly-owned subsidiary of the Company;

In June 2020, the Company provided a guarantee of RMB500,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2020 Guarantee Plan;

In June 2021, the Company provided a guarantee of RMB200,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In November 2021, the Company provided a guarantee of RMB200,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

Section 9 Significant Events

In January 2022, the Company provided a guarantee of RMB100,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In February 2022, the Company provided a guarantee of RMB100,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In February 2022, the Company provided a guarantee of RMB200,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In March 2022, the Company provided a guarantee of RMB50,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB1,226,684,609.96.

(5) Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. (蜂巢智能轉向系統(江蘇)有限公司)

In July 2021, the Company provided a guarantee of RMB46,492,708.50 for Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In December 2021, the Company provided a guarantee of RMB40,000,000 for Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In May 2022, the Company provided a guarantee of RMB100,000,000 for Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. under the 2022 Guarantee Plan;

In July 2022, the Company provided a guarantee of RMB100,000,000 for Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. under the 2022 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB256,492,708.50.

(6) Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城汽車製造(泰國)有限公司) and Great Wall Motor Sales (Thailand Sales) Co., Ltd. (長城汽車銷售(泰國)有限公司)

In June 2021, the Company provided a guarantee of USD50,000,000 for Great Wall Motor Manufacturing (Thailand) Co., Ltd. and Haval Sales (Thailand) Co., Ltd. under the 2021 Guarantee Plan;

In November 2021, the Company provided a guarantee of USD30,000,000 for Great Wall Motor Manufacturing (Thailand) Co., Ltd. and Haval Sales (Thailand) Co., Ltd. under the 2021 Guarantee Plan;

In January 2022, the Company provided a guarantee of USD40,000,000 for Great Wall Motor Manufacturing (Thailand) Co., Ltd. and Haval Sales (Thailand) Co., Ltd. under the 2021 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB835,752,000.00.

(7) Jingcheng Engineering Auto Parts (Taizhou) Co., Ltd. (精誠工科汽車零部件(泰州)有限公司)

In July 2022, the Company provided a guarantee of RMB100,000,000 to Jingcheng Engineering Auto Parts (Taizhou) Co., Ltd. under the 2022 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB65,106,872.97.

(8) Hycet Engine System (Thailand) Company Limited (蜂巢動力系統(泰國)有限公司), Mind Automotive Parts (Thailand) Co., Ltd. (曼德汽車零部件(泰國)有限公司), Exquisite Automotive Parts (Thailand) Co., Ltd. (精誠工科汽車零部件(泰國)有限公司) and Nobo Automotive Systems (Thailand) Co., Ltd. (諾博汽車系統(泰國)有限公司)

In October 2022, the Company provided a guarantee of USD80,000,000 for Hycet Engine System (Thailand) Company Limited, Mind Automotive Parts (Thailand) Co., Ltd., Exquisite Automotive Parts (Thailand) Co., Ltd. and Nobo Automotive Systems (Thailand) Co., Ltd. under the 2022 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB557,168,000.00.

(9) Nobo Automotive Technology Co., Ltd. (諾博汽車科技有限公司) and its Shanghai Branch

In October 2022, the Company provided a guarantee of RMB358,200,000.00 for Nobo Automotive Technology Co., Ltd. and its Shanghai Branch under the 2022 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB358,200,000.00.

Section 9 Significant Events

(10) Mind Electronics Company Limited (曼德電子電器有限公司)

In September 2022, the Company provided a guarantee of RMB300,000,000.00 for Mind Electronics Company Limited under the 2022 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB300,000,000.00.

(11) Great Wall Motor Brazil Co., Ltd. (長城汽車巴西有限公司)

In September 2022, the Company provided a guarantee of USD45,000,000 for Great Wall Motor Brazil Co., Ltd. under the 2022 Guarantee Plan;

In November 2022, the Company provided a guarantee of USD43,500,000 for Great Wall Motor Brazil Co., Ltd. under the 2022 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB616,367,100.00.

(12) HWA Ding International Co., Ltd. (華鼎國際有限公司)

In November 2022, the Company provided a guarantee of USD70,000,000 for HWA Ding International Co., Ltd. under the 2022 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB497,602,000.00.

(13) Russia Haval Automobile Manufacturing Co., Ltd. (俄羅斯哈弗汽車製造有限責任公司)

In September 2022, the Company provided a guarantee of RMB300,000,000.00 for Russia Haval Automobile Manufacturing Co., Ltd. under the 2022 Guarantee Plan;

In September 2022, Russian Haval Automobile Co., Ltd (俄羅斯哈弗汽車有限責任公司), an indirect wholly-owned subsidiary of the Company provided a guarantee of RMB10,000,000,000.00 for Russia Haval Automobile Manufacturing Co., Ltd. under the 2022 Guarantee Plan;

In October 2022, Russian Haval Automobile Co., Ltd, an indirect wholly-owned subsidiary of the Company provided a guarantee of RMB10,000,000,000.00 for Russia Haval Automobile Manufacturing Co., Ltd. under the 2022 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB2,183,363,310.20.

(14) Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司)

In December 2022, the Company provided a guarantee of RMB300,000,000.00 for Jingcheng Engineering Automotive Systems Co., Ltd. under the 2022 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB300,000,000.00.

(15) Branches and wholly-owned subsidiaries of the Company (26 companies in total)

In February 2022, the Company provided guarantees of RMB1,000,000,000.00 for branches and wholly-owned subsidiaries of the Company under the 2021 Guarantee Plan;

As at 31 December 2022, the guarantee balance was RMB1,000,000,000.00.

- (1) The above incurred guarantee amount to subsidiaries during the Reporting Period refers to the utilized amount within the approved guarantee amount during the Reporting Period;
- (2) The above guarantee balance to subsidiaries (actual guarantee amount) as at the end of the Reporting Period refers to the sum of the amount un-withdrawn and the amount withdrawn and not repaid among utilized amount within the approved guarantee amount;
- (3) The exchange rate of US dollar against Renminbi was based on the Renminbi central parity rate (USD1 = RMB6.9646) as announced by the People's Bank of China on 30 December 2022;
- (4) The exchange rate of Euro against Renminbi was based on the Renminbi central parity rate (EUR1 = RMB7.4229) as announced by the People's Bank of China on 30 December 2022;
- (5) The exchange rate of THB against Renminbi was based on the Renminbi central parity rate (RMB100 = 496.47THB) as announced by the People's Bank of China on 30 December 2022;
- (6) The exchange rate of RUB against Renminbi was based on the Renminbi central parity rate (RMB100 = 1061.93RUB) as announced by the People's Bank of China on 30 December 2022.

Section 9 Significant Events

(III) Entrustment of cash asset management

1. Entrusted wealth management

(1) Overall entrusted wealth management

Applicable Not applicable

Unit: RMB Currency: RMB

Type	Source of capital	Amount	Amount undue	Amount due and not yet recovered
Principal-guaranteed with floating return	Proprietary fund	6,930,000,000.00	1,550,000,000.00	

Other matters

Applicable Not applicable

(2) Single item entrusted wealth management

Applicable Not applicable

Unit: RMB Currency: RMB

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Commence-ment date of entrusted wealth management	Termination date of entrusted wealth management	Source of capital	Use of capital	Way of determining remuneration	Annualised yield	Expected gain (if any)	Actual gain or loss	Actual state of recovery	Whether it has gone through statutory procedures	Whether there is any future entrusted wealth management plan	Amount of provision for impairment (if any)
China CITIC Bank Baoding Branch	Principal-guaranteed with floating return	1,000,000,000.00	20220901	20230301	Propriety funds			2.70%	12,540,226.42			Yes		
Ping An Bank Co., Ltd., Guangzhou branch sales department	Principal-guaranteed with floating return	50,000,000.00	20221230	20230330	Propriety funds			3.20%	369,509.43			Yes		
Ping An Bank Co., Ltd., Guangzhou branch sales department	Principal-guaranteed with floating return	500,000,000.00	20221230	20230130	Propriety funds			3.20%	1,272,754.72			Yes		

Section 9 Significant Events

Other matters

Applicable Not applicable

(3) *Provision for impairment of entrusted wealth management*

Applicable Not applicable

2. **Entrusted loans**

(1) *General information on entrusted loans*

Applicable Not applicable

Other matters

Applicable Not applicable

(2) *Single item entrusted loans*

Applicable Not applicable

Other matters

Applicable Not applicable

(3) *Provision for impairment of entrusted loans*

Applicable Not applicable

3. **Other matters**

Applicable Not applicable

(IV) **Other material contracts**

Applicable Not applicable

XIV. OTHER IMPORTANT MATTERS THAT HAVE A SIGNIFICANT IMPACT ON THE VALUE JUDGMENT AND INVESTMENT DECISIONS OF INVESTORS

Applicable Not applicable

Section 10 Changes in Shares and Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

Unit: share

	Before		Newly issued shares	Changes (+,-) Shares				After	
	Number of shares	Percentage (%)		Bonus shares	transfer from reserve	Others	Subtotal	Number of shares	Percentage (%)
I. Shares with selling restrictions	56,322,850	0.61	7,955,800	0	0	-27,968,455	-20,012,655	36,310,195	0.41
1. State-owned shares	0	0	0	0	0	0	0	0	0
2. State-owned legal person shares	0	0	0	0	0	0	0	0	0
3. Other domestic shares	56,322,850	0.61	7,955,800	0	0	-27,968,455	-20,012,655	36,310,195	0.41
Including: Domestic non-state-owned legal person shares	0	0	0	0	0	0	0	0	0
Domestic natural person shares	56,322,850	0.61	7,955,800	0	0	-27,968,455	-20,012,655	36,310,195	0.41
4. Foreign shares	0	0	0	0	0	0	0	0	0
Including: Overseas legal person shares	0	0	0	0	0	0	0	0	0
Overseas natural person shares	0	0	0	0	0	0	0	0	0
II. Tradable shares without selling restrictions	9,179,390,428	99.39	27,785,373	0	0	-478,973,529	-451,188,156	8,728,202,272	99.59
1. Ordinary shares denominated in RMB	6,079,850,428	65.83	27,785,373	0	0	24,659,971	52,445,344	6,132,295,772	69.97
2. Domestic listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	3,099,540,000	33.56	0	0	0	-503,633,500	-503,633,500	2,595,906,500	29.62
4. Others	0	0	0	0	0	0	0	0	0
III. Total number of shares	9,235,713,278	100.00	35,741,173	0	0	-506,941,984	-471,200,811	8,764,512,467	100

2. Explanation for changes in shares

√ Applicable □ Not applicable

Section 10 Changes in Shares and Shareholders

(I) *Repurchase and cancellation of certain restricted shares under the first grant and reserved grant of the 2020 Incentive Scheme*

On 22 February 2022, the Company held the 32nd meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved, permitting the Company to repurchase and cancel the restricted A Shares of certain participants due to the demotion or failure in the annual personal performance appraisal. The Company repurchased an aggregate of 198,370 restricted shares under the first grant cancelled on Shanghai Stock Exchange, with a total amount of funds used of RMB727,642.8. Cancellation of the abovementioned certain restricted shares was completed on 15 April 2022.

On 30 March 2022, the Company held the 35th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved, permitting the Company to repurchase and cancel the restricted A Shares of resigned participants. The Company repurchased and cancelled an aggregate of 125,000 restricted shares under the first grant on Shanghai Stock Exchange, with a total amount of funds used of RMB450,345.4. Cancellation of the abovementioned certain restricted shares was completed on 19 July 2022.

On 17 November 2022, the Company held the 54th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved, permitting the Company to repurchase and cancel the restricted A Shares of resigned participants. The Company repurchased and cancelled an aggregate of 369,040 restricted shares under the first grant on Shanghai Stock Exchange, with a total amount of funds used of RMB1,367,112.4; the aggregate number of restricted shares under the reserved grant repurchased and cancelled was 9,750 shares, with a total amount of funds used of RMB205,541.6. Cancellation of the abovementioned certain restricted shares was completed on 3 February 2023.

(II) *Reserved grant under the 2021 Restricted Share Incentive Scheme*

On 29 April 2022, according to the authorisation of the Company's fourth extraordinary general meeting of shareholders in 2021, the second H-share class shareholders' meeting in 2021 and the second A-share class shareholders' meeting in 2021, the Company held the 38th meeting of the seventh session of the Board and the 35th meeting of the seventh session of the Supervisory Committee, at which the Resolution on Grant of Reserved Restricted Shares to Participants was considered and approved and the Company's reserved restricted shares were determined to be granted on 29 April 2022. 8.6 million restricted shares were granted to 275 participants at the price of RMB12.73 per share. A total of 255 participants contributed capital for subscription, of which 5 participants subscribed for part of the restricted shares they were entitled to and 20 participants did not participate in the subscription due to personal reasons. As such, the Company granted a total of 7.9558 million restricted shares to 255 participants. The Company completed share registration with China Securities Depository and Clearing Corporation Shanghai Branch on 22 June 2022.

Section 10 Changes in Shares and Shareholders

(III) Repurchase and cancellation of certain restricted Shares under the first grant and reserved grant of the 2021 Restricted Share Incentive Scheme

On 20 May 2022, the Company held the 40th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company was considered and approved. Pursuant to the 2021 Restricted Share Incentive Scheme, restricted shares not yet unlocked at the company level shall be repurchased and cancelled according to the fulfilment of performance at the company level. Meanwhile, due to the resignation, job rotation or demotion of certain participants of the Company, or with reference to the personal performance appraisal, the Company repurchased and cancelled certain restricted A Shares under the first grant of the 2021 Restricted Share Incentive Scheme in accordance with the relevant requirements of the Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited and the 2021 Restricted Share Incentive Scheme. The Company repurchased and cancelled an aggregate of 2,733,835 restricted shares under the first grant on Shanghai Stock Exchange, with a total amount of funds used of RMB45,330,520.3. Cancellation of the abovementioned certain restricted shares was completed on 19 July 2022.

On 8 July 2022, the Company held the 42th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company was considered and approved, permitting the Company to repurchase and cancel the restricted A Shares of resigned participants. The Company repurchased and cancelled an aggregate of 353,452 restricted shares under the first grant on Shanghai Stock Exchange, with a total amount of funds used of RMB5,872,371.1. Cancellation of the abovementioned certain restricted shares was completed on 24 October 2022.

On 17 November 2022, the Company held the 54th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company was considered and approved, permitting the Company to repurchase and cancel the restricted A Shares of resigned participants. The aggregate number of restricted shares under the first grant repurchased on the Shanghai Stock Exchange and cancelled was 581,400 shares, with a total amount of funds used of RMB9,779,537.5; the Company repurchased and cancelled an aggregate of 68,000 restricted shares under the first grant on Shanghai Stock Exchange, with a total amount of funds used of RMB865,417.9. Cancellation of the abovementioned certain restricted shares was completed on 3 February 2023.

1. In April 2022, the Company repurchased and cancelled an aggregate of 198,370 restricted shares under the first grant on Shanghai Stock Exchange, with repurchase price of RMB3.66810921 per share and a total amount of funds used of RMB727,642.8. Cancellation of the abovementioned certain restricted shares was completed on 15 April 2022.

Section 10 Changes in Shares and Shareholders

2. In July 2022, the Company repurchased and cancelled an aggregate of 2,858,835 restricted shares under the first grant on Shanghai Stock Exchange, of which 125,000 restricted shares were granted under the first grant in 2020, with repurchase price of RMB3.60276315 per share and a total amount of funds used of RMB450,345.4; and 2,733,835 restricted shares were granted under the first grant in 2021, with repurchase price of RMB16.58129342 per share and a total amount of funds used of RMB45,330,520.3. Cancellation of the abovementioned certain restricted shares was completed on 19 July 2022.
3. In October 2022, the Company repurchased and cancelled an aggregate of 353,452 restricted shares under the first grant on Shanghai Stock Exchange, with repurchase price of RMB16.61433822 per share and a total amount of funds used of RMB5,872,371.1. Cancellation of the abovementioned certain restricted shares was completed on 24 October 2022.

In 2022, the Company repurchased and cancelled an aggregate of 3,410,657 restricted shares on the Shanghai Stock Exchange, representing 0.04% of the total share capital and 0.06% of the total A Shares issued by the Company as at 31 December 2022, with the maximum repurchase price of RMB16.61433822/share and the minimum repurchase price of RMB3.60276315/share and a total amount of funds used of RMB51,930,534.20.

(IV) Unlocking of the second tranche of restricted shares under the first grant and the first tranche of restricted shares under the reserved grant of the 2020 Restricted Share and Share Option Incentive Scheme

On 14 April 2022, the Company held the 36th meeting of the seventh session of the Board, at which the Resolution on the Achievement of the Unlocking Conditions of the Second Tranche of Restricted Shares under the First Grant and the First Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the unlocking conditions of the second tranche of restricted shares under the first grant and the first tranche of restricted shares under the reserved grant of the 2020 Incentive Scheme of the Company have been fulfilled. The number of restricted shares under the first grant unlocked and listed is 13,245,530 shares, and the number of restricted shares under the reserved grant unlocked and listed is 569,075 shares. The above shares were unlocked on 27 April 2022.

(V) Fulfilment of the exercise conditions of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Restricted Share and Share Option Incentive Scheme

On 14 April 2022, the Company held the 36th meeting of the seventh session of the Board, at which the Resolution on the Fulfilment of the Exercise Conditions of Second Exercise Period of Share Options under the First Grant and First Exercise Period of Share Options under the Reserved Granted of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the exercise conditions of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme of the Company have been fulfilled. The number of exercisable shares in the second exercise period under the first grant of share options is 27,894,058 shares, and the number of exercisable shares in the first exercise period under the reserved grant of share options is 7,462,500 shares. The exercise periods of the above shares commence from 5 May 2022. As of 31 December 2022, a total of 27,638,525 share options in the second exercise period under the first grant and 9,397 share options in the first exercise period under the reserved grant were exercised.

Section 10 Changes in Shares and Shareholders

(VI) Unlocking of the first tranche of restricted shares under the first grant of the 2021 Restricted Share Incentive Scheme

On 8 July 2022, the Company held the 42th meeting of the seventh session of the Board, at which the Resolution on the Achievement of the Unlocking Conditions of the First Tranche of Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the unlocking conditions of the first tranche of restricted shares under the first grant of the 2021 Restricted Share Incentive Scheme of the Company have been fulfilled. The number of restricted shares under the first grant unlocked and listed is 10,743,193 shares. The above shares were unlocked on 27 July 2022.

(VII) Fulfilment of the exercise conditions for the first exercise period of share options under the first grant of the 2021 Share Option Incentive Scheme

On 8 July 2022, the Company held the 42th meeting of the seventh session of the Board, at which the Resolution on the Fulfilment of the Exercise Conditions of the First Exercise Period of Share Options under the First Granted of the 2021 Share Option Incentive Scheme of the Company was considered and approved. The Board is of the view that the exercise conditions of the first exercise period of share options under the first grant of the 2021 Share Option Incentive Scheme of the Company have been fulfilled. The number of exercisable shares in the first exercise period under the first grant of share options is 75,541,221 shares. The exercise period of the above shares commences from 31 August 2022. As of 31 December 2022, a total of 4,612 share options in the first exercise period under the first grant were exercised.

(VIII) Repurchase of the Company's H Shares

As at 31 December 2022, the Company repurchased an aggregate of 588,341,000 H Shares of the Company on the Hong Kong Stock Exchange, representing 6.71% of the total share capital and 22.66% of the total H Shares issued by the Company as at 31 December 2022. For the details of the repurchase of H Shares, please refer to "XXII. Purchase, Sale or Redemption of the Company's Listed Securities in Section 5 Report of the Board".

(IX) Conversion of the Company's convertible bonds into shares

As approved by the China Securities Regulatory Commission on the Approval of the Public Issuance of Convertible Corporate Bonds by Great Wall Motor Company Limited (CSRC Permit [2021] No. 1353), the Company publicly issued 35,000,000 convertible corporate bonds on 10 June 2021 at a par value of RMB100 each, totalling RMB3.5 billion. The bonds were listed on the Shanghai Stock Exchange from 8 July 2021. The convertible bonds publicly issued by the Company can be converted during the period from 17 December 2021 to 9 June 2027. From 17 December 2021 to 31 December 2022, "Great Wall Motor Convertible Bonds" of RMB4,392,000 in total have been converted into 118,712 shares of the Company. From 1 January 2022 to 31 December 2022, "Great Wall Motor Convertible Bonds" of RMB3,877,000 in total have been converted into 102,173 shares of the Company.

Section 10 Changes in Shares and Shareholders

3. Impacts of changes in shares on financial indicators such as gain and net assets per share for the current year and period (if any)

Applicable Not applicable

Changes in the Company's shares in the Reporting Period have no significant impact on financial indicators such as earnings per share and net assets per share in the latest year and the latest period.

4. Other discloseable information considered as necessary by the Company or required by the securities regulatory authorities

Applicable Not applicable

(II) Changes in shares with selling restrictions

Applicable Not applicable

Unit: share

Name of shareholder	Number of shares with selling restriction at the beginning of the Year	Number of shares with selling restrictions removed during the Year	Increase in the number of shares with selling restrictions during the Year	Number of shares with selling restriction at the end of the Year	Reason for the selling restriction	Date of removal of the selling restriction
Restricted shares for employees	0	0	0	0	Share incentive	27 April 2021 – 26 April 2022
Restricted shares for employees	13,518,900	13,245,530	-273,370	0	Share incentive	27 April 2022 – 26 April 2023
Restricted shares for employees	9,012,600	0	-50,000	8,962,600	Share incentive	27 April 2023 – 26 April 2024
Restricted shares for employees	569,075	569,075	0	0	Share incentive	28 January 2022 – 27 January 2023
Restricted shares for employees	569,075	0	0	569,075	Share incentive	28 January 2023 – 27 January 2024
Restricted shares for employees	13,061,280	10,743,193	-2,318,087	0	Share incentive	22 July 2022 – 21 July 2023
Restricted shares for employees	9,795,960	0	-384,600	9,411,360	Share incentive	22 July 2023 – 21 July 2024
Restricted shares for employees	9,795,960	0	-384,600	9,411,360	Share incentive	22 July 2024 – 21 July 2025
Restricted shares for employees	0	0	3,977,900	3,977,900	Share incentive	29 April 2023 – 28 April 2024
Restricted shares for employees	0	0	3,977,900	3,977,900	Share incentive	29 April 2024 – 28 April 2025
Total	56,322,850	24,557,798	-4,545,143	36,310,195	/ /	

Section 10 Changes in Shares and Shareholders

II. ISSUE AND LISTING OF SECURITIES

(I) Issue of securities as at the Reporting Period

Applicable Not applicable

Unit: Share Currency: RMB

Type of shares and derivative securities	Issue date	Issue price (or interest rate)	Issue amount	Listing date	Amount approved for listing and trading	Closing date of trading
Type of ordinary shares						
First grant of restricted shares of 2020						
Share Option Incentive Scheme (A Shares)	2020-06-03	RMB4.37/share	49,303,500	2020-06-03	49,303,500	
Reserved grant of restricted shares of 2020						
Share Option Incentive Scheme (A Shares)	2021-05-12	RMB20.80/share	1,149,150	2021-05-12	1,149,150	
First grant of restricted shares of 2021						
Share Option Incentive Scheme (A Shares)	2021-09-08	RMB16.78/share	32,653,200	2021-09-08	32,653,200	
Reserved grant of restricted shares of 2021						
Share Option Incentive Scheme (A Shares)	2022-6-22	RMB12.66/share	7,955,800	2022-6-22	7,955,800	
Convertible corporate bonds, separate trading of convertible bonds						
Convertible corporate bonds	2021-06-10	RMB38.39/share	3,500,000,000	2021-07-08	3,500,000,000	

Note: (1) The first grant of restricted shares of 2020 Incentive Scheme (A Shares): of which, 619,200 restricted A shares were cancelled on 11 September 2020; 613,000 restricted A shares were cancelled on 9 April 2021; 73,900 restricted A shares were cancelled on 20 July 2021; 1,467,200 restricted A shares were cancelled on 9 November 2021; 198,370 restricted A shares were cancelled on 15 April 2022; 125,000 restricted A shares were cancelled on 19 July 2022.

(2) The reserved grant of restricted shares of 2020 Incentive Scheme (A Shares): 1,467,200 restricted A shares were cancelled on 9 November 2021; 2,733,835 restricted A shares were cancelled on 19 July 2022; 353,452 restricted A shares were cancelled on 24 October 2022.

Description of the issue of securities as at the Reporting Period (please present separately for securities with different interest rates over their duration):

Applicable Not applicable

(II) Changes in the total number of shares and shareholding structure as well as changes in the structure of assets and liabilities of the Company

Applicable Not applicable

During the Reporting Period, the total number of ordinary shares of the Company is set out in I. (I) Table of changes in shares in this section, and the changes in shareholder structure are set out in III. SHAREHOLDERS AND THE DE FACTO CONTROLLER in this section.

At the beginning of the Reporting Period, the total assets were RMB175,408,020,587.93, the total liabilities were RMB113,279,537,815.09, and the asset-liability ratio was 64.58%; at the end of the Reporting Period, the total assets were RMB185,357,300,473.07, the total liabilities were RMB120,141,392,357.77, and the asset-liability ratio was 64.82%.

(III) Existing employee shares

Applicable Not applicable

Section 10 Changes in Shares and Shareholders

III. SHAREHOLDERS AND THE DE FACTO CONTROLLER

(I) Total number of shareholders

Total number of ordinary shareholders as at the end of the Reporting Period (person)	205,372
Total number of ordinary shareholders as at the end of the last month prior to the date of this annual report (person)	175,930

(II) Shareholding of the top 10 shareholders and the top 10 shareholders of tradable shares or shares without selling restrictions as at the end of the Reporting Period

Unit: Share

Name of shareholder (full name)	Shareholding of the top 10 shareholders			Shares pledged, labeled or frozen			Type of shareholder
	Increase/decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held with selling restrictions	Condition of shares	Number	
Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	0	5,115,000,000 (A Shares)	58.36	0 (A Shares)	Pledged	779,500,000 (A Shares)	Domestic non-state-owned legal person
HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司)	-505,614,010	2,579,755,741 (H Shares)	29.43	-	Unknown	-	Overseas legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	0	196,889,089 (A Shares)	2.25	-	Unknown	-	Unknown
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	-13,458,090	46,259,815 (A Shares)	0.53	-	Unknown	-	Unknown
National Social Security Fund Portfolio 103 (全國社保基金一零三組合)	-1,064,990	34,135,010 (A Shares)	0.39	-	Unknown	-	Unknown
China Construction Bank Corporation – Huaxia Energy Reform Equity Securities Investment Fund (中國建設銀行股份有限公司 – 華夏能源革新股票型證券投資基金)	13,231,691	32,319,083 (A Shares)	0.37	-	Unknown	-	Unknown

Section 10 Changes in Shares and Shareholders

Name of shareholder (full name)	Shareholding of the top 10 shareholders			Shares pledged, labeled or frozen			
	Increase/ decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held with selling restrictions	Condition of shares	Number	Type of shareholder
China Minsheng Banking Corp., Ltd. – GF Industry Selection Mixed Securities Investment Fund with Three-year Holding Period (中國民生銀行股份有限公司 – 廣發行業嚴選三年持有期混合型證券 投資基金)	6,318,074	23,808,817 (A Shares)	0.27	–	Unknown	–	Unknown
Industrial and Commercial Bank of China Limited – GF Double-Engine Advanced Mixed Securities Investment Fund (中國工商銀行股份有限公司 – 廣發雙擎 升級混合型證券投資基金)	870,100	13,236,051 (A Shares)	0.15	–	Unknown	–	Unknown
China Construction Bank Corporation – Guangfa Technology Vanguard Hybrid Securities Fund (中國建設銀行股份 有限公司 – 廣發科技先鋒混合型證券 投資基金)	10,107,613	10,107,613 (A Shares)	0.12	–	Unknown	–	Unknown
Industrial and Commercial Bank of China – SSE 50 Exchange-Traded Open-End Index Securities Investment Fund (中國工商銀行 – 上證 50 交易型開放式指數證券投資基金)	-2,150,390	8,305,512 (A Shares)	0.09	–	Unknown	–	Unknown

Shareholding of the top 10 shareholders holding shares without selling restrictions

Name of shareholder	Number of tradable shares without selling restrictions held	Class and number of shares	
		Class	Number
Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	5,115,000,000 (A Shares)	RMB-denominated ordinary shares	5,115,000,000 (A Shares)
HKSCC NOMINEES LIMITED	2,579,755,741 (H Shares)	Overseas listed foreign shares	2,579,755,741 (H Shares)
China Securities Finance Corporation Limited	196,889,089 (A Shares)	RMB-denominated ordinary shares	196,889,089 (A Shares)
Hong Kong Securities Clearing Company Limited	46,259,815 (A Shares)	RMB-denominated ordinary shares	46,259,815 (A Shares)
National Social Security Fund Portfolio 103	34,135,010 (A Shares)	RMB-denominated ordinary shares	34,135,010 (A Shares)

Section 10 Changes in Shares and Shareholders

Shareholding of the top 10 shareholders holding shares without selling restrictions

Name of shareholder	Number of tradable shares without selling restrictions held	Class and number of shares	
		Class	Number
China Construction Bank Corporation – Huaxia Energy Reform Equity Securities Investment Fund (中國建設銀行股份有限公司—華夏能源革新股票型證券投資基金)	32,319,083 (A Shares)	RMB-denominated ordinary shares	32,319,083 (A Shares)
China Minsheng Banking Corp., Ltd. – GF Industry Selection Mixed Securities Investment Fund with Three-year Holding Period (中國民生銀行股份有限公司—廣發行業嚴選三年持有期混合型證券投資基金)	23,808,817 (A Shares)	RMB-denominated ordinary shares	23,808,817 (A Shares)
Industrial and Commercial Bank of China Limited – GF Double-Engine Advanced Mixed Securities Investment Fund (中國工商銀行股份有限公司—廣發雙擎升級混合型證券投資基金)	13,236,051 (A Shares)	RMB-denominated ordinary shares	13,236,051 (A Shares)
China Construction Bank Corporation – Guangfa Technology Vanguard Hybrid Securities Fund (中國建設銀行股份有限公司—廣發科技先鋒混合型證券投資基金)	10,107,613 (A Shares)	RMB-denominated ordinary shares	10,107,613 (A Shares)
Industrial and Commercial Bank of China – SSE 50 Exchange-Traded Open-End Index Securities Investment Fund (中國工商銀行—上證 50 交易型開放式指數)	8,305,512 (A Shares)	RMB-denominated ordinary shares	8,305,512 (A Shares)
Description of specific accounts for repurchase of the top 10 shareholders		The Company's specific account for repurchase are not listed in the "Shareholding of the top 10 shareholders". In 2022, the Company repurchased 40,000,043 A Shares on the Shanghai Stock Exchange through centralized bidding. As of 31 December 2022, the Company had 40,000,043 A Shares in its specific account for repurchase, representing 0.46% of the total shares of the Company during the Reporting Period.	
The explanation of above shareholders' proxy voting right, entrusted voting right and abandonment of voting right		N/A	
Description of the related party relationship or acting in concert among the above shareholders		There is no related party relationship between Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), the controlling shareholder of the Company, and other shareholders. In addition, the Company is not aware of any related party relationship among the other shareholders mentioned above.	
Description of the shareholders holding preference shares with restored voting rights and their shareholding		N/A	

Section 10 Changes in Shares and Shareholders

Number of shares held by the top 10 shareholders with selling restrictions and details of selling restrictions

□ Applicable ✓ Not applicable

Shares Held by Substantial Shareholders (SFO Requirements)

As at 31 December 2022, the following shareholders (excluding the directors, supervisors and chief executives of the Company) had interests or short positions in any shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name	No. of shares	Approximate percentage of A Shares (%)	Approximate percentage of H Shares (%)	Approximate percentage of total number of shares (%)
Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) (Note 1)	5,115,000,000 (L) (A Shares)	82.93	-	58.36
Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) (Note 2)	5,152,998,500 (L) (A Shares and H Shares)	-	-	58.79
	5,115,000,000 (L) (A Shares)	82.93	-	58.36
	37,998,500 (L) (H Shares)	-	1.27	0.43
Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司) (Note 3)	5,152,998,500(L) (A Shares and H Shares)	-	-	58.79
	5,115,000,000 (L) (A Shares)	82.93	-	58.36
	37,998,500 (L) (H Shares)	-	1.27	0.43
BlackRock, Inc.	177,844,547 (L) 279,000 (S)	-	6.85 (L) 0.01 (S)	2.02 0.003
Brown Brothers Harriman & Co.	137,941,207 (L) 137,941,207 (P)	-	5.31(L) 5.31(S)	1.57 1.57
Citigroup Inc.	130,730,835(L) 24,440,846(S)	-	5.03(L) 0.94(S)	1.49 0.28
	107,171,711(P)	-	4.12(P)	1.22
Han Xue Juan (Note 4)	5,152,998,500(L) (A Shares and H Shares)	-	-	58.79
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) (Note 5)	5,115,000,000 (L) (A Shares)	82.93	-	58.36

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

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

(P) denotes shares available for lending

Section 10 Changes in Shares and Shareholders

Notes:

- (1) Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) (formerly known as Baoding Woerte Management Consultant Company Limited (保定市沃爾特管理諮詢有限公司) was established on 1 December 2005. Its place of incorporation is Baoding, Hebei Province, the PRC and its registered address is 638 Yonghua South Street, Baoding. Its scope of business covers investments in manufacturing, real estate and horticulture industries, as well as corporate planning and management consulting; mechanical equipment leasing; non-residential real estate leasing; office equipment rental services; transport equipment rental services; computer and communication equipment leasing; and production line management services (operations that require pre-approval according to laws and administrative regulations or as prescribed by the State Council can only be conducted after obtaining approval). As at 31 December 2022, 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. Further, 58.2353%, 0.5882% and 41.1765% 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) As at 31 December 2022, Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) held 62.854% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) for the purposes of the SFO. At the same time, Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) is interested in 37,998,500 H Shares.
- (3) As at 31 December 2022, Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司) held 41.1765% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司), which in turn held 62.854% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), and is deemed to be interested in all the shares of the Company held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) and Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) for the purposes of the SFO.
- (4) As at 31 December 2022, 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), 0.5882% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) and 1% equity interest in Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司), and is the spouse of Mr. Wei Jian Jun. Ms. Han Xue Juan is deemed to be interested in all the shares of the Company in which Mr. Wei Jian Jun is interested for the purposes of the SFO.
- (5) 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 31 December 2022, 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) for the purposes of the SFO.

Save as disclosed above, as at 31 December 2022, so far as the directors, supervisors and chief executives of the Company are aware, no other person (excluding the directors, supervisors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

(III) Strategic investors or general legal person becoming top 10 shareholders as a result of placing of new shares

Applicable Not applicable

Section 10 Changes in Shares and Shareholders

IV. CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

(I) Details of controlling shareholders

1 Legal person

Applicable Not applicable

Name	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)
Person in charge or legal representative	Wei Jian Jun
Date of establishment	1 December 2005
Principal business	Investments in manufacturing, real estate and horticulture industries, as well as corporate planning and management consulting; mechanical equipment leasing; non-residential real estate leasing; office equipment rental services; transport equipment rental services; computer and communication equipment leasing; and production line management services.
Control of and shareholdings in other domestic or overseas listed companies during the Reporting Period	The Company did not have any control of or shareholding in other domestic or overseas listed companies during the Reporting Period.
Others	—

2 Natural person

Applicable Not applicable

3 Specific descriptions of no controlling shareholder in the Company

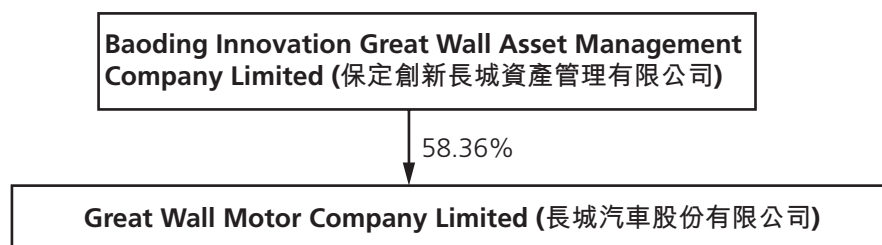
Applicable Not applicable

4 Change in controlling shareholders during the Reporting Period

Applicable Not applicable

5 Chart showing the shareholding and controlling relationship between the Company and the controlling shareholder

Applicable Not applicable



Section 10 Changes in Shares and Shareholders

(II) Details of the de facto controller

1 Legal person

Applicable Not applicable

2 Natural Person

Applicable Not applicable

Name	Wei Jian Jun
Nationality	Chinese
Right of abode in other countries or regions	No
Occupation and position	Chairman of Great Wall Motor Company Limited
Shareholdings in domestic or overseas listed companies in the last 10 years	Mr. Wei Jian Jun did not hold any shares in any listed companies other than Great Wall Motor in the last 10 years.

3 Specific descriptions of no de facto controller in the Company

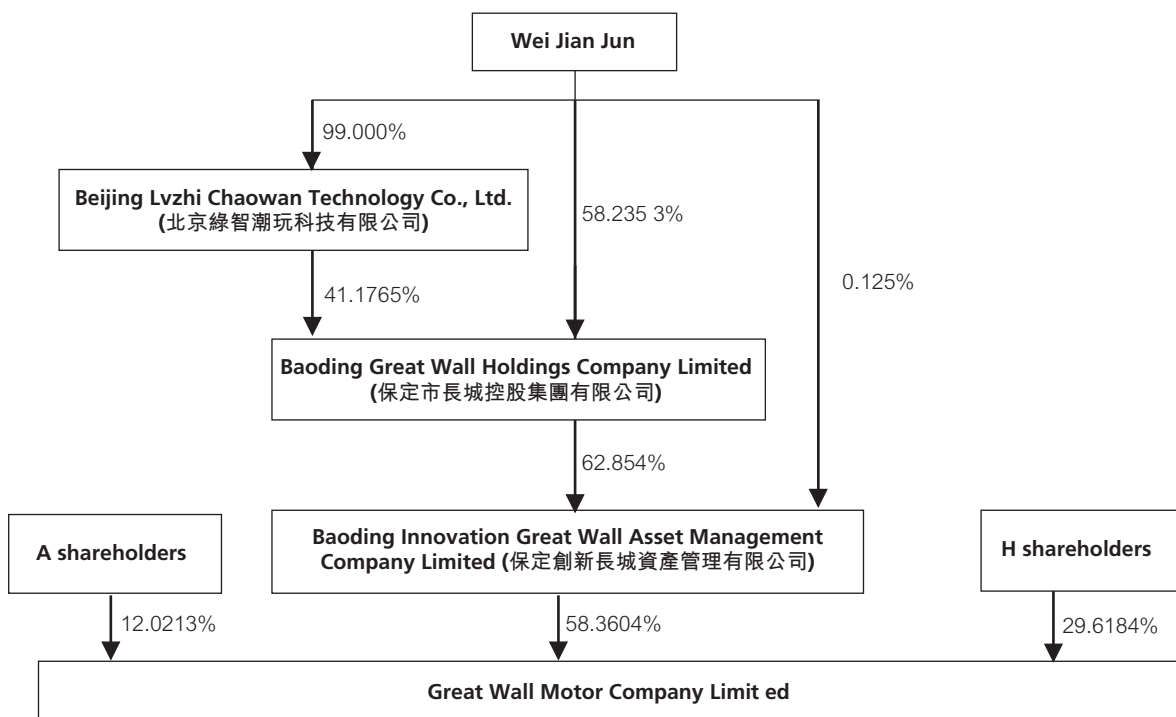
Applicable Not applicable

4 Change in the control over the Company during the Reporting Period

Applicable Not applicable

5 Chart showing the shareholding and controlling relationship between the Company and the de facto controller

Applicable Not applicable



Section 10 Changes in Shares and Shareholders

6 *The de facto controller controlling the Company under trust and through other ways of asset management*

Applicable Not applicable

(III) Other information about controlling shareholders and the de facto controller

Applicable Not applicable

V. THE SHARES CUMULATIVELY PLEDGED BY THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER OF THE COMPANY AND THE PERSONS ACTING IN CONCERT EXCEED 80% OF THE SHARES OF THE COMPANY HELD BY THEM

Applicable Not applicable

VI. OTHER LEGAL PERSON SHAREHOLDERS HOLDING 10% OR MORE OF SHARES

Applicable Not applicable

VII. LIMIT ON THE SHAREHOLDING REDUCTION

Applicable Not applicable

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

Applicable Not applicable

Unit: RMB Currency: RMB

Name of share repurchase plan	The Plan on Repurchase of A Shares by Way of Centralized Bidding
Date of share repurchase plan disclosed	15 July 2022
Number of shares to be repurchased and percentage to the total share capital (%)	Between 10 million shares and 15 million shares 0.11 - 0.16
Amount to be repurchased	45,000 - 67,500
Period to be repurchased	Not exceeding 12 months from the date when the Board considered and approved the share repurchase plan (subject to the authorized period of the general mandate for A Shares)
Purpose of repurchase	Used for the employee share ownership scheme and/or share incentive scheme
Shares repurchased (share)	12,000,089
Number of shares repurchased as a percentage of the underlying shares under the stock incentive plan (%), if any	N/A
Progress of the Company to reduce shareholding of shares repurchased through centralized bidding	Completed

Section 10 Changes in Shares and Shareholders

Name of share repurchase plan	The Plan on Repurchase of A Shares by Way of Centralized Bidding
Date of share repurchase plan disclosed	14 October 2022
Number of shares to be repurchased and percentage to the total share capital (%)	Between 20 million shares and 40 million shares 0.22 - 0.44
Amount to be repurchased	180,000
Period to be repurchased	Not exceeding 12 months from the date when the Board considered and approved the share repurchase plan (subject to the authorized period of the general mandate for A Shares)
Purpose of repurchase	Used for the employee share ownership scheme and/or share incentive scheme
Shares repurchased (share)	27,999,954
Number of shares repurchased as a percentage of the underlying shares under the stock incentive plan (%), if any	N/A
Progress of the Company to reduce shareholding of shares repurchased through centralized bidding	Completed

For the details about the implementation of the Company's share repurchase during the Reporting Period, please refer to "Purchase, Sale or Redemption of the Company's Listed Securities" in section 5 of this report.

Section 11 Description of Preference Shares

Applicable Not applicable

Section 12 Description of Bonds

I. CORPORATE BONDS, COMPANY BONDS AND DEBT FINANCING INSTRUMENTS OF NONFINANCIAL ENTERPRISES

Applicable Not applicable

II. CONVERTIBLE CORPORATE BONDS

Applicable Not applicable

(I) Issuance of convertible bonds

Applicable Not applicable

The Company held the 9th meeting of the seventh session of the Board on 6 November 2020, at which the Resolution on Issuance of A Share Convertible Corporate Bonds was considered and approved. Proceeds raised from the proposed issuance of A share convertible corporate bonds will be used for the new models R&D project and the GDC project to enhance the competitiveness of the principal business of the Company.

The A share convertible corporate bonds and the A shares to be converted into will be listed on the Shanghai Stock Exchange and the total proceeds raised therefrom will not exceed RMB8 billion (RMB8 billion inclusive). The A share convertible corporate bonds will be issued at par value of RMB100 each.

The Company held the fourth extraordinary general meeting in 2020, the third H Shareholders' class meeting in 2020 and the third A Shareholders' class meeting in 2020 on 18 December 2020, at which the aforementioned proposed issuance of A share convertible corporate bonds was considered and approved.

The Company held the 14th meeting of the seventh session of the Board on 12 March 2021, at which the revised issuance plan of the aforementioned proposed issuance of A share convertible corporate bonds was considered and approved. The total amount of the convertible bonds proposed to be issued was revised to not exceed RMB3.5 billion (RMB3.5 billion inclusive). The actual amount of the proceeds raised shall be determined by the Board of the Company or its authorised persons within the above range, subject to the authorisation by the shareholders at the shareholders' general meetings of the Company. All of the proceeds are proposed to be used for the following projects after deduction of issuance expenses:

Unit: RMB0'000

Project name	Total project investment	Amount of proceeds raised to be invested
New models R&D project	630,970.81	350,000.00
GDC project	798,002.54	0.00
Total	1,428,973.35	350,000.00

Section 12 Description of Bonds

As approved by CSRC Permit [2021] No.1353, the Company publicly issued 35,000,000 A share convertible corporate bonds on 10 June 2021 at a par value of RMB100 each, totalling RMB3.5 billion with a term of 6 years. The convertible bonds issued can be converted during the period from 17 December 2021 to 9 June 2027. The initial conversion price of the convertible corporate bonds is RMB38.39 per share.

As approved by the Self-regulation Decision [2021] No.287 of Shanghai Stock Exchange, the convertible corporate bonds of RMB3.5 billion was listed and traded on the Shanghai Stock Exchange from 8 July 2021 with the abbreviation of "Great Wall Motor Convertible Bonds" and stock code of "113049", and the closing price on that day was RMB142.07 each. The total amount of proceeds raised was RMB3.5 billion, and the actual net proceeds raised were RMB3,487,972,641.51. The utilised proceeds have been used in line with the purposes previously disclosed.

Total proceeds and details of utilisation:

Total proceeds from the issuance of A share convertible corporate bonds (RMB0'000)	Planned use of proceeds previously disclosed	Proceeds		Expected timeline for utilisation of unutilised proceeds
		utilized as of 31 December 2022 (RMB0'000)	unutilized as of 31 December 2022 (RMB0'000)	
350,000.00	New models R&D project	218,646.31	130,150.95	On or before 31 December 2023
	GDC project	0	0	On or before 31 December 2025

Holder of the Company's A share convertible corporate bonds are natural persons holding accounts with Shanghai Branch of China Securities Depository and Clearing Corporation Limited, legal persons, securities investment funds and other investors in compliance with legal requirements.

Section 12 Description of Bonds

(II) Holders and guarantors of convertible bonds during the Reporting Period

√ Applicable □ Not applicable

Name of convertible corporate bonds	Great Wall Motor Convertible Bonds	
Number of holders of convertible bonds at the end of the period	17,395	
Guarantors of convertible bonds of the Company	Nil	
The top 10 convertible bond holders are as follows:		
Name of holders of convertible corporate bonds	Convertible bonds held as at the end of the period (RMB)	Proportion (%)
Special accounts for bonds repurchase and pledge under the registration and settlement system (Industrial and Commercial Bank of China) (登記結算系統債券回購質押專用賬戶(中國工商銀行))	460,330,000	13.17
Special accounts for bonds repurchase and pledge under the registration and settlement system (CITIC Securities Co., Ltd.) (登記結算系統債券回購質押專用賬戶(中信證券股份有限公司))	298,179,000	8.53
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Construction Bank) (登記結算系統債券回購質押專用賬戶(中國建設銀行))	170,808,000	4.89
Special accounts for bonds repurchase and pledge under the registration and settlement system (Bank of China) (登記結算系統債券回購質押專用賬戶(中國銀行))	162,080,000	4.64
Special accounts for bonds repurchase and pledge under the registration and settlement system (Bank of Communications) (登記結算系統債券回購質押專用賬戶(交通銀行))	151,823,000	4.34
China Foreign Economy and Trade Trust Co., Ltd. – Foreign Investment Trust – Ruijun Wenxiang Private Security Investment Fund (中國對外經濟貿易信託有限公司—外貿信託—睿郡穩享私募證券投資基金)	110,552,000	3.16
Northwest Investment Management (Hong Kong) Limited – Northwest Feilong Fund Limited (西北投資管理(香港)有限公司—西北飛龍基金有限公司)	92,800,000	2.65
Shanghai Wisdomshire Asset Management Co., Ltd. – Ruijun Ruixiang Private Security Investment Fund (上海睿郡資產管理有限公司—睿郡睿享私募證券投資基金)	87,447,000	2.50
Special accounts for bonds repurchase and pledge under the registration and settlement system (Agricultural Bank of China) (登記結算系統債券回購質押專用賬戶(中國農業銀行))	70,436,000	2.02
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Merchants Bank Co., Ltd.) (登記結算系統債券回購質押專用賬戶(招商銀行股份有限公司))	69,890,000	2.00

Section 12 Description of Bonds

(III) Changes in convertible bonds during the Reporting Period

Applicable Not applicable

Unit: RMB Currency: RMB

Name of convertible corporate bond	Before this change	Increase/decrease for this change			After this change
		Conversion	Redemption	Buyback	
Great Wall Motor Convertible Bonds	3,499,369,000	102,173	0	0	3,495,492,000

Cumulative convertible bonds during the Reporting Period

Applicable Not applicable

Name of convertible corporate bond	Great Wall Motor Convertible Bonds
Amount of conversion during the Reporting Period (RMB)	3,877,000
Number of conversion shares during the Reporting Period (share)	102,173
Cumulative conversion shares (share)	118,712
Percentage of cumulative conversion shares to total issued shares of the Company before conversion (%)	0.001285
Amount of shares not converted (RMB)	3,495,492,000
Ratio of convertible bonds not converted to total issued convertible bonds (%)	99.871200

(IV) Previous adjustments to conversion price

Applicable Not applicable

Unit: RMB Currency: RMB

Name of convertible corporate bond	Great Wall Motor Convertible bonds	Adjustment date of conversion price	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
		10 September 2021	38.30	9 September 2021	Shanghai Stock Exchange www.sse.com.cn ; Hong Kong Stock Exchange www.hkexnews.hk	Repurchase and cancellation of certain restricted shares under the first grant of 2020 Incentive Scheme; the independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; completion of registration for the grant of restricted shares of 2021 Incentive Scheme

Section 12 Description of Bonds

Name of convertible corporate bond	Great Wall Motor Convertible bonds	Adjustment date of conversion price	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
		21 October 2021	38.00	14 October 2021	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; implementation of 2021 interim equity distribution
		11 November 2021	38.01	10 November 2021	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant and reserved grant of 2020 Incentive Scheme
		20 May 2022	37.89	13 May 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant of 2020 Incentive Scheme; the independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme; implementation of 2021 interim equity distribution
		27 June 2022	37.84	23 June 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme; completion of registration for the grant of restricted shares of 2021 Incentive Scheme
		22 July 2022	38	20 July 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme; completion of cancellation of H Shares repurchased on June 2022; repurchase and cancellation of certain restricted shares under the first grant of 2020 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant of 2021 Restricted Incentive Scheme

Section 12 Description of Bonds

Name of convertible corporate bond	Great Wall Motor Convertible bonds	Adjustment date of conversion price	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
		15 August 2022	38.14	11 August 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The completion of cancellation of H Shares repurchased on July 2022; the independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme
		28 December 2022	39.47	26 December 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant of the 2020 Incentive Scheme, first exercise period of share options under the reserved grant of the 2020 Incentive Scheme and first exercise period of share options under the first grant of the 2021 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant of 2021 Restricted Incentive Scheme; the completion of cancellation of H Shares repurchased since September 2022
		Latest conversion price as at the end of the Reporting Period	39.47			

(V) Information on the Company's liability and credit changes as well as the cash arrangement for future annual debt repayment

Applicable Not applicable

According to the Credit Rating Report of Great Wall Motor Company Limited for Public Issuance of A-Share Convertible Corporate Bonds for 2022 issued by China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) on 26 May 2022, the Company's issuer credit rating is AAA with stable rating outlook, and the credit rating of the bonds is also AAA. As at the end of 2022, the total liabilities of the Company were RMB120,141 million, and the gearing ratio was 64.82%. The Company maintains an excellent issuer credit rating and sound solvency indicators. Meanwhile, the Company generates stable profitability and has desirable development prospects with strong solvency and risk aversion to ensure the capital requirements for repaying the principal and interest of the current tranche of convertible corporate bonds.

(VI) Other information of convertible bonds

Applicable Not applicable

Section 13 Financial Report (Auditor's Report)

De Shi Bao (Shen) Zi (23) No. P03552
(Page 1 of 4)

TO THE SHAREHOLDERS OF GREAT WALL MOTOR COMPANY LIMITED:

I. OPINION

We have audited the financial statements of Great Wall Motor Company Limited (hereinafter referred as "Great Wall Motor"), which comprise the consolidated and the company's balance sheets as at 31 December 2022, the consolidated and the Company's income statements, the consolidated and the Company's cash flow statements and the consolidated and the Company's statements of changes in shareholders' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared and present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2022, and the consolidated and the Company's results of operations and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises ("ASBEs").

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Great Wall Motor in accordance with the Code of Ethics for Chinese Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Section 13 Financial Report (Auditor's Report)

De Shi Bao (Shen) Zi (23) No. P03552
(Page 2 of 4)

III. KEY AUDIT MATTERS (continued)

Capitalization Of Development Expenditure

1. Description

As disclosed in Note VI. 18 to the financial statements, the balance of capitalized development expenditure of Great Wall Motor was RMB11,981,107,869.85 as at 31 December 2022. As disclosed in Note IV. to the financial statements, significant judgements made in the application of accounting policies – capitalization of development expenditure, considering that whether the development expenditure meets the capitalization conditions stipulated in the ASBEs involves significant judgment of management, the development expenditure is identified as a key audit matter.

2. Audit response

Our main procedures in relation to capitalization of development expenditure included:

- (1) Testing and evaluating the effectiveness of the design and implementation of key internal controls related to the capitalization of development expenditure;
- (2) Understanding relevant accounting policies and estimates for capitalization conditions of development expenditure determined by the management, and evaluating the reasonableness of capitalization conditions of development expenditure and whether the provisions of ASBEs are complied with;
- (3) Sampling the supporting documents such as meeting minutes, project approvals and feasibility analysis, etc. related to research and development projects, and evaluating whether the conditions and basis for the capitalization of research and development projects are sufficient and reasonable;
- (4) Testing the project development expenditure on a sampling basis to check and evaluate the authenticity and accuracy of development expenditure.

IV. OTHER INFORMATION

Great Wall Motor's management is responsible for the other information. The other information comprises the information included in the 2022 annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Section 13 Financial Report (Auditor's Report)

De Shi Bao (Shen) Zi (23) No. P03552

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V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Great Wall Motor's management is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and designing, implementing and maintaining the internal control that is necessary to enable that the preparation of financial statements is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Great Wall Motor's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern assumption unless the management either intends to liquidate Great Wall Motor or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Great Wall Motor's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Great Wall Motor to continue as a going concern. If we conclude that a material uncertainty exists, we are required by CSAs to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Great Wall Motor to cease to continue as a going concern.

Section 13 Financial Report (Auditor's Report)

De Shi Bao (Shen) Zi (23) No. P03552

(Page 4 of 4)

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

(continued)

5. Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Great Wall Motor to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu CPA LLP

Shanghai, China

Chinese Certified Public Accountant:

Li Xu

(Engagement partner)

Chinese Certified Public Accountant:

Chen Yan Ping

30 March 2023

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Consolidated Balance Sheet

At 31 December 2022

RMB

Item	Note	31/12/2022	31/12/2021
Current Assets:			
Cash and bank balances	VI.1	35,773,467,830.28	33,047,560,929.36
Held-for-trading financial assets	VI.2	2,053,553,807.44	6,046,493,154.78
Derivative financial assets		13,170,797.64	5,554,185.76
Notes receivable	VI.4	2,735,886,300.00	3,181,930,272.20
Accounts receivable	VI.3	6,611,191,147.15	5,421,996,764.84
Financing with receivables	VI.4	22,152,492,848.09	31,499,637,236.45
Prepayments	VI.5	2,228,893,811.88	1,748,896,425.13
Other receivables	VI.6	2,415,575,628.26	1,121,872,592.52
Inventories	VI.7	22,374,522,377.01	13,966,418,723.46
Contract assets	VI.8	4,072,792.00	272,035,125.82
Non-current assets due within one year	VI.10	1,928,674,676.06	2,240,394,116.43
Other current assets	VI.9	9,389,221,535.55	9,812,817,672.24
Total Current Assets		107,680,723,551.36	108,365,607,198.99
Non-Current Assets:			
Long-term receivables	VI.10	1,755,411,228.37	2,290,581,929.95
Long-term equity investments	VI.11	10,285,585,309.98	9,524,314,026.06
Other equity instrument investments	VI.12	1,481,976,762.81	813,215,710.00
Other non-current financial assets		133,328,692.28	58,247,041.15
Investment properties	VI.13	422,442,121.94	326,236,381.33
Fixed assets	VI.14	26,949,019,721.87	27,441,388,875.44
Construction in progress	VI.15	8,305,799,414.52	4,467,242,861.76
Right-of-use assets	VI.16	1,092,940,845.53	226,764,213.96
Intangible assets	VI.17	8,197,265,268.36	7,090,635,584.53
Development expenditure	VI.18	11,981,107,869.85	7,144,904,022.66
Goodwill		27,763,359.77	27,763,359.77
Long-term prepaid expenses		267,214,694.31	202,597,485.53
Deferred tax assets	VI.19	3,252,650,505.92	2,776,617,707.07
Other non-current assets	VI.20	3,524,071,126.20	4,651,904,189.73
Total Non-current Assets		77,676,576,921.71	67,042,413,388.94
TOTAL ASSETS		185,357,300,473.07	175,408,020,587.93

Consolidated Balance Sheet

At 31 December 2022

RMB

Item	Note	31/12/2022	31/12/2021
Current Liabilities:			
Short-term borrowings	VI.21	5,943,335,783.46	5,204,463,651.75
Derivative financial liabilities		28,800,759.63	1,006,607.03
Notes payable	VI.22	30,061,481,322.24	26,809,308,822.40
Accounts payable	VI.23	29,305,857,540.98	37,083,081,730.25
Contract liabilities	VI.24	7,752,836,116.70	7,387,904,382.08
Employee benefits payable	VI.25	4,208,573,006.72	3,215,215,491.04
Taxes payable	VI.26	1,898,129,278.86	2,818,110,266.16
Other payables	VI.27	6,163,920,243.68	4,867,094,523.67
Non-current liabilities due within one year	VI.28	4,883,529,528.07	3,667,865,267.06
Other current liabilities	VI.29	5,555,585,325.06	4,542,933,786.57
Total Current Liabilities		95,802,048,905.40	95,596,984,528.01
Non-current Liabilities:			
Long-term borrowings	VI.21	15,405,655,852.03	8,656,160,276.64
Bonds payable	VI.30	3,511,206,000.48	3,476,276,681.02
Lease liabilities	VI.31	978,708,416.66	475,905,412.35
Deferred income	VI.32	3,584,723,726.03	4,112,912,347.76
Deferred tax liabilities	VI.19	770,879,408.34	845,451,906.71
Long-term employee benefits payable		41,711,136.24	60,320,099.24
Other non-current liabilities		46,458,912.59	55,526,563.36
Total Non-current Liabilities		24,339,343,452.37	17,682,553,287.08
TOTAL LIABILITIES		120,141,392,357.77	113,279,537,815.09
SHAREHOLDERS' EQUITY:			
Share capital	VI.33	8,764,512,467.00	9,235,713,278.00
Other equity instruments	VI.34	335,579,596.45	335,951,802.16
Capital reserve	VI.35	2,126,322,573.72	4,871,909,273.63
Less: Treasury shares	VI.36	2,459,965,985.56	642,035,492.50
Other comprehensive income	VI.56	234,443,844.95	(247,369,962.28)
Special reserve		5,673,833.25	-
Surplus reserve	VI.37	7,017,877,861.90	6,677,505,529.86
Undistributed profits	VI.38	49,176,813,140.82	41,892,707,709.74
Total Equity Attributable to Shareholders of the Company		65,201,257,332.53	62,124,382,138.61
Minority Interests		14,650,782.77	4,100,634.23
TOTAL SHAREHOLDERS' EQUITY		65,215,908,115.30	62,128,482,772.84
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		185,357,300,473.07	175,408,020,587.93

The accompanying notes form part of the financial statements.

The financial statements on pages 225 to 442 were signed by:

Wei Jianjun

Legal Representative

Li Hongshuan

Chief Financial Officer

Wang Haiping

Head of the Finance Section

Balance Sheet of the Company

At 31 December 2022

RMB

Item	Note	31/12/2022	31/12/2021
Current Assets:			
Cash and bank balances	XVI.1	16,829,695,601.22	21,281,259,904.65
Held-for-trading financial assets		1,508,596,536.57	5,316,473,248.90
Derivative financial assets		–	4,280,204.82
Notes receivable	XVI.3	2,491,018,173.00	3,077,704,668.01
Accounts receivable	XVI.2	25,706,233,799.68	18,269,181,321.31
Financing with receivables	XVI.3	17,437,826,198.48	20,690,106,005.49
Prepayments		2,096,903,209.77	411,427,904.73
Other receivables	XVI.4	10,178,090,115.94	6,073,269,937.30
Inventories	XVI.5	10,234,842,200.05	5,671,584,301.19
Contract assets		4,072,792.00	272,035,125.82
Non-current assets due within one year		300,099,226.29	265,922,983.26
Other current assets	XVI.6	7,640,685,322.20	8,918,818,733.15
Total Current Assets		94,428,063,175.20	90,252,064,338.63
Non-Current Assets:			
Long-term receivables		458,933,998.65	573,687,016.50
Long-term equity investments	XVI.7	27,725,727,762.11	23,781,423,381.23
Other equity instrument investments		7,700,000.00	7,700,000.00
Other non-current financial assets		133,328,692.28	58,247,041.15
Investment properties	XVI.8	2,602,845,616.53	2,381,055,580.18
Fixed assets	XVI.9	13,526,907,154.13	15,117,306,064.45
Construction in progress	XVI.10	3,672,460,626.17	2,353,797,439.28
Right-of-use assets	XVI.11	398,234,469.21	123,721,224.19
Intangible assets	XVI.12	5,688,633,484.12	5,279,047,345.56
Development expenditure	XVI.13	8,981,389,164.56	4,884,419,367.95
Long-term prepaid expenses		45,538,079.40	44,518,861.10
Deferred tax assets		1,850,190,817.75	1,967,152,876.77
Other non-current assets		1,981,822,641.00	2,392,456,654.53
Total Non-Current Assets		67,073,712,505.91	58,964,532,852.89
TOTAL ASSETS		161,501,775,681.11	149,216,597,191.52

Balance Sheet of the Company

At 31 December 2022

RMB

Item	Note	31/12/2022	31/12/2021
Current Liabilities:			
Short-term borrowings	XVI. 14	1,386,109,700.00	3,593,886,572.22
Derivative financial liability		8,528,317.13	–
Notes payable	XVI. 15	21,581,764,653.37	15,762,775,809.24
Accounts payable	XVI. 16	30,802,903,628.18	40,027,727,892.18
Contract liabilities	XVI. 17	17,930,185,162.17	13,642,543,714.54
Employee benefits payable		2,086,128,687.66	1,743,193,832.10
Taxes payable		945,962,145.16	1,408,770,586.01
Other payables		6,978,027,306.02	4,623,342,959.37
Non-current liabilities due within one year		2,982,080,919.60	2,036,486,497.53
Other current liabilities		2,809,657,102.62	2,397,985,616.66
Total Current Liabilities		87,511,347,621.91	85,236,713,479.85
Non-current Liabilities:			
Long-term borrowings	XVI. 14	14,046,083,611.10	5,463,523,819.40
Bonds payable		3,316,660,000.48	3,214,954,734.68
Lease liabilities	XVI. 18	541,288,301.67	403,701,947.53
Deferred income		2,150,578,424.28	2,968,367,041.77
Other non-current liabilities		19,982,787.61	18,556,946.90
Total Non-current Liabilities		20,074,593,125.14	12,069,104,490.28
TOTAL LIABILITIES		107,585,940,747.05	97,305,817,970.13
SHAREHOLDERS' EQUITY:			
Share capital		8,764,512,467.00	9,235,713,278.00
Other equity instruments		335,579,596.45	335,951,802.16
Capital reserve	XVI. 19	2,135,584,074.82	4,874,960,778.98
Less: Treasury shares		2,459,965,985.56	642,035,492.50
Other comprehensive income		(60,950,480.39)	(105,936,120.13)
Special reserve		993,923.05	–
Surplus reserve		4,890,446,242.43	4,890,446,242.43
Undistributed profits	XVI. 20	40,309,635,096.26	33,321,678,732.45
TOTAL SHAREHOLDERS' EQUITY		53,915,834,934.06	51,910,779,221.39
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		161,501,775,681.11	149,216,597,191.52

Consolidated Income Statement

For the year end 31 December 2022

RMB

Item	Note	2022	2021
I. Total operating revenue		137,339,985,187.76	136,404,663,038.67
Including: Operating revenue	VI.39	137,339,985,187.76	136,404,663,038.67
Less: Total operating costs		130,586,969,054.06	131,878,091,797.32
Including: Operating costs	VI.39	110,739,333,423.32	114,367,472,827.89
Taxes and levies	VI.40	5,120,665,152.43	4,234,116,020.61
Selling expenses	VI.41	5,876,160,763.57	5,192,175,874.72
Administrative expenses	VI.42	4,893,452,838.49	4,043,069,363.44
Research and development expenses	VI.43	6,445,163,014.77	4,489,565,228.62
Financial expenses	VI.44	(2,487,806,138.52)	(448,307,517.96)
Including: Interest expenses		716,283,675.83	471,553,850.85
Interest income		1,190,819,994.46	785,029,211.33
Add: Other income	VI.45	850,359,104.55	1,047,332,351.17
Investment income	VI.46	671,237,573.78	1,109,108,963.78
Including: Investment income from joint ventures and associates		720,976,292.12	1,016,547,758.13
Gains from changes in fair values	VI.47	50,337,480.30	306,440,874.33
Impairment losses on credit	VI.48	(25,788,602.04)	(122,400,085.23)
Impairment losses on assets	VI.49	(337,019,161.77)	(470,596,118.21)
Gains (Losses) from disposal of assets	VI.50	4,858,556.38	(27,689,757.55)
II. Operating profit		7,967,001,084.90	6,368,767,469.64
Add: Non-operating income	VI.51	885,947,238.62	1,160,795,207.28
Less: Non-operating expenses	VI.52	46,396,304.28	47,460,389.69
III. Total profit		8,806,552,019.24	7,482,102,287.23
Less: Income tax expenses	VI.53	553,744,409.69	757,087,769.28

Consolidated Income Statement

For the year end 31 December 2022

RMB

Item	Note	2022	2021
IV. Net profit	VI.54	8,252,807,609.55	6,725,014,517.95
(I) Classification by going concern:			
Net profit under going concern		8,252,807,609.55	6,725,014,517.95
(II) Classification by attribution of ownership:			
1. Net profit attributable to shareholders of the Company		8,266,041,808.18	6,726,093,883.72
2. Profit or loss attributable to minority interests		(13,234,198.63)	(1,079,365.77)
V. Net other comprehensive income after taxes	VI.56	481,813,807.23	335,492,147.69
Net other comprehensive income attributable to shareholders of the Company after taxes		481,813,807.23	335,492,147.69
(I) Other comprehensive income that cannot be reclassified into profit or loss in the future		226,703,889.61	389,322,082.50
1. The change of re-measure of defined benefit plan		-	-
2. Changes in fair value of other equity instrument investments		226,703,889.61	389,322,082.50
(II) Other comprehensive income that will be reclassified to profit or loss		255,109,917.62	(53,829,934.81)
1. Translation difference of financial statements denominated in foreign currency		157,163,176.08	(188,667,850.81)
2. Changes in fair value of financial assets classified as at fair value through other comprehensive income		97,946,741.54	134,837,916.00
Net other comprehensive income attributable to minority interests		-	-
VI. Total comprehensive income		8,734,621,416.78	7,060,506,665.64
Total comprehensive income attributable to shareholders of the Company		8,747,855,615.41	7,061,586,031.41
Total comprehensive income attributable to minority interests		(13,234,198.63)	(1,079,365.77)
VII. Earnings per share:			
(I) Basic earnings per share	VI.55	0.91	0.73
(II) Diluted earnings per share	VI.55	0.91	0.73

Income Statement of the Company

For the year end 31 December 2022

RMB

Item	Note	2022	2021
I. Operating revenue	XVI.21	127,214,821,765.08	128,611,688,765.63
Less: Operating costs	XVI.21	112,407,002,642.59	120,912,271,661.25
Taxes and levies	XVI.22	4,486,412,069.47	3,724,220,515.29
Selling expenses	XVI.23	3,445,636,132.55	3,116,529,662.29
Administrative expenses	XVI.24	2,700,282,683.07	2,309,328,618.20
Research and development expenses	XVI.25	3,534,564,150.74	2,826,446,944.75
Financial expenses	XVI.26	(489,321,794.27)	(260,944,625.43)
Including: Interest expenses		530,848,488.31	405,056,390.31
Interest income		917,972,668.85	663,784,452.40
Add: Other income		248,535,923.51	478,597,416.86
Investment income	XVI.27	6,139,933,076.19	6,511,796,006.67
Including: Investment income from joint ventures and associates		740,002,608.02	1,070,959,771.36
(Loss) gains from changes in fair values		(21,224,283.15)	11,511,493.63
Impairment gains(losses) on credit		24,317,154.19	(2,791,287.57)
Impairment losses on assets	XVI.28	(493,668,745.68)	(356,795,835.30)
Gains from disposal of assets		34,666,213.23	5,066,732.35
II. Operating profit		7,062,805,219.22	2,631,220,515.92
Add: Non-operating income		575,016,845.08	582,710,380.74
Less: Non-operating expenses		9,869,742.39	35,865,521.96
III. Total profit		7,627,952,321.91	3,178,065,374.70
Less: Income tax expenses	XVI.29	(1,568,086.96)	(789,602,090.87)
IV. Net profit		7,629,520,408.87	3,967,667,465.57
Net profit under going concern		7,629,520,408.87	3,967,667,465.57
V. Net other comprehensive income after taxes		44,985,639.74	107,394,450.42
Other comprehensive income that will be reclassified into profit or loss		44,985,639.74	107,394,450.42
Changes in fair value of financial assets classified as at fair value through other comprehensive income		44,985,639.74	107,394,450.42
VI. Total comprehensive income		7,674,506,048.61	4,075,061,915.99

Consolidated Cash Flow Statement

For the year end 31 December 2022

RMB

Item	Note	2022	2021
I. Cash Flows from Operating Activities:			
Cash receipts from the sales of goods and rendering of services		159,054,469,634.93	161,876,487,402.91
Receipts of tax refunds		5,062,432,536.02	2,036,472,879.18
Other cash receipts relating to operating activities	VI.57(1)	4,590,849,408.76	4,900,731,651.65
Sub-total of cash inflow from operating activities		168,707,751,579.71	168,813,691,933.74
Cash payments for goods purchased and services received		120,674,570,609.52	106,086,658,499.65
Cash payments to and on behalf of employees		12,552,515,013.62	9,892,888,951.75
Payments of various types of taxes		12,785,883,679.84	10,153,768,490.38
Other cash payments relating to operating activities	VI.57(2)	10,383,527,757.29	7,364,702,745.83
Sub-total of cash outflow from operating activities		156,396,497,060.27	133,498,018,687.61
Net Cash Flows from Operating Activities	VI.58(1)	12,311,254,519.44	35,315,673,246.13
II. Cash Flows from Investing Activities:			
Cash receipts from disposal of investments		23,698,700,955.44	37,251,096,321.53
Cash receipts from investment income		479,017,986.93	551,896,869.20
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		441,505,205.13	618,066,553.33
Net cash receipts from disposal of subsidiaries and other business units	VI.58(2)	25,067,586.30	-
Other cash receipts relating to investing activities	VI.57(3)	100,000,000.00	344,678,333.33
Sub-total of cash inflow from investing activities		24,744,291,733.80	38,765,738,077.39
Cash payments to purchase and construct fixed assets, intangible assets and other long-term assets		16,300,822,257.22	13,091,040,902.76
Cash payments to acquire investments		18,945,000,000.00	36,146,502,840.00
Net cash payments for acquisition of subsidiaries and other business units		-	702,939,947.51
Other cash payments related to investing activities	VI.57(4)	3,356,934.96	-
Sub-total of cash outflow from investing activities		35,249,179,192.18	49,940,483,690.27
Net Cash Flow from Investing Activities		(10,504,887,458.38)	(11,174,745,612.88)

Consolidated Cash Flow Statement

At 31 December 2021

RMB

Item	Note	2022	2021
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		357,264,789.53	807,329,703.70
Cash receipts from borrowings		22,105,825,047.66	9,214,625,317.98
Cash receipts from issue of bonds		478,000,000.00	5,299,000,000.00
Sub-total of cash inflow from financing activities		22,941,089,837.19	15,320,955,021.68
Cash repayments of borrowings		12,812,497,889.29	11,873,326,348.19
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,225,838,059.39	5,877,962,841.86
Cash repayments of bonds		846,094,200.00	2,732,483,800.00
Other cash payments relating to financing activities	VI.57(5)	11,189,627,714.84	4,469,289,696.16
Sub-total of cash outflow from financing activities		26,074,057,863.52	24,953,062,686.21
Net Cash Flow from Financing Activities		(3,132,968,026.33)	(9,632,107,664.53)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
		317,403,692.39	(192,456,822.09)
V. Net (Decrease) Increase in Cash and Cash Equivalents			
		(1,009,197,272.88)	14,316,363,146.63
Add: Opening balance of cash and cash equivalents		27,907,854,151.86	13,591,491,005.23
VI. Closing balance of cash and cash equivalents			
	VI.58(3)	26,898,656,878.98	27,907,854,151.86

Cash Flow Statement of the Company

For the year end 31 December 2022

RMB

Item	Note	2022	2021
I. Cash Flows from Operating Activities:			
Cash receipts from the sales of goods and rendering of services		128,407,337,506.52	103,245,575,198.01
Receipts of tax refunds		3,469,032,370.37	1,805,060,000.06
Other cash receipts relating to operating activities		1,600,007,053.90	2,303,127,949.86
Sub-total of cash inflow from operating activities		133,476,376,930.79	107,353,763,147.93
Cash payments for goods purchased and services received		116,448,551,684.42	70,405,225,450.61
Cash payments to and on behalf of employees		3,992,648,263.39	4,144,202,670.16
Payments of various types of taxes		7,591,125,127.18	4,917,426,091.01
Other cash payments relating to operating activities		7,087,871,251.20	5,680,024,821.68
Sub-total of cash outflow from operating activities		135,120,196,326.19	85,146,879,033.46
Net Cash Flows from Operating Activities	XVI.30(1)	(1,643,819,395.40)	22,206,884,114.47
II. Cash Flows from Investing Activities:			
Cash receipts from disposal of investments		20,334,081,688.62	32,841,543,927.17
Cash receipts from investment income		4,015,032,017.15	4,344,747,587.37
Net cash receipts from disposal of subsidiaries and other business units		24,670,000.00	1,500,000.00
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		942,804,828.69	716,815,832.97
Other cash receipts relating to investing activities		1,471,201,000.00	1,222,293,333.33
Sub-total of cash inflow from investing activities		26,787,789,534.46	39,126,900,680.84
Cash payments to purchase and construct fixed assets, intangible assets and other long-term assets		9,150,816,360.61	6,560,486,713.97
Cash paid for investments		18,158,750,116.35	35,560,677,109.47
Other cash payments relating to investing activities		3,521,446,209.96	2,175,658,525.35
Sub-total of cash outflow from investing activities		30,831,012,686.92	44,296,822,348.79
Net Cash Flow from Investing Activities		(4,043,223,152.46)	(5,169,921,667.95)

Cash Flow Statement of the Company

At 31 December 2021

RMB

Item	Note	2022	2021
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		319,834,789.53	802,149,703.70
Cash receipts from borrowings		14,561,109,700.00	6,348,513,600.00
Cash receipts from issue of bonds		–	3,500,000,000.00
Other cash receipts relating to financing activities		1,150,500,000.00	–
Sub-total of cash inflow from financing activities		16,031,444,489.53	10,650,663,303.70
Cash payments for repayments of borrowings		6,750,850,000.00	7,225,355,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,034,710,049.15	5,682,875,551.00
Cash repayments of bonds		–	2,000,000,000.00
Other cash payments relating to financing activities		10,246,389,478.56	1,222,220,515.44
Sub-total of cash outflow from financing activities		18,031,949,527.71	16,130,451,066.44
Net Cash Flow from Financing Activities		(2,000,505,038.18)	(5,479,787,762.74)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
		210,139,430.01	2,919,644.15
V. Net (Decrease) Increase in Cash and Cash Equivalents			
		(7,477,408,156.03)	11,560,094,327.93
Add: Opening balance of cash and cash equivalents		20,288,128,849.56	8,728,034,521.63
VI. Closing balance of cash and cash equivalents			
	XVI.30(2)	12,810,720,693.53	20,288,128,849.56

Consolidated Statement of Changes in Shareholders' Equity

For the year end 31 December 2022

RMB

Item	2022									
	Attributable to shareholders of the Company									
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Minority interests	Total equity
I. Balance at the beginning of the year	9,235,713,278.00	335,951,802.16	4,871,909,273.63	642,035,492.50	(247,369,962.28)	-	6,677,505,529.86	41,892,707,709.74	4,100,634.23	62,128,482,772.84
II. Changes in the current year	(471,200,811.00)	(372,205.71)	(2,745,586,699.91)	1,817,930,493.06	481,813,807.23	5,673,833.25	340,372,332.04	7,284,105,431.08	10,550,148.54	3,087,425,342.46
(I) Total comprehensive income	-	-	-	-	481,813,807.23	-	-	8,266,041,808.18	(13,234,198.63)	8,734,621,416.78
(II) Owners' contributions and reduction in capital	(471,200,811.00)	(372,205.71)	(2,626,478,725.78)	1,814,847,707.82	-	-	-	-	37,430,000.00	(4,875,469,450.31)
1. Capital contributions from owners	35,741,173.00	-	284,093,616.53	100,720,428.00	-	-	-	-	37,430,000.00	256,544,361.53
2. Impact of conversion of convertible bonds in the year	102,173.00	(372,205.71)	3,944,571.68	-	-	-	-	-	-	3,674,538.97
3. Share-based payments recognized in shareholders' equity	-	-	1,438,193,200.90	-	-	-	-	-	-	1,438,193,200.90
4. Impact of canceling expired restricted shares and unlocking restricted shares	(3,410,657.00)	-	(49,807,145.76)	(288,068,813.59)	-	-	-	-	-	234,851,010.83
5. Repurchase and canceling shares	(503,633,500.00)	-	(4,302,902,969.13)	2,002,196,093.41	-	-	-	-	-	(6,808,732,562.54)
(III) Profit distribution	-	-	-	3,082,785.24	-	-	340,386,678.85	(981,950,723.91)	-	(644,646,830.30)
1. Transfer to statutory surplus reserve	-	-	-	-	-	-	327,763,761.72	(327,763,761.72)	-	-
2. Transfer to reserve fund	-	-	-	-	-	-	12,622,917.13	(12,622,917.13)	-	-
3. Distributions to shareholders	-	-	-	3,082,785.24	-	-	-	(641,564,045.06)	-	(644,646,830.30)
(IV) Transfer of shareholders' equity	-	-	-	-	-	-	(14,346.81)	14,346.81	-	-
1. others	-	-	-	-	-	-	(14,346.81)	14,346.81	-	-
(V) Special reserve	-	-	-	-	-	5,673,833.25	-	-	-	5,673,833.25
1. Appropriation for the year	-	-	-	-	-	24,477,707.28	-	-	-	24,477,707.28
2. Use of the year	-	-	-	-	-	(18,803,874.03)	-	-	-	(18,803,874.03)
(VI) Others	-	-	(119,107,974.13)	-	-	-	-	-	(13,645,652.83)	(132,753,626.96)
1. Disposal of subsidiaries	-	-	-	-	-	-	-	-	(13,645,652.83)	(13,645,652.83)
2. Others (Note VI.35)	-	-	(119,107,974.13)	-	-	-	-	-	-	(119,107,974.13)
III. Balance at the end of the year	8,764,512,467.00	335,579,596.45	2,126,322,573.72	2,459,965,985.56	234,443,844.95	5,673,833.25	7,017,877,861.90	49,176,813,140.82	14,650,782.77	65,215,908,115.30

Consolidated Statement of Changes in Shareholders' Equity

At 31 December 2021

RMB

Item	2021								Total shareholders' equity
	Attributable to the shareholders of the Company								
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interests	
I. Balance at the end of last year	9,175,953,300.00	-	1,784,950,235.25	200,773,416.00	(582,862,109.97)	6,175,526,542.74	41,017,435,714.96	-	57,370,230,266.98
II. Balance at the beginning of the year	9,175,953,300.00	-	1,784,950,235.25	200,773,416.00	(582,862,109.97)	6,175,526,542.74	41,017,435,714.96	-	57,370,230,266.98
III. Changes in the current year	59,759,978.00	335,951,802.16	3,086,959,038.38	441,262,076.50	335,492,147.69	501,978,987.12	875,271,994.78	4,100,634.23	4,758,252,505.86
(I) Total comprehensive income	-	-	-	-	335,492,147.69	-	6,726,093,883.72	(1,079,365.77)	7,060,506,665.64
(II) Owners' contributions and reduction in capital	59,759,978.00	335,951,802.16	2,549,367,383.13	470,025,791.00	-	-	-	5,180,000.00	2,480,233,372.29
1. Capital contributions from owners	61,908,539.00	-	740,241,164.70	571,823,016.00	-	-	-	5,180,000.00	235,506,687.70
2. Conversion options of convertible bonds classified as equity instruments and impact of conversion of convertible bonds	16,539.00	335,951,802.16	621,448.89	-	-	-	-	-	336,589,790.05
3. Amount of share-based payments included in owners' equity	-	-	1,815,981,886.54	-	-	-	-	-	1,815,981,886.54
4. Cancellation of restricted shares and unlocking of restricted shares	(2,165,100.00)	-	(7,477,117.00)	(101,797,225.00)	-	-	-	-	92,155,008.00
(III) Profit distribution	-	-	-	(28,763,714.50)	-	501,978,987.12	(5,840,046,126.22)	-	(5,309,303,424.60)
1. Transfer to statutory reserve	-	-	-	-	-	490,405,233.45	(490,405,233.45)	-	-
2. Transfer to reserve fund	-	-	-	-	-	11,573,753.67	(11,573,753.67)	-	-
3. Distribution to shareholders	-	-	-	(28,763,714.50)	-	-	(5,338,067,139.10)	-	(5,309,303,424.60)
(IV) Others	-	-	537,591,655.25	-	-	-	(10,775,762.72)	-	526,815,892.53
1. Capital invested by original shareholders of subsidiaries acquired through business combination involving enterprise under common control before the merger date	-	-	1,390,000.00	-	-	-	-	-	1,390,000.00
2. Distribution to original shareholders of subsidiaries acquired through business combination involving enterprise under common control before the merger date	-	-	-	-	-	-	(2,091,350.35)	-	(2,091,350.35)
3. Consideration for business combination involving enterprise under common control	-	-	(7,606,746.30)	-	-	-	(8,684,412.37)	-	(16,291,158.67)
4. Others	-	-	543,808,401.55	-	-	-	-	-	543,808,401.55
IV Balance at the end of the year	9,235,713,278.00	335,951,802.16	4,871,909,273.63	642,035,492.50	(247,369,962.28)	6,677,505,529.86	41,892,707,709.74	4,100,634.23	62,128,482,772.84

Statement of Changes in Shareholders' Equity of the Company

For the year end 31 December 2022

RMB

Item	2022								
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total equity
I. Balance at the beginning of the year	9,235,713,278.00	335,951,802.16	4,874,960,778.98	642,035,492.50	(105,936,120.13)	-	4,890,446,242.43	33,321,678,732.45	51,910,779,221.39
II. Changes in the year	(471,200,811.00)	(372,205.71)	(2,739,376,704.16)	1,817,930,493.06	44,985,639.74	993,923.05	-	6,987,956,363.81	2,005,055,712.67
(I) Total comprehensive income	-	-	-	-	44,985,639.74	-	-	7,629,520,408.87	7,674,506,048.61
(II) Owners' contributions and reduction in capital	(471,200,811.00)	(372,205.71)	(2,626,478,725.78)	1,814,847,707.82	-	-	-	-	(4,912,899,450.31)
1. Capital contributions from owners	35,741,173.00	-	284,093,616.53	100,720,428.00	-	-	-	-	219,114,361.53
2. Impact of conversion of convertible bonds in the current year	102,173.00	(372,205.71)	3,944,571.68	-	-	-	-	-	3,674,538.97
3. Share-based payments recognized in shareholders' equity	-	-	1,438,193,200.90	-	-	-	-	-	1,438,193,200.90
4. Impact of canceling expired restricted shares and unlocking restricted shares	(3,410,657.00)	-	(49,807,145.76)	(288,068,813.59)	-	-	-	-	234,851,010.83
5. Repurchase and canceling shares	(503,633,500.00)	-	(4,302,902,969.13)	2,002,196,093.41	-	-	-	-	(6,808,732,562.54)
(III) Profit distribution	-	-	-	3,082,785.24	-	-	-	(641,564,045.06)	(644,646,830.30)
1. Distributions to shareholders	-	-	-	3,082,785.24	-	-	-	(641,564,045.06)	(644,646,830.30)
(IV) Special reserve	-	-	-	-	-	993,923.05	-	-	993,923.05
1. Appropriation for the year	-	-	-	-	-	10,012,230.04	-	-	10,012,230.04
2. Use of the year	-	-	-	-	-	(9,018,306.99)	-	-	(9,018,306.99)
(V) Others	-	-	(112,897,978.38)	-	-	-	-	-	(112,897,978.38)
1. Others (Note XVII.19)	-	-	(112,897,978.38)	-	-	-	-	-	(112,897,978.38)
III. Balance at the end of the year	8,764,512,467.00	335,579,596.45	2,135,584,074.82	2,459,965,985.56	(60,950,480.39)	993,923.05	4,890,446,242.43	40,309,635,096.26	53,915,834,934.06

Statement of Changes in Shareholders' Equity of the Company

At 31 December 2021

RMB

Item	For the period from 1 January to 31 December 2021							Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Undistributed profits	
I. Balance at the end of last year	9,175,953,300.00	-	1,826,846,471.39	200,773,416.00	(213,330,570.55)	4,890,446,242.43	34,692,078,405.98	50,171,220,433.25
II. Balance at the beginning of the year	9,175,953,300.00	-	1,826,846,471.39	200,773,416.00	(213,330,570.55)	4,890,446,242.43	34,692,078,405.98	50,171,220,433.25
III. Changes in the current year	59,759,978.00	335,951,802.16	3,048,114,307.59	441,262,076.50	107,394,450.42	-	(1,370,399,673.53)	1,739,558,788.14
(I) Total comprehensive income	-	-	-	-	107,394,450.42	-	3,967,667,465.57	4,075,061,915.99
(II) Owners' contributions and reduction in capital	59,759,978.00	335,951,802.16	2,549,367,383.13	470,025,791.00	-	-	-	2,475,053,372.29
1. Capital contributions from owners	61,908,539.00	-	740,241,164.70	571,823,016.00	-	-	-	230,326,687.70
2. Conversion options of convertible bonds classified as equity instruments and impact of conversion of convertible bonds	16,539.00	335,951,802.16	621,448.89	-	-	-	-	336,589,790.05
3. Amount of share-based payments included in owners' equity	-	-	1,815,981,886.54	-	-	-	-	1,815,981,886.54
4. Cancellation of restricted shares and unlocking of restricted shares	(2,165,100.00)	-	(7,477,117.00)	(101,797,225.00)	-	-	-	92,155,008.00
(III) Profit distribution	-	-	-	(28,763,714.50)	-	-	(5,338,067,139.10)	(5,309,303,424.60)
1. Distributions to shareholders	-	-	-	(28,763,714.50)	-	-	(5,338,067,139.10)	(5,309,303,424.60)
(IV) Others	-	-	498,746,924.46	-	-	-	-	498,746,924.46
1. Impact of business combination involving enterprise under common control	-	-	(324,214.25)	-	-	-	-	(324,214.25)
2. Others	-	-	499,071,138.71	-	-	-	-	499,071,138.71
IV. Balance at the end of the year	9,235,713,278.00	335,951,802.16	4,874,960,778.98	642,035,492.50	(105,936,120.13)	4,890,446,242.43	33,321,678,732.45	51,910,779,221.39

Notes to the Financial Statements

For the year ended 31 December 2022

I. BASIC CORPORATE INFORMATION

1. Company overview

Great Wall Motor Company Limited (the “Company”) is registered and headquartered in Baoding, Hebei Province which is the main city for its core business as well. The controlling shareholder of the Company is Baoding Innovation Great Wall Asset Management Company Limited (“Innovation Great Wall”) and the ultimate controlling shareholder is Wei Jian Jun.

The Company was originally named as Baoding Great Wall Motor Group Company Limited. On 5 June 2001, upon the approval by Office of the Stock Reform Leading Panel of the People’s Government of Hebei Province with Ji Gu Ban [2001] No. 62, Baoding Great Wall Motor Group Company Limited was reorganized to Baoding Great Wall Motor Company Limited. On 28 May 2003, upon the approval by Hebei Administration for Industry and Commerce, Baoding Great Wall Motor Company Limited was renamed as Great Wall Motor Company Limited.

The Company and its subsidiaries (the “Group”) are principally engaged in the manufacturing and sales of automobiles and components and parts of automobiles and related after-sales services, processing and manufacturing of moulds, repairing of automobiles, transportation of general goods and specific transportation (by truck). The legal representative of the Company is Wei Jianjun.

2. The scope of consolidated financial statements

The Company’s and consolidated financial statements have been approved by the Board of Directors on 30 March 2023.

For the scope of consolidated financial statements of the current period, refer to Note VIII. “Interest in other entities”. Changes in the scope of consolidated financial statements for the current period are set out in Note VII. “Changes in consolidation scope.”

Notes to the Financial Statements

For the year ended 31 December 2022

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

The Group has applied the ASBEs and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (“MoF”). In addition, the Group also discloses relevant financial information according to the requirements of *Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports* (revised in 2014) by China’s Securities Regulatory Commission, the Companies Ordinance of Hong Kong and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. The Company adopts the historical cost as the principle of measurement in the financial statements, except for certain financial instruments, which are measured at fair value. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash or cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and/or disclosure in the financial statements is determined according to the above basis.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The Group assessed its ability to continue as a going concern for the 12 months from 31 December 2022 and did not notice any events or circumstances that may cast significant doubt upon its ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance with the ASBEs

The financial statements have been prepared in accordance with ASBEs, and present truly and completely, the Company's and consolidated financial position as At 31 December 2022, and the Company's and consolidated results of operations, the Company's and consolidated changes in shareholders' equity and the Company's and consolidated cash flows for the year of 2022.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

3. Operating cycle

Operating cycle refers to the period from assets purchased for production to cash or cash equivalents realized. The operating cycle of the Company is 12 months.

4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The Company's foreign subsidiary chooses its functional currency on the basis of the primary economic environment in which it operates. The Group adopts RMB to prepare its financial statements.

5. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

5.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

5. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control (continued)

5.2 *Business combinations not involving enterprises under common control and goodwill*

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current year.

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

5.3 *Acquisition of assets by way of acquisition of subsidiaries*

For the acquisition of a subsidiary that has not formed a business, the acquisition cost is allocated to a single identifiable asset and liability based on the fair value of the relevant assets and liabilities on the acquisition date, without generating goodwill or purchase gains.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Preparation of consolidated financial statements

The scope of the consolidated financial statements is determined on the basis of control. Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the Group's returns. If changes of related facts and situations lead to changes of related elements of control, the Group will conduct reassessment.

The combination of subsidiaries begins with controlling the subsidiary by the Group, and ceases with the Group's losing control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

Influence over the consolidated financial statements arising from significant intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "minority interests" in the consolidated income statement below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount are still allocated against minority interests.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Preparation of consolidated financial statements (continued)

Acquisition of minority interests is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess are adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost, with goodwill reduced at the meantime. Other comprehensive income associated with investment in the former subsidiary shall be accounted for on the same basis as the direct disposal of related assets or liabilities by the subsidiary in which control is lost.

7. Classification of joint arrangements and accounting treatments of joint operations

A joint arrangement is classified into joint operation and joint venture, depending on the rights and obligations of the parties to the arrangement, which is assessed by considering the structure and the legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Group accounts for investments in joint ventures using equity method. Refer to Note III. 14.3.2 "Long-term equity investments accounted for using the equity method" for details.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Classification of joint arrangements and accounting treatments of joint operations (continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses.

When the Group invest or sell assets or others (except that such assets constitute a business), only profit or loss arising from the transaction attributable to parties involved in such joint operation is recognized prior to the resale of the assets to third parties by joint operations. When there is impairment of the asset investment or sale, the Group recognizes such loss in full.

When the Group purchase assets and other from joint operations (except that such assets constitute a business), only profit or loss arising from the transaction attributable to parties involved in such joint operation is recognized prior to the resale of the assets to third parties. When there is impairment of purchased assets, the Group recognizes losses based on its share.

8. Recognition criteria of cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (usually due within three months from the purchase date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Translation of transactions and financial statements denominated in foreign currencies

9.1 Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalized as part of the cost of the qualifying asset during the capitalisation period;

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit or loss or as other comprehensive income.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Translation of transactions and financial statements denominated in foreign currencies (continued)

9.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at the spot exchange rates on the dates of the transactions; the opening balance of retained earnings is the translated closing balance of the previous year's retained earnings; the closing balance of retained earnings is calculated and presented on the basis of each translated income statement and profit distribution item. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognized as other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of exchange rate changes on cash and cash equivalents".

The closing balances and the actual figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated exchange differences arising on translation of financial statements of this foreign operation attributable to the owners' equity of the Company and presented under shareholders' equity, to profit or loss in the period in which the disposal occurs.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Group recognizes assets acquired and liabilities assumed on a trade date basis, or derecognizes the assets sold on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. Upon initial recognition of accounts receivable that does not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year under the Accounting Standards for Business Enterprises No. 14 – Revenue (“Revenue Standards”), the Group adopts the transaction price as defined in the Revenue Standards for initial measurement.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting periods.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortized cost of the financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (such as repayment in advance, extension, call option or other similar options etc.) (without considering the expected credit losses).

The amortized cost of a financial asset or financial liability is the initially recognized amount net of principal repaid, plus or less the cumulative amortized amount arising from amortization of difference between the amount initially recognized and the amount at the maturity date using effective interest method, and then net of cumulative provision for credit loss (only applicable to financial assets).

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group's financial assets of various types are subsequently measured at amortized cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVTPL"), respectively.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group classifies such financial asset as financial assets at amortized cost, which include cash and bank balances, accounts receivable, notes receivable, other receivables, other current assets – deposits in non-bank financial institutions and long-term receivables, etc. (excluding financial lease payments).

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset, the Group classifies such financial asset as financial assets at FVTOCI. The notes receivable classified as at FVTOCI upon acquisition are presented under financing with receivables.

Upon initial recognition, the Group may irrevocably designate the non-held-for-trading equity instrument investments other than contingent considerations recognized in business combination not involving enterprises under common control as financial assets at FVTOCI on an individual basis. Such type of financial assets is presented as investments in other equity instruments.

A financial asset is classified as held-for-trading if any of the following criteria is satisfied:

- It has been acquired principally for the purpose of selling it in near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking.
- It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.1 Classification, recognition and measurement of financial assets (continued)

Financial assets at FVTPL include financial assets classified as at FVTPL and financial assets designated as at FVTPL:

- Financial assets not satisfying the criteria of classification as financial assets at amortized cost and financial assets at FVTOCI are classified as financial assets at FVTPL.
- Upon initial recognition, the Group may irrevocably designate the financial assets as at FVTPL if doing so eliminates or significantly reduces accounting mismatch.

Financial assets at FVTPL other than derivative financial assets are presented as financial assets held-for-trading. Financial assets with a maturity over one year since the balance sheet date (or without a fixed maturity) and expected to be held for over one year are presented under other non-current financial assets.

10.1.1 Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. Any gains or losses arising from impairment or derecognition are included in profit or loss.

For financial assets at amortized cost, the Group recognizes interest income using effective interest rate. The Group calculates and recognizes interest income through gross carrying amount of financial assets multiplying effective interest, except for the following circumstances:

- For purchased or originated credit-impaired financial assets, the Group calculates and recognizes the interest income based on amortized cost of the financial assets and the effective interest rate through credit adjustment since initial recognition.
- For purchased or originated financial assets that were not credit-impaired but have become credit-impaired in subsequent period, the Group calculates the interest income by applying the effective interest rate to the amortized cost of the financial assets in subsequent period. If the financial instrument is no longer credit-impaired due to improvement of credit risk, and the improvement is linked with an event occurred after application of above provisions, the Group will calculate the interest income by applying effective interest rate to the gross carrying amount of the financial assets.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.1 Classification, recognition and measurement of financial assets (continued)

10.1.2 Financial assets at FVTOCI

For financial assets classified as at FVTOCI, except for the impairment losses or gains and the interest income calculated using the effective interest method which are included in profit or loss for the period, the changes in fair value are included in other comprehensive income. The amounts included in profit or loss for each period are equivalent to that as if it has been always measured at amortized cost. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred to profit or loss for the period.

Changes in fair value of non-trading equity instrument investments designated as financial assets at FVTOCI are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are transferred and included in retained earnings. During the period in which the Group holds the non-trading equity instrument, revenue from dividends is recognized in profit or loss for the period when (1) the Group has established the right of collecting dividends; (2) it is probable that the associated economic benefits will flow to the Group; and (3) the amount of dividends can be measured reliably.

10.1.3 Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value, with gains or losses on changes in fair value and related dividends and interest income included in profit or loss for the period.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.2 Impairment of financial instruments and other items

For financial asset at amortized cost, financial assets classified as at FVTOCI and other items (lease receivables and contract assets), the Group accounts for the impairment and recognizes the provision for losses on the basis of expected credit loss ("ECL").

For all contract assets or accounts receivable arising from transactions regulated by Revenue Standards, and lease receivables arising from transactions regulated by the Accounting Standards for Business Enterprises No. 21 – Lease, the Group recognizes the provision for losses at an amount equivalent to the lifetime ECL.

For other financial instruments, the Group assesses the changes of credit risk since initial recognition of relevant financial instruments at each balance sheet date. If the credit risk has increased significantly since initial recognition of the financial instruments, the Group recognizes the provision for losses at an amount equivalent to lifetime ECL; if the credit risk has not increased significantly since initial recognition of the financial instruments, the Group recognizes the provision for losses at an amount equivalent to 12-month ECL. The increase or reversal of credit loss provision for financial assets other than those classified as at FVTOCI is recognized as impairment loss or gain and included in profit or loss for the period. For financial assets classified as at FVTOCI, the credit loss provision is recognized in other comprehensive income and the impairment loss or gain is included in profit or loss for the period without reducing the carrying amount of the financial assets in the balance sheet.

Where the Group has measured the provision for losses at an amount equivalent to lifetime ECL of a financial instrument in prior accounting period, but the financial instrument no longer satisfies the criteria of significant increase in credit risk since initial recognition at the current balance sheet date, the Group recognizes the provision for losses of the financial instrument at an amount equivalent to 12-month ECL at the current balance sheet date, with any resulting reversal of provision for losses recognized as impairment gains in profit or loss for the period.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.2 Impairment of financial instruments and other items (continued)

10.2.1 Significant increase in credit risk

The Group uses reasonable and supportable forward-looking information to assess whether the credit risk has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument at the balance sheet date with the risk of a default occurring on the financial instrument at the date of initial recognition.

The following information is taken into account when assessing whether the credit risk has increased significantly:

- (1) Adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- (2) An actual or expected significant change in the operating results of the debtor;
- (3) Significant increase in the credit risk of other financial instruments issued by the same debtor;
- (4) Significant adverse changes in regulatory, economic, or technological environment of the debtor;
- (5) Significant change in expected performance and repayment of the debtor.

At the balance sheet date, if the Group determines that the financial instrument has only lower credit risk, the Group assumes that the credit risk of such financial instrument has not increased significantly since initial recognition. The financial instrument is deemed as having lower credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flows obligations.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.2 Impairment of financial instruments and other items (continued)

10.2.2 Credit-impaired financial assets

When an event or several events that are expected to have adverse impact on the future cash flows of the financial assets have occurred, the financial assets become credit-impaired. The evidences of credit impairment of financial assets include the following observable information:

- (1) Significant financial difficulty of the issuer or debtor;
- (2) Breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- (3) The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, has granted to the debtor a concession that the creditor would not otherwise consider;
- (4) It is probable that the debtor will enter bankruptcy or other financial reorganizations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

10.2.3 Determination of ECL

The Group determines the expected credit losses on relevant financial instruments and other items on an individual or portfolio basis. The financial instruments are grouped based on common risk characteristics. For those whose expected credit losses are determined on a portfolio basis using an impairment matrix, the common credit risk characteristics adopted by the Group include: type of financial instrument, credit risk rating, type of collateral, initial recognition date, remaining contractual term, industry of the debtor, geographical location of the debtor, value of the collateral to the financial asset, etc.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.2 Impairment of financial instruments and other items (continued)

10.2.3 Determination of ECL (continued)

The Group determines the ECL of relevant financial instruments using the following method:

- For financial assets and lease receivables, the credit loss represents the present value of the difference between the contractual cash flows receivable by the Group and the cash flows expected to be received by the Group.
- For credit-impaired financial assets at the balance sheet date, the credit loss represents the difference between the gross carrying amount of the financial assets and the present value of expected future cash flows discounted using original effective interest rate.

The factors reflected by the Group's measurement of ECL of financial instruments include: unbiased probability weighted average amount recognized by assessing a series of possible results; time value of money; reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

10.2.4 Write-down of financial assets

When the Group no longer reasonably expects that the contractual cash flows of financial assets can be collected in aggregate or in part, the Group will directly write down the gross carrying amount of the financial asset, which constitutes derecognition of relevant financial assets.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.3 Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognize the transferred financial asset in its entirety. The consideration received from transfer of assets is recognized as a liability upon receipt.

10.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group or their components are classified into financial liabilities or equity instruments on the basis of not only the legal form but also the contractual arrangements and their economic substance, together with the definition of financial liability and equity instrument.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.4 Classification of financial liabilities and equity instruments (continued)

10.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

10.4.1.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL include held-for-trading financial liabilities (including derivative financial liabilities) and financial liabilities designated as at FVTPL. The Group's financial liabilities at FVTPL are presented as held-for-trading financial liabilities.

A financial liability is classified as held-for-trading if any of the following criteria is satisfied:

- It has been incurred principally for the purpose of repurchasing it in the near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking.
- It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

Financial liabilities at FVTPL are subsequently measured at fair value, and gains or losses from changes in fair value and dividends or interest expenses related to these financial liabilities are included in profit or loss for the period.

10.4.1.2 Other financial liabilities

Other financial liabilities of the Group are subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss. Other financial liabilities of the Group mainly include: short-term borrowings, notes payable, accounts payable, other payables, other current liabilities, long-term borrowings and bonds payable, etc.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.4 Classification of financial liabilities and equity instruments (continued)

10.4.2 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the period.

10.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognized as changes of equity. Change of fair value of equity instruments is not recognized by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

For the restricted shares incentive plan implemented by the Group, the Group's repurchase obligation for restricted shares granted to the incentive targets shall be recognized as a liability and accounted for as acquisition of treasury shares.

10.5 Derivatives

Derivatives include forward exchange contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.6 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

10.7 Convertible bonds

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that is settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity instrument, is included in equity instrument.

In subsequent periods, the liability component of the convertible bonds is carried at amortized cost using the effective interest method. The conversion option classified as equity instrument remains in equity instrument. No gain or loss is recognized in profit or loss upon conversion or expiration of the option.

Transaction costs incurred for the issue of convertible bonds are allocated to the liability component and equity instrument component according to the allocation method consistent with the overall issuance price. Transaction costs relating to the equity instrument component are charged directly to equity instrument. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortized over the period of the convertible bonds using the effective interest method.

11. Financing with receivables

For notes receivable classified as at fair value through other comprehensive income, the portion within one year (inclusive) since acquisition is presented as financing with receivables. Refer to Note III. 10.1, 10.2 and 10.3 for the relevant accounting policies.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Inventories

12.1 Categories of inventories

The Group's inventories mainly include raw materials, work in progress, finished goods, and low cost and short-lived materials, etc. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

12.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

12.3 Basis for determining net realizable value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

For large quantity and low value items of inventories, provision for decline in value is made based on categories of inventories. For items of inventories relating to a product line that are produced and marketed in the same geographical area, have the same or similar end uses or purposes, and cannot be practicably evaluated separately from other items in that product line, provision for decline in value is determined on an aggregate basis. Provision for decline in value of other inventories is made based on the excess of cost of inventory over its net realizable value on an item-by-item basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Inventories (continued)

12.4 Inventory count system

The perpetual inventory system is maintained for stock system.

12.5 Amortization method for low cost and short-lived consumable items and other reusable materials

Reusable materials are materials that can be reused many times and still be remained in original condition after gradual transfer of their value but are not recognized as fixed assets, including low cost and short-lived consumables and other reusable materials.

Low cost and short-lived consumable and other reusable materials are amortized using the immediate write-off method.

13. Contract assets

13.1 Recognition method and criteria of contract assets

Contract asset refers to the Group's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

13.2 Method for determination and accounting treatments of expected credit loss of contract assets

For method for determination and accounting treatments of expected credit loss of contract assets, please refer to Note III. 10.2.

14. Long-term equity investments

14.1 Determination criteria of joint control and significant influence

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of an enterprise but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments (continued)

14.2 Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of carrying amount of owners' equity of combined party in financial statements of ultimate controlling party is recognized as initial investment cost of long-term equity investment at the date of combination. The difference between initial investment cost of long-term equity investment and cash paid, non-cash assets transferred and carrying amount of liabilities assumed, is adjusted in capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition.

The expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost.

14.3 Subsequent measurement and recognition of profit or loss

14.3.1 Long-term equity investment accounted for using the cost method

The Company's separate financial statements adopted cost method to account for the long-term equity investments of subsidiaries. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments (continued)

14.3 Subsequent measurement and recognition of profit or loss (continued)

14.3.2 Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence and a joint venture is an entity over which the Group exercises joint control along with other investors.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period. Meanwhile, carrying amount of long-term equity investment is adjusted: the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; Other changes in owners' equity of the investee other than net profit or loss and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized in the capital reserve. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investors' accounting policies and accounting period are inconsistent with those of the Company, the Company recognizes investment income and other comprehensive income after making appropriate adjustments to conform to the Company's accounting policies and accounting period. However, unrealized gains or losses resulting from the Group's transactions with its associates and joint ventures, which do not constitute a business, are eliminated based on the proportion attributable to the Group and then investment gains or losses or is recognized. However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated.

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments (continued)

14.3 Subsequent measurement and recognition of profit or loss (continued)

14.3.3 Disposal of long-term equity investments

On disposal of a long term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognized in profit or loss for the period.

Where the Group loses control over investee due to disposal of part of shares, during preparing separate financial statement, remaining shares after disposal can make joint control or significant influence on investee, are accounted under equity method, and adjusted as they are accounted under equity method since the acquisition date; If remaining shares after disposal cannot make joint control or significant influence on investee, they are accounted according to recognition and measurement of financial instruments, and the difference between fair value on date of losing control and carrying amount is recognized in profit or loss of current period.

15. Investment properties

Investment property is property held to earn rentals or for capital appreciation or both. It includes a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortisation policy for the investment property which is consistent with that for buildings or land use rights.

When an investment property is sold, transferred, retired or damaged, the Group recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

When the Group has evidence indicating the self-occupied land, buildings and land use right are converted to leasing, the carrying amount of such fixed assets and intangible assets before the conversion are transferred to investment properties.

When the Group has evidence indicating the buildings and land use right held to earn rentals or for capital appreciation are converted to self-occupation, the carrying amount of such investment properties before the conversion are transferred to fixed assets and intangible assets.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Fixed assets

16.1 Recognition criteria

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

16.2 Depreciation method

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation years	Residual value rate (%)	Annual depreciation rate (%)
Buildings	8-40	5	2.38-11.88
Machinery and equipment	10	5	9.50
Transportation vehicles	4-10	5	9.50-23.75
Electronic equipment and others	3-10	5	9.50-31.67

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Fixed assets (continued)

16.3 Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in accounting estimates.

17. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is transferred to a fixed asset when it is ready for intended use.

18. Borrowing costs

Borrowing costs include interest, amortization of discount or premiums related to borrowings, ancillary costs and exchange differences arising from foreign currency borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalisation rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Intangible assets

19.1 Valuation method, useful life, impairment test for intangible assets

Intangible assets include land use right, software and non-patent technology, etc.

An intangible asset is measured initially at cost.

Land use right acquired shall normally be recognized as an intangible asset. Self-constructed buildings (e.g. plants), related land use right and the buildings shall be separately accounted for as intangible assets and fixed assets. For buildings and structures purchased, the purchase consideration shall be allocated among land use right and the buildings on a reasonable basis. If there is any difficulty in making a reasonable allocation, the consideration shall be recognized in full as fixed assets.

Except land assets with ownership, when an intangible asset with a finite useful life is available for use, its original cost less estimated net residual value and any accumulated impairment losses provided is amortized over its estimated useful life using the straight-line method. The intangible assets with infinite useful life are not amortized. The useful life and annual amortization rate of each category of intangible assets are as follows:

Category	Amortization years	Annual amortization rate (%)
Land use right	50	2.00
Software and others	2-10	10.00-50.00
Non-patent technology	2-10	10.00-50.00

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the period. A change in the useful life or amortization method used is accounted for as a change in accounting estimate.

Details of impairment test for intangible assets are set out in Note III. 20. "Impairment of long-term assets".

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Intangible assets (continued)

19.2 Internal research and development expenditure accounting policy

The internal research and development expenditures of the Group are classified into research phase expenditure and development phase expenditure.

Expenditure during the research phase is recognized as an expense in the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period.

- (1) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (2) the Group has the intention to complete the intangible asset and use or sell it;
- (3) the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- (5) the expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognizes all of them in profit or loss for the period. The cost of internally-generated intangible assets only includes the total expenditure from the time when the capitalization conditions are met to the time the intangible assets ready for intended use, and no adjustment for the expenditure that recognized in profit and loss before the capitalization conditions are met in the development phase of the same intangible assets.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Impairment of long-term assets

The Group reviews the long-term equity investments, investment properties at cost, fixed assets, construction in progress, intangible assets with a finite useful life and right-of-use assets at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated.

Recoverable amount is estimated on an individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

Once the impairment loss of such assets is recognized, it will not be reversed in any subsequent period.

21. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

22. Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for consideration received or receivable from the customer. Contract assets and contract liabilities under the same contract will be presented on a net basis.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Employee benefits

23.1 Accounting treatment of short-term benefits

Actually occurred short-term employee benefits are recognized as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognized in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when it actually occurred.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as trade union fund and employee education fund provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

23.2 Accounting treatment of post-employment benefits

Post-employment benefits include defined contribution plans and defined benefit plans.

During the accounting period in which an employee has rendered services, amount which should be paid according to defined contribution plans is recognized as liabilities, and recognized in profit or loss or costs of related assets.

For defined benefit plans, the Group calculates defined benefit plan obligations using projected unit credit method and the service cost resulting from employee service in the current period is recorded in profit or loss or the cost of related assets. Defined benefit costs are categorized as follows:

- (1) service cost (including current service cost, past service cost, as well as gains and losses on settlements);
- (2) net interest of net liabilities of defined benefit plan (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- (3) changes arising from remeasurement of net liabilities of defined benefit plans.

Service costs and net interest of net liabilities of defined benefit plans are recognized in profit or loss of current period or costs of related assets. Remeasurements of the net defined benefit liability (including actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability, and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability) are recognized in other comprehensive income.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money.

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the provision.

25. Share-based payments

A share-based payment is a transaction which the Group grants equity instruments in return for services rendered by employees. The Group's share-based payments are all equity-settled share-based payments.

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date. Such amount is recognized as related costs or expenses on a straight-line basis over the vesting period, based on the best estimate of the number of equity instruments expected to vest, with a corresponding increase in capital reserve.

At each balance sheet date during the vesting period, the Group makes the best estimate according to the subsequent latest information of change in the number of employees who are granted with options that may vest, etc. and revises the number of equity instruments expected to vest. The effect of the above estimate is recognized as related costs or expenses, with a corresponding adjustment to capital reserve.

Recognition and measurement of restricted shares repurchase obligations

Under the Group's equity incentive plan of restricted shares, the Group grants non-publicly issued shares of the Company for a restricted sale period (the "Restricted Shares") to the incentive targets. During the restricted sale period, restricted shares shall be restricted for sale and shall not be transferred, used to provide guarantee or repay debts. When the agreed unlocking conditions are met, the restricted shares will be unlocked. If all or part of the shares expire or be canceled due to unlocking, the Group will repurchase the shares at the agreed price.

On the grant date, the Group recognizes the share capital and capital reserve according to the subscription payment received from the incentive targets. Meanwhile, the Group's obligation regarding restricted shares repurchase are recognized as liabilities at the amount calculated based on the number of restricted shares issued and the corresponding repurchase price, and are accounted for as the acquisition of treasury shares. The relevant liabilities are accounted for in accordance with *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments*.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Revenue

The Group's revenue is mainly from selling automobiles and components and parts of automobiles; processing and manufacturing of models; providing services and so on.

The Group recognizes revenue based on the transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Group transfers a distinct good or service to a customer in the contract. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

The Group will evaluate the contract on the commencement day, identify the individual performance obligations contained in the contract, and determine whether each individual performance obligation should be performed within a certain period or at a certain point. If one of the following conditions is met, it is the performance obligations performed within a certain period of time. The Group will recognize the income within a certain period of time according to the progress of the performance: (i) the customer obtains and consumes economic benefits at the same time of the Group's performance; (ii) the customer is able to control goods or services in progress during the Group's performance; (iii) goods or services generated during the Group's performance have irreplaceable utilization, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

If there are two or more of performance obligations included in the contract, at the contract inception, the Group allocates the transaction price to each single performance obligation based on the proportion of stand-alone selling price of goods or services promised in each stand-alone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to relative one or more performance obligations. Stand-alone selling price refers to the price of a single sale of goods or services. If the stand-alone selling price cannot be observed directly, the Group estimates the stand-alone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

Variable consideration

In case of the existence of variable consideration in the contract, the Group shall determine the best estimate of variable consideration based on the expected value or the most probably occurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognized revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration which should be included in transaction price.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Revenue (continued)

Consideration payable to a customer

If the contract includes consideration payable to a customer, the Group shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for other distinct goods or services, and recognize the reduction of revenue when (or as) the later of either of the following events occurs: 1) the Group recognizes revenue for the transfer of the related goods or services to the customer; and 2) the Group pays or promises to pay the consideration.

Sales that are affixed with quality assurance terms

For sales that are affixed with quality assurance terms, if the quality assurance provides a separate service to the customer other than ensuring that the goods or services sold meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Group will account for the quality assurance responsibility in accordance with Accounting Standards for Business Enterprises No. 13 – Contingencies.

27. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

27.1 Judgement criteria and accounting treatment of government grants related to asset

A government grant related to an asset is charged against carrying amount of related assets or recognized as deferred income and evenly included in profit or loss over the useful life of the related asset.

27.2 Judgement criteria and accounting treatment of government grants related to income

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related expenses or losses are recognized. If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

Government grants related to the Group's daily activities are included in other income in accordance with its economic substance. Otherwise, government grants are included in non-operating income or expense.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Deferred tax assets/deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

28.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

28.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Deferred tax assets/deferred tax liabilities (continued)

28.2 Deferred tax assets and deferred tax liabilities (continued)

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

For the expenses related to share-based payment, during the period when the costs and expenses are recognized in accordance with the ASBEs, the Group estimates the amount that can be deducted before tax according to the information obtained at the end of the accounting period, calculates and determines its tax basis and the resulting temporary differences, and recognizes the relevant deferred income tax when the recognition conditions are met. If the amount that can be deducted before tax in the future period is expected to exceed the costs and expenses related to share-based payment recognized as required by the ASBEs, the income tax impact of the excess part will be directly included in the owner's equity.

28.3 Offsetting of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

The Group assesses whether a contract is or contains a lease at inception date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

29.1 The Group as a lessee

29.1.1 Separating components of a lease

If the contract contains one or more lease and non-lease components, the Group will separate the individual lease and non-lease components and allocate contract consideration according to the relative proportion of the sum of the stand-alone prices of the lease components and the stand-alone prices of the non-lease components.

29.1.2 Right-of-use assets

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Group recognizes a right-of-use asset. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use by the Group. The Group measures the right-of-use assets at cost. The cost of the right-of-use assets comprises:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group;
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs incurred to produce inventories.

The Group depreciates right-of-use assets by reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No. 4 – Fixed Assets. The right-of-use assets are depreciated over the remaining useful lives of the leased assets where the Group is reasonably certain to obtain ownership of the underlying assets at the end of the lease term. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and the remaining useful lives of the leased assets.

The Group determines whether a right-of-use asset is impaired and makes accounting treatments for the identified impairment loss in accordance with relevant regulations of *Accounting Standards for Business Enterprises No.8 – Impairment of Assets*.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Leases (continued)

29.1 The Group as a lessee (continued)

29.1.3 Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. The Group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refer to payments relating to the right to use leased assets during the lease term which are made by the Group to the lessor, including:

- fixed payments and in-substance fixed payments, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Group.

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are recognized in profit or loss or cost of related assets in the period of those payments.

After the commencement date of the lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate, and recognizes such expenses in profit or loss or cost of related assets.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Leases (continued)

29.1 The Group as a lessee (continued)

29.1.3 Lease liabilities (continued)

After the commencement date of the lease, the Group re-measures the lease liabilities and adjusts the right-of-use assets accordingly in the following cases. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability needs to be reduced further, the Group will recognize the difference in profit or loss for the period:

- there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, in which case the related lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate.

29.1.4 Short-term leases and leases of low-value assets

The Group chooses not to recognize right-of-use assets and lease liabilities for short-term leases of transportation equipment, machinery and equipment as well as electronic equipment and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain a call option. A lease of low-value assets, is a lease that the single underlying asset, when is new, is of low value. The Group shall recognize the lease payments associated with short-term leases and leases of low-value assets in profit or loss or cost of related assets on a straight-line basis over the lease term.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Leases (continued)

29.1 The Group as a lessee (continued)

29.1.5 Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the lease modification expanded the scope of the lease by adding the right-of-use of one or more lease assets; and
- the increased consideration is equivalent to the amount of stand-alone price of the expanded lease scope adjusted according to the contract.

If the lease modification is not accounted for as an individual lease, on the effective date of the lease modification, the Group reallocates the consideration of the contract after the change, re-determines the lease term, and re-measures lease liabilities based on the changed lease payments and the present value calculated by the revised discount rate.

If the lease modification results in a reduction in the lease scope or lease term, the carrying amount of the right-of-use assets will be reduced, and the gains or losses relevant to the lease partially or fully terminated will be included in profit or loss for the period; for other lease modifications resulting in the remeasurement of lease liabilities, the carrying amount of right-of-use assets is adjusted accordingly.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Leases (continued)

29.2 The Group as a lessor

29.2.1 Separating components of a lease

For a contract that contains lease components and non-lease components, the Group allocates the contract consideration in accordance with the Accounting Standards for Business Enterprises No. 14 – Revenue on apportionment of transaction prices, based on the respective stand-alone selling prices of the lease components and the non-lease components.

29.2.2 Classification of a lease

Leases are classified as finance leases whenever the terms of the leased assets transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

29.2.2.1 The Group as a lessor under operating leases

Receipts of lease under operating leases are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalized when incurred, and are recognized in profit or loss for the current period on the same basis as recognition of rental income over the lease term.

Variable lease receipts acquired by the Group in connection with operating leases that are not included in the lease receipts are recognized in profit or loss when incurred.

29.2.2.2 The Group as a lessor under finance leases

At the commencement date, the Group recognizes a finance lease receivable at the amount equal to the net investment in the lease with finance lease assets derecognized. The net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease receipts that have not been received at the commencement date, discounted at the interest rate implicit in the lease.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Leases (continued)

29.2 The Group as a lessor (continued)

29.2.2 Classification of a lease (continued)

29.2.2.2 The Group as a lessor under finance leases (continued)

The receipts of the lease refer to the amount that the Group should collect from the lessee for the purpose of transferring the leased assets during the lease term, including:

- fixed payments (including in-substance fixed payments) paid by the lessee, less any lease incentives;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option, provided that it is reasonably determined that the lessee will exercise the option;
- the amount to be paid by the lessee to exercise the option to terminate the lease, provided that the lease term reflects the lessee's exercise of the option to terminate the lease;
- the residual value of the guarantee provided by the lessee, the party concerned with the lessee and the independent third party with the financial ability to perform the guarantee obligation.

The variable lease receipts that are not included in the measurement of net lease investment are recognized in profit or loss when incurred.

The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate.

29.3 Sale and leaseback transactions

29.3.1 The Group as seller-lessee

The Group applies the requirements of the Revenue Standards to determine whether the transfer of an asset is accounted for as a sale of that asset. If the transfer of an asset does not constitute a sale, the Group shall continue to recognize the transferred assets and recognize a financial liability equal to the transfer proceeds in accordance with the *Accounting Standards for Business Enterprises No. 22 Financial Instruments: Recognition and Measurement*. If the transfer of an asset is a sale, the Group shall measure the right-of-use assets arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use, and recognize only the amount of any gain or loss that relates to the rights transferred to the lessor.

Notes to the Financial Statements

For the year ended 31 December 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

30. Accounting treatment for asset securitization

The Group has securitized a portion of financial lease receivables (“trust property”) where assets are entrusted to a special purpose entity (“SPE”). The SPE issues senior assets-backed securities to investors, while the Group holds junior assets-backed securities which are not transferrable until the principal and interests of the senior assets-backed securities have been repaid. The Group acts as an asset service provider to provide services such as assets maintenance and day-to-day management, formulation of annual assets disposal plan, development and implementation of assets disposal options, entering into relevant assets disposal agreements, and regular preparation of assets service report, etc. As a liquidity provider, the Group also provides liquidity support, in the circumstances where the principal of the senior assets-backed securities is not repaid in full, to make up for the deficit of interests or principal payments. The trust property, after paying trust taxation and relevant fees, will be firstly used to repay the principal and interests of the senior assets-backed securities; the remaining trust property after paying the principal and interests in full is treated as income from junior assets-backed securities and attributable to the Group. The Group has actually retained substantially all the risks and rewards related to the trust property and therefore has not derecognized the trust property. Also, the SPE is actually controlled by the Group and has been consolidated in the consolidated financial statements.

When applying the accounting policy of securitisation of financial assets, the Groups has already taken into account the extent of the risks and rewards of those assets transferred to the other entity, as well as the extent of control over such entity by the Group:

- When the Group has transferred substantially all the risks and rewards of ownership of a financial asset, it shall derecognize the relevant financial asset;
- When the Group has retained substantially all the risks and rewards of ownership of a financial asset, it shall continue to recognize the relevant financial asset;
- When the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it shall determine whether it has retained control of the financial asset transferred. If the Group has not retained control, it shall derecognize the financial asset and recognize the rights retained or obligations arising from the transfer as an asset or a liability respectively. If the Group has retained control, it shall recognize the financial asset to the extent of its continuing involvement in the transferred financial asset.

Notes to the Financial Statements

For the year ended 31 December 2022

IV. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which are described in Note III., the Group is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgements, estimates and assumptions are based on historical experience of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates of the Group.

The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

Critical judgements in applying accounting policies

The Group has made the following critical judgments in applying accounting policies, which had a significant impact on the amounts recognized in the financial statements:

Capitalization of development expenditure

If the expenditure in the development stage meets the conditions as described in Note III. 19.2, it shall be capitalized, or included in profit or loss for the period if not. Whether the expenditure in the development stage is capitalized or expensed requires significant judgment and estimates.

Determination of the lease term of lease contract with renewal option

For the lease contract signed by the Group as the lessee with the renewal option, the Group needs to use judgment to determine the lease term of the lease contract. An assessment of whether the Group is reasonably certain to exercise this option will affect the length of the lease term, which will have a significant impact on the amount of lease liabilities and right-of-use assets recognized.

Notes to the Financial Statements

For the year ended 31 December 2022

IV. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES (continued)

Critical assumptions and uncertainties in accounting estimates

The followings are critical assumptions and uncertainties in accounting estimates that may cause significant adjustments to carrying amount of assets and liabilities in future periods at the balance sheet date:

Provision for decline in value of inventories

The Group recognizes the provision for decline in value of inventories based on the net realizable value of inventories. When there is an indication that the net realizable value is lower than the cost, the provision for decline in value of inventories should be recognized. Recognition of net realizable value requires judgment and estimates. If the re-estimate result is different from existing estimates, the difference will affect the carrying amount of inventories in the period in which the estimate is changed.

Useful lives of fixed assets

The useful lives of fixed assets are estimated based on the historical experience on the actual useful lives of fixed assets with similar natures and functions. If the period for use of fixed assets is shorter than estimates, the Group will take measures to accelerate the depreciation of fixed assets or to eliminate the fixed assets that are idle and technically obsolete.

Recognition of deferred tax assets

The realization of deferred tax assets depends on the actual tax rate applied to the actual profits and temporary differences in the future years. If the actual profits are less than estimates in the future, or the actual rate is lower than estimates, the recognized deferred tax assets will be reversed, and recognized in the income statement in the period in which the reversal is incurred. If the actual taxable income in the future is more than estimates, or the actual tax rate is higher than estimates, such deferred tax asset shall be adjusted and recognized in the income statement in the period in which they are incurred.

After-sales service expenses

The Group undertakes the warranty obligation for the vehicles sold within a certain warranty period, and accrues the after-sales service expenses according to the sales volume and estimated cost standards. If the actual after-sales service expenses are greater or less than the expected amount, it will affect the profit or loss of the period in which they are incurred.

Notes to the Financial Statements

For the year ended 31 December 2022

V. TAXATION

1. Major tax types and rates

Tax type	Basis	Tax rate
Value-added tax	<i>Sales/Purchase (Note)</i>	3%、5%、6%、7%、9%、13%、15%、19%、20%、
Consumption tax	<i>Sales</i>	3%、5%、12%
City maintenance and construction tax	<i>Value-added tax and consumption tax</i>	5%、7%
Education surcharge	<i>Value-added tax and consumption tax</i>	3%
Enterprise income tax	<i>Taxable income (Note)</i>	20%、21%、22%、25%、28%、30%、30.04%
Real estate tax	<i>Original cost/rental income of the real estate</i>	For self-occupied real estate of the Group, the tax is calculated at 70% of the original cost and a tax rate of 1.2%. For leased real estate, the tax is calculated at 12% of the rental income
Land use tax	<i>Land use area</i>	Relevant tax rate

Note: Excluding the tax incentives set out in Note V. 2, the applicable tax rates or comprehensive tax rate of relevant subsidiaries of the Group for 2022 and 2021 are listed in the above table.

Notes to the Financial Statements

For the year ended 31 December 2022

V. TAXATION (continued)

2. Tax incentives and approvals

2.1 Income tax incentives

2.1.1 Preferential income tax policies for employment of the disabled persons

According to the “Notice on Granting Tax Credit and Exemption Relating to Enterprise Income Tax on the Employment of Disabled Persons” (關於安置殘疾人員就業有關企業所得稅優惠政策問題的通知) (No. 70 [2009] of the MoF) (the “Notice”) issued by the MoF and the State Administration of Taxation, the Company and its subsidiaries, Baoding Great Machinery Company Limited (保定市格瑞機械有限公司) (“Baoding Great”), Baoding Yixin Automotive Parts Company Limited (保定億新汽車配件有限公司) (“Baoding Yixin”), Nuobo Rubber Production Company Limited (諾博橡膠製品有限公司) (“Nuobo Rubber”), Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司) (“Jinggong Motor”), Jingcheng engineering auto parts (Rizhao) Co., Ltd (精誠工科汽車零部件(日照)有限公司) (“Jinggong Rizhao Parts”), Nuobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司) (“Nuobo Automotive”), Baoding Nuobo Automotive Decoration Co., Ltd. (保定諾博汽車裝飾件有限公司) (“Nuobo Decoration”), Nobo Automotive Parts (Pinghu) Co., Ltd. (諾博汽車零部件(平湖)有限公司) (“Pinghu Nuobo Parts”), Nuobo Automobile Rubber & Plastic (Anhui) Co., Ltd. (諾博汽車橡塑(安徽)有限公司) (“Nuobo Rubber & Plastic Anhui”), Nobo Automotive Parts (Zhangjiagang) Co., Ltd. (諾博汽車零部件(張家港)有限公司) (“Zhangjiagang Nobo Parts”), Mind Electronics Company Limited (曼德電子電器有限公司) (“Mind Electronics”), Mind auto parts (Rizhao) Co., Ltd (曼德汽車零部件(日照)有限公司) (“Mind Rizhao Parts”), Salon Mecha Technology Co., LTD. (沙龍機甲科技有限公司) (“Salon Mecha Technology”), Yunshi Chelian Technology Co., LTD (雲視車聯科技有限公司) (“Yunshi Chelian”), Shanghai Salon Zhixing Industrial Co., Ltd. (上海沙龍智行實業有限公司) (“Shanghai Salon”), Tianjin Great Wall Lean Automotive Parts Company Limited (天津長城精益汽車零部件有限公司) (“Tianjin Lean”) Nobo Automotive Technology Co., Ltd. (諾博汽車科技有限公司) (“Nobo Automotive Technology”), satisfied all conditions as prescribed in the Notice for weighted deduction of 100% of the wages paid to the disabled staff, and when calculating the enterprise income tax, they were entitled to deduct 100% of the actual wages paid to the disabled staff.

Notes to the Financial Statements

For the year ended 31 December 2022

V. TAXATION (continued)

2. Tax incentives and approvals (continued)

2.1 Income tax incentives (continued)

2.1.2 Preferential income tax policies for new and high-tech enterprises

According to the “Enterprise Income Tax Law of the People’s Republic of China” and other relevant regulations, the Company and its subsidiaries, Baoding Great, Mind Electronics, Jinggong Motor, Nuobo Automotive and Nuobo Rubber, were re-identified as new high-tech enterprises in 2022 with the validity term of three years, and the applicable income tax rate from 2022 to 2024 is 15%. The Company’s subsidiaries, Nuobo Decoration, Honeycomb Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司) (“Honeycomb Transmission”), Honeycomb Transmission Technology (Chongqing) Co., Ltd. (蜂巢傳動科技(重慶)有限公司) (“Honeycomb Transmission Chongqing”), and Honeycomb Weiling Power Technology (Jiangsu) Co., Ltd (蜂巢蔚領動力科技(江蘇)有限公司) (“Honeycomb Weiling Power Jiangsu”), were identified as new high-tech enterprises in 2022 with the validity term of three years, and the applicable income tax rate from 2022 to 2024 is 15%.

The management of the Group expects that the Company’s subsidiaries, Mind Rizhao Parts, Nobo Automotive Technology Co., Ltd. (諾博汽車科技有限公司) (“Nobo Automotive Technology”), will complete the renewal of the high-tech enterprise qualification filing and continue to enjoy the high-tech enterprise tax benefits before the final settlement of income tax in 2022. Therefore, the enterprise income tax in the current period will still be paid at the rate of 15%.

The Company’s subsidiaries, Honeycomb Transmission Technology Hebei Co., Ltd. (蜂巢傳動科技河北有限公司) (“Honeycomb Transmission Technology”) and Honeycomb Engine System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司) (“Honeycomb Engine System”), were identified as high-tech enterprises in 2020 with the validity term of three years, and the applicable income tax rate from 2020 to 2022 is 15%.

Notes to the Financial Statements

For the year ended 31 December 2022

V. TAXATION (continued)

2. Tax incentives and approvals (continued)

2.1 Income tax incentives (continued)

2.1.3 Preferential income tax policies for encouraged industry enterprises in the western region

According to the "Notice on Tax Policy Issues concerning Further Implementing the Western China Development Strategy" (關於深入實施西部大開發戰略有關稅收政策問題的通知) (No. 58 [2011]) and the "Announcement on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China" (關於延續西部大開發企業所得稅政策的公告) (Announcement No. 23 [2020]) issued by the MoF, the State Taxation Administration and the National Development and Reform Commission, subsidiaries of the Company including Chongqing Haval Motors Co., Ltd. (重慶哈弗汽車有限公司) ("Chongqing Haval"), Chongqing Yongchuan Great Wall Automotive Parts Co., Ltd. (重慶市永川區長城汽車零部件有限公司) ("Chongqing Parts"), Chongqing Great Wall Automobile After-sales Service Co., Ltd. (重慶市長城汽車售後服務有限公司) ("Chongqing Great Wall After-sales"), Chongqing Haval Logistics Co., Ltd. (重慶哈弗物流有限公司) ("Chongqing Haval Logistics"), Jingcheng Engineering Automotive Components (Chongqing) Co., Ltd. (精誠工科汽車零部件(重慶)有限公司) ("Chongqing Jinggong Motor"), Chongqing Nobo Parts, Nobo Automotive Parts (Chongqing) Co., Ltd. (諾博汽車零部件(重慶)有限公司) ("Chongqing Nobo Parts"), Mind Automotive Parts (Chongqing) Co., Ltd. (曼德汽車零部件(重慶)有限公司) ("Chongqing Mind"), Honeycomb Transmission Chongqing and Honeycomb Power System (Chongqing) Co., Ltd. (蜂巢動力系統(重慶)有限公司) ("Honeycomb Power Chongqing") are comply with the provisions of the Notice and are therefore subject to the reduced enterprise income tax rate of 15% from 2021 to 2030.

Notes to the Financial Statements

For the year ended 31 December 2022

V. TAXATION (continued)

2. Tax incentives and approvals (continued)

2.1 Income tax incentives (continued)

2.1.4 Preferential income tax policies for small low-profit enterprises

According to the “Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises” (關於實施小微企業普惠性稅收減免政策的通知) (No. 13 [2019]) issued by the MoF and the State Administration of Taxation, the company in the Group as micro and small enterprise, whose annual taxable income not exceeding RMB1 million will reduce to 25% of the annual taxable income to calculate income tax at an income tax rate of 20% in 2020. According to “Announcement on Implementing the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households” 《關於實施小微企業和個體工商戶所得稅優惠政策的公告》 (No. 12 [2021]) issued by the MoF and the State Administration of Taxation, the annual taxable income of the micro and small enterprises of the Group that is not more than RMB1 million shall be subject to one-half reduced enterprise income tax on the basis of the preferential policies as prescribed in Article II of Cai Shui [2019] No. 13 from 1 January 2021 to 31 December 2022.

According to the “Announcement on Further Implementing the Preferential Income Tax Policies for Micro and Small Enterprises” (關於進一步實施小微企業所得稅優惠政策的公告) (No. 13 [2022]) issued by the MoF and the State Administration of Taxation, the company in the Group as micro and small enterprise, whose annual taxable income exceeding RMB1 million but not more than RMB3 million will reduce to 25% of the annual taxable income to calculate income tax at an income tax rate of 20% from 2022 to 2024.

Notes to the Financial Statements

For the year ended 31 December 2022

V. TAXATION (continued)

2. Tax incentives and approvals (continued)

2.2 Value-added tax incentives

Preferential value-added tax policies for employment of disabled persons

According to the "Notice on Preferential VAT Policies for Promoting the Employment of Disabled Persons" (關於促進殘疾人就業增值稅優惠政策的通知) (No. 52 [2016]) issued by the MoF and State Administration of Taxation, Baoding Great and Baoding Yixin, subsidiaries of the Company, met the conditions: the ratio of the disabled persons employed by the taxpayer each month to the number of in-service employees is 25% or more, the number of disabled persons employed by the taxpayer is ten or more, and "the income from production and sales of commodities, the provision of processing, repair and maintenance services and provision of modern services of replacing business tax with VAT and life services accounts for 50% of the taxation income for the purpose of value-added tax" as approved by relevant authorities. The tax authorities shall adopt the method of refund immediately after payment of VAT with a limit to the entities and individual industrial and commercial households employing disabled persons (hereinafter referred to as "taxpayers") according to the number of disabled persons actually employed. The specific limit of VAT refundable to each disabled person employed by a taxpayer shall be determined by the tax authority at or above the county level as quadruple the minimum monthly wage standard applicable in the district or county (including a county-level city or banner) as approved by the people's government of a province (including an autonomous region, municipality directly under the Central Government, or city under separate state planning).

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	31/12/2022	31/12/2021
<i>RMB</i>		
Cash:		
RMB	261,446.89	65,707.96
GBP	13,541.53	13,884.02
HKD	7,025.93	6,430.75
USD	4,630.48	4,238.95
JPY	2,915.29	3,085.50
EUR	2,421.63	37,158.72
SGD	1,611.94	1,467.27
ZAR	548.74	1,158.92
AED	483.08	–
AUD	212.59	208.45
THB	81.17	1,011,369.25
RUB	53.93	48.95
KRW	39.25	38.11
Bank balances:		
RMB	23,287,573,730.61	25,533,524,148.25
AUD	982,155,655.74	538,939,758.33
EUR	651,798,992.61	135,901,052.53
RUB	629,167,651.34	422,505,800.98
USD	371,896,810.36	522,280,000.37
ZAR	267,260,784.35	359,046,130.07
THB	205,641,085.33	156,755,543.84
NZD	194,238,389.66	119,043,963.71
HKD	140,413,507.87	31,087.38
BRL	103,474,616.96	62,284,442.34
JPY	30,202,268.09	30,348,957.33
INR	25,198,154.08	25,478,087.68
MYR	7,655,770.97	–
AED	1,351,846.18	–
KRW	310,497.52	361,149.94
GBP	22,104.86	209,232.26
Other cash and bank balances:		
RMB	8,868,174,976.08	5,136,611,829.68
THB	4,841,803.13	–
EUR	1,794,137.27	3,094,915.94
USD	34.82	31.88
Total	35,773,467,830.28	33,047,560,929.36
Including: Overseas cash and bank balances	4,008,702,214.52	2,164,591,152.01

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Cash and bank balances (continued)

As at 31 December 2022, the Group has restricted cash and bank balances of RMB8,874,810,951.30. Of which, the guarantee on bank acceptance notes amount to RMB8,828,157,244.29, guarantee on letter of credit amount to RMB20,640,048.91, guarantee on letter of guarantee amount to RMB21,504,945.36, and other guarantees amount to RMB4,508,712.74.

As at December 31, 2021, the Group has restricted cash and bank balances of RMB5,139,706,777.50. Of which, the guarantee on bank acceptance notes amount to RMB5,041,225,688.96, guarantee on letter of credit amount to RMB3,484,457.90, guarantee on letter of guarantee amount to RMB92,110,854.45, and other guarantees amount to RMB2,885,776.19.

2. Held-for-trading financial assets

Item	RMB	
	31/12/2022	31/12/2021
Financial assets classified as at fair value through profit or loss	2,053,553,807.44	6,046,493,154.78
Including: Equity instrument	494,949,000.00	414,131,200.00
Wealth management products	1,558,604,807.44	5,632,361,954.78
Total	2,053,553,807.44	6,046,493,154.78

3. Accounts receivable

(1) Disclosed by aging:

Aging	31/12/2022			31/12/2021		
	Amount	Credit loss provision	Ratio (%)	Amount	Credit loss provision	Ratio (%)
Within 1 year	6,503,334,038.81	(49,664,539.32)	0.76	5,458,277,054.88	(39,850,844.18)	0.73
1 to 2 years	182,961,122.72	(25,451,621.92)	13.91	42,810,218.38	(39,251,329.26)	91.69
2 to 3 years	7,298,644.86	(7,286,498.00)	99.83	31,696,207.55	(31,684,650.41)	99.96
Over 3 years	370,752,280.11	(370,752,280.11)	100.00	318,907,100.16	(318,906,992.28)	100.00
Total	7,064,346,086.50	(453,154,939.35)	6.41	5,851,690,580.97	(429,693,816.13)	7.34

The analysis of aging of accounts receivable is based on the time of revenue recognition.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable (continued)

(2) Disclosed by classification of method of credit loss provision

RMB

Classifications	31/12/2022					31/12/2021				
	Carrying amount		Credit loss provision		Book value	Carrying amount		Credit loss provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)		Amount	Ratio (%)	Amount	Ratio (%)	
Credit loss provision assessed by single	345,218,300.46	4.89	(345,218,300.46)	100.00	-	316,027,958.28	5.40	(316,027,958.28)	100.00	-
Credit loss provision assessed by portfolios	6,719,127,786.04	95.11	(107,936,638.89)	1.61	6,611,191,147.15	5,535,662,622.69	94.60	(113,665,857.85)	2.05	5,421,996,764.84
Total	7,064,346,086.50	100.00	(453,154,939.35)	6.41	6,611,191,147.15	5,851,690,580.97	100.00	(429,693,816.13)	7.34	5,421,996,764.84

Description of accounts receivable for which credit loss provision has been assessed by portfolios:

As part of the Group's credit risk management, the Group base on the credit period of receivables and overdue aging to assess the expected credit losses of various receivables.

The expected credit loss provision of accounts receivable for which credit loss provision has been assessed by portfolios is as follows:

RMB

Aging	Expected average loss rate	31/12/2022			Expected average loss rate	31/12/2021		
		Carrying amount	Credit loss provision	Book value		Carrying amount	Credit loss provision	Book value
Within credit period 1 to 180 days	0.00%-4.00%	6,588,061,060.41	(17,682,147.33)	6,570,378,913.08	0.00%-4.00%	5,415,441,836.78	(20,170,090.30)	5,395,271,746.48
overdue	11.78%-50.00%	46,260,173.57	(5,447,939.50)	40,812,234.07	10.60%-50.00%	29,892,128.69	(3,167,110.33)	26,725,018.36
Overdue more than 180 days	100.00%	84,806,552.06	(84,806,552.06)	-	100.00%	90,328,657.22	(90,328,657.22)	-
Total		6,719,127,786.04	(107,936,638.89)	6,611,191,147.15		5,535,662,622.69	(113,665,857.85)	5,421,996,764.84

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable (continued)

(3) Provision, collection or reversal of credit loss provision for the period:

RMB

Credit loss provision	Lifetime ECL (not occurred credit- impairment)	2022 Lifetime ECL (occurred credit- impairment)	Total
Balance at 1 January 2022	23,337,200.63	406,356,615.50	429,693,816.13
— Transfer to occurred credit impairment	(32,661,762.93)	32,661,762.93	—
Provision for the year	68,159,030.25	11,272,845.85	79,431,876.10
Reversal for the year	(35,704,381.12)	(43,855,918.24)	(79,560,299.36)
Write-off for the year	—	(5,600,795.70)	(5,600,795.70)
Foreign currency translation differences	—	29,190,342.18	29,190,342.18
Balance at 31 December 2022	23,130,086.83	430,024,852.52	453,154,939.35

(4) Top five entities with the largest balances of accounts receivable:

RMB

Name of entity	Closing balance	Proportion of the amount to the total accounts receivable (%)	Closing balance of credit loss provision
Customer 1	1,191,592,184.00	16.87	—
Customer 2	803,358,309.60	11.37	—
Customer 3	350,242,677.58	4.96	—
Customer 4	345,218,300.46	4.89	(345,218,300.46)
Customer 5	282,929,611.16	4.01	—
Total	2,973,341,082.80	42.10	(345,218,300.46)

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Notes receivable and financing with receivables

4.1 Notes receivable

Category	RMB	
	31/12/2022	31/12/2021
Bank acceptances	2,686,688,339.57	3,149,447,773.57
Commercial acceptances	49,197,960.43	32,482,498.63
Total	2,735,886,300.00	3,181,930,272.20

The Group pledged notes receivable amount to RMB1,478,153,734.99 at the end of this year to issue notes payable and pledge loans.

4.2 Financing with receivables

(1) Classification

Category	RMB	
	31/12/2022	31/12/2021
Bank acceptances	22,152,492,848.09	31,499,637,236.45
Total	22,152,492,848.09	31,499,637,236.45

The Group classifies notes as financial assets at fair value through other comprehensive income based on the business model in which the Group manages such notes.

(2) The pledged financing with receivables at the end of the year

Item	RMB	
	31/12/2022	31/12/2021
Bank acceptances	16,921,215,489.61	22,637,664,618.81
Total	16,921,215,489.61	22,637,664,618.81

Note: The Group pledged such notes at the end of this year for issuing notes payable.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Notes receivable and financing with receivables (continued)

4.2 Financing with receivables (continued)

(3) Financing with receivables endorsed or discounted by the Group at the end of the year and not yet due on the balance sheet date

Project	RMB	
	The amount of derecognition at the end of the year	The amount of not derecognition at the end of the year
Bank acceptances	25,406,016,433.32	–
Total	25,406,016,433.32	–

The Group holds that its bank acceptances are not exposed to significant credit risk and will not subject to significant loss due to the default of the notes acceptor, therefore the Group has not made any provision for credit loss.

5. Prepayments

(1) Prepayments by aging:

Aging	31/12/2022		31/12/2021	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	2,084,618,548.19	93.53	1,709,284,874.60	97.73
1 to 2 years	134,864,541.79	6.05	27,986,593.63	1.60
2 to 3 years	5,347,588.98	0.24	8,500,241.47	0.49
Over 3 years	4,063,132.92	0.18	3,124,715.43	0.18
Total	2,228,893,811.88	100.00	1,748,896,425.13	100.00

Description of aging of prepayments:

Prepayments with aging over one year are mainly amounts prepaid to raw material suppliers which are not settled.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Prepayments (continued)

(2) Top five entities with the largest balances of prepayments:

Name of entity	Amount	RMB
		Proportion of the amount to the total prepayments (%)
Supplier 1	323,395,785.01	14.51
Supplier 2	319,915,723.99	14.35
Supplier 3	192,497,437.41	8.64
Supplier 4	96,127,935.75	4.31
Supplier 5	50,025,230.65	2.24
Total	981,962,112.81	44.05

6. Other receivables

6.1 Summary of other receivables

Item	RMB	
	31/12/2022	31/12/2021
Interest receivable	11,817,739.94	10,465,785.63
Other receivables	2,403,757,888.32	1,111,406,806.89
Total	2,415,575,628.26	1,121,872,592.52

6.2 Interest receivable

Item	RMB	
	31/12/2022	31/12/2021
Interest of bank deposits	11,817,739.94	10,465,785.63
Total	11,817,739.94	10,465,785.63

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables (continued)

6.3 Other receivables

(1) Disclosed by aging:

Aging	31/12/2022			31/12/2021			RMB
	Amount	Credit loss provision	Ratio (%)	Amount	Credit loss provision	Ratio (%)	
Within 1 year	2,051,146,435.89	(863,359.43)	0.04	877,238,837.73	(417,220.32)	0.05	
1 to 2 years	144,058,560.72	(494,653.11)	0.34	97,354,487.92	(671,286.95)	0.69	
2 to 3 years	74,022,379.99	–	–	120,057,323.57	(980,539.48)	0.82	
Over 3 years	145,241,232.43	(9,352,708.17)	6.44	28,576,533.95	(9,751,329.53)	34.12	
Total	2,414,468,609.03	(10,710,720.71)	0.44	1,123,227,183.17	(11,820,376.28)	1.05	

(2) Other receivables classified by nature are as follows:

Nature	Carrying amount at 31/12/2022	Carrying amount at 31/12/2021	RMB
	Taxes refunds	928,992,309.85	526,483,023.44
Purchase margin	668,208,827.66	–	
Proceeds from land transfer	270,758,568.00	186,256,243.00	
Security and margin deposits	87,241,471.35	69,828,949.74	
Pretty cash	28,557,029.67	31,637,029.42	
Others	430,710,402.50	309,021,937.57	
Total	2,414,468,609.03	1,123,227,183.17	

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables (continued)

6.3 Other receivables (continued)

(3) Analysis of credit loss provision

RMB

Aging	31/12/2022				31/12/2021			
	Expected average loss rate	Carrying amount	Credit loss provision	Book value	Expected average loss rate	Carrying amount	Credit loss provision	Book value
Indefinite/within contractual repayment period	-	2,402,873,873.38	-	2,402,873,873.38	-	1,111,013,628.79	-	1,111,013,628.79
1 to 180 days overdue	49.41%	1,747,374.37	(863,359.43)	884,014.94	49.63%	780,543.70	(387,365.60)	393,178.10
Overdue more than 180 days	100.00%	9,847,361.28	(9,847,361.28)	-	100.00%	11,433,010.68	(11,433,010.68)	-
Total		2,414,468,609.03	(10,710,720.71)	2,403,757,888.32		1,123,227,183.17	(11,820,376.28)	1,111,406,806.89

The Group determines the expected credit losses for other receivables based on historical experience data and forward-looking information. For the year of 2022 and 2021, the Group's assessment methods and major assumptions have not changed.

(4) Credit loss provision

RMB

Credit loss provision	Phase 1	Phase 2	Phase 3	Total
	Future 12-month ECL	Lifetime ECL (not occurred credit-impairment)	Lifetime ECL (occurred credit-impairment)	
Balance at 1 January 2022	-	387,365.60	11,433,010.68	11,820,376.28
Provision for the year	-	864,764.45	253,630.76	1,118,395.21
Reversal for the year	-	(30,156.58)	(766,914.10)	(797,070.68)
Write-off for the year	-	-	(1,430,980.10)	(1,430,980.10)
Transfer to occurred credit impairment	-	(358,614.04)	358,614.04	-
Balance at 31 December 2022	-	863,359.43	9,847,361.28	10,710,720.71

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables (continued)

6.3 Other receivables (continued)

(5) Top five entities with the largest balances of other receivables:

					<i>RMB</i>
Name of entity	Nature	Amount	Aging	Proportion of the amount to the total other receivables (%)	Closing balance of credit loss provision
Entity 1	Export taxes refunds	837,450,152.61	Within 1 year	34.68	–
Entity 2	Purchase margin	668,208,827.66	Within 1 year	27.68	–
Entity 3	Proceeds from transfer of land	270,758,568.00	Within 1 year, 2 to 3 years, over 3 years	11.21	–
Entity 4	VAT Refund	82,900,943.96	Within 1 year	3.43	–
Entity 5	Other	22,422,020.48	1 to 2 years	0.93	–
Total		1,881,740,512.71		77.93	

The Group has no other receivables related to government grant.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Inventories

(1) Inventories by category

RMB

Item	Carrying amount	31/12/2022 Provision for decline in value of inventories	Book value
Raw materials	7,338,037,595.65	(130,639,116.93)	7,207,398,478.72
Work-in-progress	1,969,018,738.91	(5,880,354.95)	1,963,138,383.96
Finished goods	12,555,442,806.64	(55,480,359.78)	12,499,962,446.86
Low-valued and short-lived consumables	704,967,316.63	(944,249.16)	704,023,067.47
Total	22,567,466,457.83	(192,944,080.82)	22,374,522,377.01

RMB

Item	Carrying amount	31/12/2021 Provision for decline in value of inventories	Book value
Raw materials	6,546,643,425.65	(129,716,774.81)	6,416,926,650.84
Work-in-progress	2,060,441,233.52	(3,895,913.76)	2,056,545,319.76
Finished goods	4,930,912,736.38	(85,046,162.43)	4,845,866,573.95
Low-valued and short-lived consumables	648,228,445.76	(1,148,266.85)	647,080,178.91
Total	14,186,225,841.31	(219,807,117.85)	13,966,418,723.46

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Inventories (continued)

(2) Provision for decline in value of inventories

Inventories by category	31/12/2021	Provision for the year	Decrease for the year		Other increase (decrease) for the year	RMB
			Reversals	Written-off or Reversals		31/12/2022
Raw materials	129,716,774.81	212,383,952.52	(27,586,025.39)	(183,900,836.81)	25,251.80	130,639,116.93
Work-in-progress	3,895,913.76	8,756,966.33	(896,723.85)	(5,875,801.29)	-	5,880,354.95
Finished goods	85,046,162.43	67,511,672.61	(4,714,353.95)	(92,381,618.63)	18,497.32	55,480,359.78
Low-valued and short-lived consumables	1,148,266.85	-	(24,386.97)	(176,011.05)	(3,619.67)	944,249.16
Total	219,807,117.85	288,652,591.46	(33,221,490.16)	(282,334,267.78)	40,129.45	192,944,080.82

(3) Analysis of provision for decline in value of inventories

Item	Basis of provision for decline in value of inventories	Reasons for reversal or written-off of provision for decline in value of inventories during the year	Percentage of the reversal to the closing balance of the inventory during the year (%)
Raw materials	Note 1	Note 2	0.38
Work-in-progress	Note 1	Note 2	0.05
Finished goods	Note 1	Note 2	0.04
Low-valued and short-lived consumables		Note 2	0.00

Descriptions of inventories:

Note 1: As the estimated net realizable value of some vehicle products was lower than the inventories costs as at the end of the year, provision for decline in value of inventories had been made for raw materials, work-in-progress, and finished goods correspondingly.

Note 2: As the estimated net realizable value of part of the inventory was higher than the inventories costs as at the end of the year, the provision for decline in value of inventories for the previous year has been reversed. In addition, as the inventories for which provision for decline in value has been made in the previous year was sold during the year, the provision for decline in value of inventories has been written off.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Contract assets

RMB

Item	31/12/2022			31/12/2021		
	Carrying amount	Credit loss provision	Book value	Carrying amount	Credit loss provision	Book value
State subsidies receivable	1,293,322,393.00	-	1,293,322,393.00	2,129,583,174.00	-	2,129,583,174.00
Less: Reclassified as other non-current assets	1,289,249,601.00	-	1,289,249,601.00	1,857,548,048.18	-	1,857,548,048.18
Total	4,072,792.00	-	4,072,792.00	272,035,125.82	-	272,035,125.82

9. Other current assets

Details of other current assets:

RMB

Item	31/12/2022	31/12/2021
Deposits in non-bank financial institutions (Note 1)	6,908,799,698.05	7,956,180,947.96
Taxes to be deducted	1,674,457,396.94	1,494,597,176.31
Mould (Note 2)	577,411,498.39	254,273,498.39
Prepaid enterprise income tax	85,502,919.99	6,678,025.01
Paint for vehicles	3,987,243.36	4,118,449.60
Others	139,062,778.82	96,969,574.97
Total	9,389,221,535.55	9,812,817,672.24

Note 1: The deposits in non-bank financial institutions are stored in Tianjin Great Wall Binyin Automotive Finance Co., Ltd. (天津長城濱銀汽車金融有限公司) ("Automotive Finance").

Note 2: The estimated useful life is less than one year.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Long-term receivables

(1) Long-term receivables

Item	31/12/2022			31/12/2021			Discount rate range
	Carrying amount	Credit loss provision	Book value	Carrying amount	Credit loss provision	Book value	
Performance bond	396,861,252.35	-	396,861,252.35	477,543,742.98	-	477,543,742.98	2.64%
Land advances	362,171,972.59	-	362,171,972.59	362,066,256.78	-	362,066,256.78	2.35%
Finance lease receivables	2,990,224,044.44	(65,171,364.95)	2,925,052,679.49	3,772,422,488.72	(81,056,442.10)	3,691,366,046.62	0 to 16.88%
Including: Unearned finance income	(314,677,178.60)	-	(314,677,178.60)	(442,095,919.67)	-	(442,095,919.67)	-
Subtotal	3,749,257,269.38	(65,171,364.95)	3,684,085,904.43	4,612,032,488.48	(81,056,442.10)	4,530,976,046.38	-
Less: Long-term receivables due within one year	1,972,308,775.07	(43,634,099.01)	1,928,674,676.06	2,288,629,585.81	(48,235,469.38)	2,240,394,116.43	-
Total	1,776,948,494.31	(21,537,265.94)	1,755,411,228.37	2,323,402,902.67	(32,820,972.72)	2,290,581,929.95	-

(2) Credit loss provision

Category	Carrying amount		31/12/2022			Carrying amount		31/12/2021		
	Amount	Ratio (%)	Credit loss provision Amount	Ratio (%)	Book value	Amount	Ratio (%)	Credit loss provision Amount	Ratio (%)	Book value
Credit loss provision by portfolios	3,749,257,269.38	100.00	(65,171,364.95)	1.74	3,684,085,904.43	4,612,032,488.48	100	(81,056,442.10)	1.76	4,530,976,046.38
Total	3,749,257,269.38	100.00	(65,171,364.95)	-	3,684,085,904.43	4,612,032,488.48	100	(81,056,442.10)	-	4,530,976,046.38

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Long-term receivables (continued)

(2) Credit loss provision (continued)

Finance lease receivables

In order to reduce the credit risk of finance lease receivables, the Group uses the credit risk rating system to divide the finance lease receivables into five risk levels: normal, concerned, subordinate, suspicious and loss based on the transaction records and relevant external information available. During the year of 2022 and 2021, the Group's assessment methods and major assumptions have not changed.

Credit loss provision	2022		RMB
	Lifetime ECL (not occurred credit- impairment)	Lifetime ECL (occurred credit- impairment)	Total
Balance at 1 January 2022	33,814,067.66	47,242,374.44	81,056,442.10
Provision for the year	33,194,110.46	–	33,194,110.46
Reversal for the year	(7,598,409.69)	–	(7,598,409.69)
Write-off for the year	–	(41,480,777.92)	(41,480,777.92)
– Transfer to credit impairment occurred	(14,700,644.31)	14,700,644.31	–
Balance at 31 December 2022	44,709,124.12	20,462,240.83	65,171,364.95

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments

The details of long-term equity investments are as follows:

RMB

Investee	31/12/2021	Changes in the year								31/12/2022	Closing balance of impairment provision	
		Increase for the year	Decrease in investment	Investment profit or loss recognized under the equity method	Other comprehensive income adjustment	Other equity changes	Declared cash dividends or profits	Provision for impairment	Others			
Joint ventures												
Auto finance	9,472,312,094.43	—	—	740,015,865.59	—	—	—	—	—	—	10,212,327,960.02	—
Shanghai Junying Enterprise Management Partnership (Limited Partnership) (上海鈞瀛企業管理合夥企業(有限合夥)) ("Shanghai Junying")												
	20,962,327.13	—	(20,962,327.13)	—	—	—	—	—	—	—	—	—
Chongqing PetroChina Haval Energy Co., Ltd. (重慶中油哈爾能源有限公司)												
	1,350,000.00	—	—	(353,386.06)	—	—	—	—	—	—	996,613.94	—
Subtotal	9,494,624,421.56	—	(20,962,327.13)	739,662,479.53	—	—	—	—	—	—	10,213,324,573.96	—
Associates												
Haomo Zhixing Technology Co., Ltd. (毫末智行科技有限公司)("Haomo Zhixing")												
	19,689,604.50	—	—	(19,689,604.50)	—	—	—	—	—	—	—	—
Jiangsu Baojie Electromechanical Co., Ltd (江蘇寶捷機電有限公司) ("Jiangsu Baojie")												
	10,000,000.00	—	—	244,011.82	—	—	—	—	—	—	10,244,011.82	—
Jiangsu Longcheng Alloy Material Co. LTD (江蘇隆誠合金材料有限公司) ("Jiangsu Longcheng")												
	—	56,200,000.00	—	(4,170,018.23)	—	—	—	—	—	—	52,029,981.77	—
Wuxi Xindong Semiconductor Technology Co., Ltd (無錫芯動半導體科技有限公司) ("Wuxi Xindong")												
	—	10,000,000.00	—	(13,257.57)	—	—	—	—	—	—	9,986,742.43	—
Subtotal	29,689,604.50	66,200,000.00	—	(23,628,868.48)	—	—	—	—	—	—	72,260,736.02	—
Total	9,524,314,026.06	66,200,000.00	(20,962,327.13)	716,033,611.05	—	—	—	—	—	—	10,285,585,309.98	—

Haomo Zhixing suffered a loss in the current period, and the Group recognized corresponding investment loss based on its share of loss in this associate. The loss recognized at the end of the period amounted to RMB89,105,401.66.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Other equity instrument investments

Item	RMB	
	31/12/2022	31/12/2021
Unlisted equity instrument investments	1,481,976,762.81	813,215,710.00
Total	1,481,976,762.81	813,215,710.00

- (1) The above unlisted equity instrument investments are equity investments in unlisted enterprises held by the Group and the Company.
- (2) The Company received dividends from other equity instrument investments amount to RMB3,240,134.00.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Investment properties

The investment properties measured at cost:

Item	<i>RMB</i>		
	Buildings	Land use right	Total
I. Original carrying amount			
31 December 2021	465,905,809.61	22,208,268.80	488,114,078.41
Additions for the year	161,946,799.77	130,310.63	162,077,110.40
1. Acquisition	2,762,149.25	–	2,762,149.25
2. Transfer from intangible assets	–	130,310.63	130,310.63
3. Transfer from construction in progress	23,568,811.63	–	23,568,811.63
4. Transfer from fixed assets	135,615,838.89	–	135,615,838.89
Decrease for the year	(16,408,510.24)	(152,770.66)	(16,561,280.90)
1. Transfer to intangible assets	–	(152,770.66)	(152,770.66)
2. Transfer to fixed assets	(16,408,510.24)	–	(16,408,510.24)
Foreign currency translation differences	(4,253,716.06)	–	(4,253,716.06)
31 December 2022	607,190,383.08	22,185,808.77	629,376,191.85
II. Accumulated amortization and depreciation			
31 December 2021	158,233,529.85	3,644,167.23	161,877,697.08
Additions for the year	52,568,230.64	456,300.38	53,024,531.02
1. Provision or amortization	20,701,208.10	444,051.04	21,145,259.14
2. Transfer from intangible assets	–	12,249.34	12,249.34
3. Transfer from fixed assets	31,867,022.54	–	31,867,022.54
Decrease for the year	(7,363,630.71)	(34,194.60)	(7,397,825.31)
1. Transfer to intangible assets	–	(34,194.60)	(34,194.60)
2. Transfer to fixed assets	(7,363,630.71)	–	(7,363,630.71)
Foreign currency translation differences	(570,332.88)	–	(570,332.88)
31 December 2022	202,867,796.90	4,066,273.01	206,934,069.91
III. Book value			
31 December 2021	307,672,279.76	18,564,101.57	326,236,381.33
31 December 2022	404,322,586.18	18,119,535.76	422,442,121.94

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets

(1) Information of fixed assets:

Item	RMB				
	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
I. Original carrying amount					
31 December 2021	17,187,601,871.60	25,876,705,447.73	504,150,603.85	10,262,615,492.20	53,831,073,415.38
Additions for the year	768,910,810.47	2,851,581,776.48	92,584,757.70	1,647,449,607.35	5,360,526,952.00
1. Acquisition	109,311,458.70	684,723,796.17	32,503,978.98	1,097,093,314.36	1,923,632,548.21
2. Transfer from construction in progress	643,190,841.53	2,102,567,171.32	40,964,922.84	466,100,931.15	3,252,823,866.84
3. Transfer from inventories	–	64,290,808.99	19,115,855.88	84,255,361.84	167,662,026.71
4. Transfer from investment properties	16,408,510.24	–	–	–	16,408,510.24
Decrease for the year	(490,538,664.14)	(1,788,219,573.60)	(81,644,601.57)	(509,660,053.31)	(2,870,062,892.62)
1. Disposal or retired	(1,242,646.03)	(348,595,403.42)	(74,965,155.08)	(397,542,463.15)	(822,345,667.68)
2. Decrease for transferring to construction in progress	–	(324,787,527.85)	–	(7,776,872.10)	(332,564,399.95)
3. Transfer to investment properties	(135,615,838.89)	–	–	–	(135,615,838.89)
4. Other transfer-out	(353,680,179.22)	(1,114,836,642.33)	(2,633,584.63)	(80,320,242.70)	(1,551,470,648.88)
5. Decrease for disposal of subsidiaries	–	–	(4,045,861.86)	(24,020,475.36)	(28,066,337.22)
Reclassification	16,629,585.95	(6,590,882.88)	1,075,976.07	(11,114,679.14)	–
Foreign currency translation differences	209,046,534.65	116,625,318.39	6,168,129.18	(5,906,139.70)	325,933,842.52
31 December 2022	17,691,650,138.53	27,050,102,086.12	522,334,865.23	11,383,384,227.40	56,647,471,317.28

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets (continued)

(1) Information of fixed assets: (continued)

	RMB				
Item	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
II. Accumulated depreciation					
31 December 2021	3,911,909,232.36	14,541,250,530.06	285,616,203.16	6,951,341,802.02	25,690,117,767.60
Additions for the year	641,049,500.51	2,288,572,579.62	66,251,460.24	990,434,187.26	3,986,307,727.63
1. Provision for the year	633,685,869.80	2,288,572,579.62	66,251,460.24	990,434,187.26	3,978,944,096.92
2. Transfer from investment properties	7,363,630.71	-	-	-	7,363,630.71
Decrease for the year	(33,274,730.94)	(351,338,338.42)	(36,551,727.84)	(308,611,320.85)	(729,776,118.05)
1. Disposal or retired	(471,929.17)	(194,176,821.90)	(36,131,020.33)	(274,344,960.05)	(505,124,731.45)
2. Decrease for transferring to construction in progress	-	(156,593,139.32)	-	(5,809,914.72)	(162,403,054.04)
3. Transfer to investment Properties	(31,867,022.54)	-	-	-	(31,867,022.54)
4. Other transfer-out	(935,779.23)	(568,377.20)	(65,670.14)	(17,829,160.24)	(19,398,986.81)
5. Decrease for disposal of subsidiaries	-	-	(355,037.37)	(10,627,285.84)	(10,982,323.21)
Reclassification	7,226,725.59	(1,183,775.68)	366,323.34	(6,409,273.25)	-
Foreign currency translation differences	31,374,967.74	39,642,726.18	(1,828,190.82)	(11,155,369.13)	58,034,133.97
31 December 2022	4,558,285,695.26	16,516,943,721.76	313,854,068.08	7,615,600,026.05	29,004,683,511.15

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets (continued)

(1) Information of fixed assets: (continued)

Item					RMB
	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
III. Provision for impairment					
31 December 2021	204,878.87	165,472,443.89	3,553,398.02	530,336,051.56	699,566,772.34
Additions for the year	-	15,706,551.11	138,762.80	65,907,500.06	81,752,813.97
1. Provision for the year (Note)	-	15,706,551.11	138,762.80	65,157,843.24	81,003,157.15
2. Transfer from construction in progress	-	-	-	749,656.82	749,656.82
Decrease for the year	-	(12,552,309.29)	(95,155.17)	(74,904,037.59)	(87,551,502.05)
1. Disposal or retired	-	(10,478,903.49)	(95,155.17)	(72,471,541.37)	(83,045,600.03)
2. Decrease for transferring to construction in progress	-	(1,973,855.21)	-	(750,352.14)	(2,724,207.35)
3. Other transfer-out	-	(99,550.59)	-	(1,682,144.08)	(1,781,694.67)
31 December 2022	204,878.87	168,626,685.71	3,597,005.65	521,339,514.03	693,768,084.26
IV. Book value					
31 December 2021	13,275,487,760.37	11,169,982,473.78	214,981,002.67	2,780,937,638.62	27,441,388,875.44
31 December 2022	13,133,159,564.40	10,364,531,678.65	204,883,791.50	3,246,444,687.32	26,949,019,721.87

Note: Provision of impairment for the year amount to RMB81,003,157.15, as a result of some automobiles model discontinued, change of production techniques, fixed assets damaging and aging.

(2) Fixed assets of which certificates of title have not been obtained

As at 31 December 2022, the net value of the house property in the fixed assets that has not obtained the house property certificate is RMB1,999,887,754.17, and the relevant house property certificate is in progress.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Construction in progress

(1) The breakdown of construction in progress is as follows:

RMB

Item	31/12/2022			31/12/2021		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Parts and Components Department reconstruction project	3,016,359,399.02	(600,730.89)	3,015,758,668.13	1,555,821,410.60	(1,579,912.08)	1,554,241,498.52
Overseas automotive project	857,199,504.49	-	857,199,504.49	292,747,266.91	-	292,747,266.91
Shangrao automotive project	626,125,139.85	-	626,125,139.85	506,434,759.00	-	506,434,759.00
Xushui automotive project	619,914,103.66	(334,523.67)	619,579,579.99	228,460,931.14	-	228,460,931.14
Daye automotive project	605,073,062.25	-	605,073,062.25	-	-	-
Xushui parts and components project	398,609,044.32	(75,351.06)	398,533,693.26	233,163,443.24	(727,915.76)	232,435,527.48
Industrial Park Phase I, II and III expansion	320,012,324.29	(3,259,513.29)	316,752,811.00	254,978,327.26	(3,602,004.61)	251,376,322.65
Tianjin automotive project	278,815,224.84	(123,262.86)	278,691,961.98	177,493,795.18	-	177,493,795.18
Tianjin parts and components project	274,925,282.04	(306,627.78)	274,618,654.26	10,425,859.65	(457,111.03)	9,968,748.62
Jingmen automotive project	194,092,545.23	-	194,092,545.23	3,944,526.53	-	3,944,526.53
Russia 80,000 sets of vehicle plant and residential area supporting project	128,706,138.49	-	128,706,138.49	114,824,030.64	-	114,824,030.64
Taizhou automotive project	45,057,021.11	-	45,057,021.11	146,713,976.20	-	146,713,976.20
Chongqing Great Wall automotive project	17,596,136.50	-	17,596,136.50	61,534,495.78	-	61,534,495.78
New technology center	13,584,074.80	-	13,584,074.80	17,744,652.35	-	17,744,652.35
Rizhao automotive project	5,067,842.03	-	5,067,842.03	5,622,763.13	-	5,622,763.13
Other automotive projects	802,999,095.67	-	802,999,095.67	767,378,790.38	-	767,378,790.38
Other construction in progress projects	106,363,485.48	-	106,363,485.48	96,320,777.25	-	96,320,777.25
Total	8,310,499,424.07	(4,700,009.55)	8,305,799,414.52	4,473,609,805.24	(6,366,943.48)	4,467,242,861.76

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Construction in progress (continued)

(2) Changes in major construction in progress

RMB

Project	Budget amount	31/12/2021	Additions for the year	Transferred to fixed assets	Other Decreases (note)	Proportion of investment to budget (%)	Accumulated capitalized interest amount	Sources of fund	31/12/2022
Parts and Components Department reconstruction project	10,483,709,768.34	1,555,821,410.60	2,773,085,939.68	(1,041,101,230.84)	(271,446,720.42)	52.37	-	Self-owned	3,016,359,399.02
Overseas automotive project	871,762,069.84	292,747,266.91	571,514,801.38	(7,062,563.80)	-	99.14	-	Self-owned	857,199,504.49
Shangrao automotive project	1,378,649,551.93	506,434,759.00	174,907,663.52	(11,607,265.00)	(43,610,017.67)	46.28	-	Self-owned	626,125,139.85
Xushui automotive project	12,771,912,861.62	228,460,931.14	453,957,154.99	(60,728,490.39)	(1,775,492.08)	85.70	-	Self-owned	619,914,103.66
Daye automotive project	605,602,082.07	-	605,073,062.25	-	-	99.91	-	Self-owned	605,073,062.25
Xushui parts and components project	10,414,308,137.72	233,163,443.24	457,033,518.78	(260,955,964.59)	(30,631,953.11)	79.68	-	Self-owned	398,609,044.32
Industrial Park Phase I, II and III expansion	1,702,806,018.29	254,978,327.26	183,416,501.77	(23,253,516.44)	(95,128,988.30)	91.83	-	Self-owned	320,012,324.29
Tianjin automotive project	5,886,432,237.71	177,493,795.18	240,564,048.95	(138,154,743.15)	(1,087,876.14)	97.72	-	Self-owned	278,815,224.84
Tianjin parts and components project	5,114,414,737.00	10,425,859.65	271,650,180.83	(5,228,557.09)	(1,922,201.35)	82.19	-	Self-owned	274,925,282.04
Jingmen automotive project	1,038,871,609.65	3,944,526.53	195,191,808.23	(1,414,280.38)	(3,629,509.15)	18.96	-	Self-owned	194,092,545.23
Russia 80,000 sets of vehicle plant and residential area supporting project	3,715,807,900.00	114,824,030.64	43,140,255.26	(29,258,147.41)	-	95.85	-	Self-owned	128,706,138.49
Taizhou automotive project	465,502,910.22	146,713,976.20	294,625,896.80	(396,282,851.89)	-	96.34	-	Self-owned	45,057,021.11
Chongqing Great Wall automotive project	2,821,709,328.00	61,534,495.78	10,294,565.83	(37,197,657.92)	(17,035,267.19)	79.63	-	Self-owned	17,596,136.50
New technology center	1,648,554,374.00	17,744,652.35	787,631.93	(4,948,209.48)	-	99.83	-	Self-owned	13,584,074.80
Rizhao automotive project	556,526,789.00	5,622,763.13	134,989.74	-	(689,910.84)	92.17	-	Self-owned	5,067,842.03
Other automotive projects	4,310,322,625.77	767,378,790.38	1,272,982,173.86	(1,200,288,594.52)	(37,073,274.05)	46.78	-	Self-owned	802,999,095.67
Other construction in progress projects	557,973,245.00	96,320,777.25	69,667,672.57	(35,341,793.94)	(24,283,170.40)	82.92	-	Self-owned	106,363,485.48
Total	64,344,866,246.16	4,473,609,805.24	7,618,027,866.37	(3,252,823,866.84)	(528,314,380.70)				8,310,499,424.07

Note: The decrease of RMB188,155,297.38 in construction in progress is transferred into intangible assets, the decrease of RMB23,568,811.63 in construction in progress is transferred into investment properties.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Construction in progress (continued)

(3) Provision for impairment of construction in progress for the year

RMB

Item	Provision for the year	Reason for provision
Tianjin automotive project	123,262.86	Automobiles model discontinued
Xushui automotive project	37,338.06	Change of production techniques
Xushui parts and components project	68,034.95	Automobiles model discontinued
Parts and Components Department reconstruction project	356,267.45	Automobiles model discontinued
Total	584,903.32	

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Right-of-use assets

	<i>RMB</i>				
Item	Land use right	Buildings	Machine equipment	Transportation vehicle	Total
I. Original carrying amount:					
31 December 2021	20,355,089.38	258,912,100.60	197,468,987.08	21,304,261.25	498,040,438.31
Additions for the year	52,830,888.64	946,203,420.73	335,588,564.10	3,412,812.04	1,338,035,685.51
Deductions for the year	(4,778,811.91)	(91,297,329.25)	(176,339,709.92)	(14,131,032.12)	(286,546,883.20)
Foreign currency translation differences	–	(2,077,511.76)	(282,969.69)	(203,502.83)	(2,563,984.28)
31 December 2022	68,407,166.11	1,111,740,680.32	356,434,871.57	10,382,538.34	1,546,965,256.34
II. Accumulated depreciation					
31 December 2021	12,107,864.43	89,030,077.07	157,583,939.22	12,554,343.63	271,276,224.35
Additions for the year	19,672,271.61	261,678,287.12	138,376,370.18	7,261,549.54	426,988,478.45
1. Provision	19,672,271.61	261,678,287.12	138,376,370.18	7,261,549.54	426,988,478.45
Deductions for the year	(4,778,811.91)	(49,177,791.66)	(176,177,840.96)	(13,533,987.79)	(243,668,432.32)
Foreign currency translation differences	–	(90,355.89)	(282,521.94)	(198,981.84)	(571,859.67)
31 December 2022	27,001,324.13	301,440,216.64	119,499,946.50	6,082,923.54	454,024,410.81
III. Provision for impairment					
31 December 2021	–	–	–	–	–
31 December 2022	–	–	–	–	–
IV. Book value					
31 December 2021	8,247,224.95	169,882,023.53	39,885,047.86	8,749,917.62	226,764,213.96
31 December 2022	41,405,841.98	810,300,463.68	236,934,925.07	4,299,614.80	1,092,940,845.53

Other notes:

The Group has leased a number of assets, including land use right, buildings, machinery equipment and transportation vehicles, with a lease period ranging from 2 to 10 years. The short-term lease expenses and low-value assets lease expenses included in the simplified processing of current profit or loss for the year are RMB644,986,847.15. The total cash outflow related to leases for the year is RMB1,451,640,903.63.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Intangible assets

(1) Intangible assets

	<i>RMB</i>			
Item	Land use right	Software and others	Non-patent technology	Total
I. Original carrying amount				
31 December 2021	3,764,965,389.85	1,119,982,468.63	5,810,667,697.97	10,695,615,556.45
Additions for the year	29,571,209.11	429,081,153.04	2,834,483,841.83	3,293,136,203.98
1. Acquisition	17,126,444.92	253,200,373.47	53,756,895.67	324,083,714.06
2. Internal research and development	–	17,475.72	2,780,726,946.16	2,780,744,421.88
3. Transferred from construction in progress	12,291,993.53	175,863,303.85	–	188,155,297.38
4. Transferred from investment properties	152,770.66	–	–	152,770.66
Deductions for the year	(50,731,879.13)	(15,618,681.19)	(46,674,233.89)	(113,024,794.21)
1. Other transfer-out	(932,594.00)	(2,889,440.25)	(45,027,017.06)	(48,849,051.31)
2. Disposal	(49,668,974.50)	(12,729,240.94)	(1,647,216.83)	(64,045,432.27)
3. Transferred to investment properties	(130,310.63)	–	–	(130,310.63)
Foreign currency translation differences	–	15,464,871.61	–	15,464,871.61
31 December 2022	3,743,804,719.83	1,548,909,812.09	8,598,477,305.91	13,891,191,837.83
II. Accumulated amortization				
31 December 2021	681,683,546.26	261,949,378.36	2,661,347,047.30	3,604,979,971.92
Additions for the year	83,191,790.83	96,961,467.56	1,935,240,559.03	2,115,393,817.42
1. Provision	83,157,596.23	96,961,467.56	1,935,240,559.03	2,115,359,622.82
2. Transferred from investment properties	34,194.60	–	–	34,194.60
Deductions for the year	(12,121,176.97)	(11,977,386.95)	(3,041,317.20)	(27,139,881.12)
1. Disposal	(8,238,590.44)	(11,977,386.95)	(422,065.05)	(20,638,042.44)
2. Transferred to investment properties	(12,249.34)	–	–	(12,249.34)
3. Other transfer-out	(3,870,337.19)	–	(2,619,252.15)	(6,489,589.34)
Foreign currency translation differences	–	692,661.25	–	692,661.25
31 December 2022	752,754,160.12	347,626,120.22	4,593,546,289.13	5,693,926,569.47
III. Book value				
31 December 2021	3,083,281,843.59	858,033,090.27	3,149,320,650.67	7,090,635,584.53
31 December 2022	2,991,050,559.71	1,201,283,691.87	4,004,931,016.78	8,197,265,268.36

The proportion of intangible assets arising from internal research and development at the end of the year to balance of total intangible assets is 48.20% (31 December 2021: 42.95%).

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Intangible assets (continued)

(2) Land use right of which certificates of title has not been obtained

As at 31 December 2022, among the intangible assets, the net book value of land use right without land use right certificates amounted to RMB20,985,120.00 (31 December 2021: RMB21,518,640.00), and the application of relevant land use right certificates is in progress.

18. Development expenditure

Item	31/12/2021	Increase for the year	Decrease for the year		31/12/2022
			Recognized as intangible assets	Transferred to profit or loss for the year	
Automobile development project	7,144,904,022.66	8,186,108,859.95	(2,780,744,421.88)	(569,160,590.88)	11,981,107,869.85

19. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offsetting

Item	31/12/2022		31/12/2021	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Credit loss provision	539,765,043.27	92,994,668.11	475,766,104.42	81,384,374.09
Provision for decline in value of inventories	184,074,221.61	9,393,909.19	125,352,842.71	17,743,492.88
Impairment of fixed assets	489,993,913.37	75,465,995.88	545,493,352.56	82,851,973.84
Impairment of construction in progress	4,623,631.97	693,544.80	5,687,796.54	853,169.49
Temporary difference of amortization of intangible assets	2,893,127,605.80	433,265,667.89	1,747,777,825.32	263,102,250.23
Accrued expenses which are deductible upon payment	903,995,415.81	185,977,717.45	812,772,638.03	146,254,663.14
Contract liabilities	3,985,014,896.18	598,027,632.83	2,659,756,485.36	398,945,600.67
Deductible loss	14,543,057,000.97	2,418,501,685.24	8,436,763,831.22	1,403,296,590.56
Deferred income	1,110,017,570.71	200,346,293.05	740,675,292.24	126,719,606.05
Share-based payments	991,129,227.94	124,962,996.88	3,238,641,108.73	507,805,565.31
Right-of-use assets and lease liabilities	282,642,315.75	40,918,543.44	400,226,959.54	60,279,992.53
Unrealized profit arising from internal transactions	2,654,172,606.62	526,343,844.98	2,284,774,528.26	402,910,682.19
Others	176,753,661.96	31,937,011.08	332,609,867.11	58,525,185.80
Total	28,758,367,111.96	4,738,829,510.82	21,806,298,632.04	3,550,673,146.78

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Deferred tax assets and deferred tax liabilities (continued)

(2) Deferred tax liabilities before offsetting

Item	31/12/2022		31/12/2021	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
The impact of accelerated depreciation of fixed assets under tax law	12,599,095,404.51	1,983,378,144.85	9,129,897,241.19	1,414,544,905.99
Unrealized earnings of financial assets	825,225,097.76	205,920,560.94	546,117,425.30	133,827,224.80
The value added of assets appraisal of Business combination not involving enterprise under common control	130,431,560.13	32,607,890.03	154,608,257.14	38,652,064.28
Temporary difference of interest receivable	228,273,182.37	35,151,817.42	208,675,444.29	32,483,151.35
Total	13,783,025,244.77	2,257,058,413.24	10,039,298,367.92	1,619,507,346.42

(3) Deferred tax assets and deferred tax liabilities at net amount after offsetting

Item	31/12/2022		31/12/2021	
	Offset amount of deferred tax assets and liabilities	Deferred tax assets (liabilities) after offsetting	Offset amount of deferred tax assets and liabilities	Deferred tax assets (liabilities) after offsetting
Deferred tax assets	(1,486,179,004.90)	3,252,650,505.92	(774,055,439.71)	2,776,617,707.07
Deferred tax liabilities	1,486,179,004.90	(770,879,408.34)	774,055,439.71	(845,451,906.71)

(4) Details of unrecognized deferred tax assets

Item	31/12/2022
Deductible loss	1,848,682,209.71
Total	1,848,682,209.71

The above unrecognized deductible losses will expire in 2027 and subsequent years.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Other non-current assets

Item	RMB	
	31/12/2022	31/12/2021
Purchase margin	2,234,685,302.77	2,691,573,610.58
State subsidies receivable	1,289,249,601.00	1,857,548,048.18
Others	136,222.43	102,782,530.97
Total	3,524,071,126.20	4,651,904,189.73

21. Short-term borrowings and long-term borrowings

(1) Short-term borrowings

Item	RMB	
	31/12/2022	31/12/2021
Credit loans	3,201,383,918.31	3,252,228,029.15
Guaranteed loans (Note 1)	1,755,037,445.08	971,553,522.60
Pledge loans (Note 2)	986,914,420.07	880,182,100.00
Mortgage loans	–	100,500,000.00
Total	5,943,335,783.46	5,204,463,651.75

Note 1: The guaranteed loan is the loan obtained by the Company's subsidiaries Great Wall Motor Brazil Co., Ltd. (長城汽車巴西有限公司) ("Great Wall Brazil"), Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. (蜂巢智能轉向系統(江蘇)有限公司) ("Honeycomb Intelligent"), Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. (精誠工科汽車零部件(揚中)有限公司) ("Jinggong Yangzhong"), Honeycomb Transmission, Honeycomb Engine System, HWA Ding International Co., Ltd. (華鼎國際有限公司) ("HWA Ding International"), Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城汽車製造(泰國)有限公司) ("Great Wall Motor Thailand"), Honeycomb Power System (Thailand) Co., Ltd. (蜂巢動力系統(泰國)有限公司) ("Honeycomb Power Thailand") and Mind Automotive Parts (Thailand) Co., Ltd. (曼德汽車零部件(泰國)有限公司) ("Mind Thailand") with the Company as the guarantor.

Note 2: The pledged loan is the discounting the undue notes receivable that did not meet the derecognition conditions at the end of the year amount to RMB669,732,060.00 and obtained from pledge of long-term receivables of the Company's subsidiary Tianjin Oula Financial Leasing Co., Ltd. (天津歐拉融資租賃有限公司) ("Tianjin Oula") amount to RMB317,182,360.07.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Short-term borrowings and long-term borrowings (continued)

(2) Long-term borrowings

Item	RMB	
	31/12/2022	31/12/2021
Credit loans	16,025,329,784.58	6,780,915,097.18
Guaranteed loans (Note 1)	2,811,036,173.34	3,822,369,409.70
Mortgage loan (Note 2)	406,731,546.41	468,412,010.41
Pledge loan (Note 3)	137,088,682.44	288,026,825.25
Less: Long-term loans due within one year	3,974,530,334.74	2,703,563,065.90
Total	15,405,655,852.03	8,656,160,276.64

Note 1: The guaranteed loan at the end of the year is the loan obtained by the Company with Baoding Great Wall Venture Capital Co., Ltd. (保定市長城創業投資有限公司) ("Great Wall Venture") as the guarantor and the loan obtained by the Company's subsidiaries Mind Electronics, Jinggong Motor, Jinggong Yangzhong, Honeycomb Intelligent and Honeycomb Transmission with the Company as the guarantor.

Note 2: The mortgage loan is the loan obtained by the Company's subsidiaries Honeycomb Transmission and Jinggong Yangzhong by mortgaging the land use right.

Note 3: The pledged loan is the loan obtained from pledge of long-term receivables of the Company's subsidiary Tianjin Oula.

22. Notes payable

Item	RMB	
	31/12/2022	31/12/2021
Bank acceptances	30,019,571,587.28	26,723,616,328.62
Commercial acceptances	41,909,734.96	85,692,493.78
Total	30,061,481,322.24	26,809,308,822.40

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Accounts payable

(1) Accounts payable disclosed as follows:

Item	RMB	
	31/12/2022	31/12/2021
Within 1 year	29,124,286,756.41	36,945,873,207.56
1 to 2 years	128,218,625.38	70,874,917.69
2 to 3 years	16,369,488.04	40,520,481.93
Over 3 years	36,982,671.15	25,813,123.07
Total	29,305,857,540.98	37,083,081,730.25

The aging analysis of accounts payable is based on the time of purchasing materials, goods or receiving services.

(2) Accounts payable aged over one year with significant amount:

Item	RMB	
	31/12/2022	Reason for outstanding or transfer
Supplier 1	16,443,497.10	Payment terms have not been reached
Supplier 2	8,564,267.50	Payment terms have not been reached
Supplier 3	7,232,000.00	Payment terms have not been reached
Supplier 4	6,965,393.00	Payment terms have not been reached
Supplier 5	5,654,772.00	Payment terms have not been reached
Total	44,859,929.60	

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Contract liabilities

Item	RMB	
	31/12/2022	31/12/2021
Receipts in advance	5,855,526,465.30	6,117,998,996.97
Maintenance service	1,389,778,369.56	944,399,200.40
Warranty service	472,118,075.29	254,799,253.21
Transportation service	35,413,206.55	70,706,931.50
Total	7,752,836,116.70	7,387,904,382.08

Note:

Revenue included in the opening book value of contract liabilities recognized in the current period.

The opening book value of contract liabilities amounting to RMB6,499,257,770.13 has been recognized as revenue during the period. The book value of contract liabilities at the end of the period is expected to be recognized as income within one year.

25. Employee benefits payable

(1) Employee benefits payable disclosed as follows:

Item	RMB			
	31/12/2021	Increase	Decrease	31/12/2022
1. Short-term employee benefits	3,203,109,152.77	15,972,347,155.93	(15,028,131,497.87)	4,147,324,810.83
2. Post-employment benefits- defined contribution plan	12,106,338.27	1,137,074,501.90	(1,087,932,644.28)	61,248,195.89
Total	3,215,215,491.04	17,109,421,657.83	(16,116,064,142.15)	4,208,573,006.72

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Employee benefits payable (continued)

(2) Short-term employee benefits payable disclosed as follows:

Item	31/12/2021	Increase	Decrease	RMB
				31/12/2022
I. Salaries, bonuses, allowances and subsidies	2,810,402,343.74	12,769,098,486.48	(11,825,624,726.04)	3,753,876,104.18
II. Staff welfare	171,779,756.93	904,504,887.75	(877,807,659.56)	198,476,985.12
III. Staff bonuses and welfare fund	280,505.14	-	-	280,505.14
IV. Social insurance premiums	5,979,744.84	626,259,112.50	(600,871,104.52)	31,367,752.82
Including: Medical insurance	5,213,013.06	573,046,944.29	(549,918,215.97)	28,341,741.38
Work-related injury insurance	388,646.25	43,225,001.86	(41,672,873.40)	1,940,774.71
Maternity insurance	378,085.53	9,987,166.35	(9,280,015.15)	1,085,236.73
V. Housing provident funds	1,900,574.80	374,190,935.00	(373,505,222.65)	2,586,287.15
VI. Labor union expenditures	15,208,917.89	36,676,325.54	(33,244,948.83)	18,640,294.60
VII. Employees' education expenses	4,469,840.52	10,082,726.21	(12,851,015.05)	1,701,551.68
VIII. Service charge	193,087,468.91	1,251,534,682.45	(1,304,226,821.22)	140,395,330.14
Total	3,203,109,152.77	15,972,347,155.93	(15,028,131,497.87)	4,147,324,810.83

(3) Defined contribution plan

Item	31/12/2021	Increase	Decrease	RMB
				31/12/2022
1. Basic endowment insurance	12,696,528.22	1,091,443,920.44	(1,043,877,952.74)	60,262,495.92
2. Unemployment insurance	(590,189.95)	45,630,581.46	(44,054,691.54)	985,699.97
Total	12,106,338.27	1,137,074,501.90	(1,087,932,644.28)	61,248,195.89

Employees of the Group are required to join a pension plan implemented by the local government. Under such plan, the Group is required to make contribution at a fixed percentage of the salaries of its employees. Except for the monthly payment and deposit fees, the Group no longer undertakes further payment obligations. The corresponding expenditure is included in the relevant asset cost or current profit or loss when incurred.

For the year of 2022, basic endowment insurance payable of the Group amounted to RMB1,091,443,920.44 (for the year of 2021: RMB740,103,126.12); the unemployment insurance payable amounted to RMB45,630,581.46 (for the year of 2021: RMB31,794,390.84). As at 31 December 2022, basic endowment insurance payable of RMB60,262,495.92 and unemployment insurance payable of RMB985,699.97 of the Group have not yet been paid. Such payables have been paid after the report period.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Taxes payable

Item	<i>RMB</i>	
	31/12/2022	31/12/2021
Value added tax	703,813,916.85	803,816,056.10
Consumption tax	445,333,865.01	968,714,213.93
Enterprise income tax	297,836,607.59	716,794,706.13
Individual income tax	43,391,335.06	32,598,227.38
City maintenance and construction tax	67,011,061.88	81,078,368.12
Education surcharges	48,283,889.15	47,957,182.50
Stamp duty	61,218,166.57	46,115,748.96
Real estate tax	6,376,952.63	5,143,960.62
Others	224,863,484.12	115,891,802.42
Total	1,898,129,278.86	2,818,110,266.16

27. Other payables

Other payables disclosed by nature are as follows:

Item	<i>RMB</i>	
	31/12/2022	31/12/2021
Equipment payment	2,403,985,085.97	1,148,640,207.01
Project payment	1,038,351,074.41	1,154,176,732.06
Deposits	764,453,971.64	686,713,723.67
Output tax related to receipts in advance	751,881,655.47	803,721,619.10
Restricted shares under repurchase obligations	452,327,687.45	641,218,321.00
Others	752,920,768.74	432,623,920.83
Total	6,163,920,243.68	4,867,094,523.67

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

28. Non-current liabilities due within one year

Item	Notes	RMB	
		31/12/2022	31/12/2021
Long-term loans due within one year	VI.21	3,974,530,334.74	2,703,563,065.90
Bonds payable due within one year	VI.30	506,774,014.14	813,140,234.65
Lease liabilities due within one year	VI.31	402,225,179.19	151,161,966.51
Total		4,883,529,528.07	3,667,865,267.06

29. Other current liabilities

Item	RMB	
	31/12/2022	31/12/2021
Accrued advertising and media service expenses	1,827,021,110.54	1,177,355,063.06
Accrued after-sales service expenses	1,107,052,302.40	1,102,102,977.25
Accrued transportation expenses	693,259,700.38	667,637,595.43
Accrued expenses for Internet of vehicles	385,812,185.29	466,118,426.39
Accrued technology development expenditure	234,060,682.06	163,012,324.38
Accrued Consulting service expenses	103,525,023.25	84,253,199.62
Accrued utilities fees	50,341,529.45	86,425,517.98
Other	1,154,512,791.69	796,028,682.46
Total	5,555,585,325.06	4,542,933,786.57

30. Bonds payable

(1) Bonds payable

Item	RMB	
	31/12/2022	31/12/2021
Asset backed securities	222,003,877.15	1,074,462,180.99
Asset backed notes	479,316,136.99	—
Convertible bond	3,316,660,000.48	3,214,954,734.68
Less: bonds payable due within one year	506,774,014.14	813,140,234.65
Total	3,511,206,000.48	3,476,276,681.02

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Bonds payable (continued)

(2) Increase and decrease of bonds payable

Bond name	face value	Issue date	Bond		2021.12.31	Issued this year	Accrued interest at par value	Premium amortization and others	Repayment/ conversion of shares this period	Less: bonds payable due within one year	RMB
			term(day)	Issue amount							2022.12.31
21 Oula 1A (Note 1)	100.00	27/01/2021	454	407,000,000.00	53,156,562.22	-	241,837.78	(651,200.00)	(52,747,200.00)	-	-
21 Oula 2A (Note 1)	100.00	13/04/2021	834	930,000,000.00	555,609,618.78	-	11,451,580.37	(14,442,900.00)	(429,753,000.00)	122,865,299.15	-
21 Oula 3A (Note 1)	100.00	21/10/2021	643	462,000,000.00	465,695,999.99	-	9,330,398.01	(12,293,820.00)	(363,594,000.00)	99,138,578.00	-
22 Oula Leasing ABN001 priority (Note2)	100.00	02/12/2022	786	478,000,000.00	-	478,000,000.00	1,316,136.99	-	-	284,770,136.99	194,546,000.00
Great Wall Convertible Bond (Note 3)	100.00	17/06/2021	2190	3,500,000,000.00	3,214,954,734.68	-	10,919,046.46	94,663,219.34	(3,877,000.00)	-	3,316,660,000.48
Total	-	-	-	5,777,000,000.00	4,289,416,915.67	478,000,000.00	33,258,999.61	67,275,299.34	(849,971,200.00)	506,774,014.14	3,511,206,000.48

Note 1: Tianjin Oula, a subsidiary of the Company, issued RMB407 million of fixed rate priority asset-backed securities as the initiator on 27 January 2021. The Group holds all subordinated asset-backed securities, and the priority asset-backed securities have been repaid in April 2022; Tianjin Oula issued RMB930 million of fixed rate priority asset-backed securities as the initiator on 13 April 2021. The Group holds all subordinated asset-backed securities, and the priority asset-backed securities will be repaid in July 2023; Tianjin Oula issued RMB462 million of fixed rate priority asset-backed securities as the initiator on 21 October 2021. The Group holds all subordinated asset-backed securities, and the priority asset-backed securities will be repaid in July 2023. The Group has not derecognised financial assets related to assets securitization and accounts the financing from the issuance of priority asset-backed securities as bonds payable.

Note 2: Tianjin Oula issued RMB478 million of fixed rate priority asset-backed notes as the initiator on 2 December 2022. The Group holds all subordinated asset-backed notes, and the priority asset-backed notes will be repaid in January 2025. The Group has not derecognised financial assets related to assets securitization and accounts the financing from the issuance of priority asset-backed notes as bonds payable.

Note 3: With the approval of Zhengjianxuke [2021] No. 1353, the Company issued A-share convertible corporate bonds (Great Wall Convertible Bond) with a face value of RMB100 and a total face value of RMB3.500 billion in June 2021, with a term of 6 years. The annual coupon rate of convertible corporate bonds is 0.2% in the first year, 0.4% in the second year, 0.6% in the third year, 0.8% in the fourth year, 1.5% in the fifth year and 2.0% in the sixth year. The interest shall be paid once a year, the principal and the interest of the last year shall be paid in the due date. The shares converted period of Great Wall Convertible Bond is from the first trading day after six months from the end of issued date (17 June 2021) to the maturity date, that is, 17 December 2021 to June 9, 2027. On the issue date, the liability component of convertible corporate bonds is initially recognized at fair value, and the part where the issue price exceeds the initially recognized liability component is recognized as equity component.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. Lease liabilities

Item	RMB	
	31/12/2022	31/12/2021
Lease liabilities	1,380,933,595.85	627,067,378.86
Sub-total	1,380,933,595.85	627,067,378.86
Less: Leased liabilities recognized in non-current liabilities due within one year (<i>Note VI.28</i>)	402,225,179.19	151,161,966.51
Total	978,708,416.66	475,905,412.35

32. Deferred income

Item	RMB			
	31/12/2021	Increase	Decrease	31/12/2022
Government grants	4,112,912,347.76	1,301,989,316.96	(1,830,177,938.69)	3,584,723,726.03
Total	4,112,912,347.76	1,301,989,316.96	(1,830,177,938.69)	3,584,723,726.03

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. Deferred income (continued)

Projects related to government grants:

RMB

Type	31/12/2021	Increase in grants for the year	Amount recognized in other income for the year	Other transfer-out	31/12/2022	Related to an asset/ related to income
Government industrial policy supporting fund	2,999,573,978.66	852,659,090.23	(182,915,641.23)	(1,520,340,841.91)	2,148,976,585.75	Related to an asset/ income
Infrastructure supporting fund	591,394,772.05	116,389,928.94	(24,140,175.88)	–	683,644,525.11	Related to an asset
Soft soil foundation subsidy	234,604,907.90	8,160,000.00	(6,167,985.32)	–	236,596,922.58	Related to an asset
New technical center infrastructure construction project	105,794,133.34	2,761,000.00	(15,790,863.06)	(561,000.00)	92,203,270.28	Related to an asset
Urban construction fund	43,452,635.11	13,413,015.10	(2,595,592.56)	–	54,270,057.65	Related to an asset
Energy-saving gasoline direct injection engine project	40,833,333.33	846,000.00	(10,000,000.00)	(846,000.00)	30,833,333.33	Related to an asset
110KV transformer substation project	23,338,221.56	–	(1,176,717.15)	–	22,161,504.41	Related to an asset
New technical center infrastructure construction project	9,975,783.52	–	(7,783,977.00)	–	2,191,806.52	Related to an asset
Renovation and expansion of expert apartment project	9,545,454.55	–	(1,363,636.36)	–	8,181,818.19	Related to an asset
Others	54,399,127.74	307,760,282.69	(10,039,424.65)	(46,456,083.57)	305,663,902.21	Related to an asset/ income
Total	4,112,912,347.76	1,301,989,316.96	(261,974,013.21)	(1,568,203,925.48)	3,584,723,726.03	

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Share capital

RMB

Item	Opening balance	New issue (Note (1))	Changes for the year			Sub-total	Closing balance
			Shares transfer from convertible bond	Others (Note (1))			
Share capital	9,235,713,278.00	35,741,173.00	102,173.00	(507,044,157.00)	(471,200,811.00)	8,764,512,467.00	

Note 1: As stated in Note XII, in accordance with the Group's Equity Incentive Plan, for the year of 2022, the Group granted 7,955,800 restricted shares, issued 27,785,373 shares due to exercise of share options, cancelled 3,410,657 restricted shares repurchased due to expiration, and cancelled 503,633,500 repurchased H shares.

34. Other equity instruments

RMB

Outstanding financial instruments	Opening balance	Increase	Decrease	Closing balance
Equity Instrument portion of Convertible Corporate Bonds (Note VI. 30)	335,951,802.16	-	(372,205.71)	335,579,596.45
Total	335,951,802.16	-	(372,205.71)	335,579,596.45

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. Capital reserve

Item	Opening balance	Increase	Decrease	Closing balance
<i>RMB</i>				
2022:				
Capital premiums (<i>Note 1</i>)	2,467,152,413.48	749,479,447.94	(3,212,782,158.45)	3,849,702.97
Other capital reserves (<i>Note 2</i>)	2,404,756,860.15	1,438,193,200.90	(1,720,477,190.30)	2,122,472,870.75
Total	4,871,909,273.63	2,187,672,648.84	(4,933,259,348.75)	2,126,322,573.72
2021:				
Capital premiums	1,636,313,880.89	845,922,395.89	(15,083,863.30)	2,467,152,413.48
Other capital reserves	148,636,354.36	2,359,790,288.09	(103,669,782.30)	2,404,756,860.15
Total	1,784,950,235.25	3,205,712,683.98	(118,753,645.60)	4,871,909,273.63

Note 1: The increase in capital premiums for the year was due to the Groups granting of restricted shares to the incentive targets, the exercising of share option and unlocking of restricted shares of the incentive targets, amounting to RMB745,534,876.26; and the conversion of part of "Great Wall Convertible Bonds" into the Company's shares, amounting to RMB3,944,571.68.

The decrease in capital premiums was due to the repurchase cancellation of lapsed restricted shares and cancellation of repurchased shares, amounting to RMB49,807,145.76 and RMB3,162,975,012.69 respectively.

Note 2: The increase in other capital reserves for the year was due to the share-based payments recognized based on the number of exercisable equity instruments, amounting to RMB1,438,193,200.90.

The decrease in other capital reserves was due to the unlocking of restricted shares and exercising of share option of the incentive targets, amounting to RMB461,441,259.73, the cancellation of repurchased shares, amounting to RMB1,139,927,956.44, and the effect of income tax related to the equity incentive plan recognized in owners' equity, amounting to RMB119,107,974.13.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. Treasury shares

Item	Opening balance	Increase	Decrease	Closing balance
Treasury shares related to restricted shares repurchase obligations	642,035,492.50	100,720,428.00	(284,986,028.35)	457,769,892.15
Repurchased shares	–	6,808,732,562.54	(4,806,536,469.13)	2,002,196,093.41
Total	642,035,492.50	6,909,452,990.54	(5,091,522,497.48)	2,459,965,985.56

Note: The increase in treasury shares related to restricted shares repurchase obligations for the year was due to the Group's granting of restricted shares to incentive targets. The decrease was due to the Group's distribution of cash dividends to the holders of restricted shares, the repurchase cancellation of lapsed restricted shares, and the unlocking of restricted shares, as detailed in Note XII.

The increase in repurchased shares for the year was due to the repurchase of A shares and H shares issued by the Company, and the decrease was due to the cancellation of part of repurchased H shares.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Surplus reserve

RMB

Item	Opening balance	Increase	Decrease	Closing balance
2022:				
Statutory surplus reserve	6,317,883,154.33	327,763,761.72	(14,346.81)	6,645,632,569.24
Discretionary surplus reserve	2,855,650.48	–	–	2,855,650.48
Reserve fund	104,928,700.30	12,622,917.13	–	117,551,617.43
Tax reduction for social welfare enterprises	251,838,024.75	–	–	251,838,024.75
Total	6,677,505,529.86	340,386,678.85	(14,346.81)	7,017,877,861.90
2021:				
Statutory surplus reserve	5,827,477,920.88	490,405,233.45	–	6,317,883,154.33
Discretionary surplus reserve	2,855,650.48	–	–	2,855,650.48
Reserve fund	93,354,946.63	11,573,753.67	–	104,928,700.30
Tax reduction for social welfare enterprises	251,838,024.75	–	–	251,838,024.75
Total	6,175,526,542.74	501,978,987.12	–	6,677,505,529.86

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Undistributed profits

Item	Amount	RMB Proportion of appropriation or allocation
2022:		
Undistributed profits at the beginning of the year	41,892,707,709.74	
Add: Net profit attributable to the shareholders of the parent company for the year	8,266,041,808.18	
Other transfers-in	14,346.81	
Less: Appropriation of statutory surplus reserve	327,763,761.72	(1)
Appropriation of reserve fund	12,622,917.13	(2)
Distribution of cash dividends	641,564,045.06	(3)
Undistributed profits at the end of the year	49,176,813,140.82	
2021:		
Undistributed profit at the beginning of the year	41,017,435,714.96	
Add: Net profit attributable to the shareholders of the parent company	6,726,093,883.72	
Less: Appropriation of statutory surplus reserve	490,405,233.45	(1)
Appropriation of reserve fund	11,573,753.67	(2)
Distribution of cash dividends	5,338,067,139.10	(3)
Consideration for combination involving enterprises under under common control	(8,684,412.37)	
Others	(2,091,350.35)	
Undistributed profits at the end of the year	41,892,707,709.74	

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Undistributed profits (continued)

(1) Appropriation of statutory surplus reserve

According to the Articles of Association, the Company is required to transfer 10% of its net profit to the statutory surplus reserve. The transfer can be ceased if the balance of the statutory surplus reserve has reached 50% of the Company's registered capital. Under the Articles of Associations and relevant company regulations, some statutory surplus reserve can be transferred into share capital of the Company, while the remaining statutory surplus reserve shall be no less than 25% of the registered capital.

(2) Appropriation of enterprise expansion fund, reserve fund and employee incentives and welfare fund

Certain subsidiaries of the Company are Sino-foreign equity joint ventures. Pursuant to the law of the People's Republic of China on Sino-foreign Equity Joint Ventures and relevant provisions of the Articles of Association of relevant companies, such subsidiaries shall appropriate enterprise expansion fund, reserve fund and staff incentive bonus and welfare fund based on the net profits calculated under the ASBEs and relevant requirements in 2022. The ratio of appropriation shall be determined by the Board of Directors the Articles of Association.

(3) Cash dividends approved by the shareholders' meeting in this year

On 25 April 2022, the 2021 Annual Shareholders' Meeting of the Company considered and approved the Proposal on the Profit Distribution Plan for 2021. Cash dividend of RMB0.07 (tax included) per share shall be distributed to all shareholders based on the total shares on the equity registration date of the Company's profit distribution. The total number of shares on the registration date of 19 May 2022 is 9,251,550,308, and the total cash dividend is RMB647,608,521.56.

In the year, the Group's cash dividends included in profit distribution have excluded the impact of cash dividends distributed to holders of restricted shares that cannot be unlocked in the future and the dividends from repurchase of shares.

(4) Dividend distribution under resolution subsequent to the balance sheet date

In accordance with the proposal of the Board of Directors, the Company intends to distribute cash dividend of RMB0.3 (tax included) per share to all shareholders for the year ended 31 December 2022 based on the total shares on the equity registration date of the Company's profit distribution less the total number of shares in the Company's special securities account for repurchase. Such dividend distribution plan is pending to be approved by the shareholders' meeting.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	2022		2021	
	Income	Costs	Income	Costs
Principal operating activities	134,722,958,416.18	108,711,321,141.10	133,438,225,699.53	111,918,172,275.67
Other operating activities	2,617,026,771.58	2,028,012,282.22	2,966,437,339.14	2,449,300,552.22
Total	137,339,985,187.76	110,739,333,423.32	136,404,663,038.67	114,367,472,827.89

(2) Revenue arising from contracts

Category of contract	2022		2021	
	Income	Costs	Income	Costs
Revenue from the sales of automobiles	121,890,861,864.98		121,307,150,931.83	
Revenue from the sales of automotive parts and components	8,008,171,091.35		6,872,136,581.69	
Revenue from rendering of services	2,565,429,987.37		3,061,219,150.31	
Revenue from the sales of moulds and others	2,258,495,472.48		2,197,719,035.70	
Other operating revenue	2,532,659,548.53		2,852,726,673.03	
Subtotal of revenue from contracts with customers	137,255,617,964.71		136,290,952,372.56	
Rental revenue	84,367,223.05		113,710,666.11	
Total	137,339,985,187.76		136,404,663,038.67	

(3) Description of allocation to remaining performance obligations

At the end of the reporting period, the revenue corresponding to the performance obligations for which a contract has been signed but has not yet been performed or has not been performed completely amounted to RMB9,402,148,469.31 which is expected to be recognized in 2023.

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Taxes and levies

Item	RMB	
	2022	2021
Consumption tax	3,800,674,722.86	3,073,449,449.75
City maintenances and construction tax	506,730,505.81	430,013,551.95
Educational surcharges	363,604,642.94	308,891,049.74
Stamp duty	223,030,469.09	206,087,385.31
Real estate tax	148,761,893.76	140,447,304.01
Land use tax	69,696,400.50	66,571,269.50
Others	8,166,517.47	8,656,010.35
Total	5,120,665,152.43	4,234,116,020.61

41. Selling expenses

Item	RMB	
	2022	2021
Advertising and media services expenses	3,047,648,806.90	2,505,229,482.43
Wages and salaries	1,056,565,431.51	698,191,981.76
After-sale services expenses	825,579,713.46	853,888,569.75
Consulting service expenses	188,684,634.21	97,770,425.76
Port charges	117,210,023.59	57,869,786.42
Share-based payments	74,577,451.60	103,482,494.19
Travelling expenses	59,652,918.09	44,347,025.68
Others	506,241,784.21	831,396,108.73
Total	5,876,160,763.57	5,192,175,874.72

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. Administrative expenses

Item	RMB	
	2022	2021
Wages and salaries	2,730,568,295.78	2,069,406,982.78
Repair and maintenance expenses	432,336,173.13	394,923,158.25
Depreciation and amortization	380,647,892.50	269,729,194.10
Share-based payments	365,136,811.54	420,636,744.36
Consulting service expenses	329,699,278.52	288,611,468.29
Office expenses	287,307,383.46	248,079,003.62
Business reception expenses	17,391,031.47	19,436,676.72
Auditors' remuneration	5,255,911.98	4,360,947.32
Others	345,110,060.11	327,885,188.00
Total	4,893,452,838.49	4,043,069,363.44

43. Research and development expenses

Item	RMB	
	2022	2021
Wages and salaries	2,464,510,618.09	1,474,657,728.82
Depreciation and amortization	2,183,290,860.82	1,494,757,576.30
Material test and detection expenses	589,684,360.23	523,989,061.88
Design and development expenses	304,280,038.95	106,490,034.73
Share-based payments	259,328,789.18	365,616,940.46
Consulting service expenses	210,925,353.10	243,625,531.38
Office expenses	150,085,281.62	120,626,157.77
Others	283,057,712.78	159,802,197.28
Total	6,445,163,014.77	4,489,565,228.62

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

44. Financial expenses

Item	RMB	
	2022	2021
Interest expenses	716,283,675.83	471,553,850.85
Including: Interest expenses on lease liabilities	51,173,498.45	29,823,744.75
Interest income	(1,190,819,994.46)	(785,029,211.33)
Exchange gains	(2,026,511,519.03)	(147,085,707.40)
Others	13,241,699.14	12,253,549.92
Total	(2,487,806,138.52)	(448,307,517.96)

45. Other income

Item	RMB	
	2022	2021
Government grants	836,828,332.25	1,030,213,935.51
Individual income tax rebate	9,285,240.59	8,686,292.24
Weighted deduction of input tax	4,245,531.71	8,432,123.42
Total	850,359,104.55	1,047,332,351.17

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. Other income (continued)

Government grants recognized in other income:

Item			<i>RMB</i>
	2022	2021	Related to an asset/ Related to income
Automobile retirement subsidies	396,239,736.76	387,179,478.88	Related to income
Subsidies for job stabilization	46,536,137.69	1,321,474.89	Related to income
Immediate refund of VAT of welfare enterprises	39,889,860.72	44,458,381.44	Related to income
Industrial support subsidies	24,659,000.00	–	Related to income
Foreign trade economic development subsidies	16,961,973.15	–	Related to income
Export subsidies	10,441,122.68	–	Related to income
Special funds for industrial informatization	4,317,700.00	6,653,200.00	Related to income
Employment subsidies	3,616,981.55	–	Related to income
Subsidies for national high-skilled talent training base	3,303,269.30	5,837,461.00	Related to income
Special funds for technological upgrading	1,030,704.00	9,675,600.00	Related to income
Special support funds for electronic and electrical system research and development projects	–	25,000,000.00	Related to income
Special funds for projects to upgrade emerging industries and intelligent technologies	–	5,421,990.00	Related to income
New energy vehicle subsidies	–	1,637,712.85	Related to income
Others	27,857,833.19	32,230,312.59	Related to income
Amortization of deferred income	261,974,013.21	510,798,323.86	Related to an asset/ income
Total	836,828,332.25	1,030,213,935.51	

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

46. Investment income

Breakdown:

Item	RMB	
	2022	2021
Income from long-term equity investments under equity method	720,976,292.12	1,016,547,758.13
Investment gains from the disposal of trading financial assets	137,503,692.68	207,510,228.30
Losses on derecognition of discounted notes	(198,196,003.72)	(121,514,157.79)
Net income from disposal of long-term equity investments	10,449,693.66	–
Investment gains(losses) from the disposal of derivative financial instruments	(2,736,234.96)	4,909,135.14
Dividend income from holding other equity instrument investments	3,240,134.00	1,656,000.00
Total	671,237,573.78	1,109,108,963.78

There are no significant restrictions on remittance of investment income of the Group.

The Group has no gains on investments from listed companies.

47. Gains from changes in fair values

Source of gains (losses) from changes in fair values	RMB	
	2022	2021
Held-for-trading financial assets		
Including: Equity instruments	80,817,800.00	297,323,161.62
Wealth management products	(8,757,147.34)	(437,805.52)
Derivative financial assets/liabilities	(21,804,823.49)	2,364,549.91
Other non-current financial assets	81,651.13	7,190,968.32
Total	50,337,480.30	306,440,874.33

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

48. Losses on credit impairment

Item	2022	RMB 2021
Accounts receivable	128,423.26	(61,311,464.70)
Other receivables	(321,324.53)	(9,640,575.74)
Long-term receivables (including those due within 1 year)	(25,595,700.77)	(51,448,044.79)
Total	(25,788,602.04)	(122,400,085.23)

49. Impairment losses on assets

Item	2022	RMB 2021
I. Losses on decline in value of inventories	(255,431,101.30)	(357,369,847.48)
II. Impairment losses of fixed assets	(81,003,157.15)	(112,696,154.36)
II. Impairment losses of construction in progress	(584,903.32)	(530,116.37)
Total	(337,019,161.77)	(470,596,118.21)

50. Gains (losses) from disposal of assets

Item	2022	RMB 2021
Gains (losses) from disposal of asset	4,858,556.38	(27,689,757.55)
Including: Losses on disposals of fixed assets	(42,573,558.21)	(30,227,943.13)
Gains on disposals of construction in progress	207,358.54	37,377.30
Gains on disposals of intangible assets	43,071,940.94	1,041,484.98
Gains on disposals of right-of-use assets	4,152,815.11	1,459,323.30

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. Non-operating income

(1) Breakdown of non-operating income is as follows:

Item			RMB
	2022	2021	Amount included in non-recurring gains and losses for the year
Government grants	749,870,059.73	1,020,219,459.94	749,870,059.73
Gains from compensation	61,535,830.49	74,248,903.27	61,535,830.49
Unpayable amounts	6,097,026.95	5,785,973.23	6,097,026.95
Others	68,444,321.45	60,540,870.84	68,444,321.45
Total	885,947,238.62	1,160,795,207.28	885,947,238.62

(2) Government grants recognized in non-operating income:

Item			RMB
	2022	2021	Related to an asset/ Related to income
Industrial development funds	621,284,092.36	528,870,261.41	Related to income
Subsidies income	29,422,275.43	13,236,792.00	Related to income
Financial subsidy funds	20,785,949.82	457,286,287.30	Related to income
Others	78,377,742.12	20,826,119.23	Related to income
Total	749,870,059.73	1,020,219,459.94	

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

52. Non-operating expenses

Item	<i>RMB</i>		
	2022	2021	Amount included in non-recurring gains and losses for the year
Expenditures for donations	3,513,877.49	30,658,342.74	3,513,877.49
Expenses for compensations and fines	3,118,760.95	3,898,655.06	3,118,760.95
Others	39,763,665.84	12,903,391.89	39,763,665.84
Total	46,396,304.28	47,460,389.69	46,396,304.28

53. Income tax expenses

Item	<i>RMB</i>	
	2022	2021
Current tax expenses	1,281,879,797.18	1,698,251,008.67
Deferred tax expenses	(728,135,387.49)	(941,163,239.39)
Total	553,744,409.69	757,087,769.28

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

53. Income tax expenses (continued)

Reconciliation of income tax expenses to the accounting profit is as follows:

Item	2022	RMB 2021
Total profit	8,806,552,019.24	7,482,102,287.23
Income tax rate	25%	25%
Income tax expenses calculated at 25%	2,201,638,004.81	1,870,525,571.81
Changes in opening balances of deferred tax assets/ liabilities due to the change in tax rate	38,796,249.60	37,920,177.16
Effects arising from some companies subject to concessionary rates	(64,910,968.08)	(386,305,521.84)
Effect of additional deduction for research and development expenses	(619,717,581.81)	(660,999,362.54)
Fixed assets additional deduction of new high-tech enterprises	(731,307,155.20)	–
Deduction of equity incentive	200,884,374.21	–
Tax effect of non-taxable income	(414,462,238.11)	(296,815,333.82)
Additional deduction for the wages of disabled staff	(8,833,403.41)	(10,675,522.94)
Tax effect of non-deductible expenses	187,141,111.23	41,672,229.16
The impact of deductible losses on deferred income tax assets not recognized in the prior year	(460,185,636.77)	(157,718,842.28)
The impact of deductible losses on deferred tax assets was not recognized in the year	224,701,653.22	319,484,374.57
Total	553,744,409.69	757,087,769.28

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

54. Net profit

Net profit of the Group has been arrived at after charging (crediting):

Item	Note	2022	RMB 2021
Depreciation for fixed assets		3,978,758,326.03	3,908,862,837.23
Depreciation and amortization for investment properties	VI.13	21,145,259.14	19,234,197.45
Amortization of intangible assets		2,114,390,498.03	1,384,071,952.37
Depreciation for right-of-use assets	VI.16	426,988,478.45	216,158,856.80
Total amount of depreciation and amortization		6,541,282,561.65	5,528,327,843.85
(Gains) losses from disposal of assets	VI.50	(4,858,556.38)	27,689,757.55
Rental income from investment properties		(41,545,282.52)	(58,037,611.56)
Employee benefits expense		13,570,089,224.02	10,656,808,129.56
Research and development expenses		6,445,163,014.77	4,489,565,228.62
Losses on decline in value of inventories	VI.7	255,431,101.30	357,369,847.48

55. Calculation of basic and diluted earnings per share

(1) Calculation of basic earnings per share

The basic earnings per share is calculated based on the current net profit attributable to ordinary shareholders of the Company, deducting the cash dividends distributed to holders of restricted shares that are expected to be unlocked in the future, divided by the weighted average number of outstanding ordinary shares (excluding restricted shares and uncanceled repurchase shares).

Item	2022	2021
Basic earnings per share (RMB/share)	0.91	0.73

(2) Calculation of diluted earnings per share

Diluted earnings per share is calculated by dividing the adjusted current net profit attributable to the owners of the parent company by the adjusted weighted average number of outstanding ordinary shares in the current period under the assumption that all dilutive potential ordinary shares have been converted.

Item	2022	2021
Diluted earnings per share (RMB/share)	0.91	0.73

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. Other comprehensive income

RMB

Item	31/12/2021	Amount recognized in the current period					31/12/2022
		Amount incurred for current period before tax	Less: Amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Income tax expenses	Attributable to owners of the parent company after tax	Attributable to minority interests after tax	
Other comprehensive income that will not be reclassified to profit or loss							
Including: Changes in recalculation the net liabilities of the benefit plan	(5,496,728.08)	-	-	-	-	-	(5,496,728.08)
Changes in the fair value of investments in other equity instruments	389,322,082.50	302,271,852.81	-	(75,567,963.20)	226,703,889.61	-	616,025,972.11
Other comprehensive income that will be reclassified to profit or loss							
Including: Changes in fair value of financial assets classified as at FVTOCI	(176,216,411.39)	115,231,460.63	-	(17,284,719.09)	97,946,741.54	-	(78,269,669.85)
Translation difference of financial statements denominated in foreign currency	(454,978,905.31)	157,163,176.08	-	-	157,163,176.08	-	(297,815,729.23)
Total other comprehensive income	(247,369,962.28)	574,666,489.52	-	(92,852,682.29)	481,813,807.23	-	234,443,844.95

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Notes to the items in the cash flow statement

(1) Other cash receipts relating to operating activities

Item	RMB	
	2022	2021
Government grants	2,571,214,055.99	4,319,682,822.89
Interest income	804,288,633.24	437,663,080.08
Finance leases	740,717,666.36	-
Reparations (penalty) income	61,535,830.49	74,369,783.06
Others	413,093,222.68	69,015,965.62
Total	4,590,849,408.76	4,900,731,651.65

(2) Other cash payments relating to operating activities

Item	RMB	
	2022	2021
Advertising and media services fee	2,615,503,569.95	2,188,513,553.48
Capacity deposit paid	2,143,700,000.00	-
Transportation costs and port charges	1,731,135,189.48	939,767,502.04
Technology development expenditures	1,557,775,633.76	1,394,889,182.94
After-sale services expenses and repair costs	835,364,427.14	1,079,869,896.03
Consultation fees	577,536,924.55	614,146,755.76
Business reception fees and office expenses	388,900,630.45	254,366,724.69
Financial service fee	259,924,372.10	397,100,138.62
Travelling expenses	98,644,899.09	44,060,970.84
Finance leases	-	308,279,882.30
Others	175,042,110.77	143,708,139.13
Total	10,383,527,757.29	7,364,702,745.83

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Notes to the items in the cash flow statement (continued)

(3) Other cash receipts relating to investing activities

Item	RMB	
	2022	2021
Collection of performance bond associated with the purchase of land	100,000,000.00	85,030,000.00
Collection of current amounts	–	259,648,333.33
Total	100,000,000.00	344,678,333.33

(4) Other cash payments relating to investing activities

Item	RMB	
	2022	2021
Others	3,356,934.96	–
Total	3,356,934.96	–

(5) Other cash payments relating to financing activities

Item	RMB	
	2022	2021
Repurchase of shares and expired restrict shares	6,860,530,922.01	8,193,642.70
Increase in restricted bank deposits	3,735,104,173.80	4,142,733,393.21
Decrease in lease liabilities	593,992,619.03	289,322,501.58
Costs incurred for business combinations involving enterprises under common control	–	16,291,158.67
Fees for issuing convertible bonds	–	12,749,000.00
Total	11,189,627,714.84	4,469,289,696.16

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

58. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	2022	2021
<i>RMB</i>		
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	8,252,807,609.55	6,725,014,517.95
Add: Provision for impairment of assets	337,019,161.77	470,596,118.21
Impairment losses on credit	25,788,602.04	122,400,085.23
Depreciation of fixed assets	3,978,758,326.03	3,908,862,837.23
Depreciation of right-of-use assets	426,988,478.45	216,158,856.80
Amortization of intangible assets	2,114,390,498.03	1,384,071,952.37
Amortization of long-term prepaid expenses	68,060,706.23	65,202,909.15
Depreciation and amortization of investment properties	21,145,259.14	19,234,197.45
Losses on changes in fair values	(50,337,480.30)	(306,440,874.33)
Gains from disposal of assets	(4,858,556.38)	27,689,757.55
Amortization of deferred income	(261,974,013.21)	(510,798,323.86)
Financial expenses	46,378,419.52	148,741,665.70
Investment losses (Less: gains)	(869,433,577.50)	(1,230,623,121.57)
Decrease in deferred tax assets (Less: increase)	(577,994,925.92)	(1,207,628,010.35)
Increase in deferred tax liabilities (Less: decrease)	(150,140,461.57)	266,464,770.96
Decrease in inventories (Less: increase)	(8,842,257,620.03)	(7,043,251,680.86)
Decrease in operating receivables (Less: increase)	9,305,894,961.56	15,290,235,601.65
Increase in operating payables (Less: decrease)	(2,372,768,687.54)	15,906,643,189.46
Others	863,787,819.57	1,063,098,797.39
Net cash flows from operating activities	12,311,254,519.44	35,315,673,246.13
2. Significant investing and financing activities which do not involve cash receipts and payments:		
Leased fixed assets recognized as right-of-use assets	1,338,035,685.51	229,129,896.37
3. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	26,898,656,878.98	27,907,854,151.86
Less: Opening balance of cash and cash equivalents	27,907,854,151.86	13,591,491,005.23
Net (Decrease) Increase in Cash and Cash Equivalents	(1,009,197,272.88)	14,316,363,146.63

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

58. Supplementary information to the cash flow statement (continued)

(2) Net cash receipt from disposal of subsidiaries for the current year

Item	2022	RMB 2021
Cash or cash equivalents received in current year for disposal of subsidiaries	43,802,200.00	—
Including: Great Wall Motor Austria Research & Development Co., Ltd. (長城汽車奧地利研發有限公司) ("Austria Research & Development")	13,777,200.00	—
Wenzhou Olong Zhixing Automobile Sales and Service Co., LTD. (溫州市歐龍智行汽車銷售服務有限公司) ("Wenzhou Zhixing")	3,600,000.00	—
Nantong Zhixing Dayang Automobile Sales and Service Co., LTD. (南通智行大洋汽車銷售服務有限公司) ("Nantong Zhixing")	3,300,000.00	—
Jinhua Zhixing Yuanji Auto Sales and Service Co., LTD. (金華智行元基汽車銷售服務有限公司) ("Jinhua Zhixing")	3,300,000.00	—
Hangzhou Zhixing Kangqiao Auto Sales and Service Co., LTD. (杭州智行康橋汽車銷售服務有限公司) ("Hangzhou Zhixing Kangqiao")	4,500,000.00	—
Wenzhou Zhixing Yuanteng Auto Sales and Service Co., LTD. (溫州智行元騰汽車銷售服務有限公司) ("Wenzhou Zhixing Yuanteng")	3,900,000.00	—
Hangzhou Zhixing Yuanji Automobile Sales and Service Co., LTD. (杭州智行元基汽車銷售服務有限公司) ("Hangzhou Zhixing Yuanji")	4,500,000.00	—
Beijing Zhixing Aojia Auto Sales and Service Co., LTD. (北京智行奧嘉汽車銷售服務有限公司) ("Beijing Zhixing Aojia")	1,000,000.00	—

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

58. Supplementary information to the cash flow statement (continued)

(2) Net cash receipt from disposal of subsidiaries for the current year (continued)

Item	2022	2021
Shenyang Tank Zhixing Gangheng Auto Sales and Service Co., LTD. (瀋陽坦克智行罡正汽車銷售服務有限公司) (“Shenyang Tank Zhixing Gang Zheng”)	-	-
Linyi Tank Zhixing Yida Auto Sales Service Co., LTD. (臨沂市坦克智行易達汽車銷售服務有限公司) (“Linyi Tank Zhixing”)	3,000,000.00	-
Shanghai Zhixing Lianlong Auto Sales and Service Co., LTD. (上海智行聯隆汽車銷售服務有限公司) (“Shanghai Zhixing Lianlong”)	-	-
Shaoxing Zhixing Kangda Auto Sales and Service Co., LTD. (紹興市智行康達汽車銷售服務有限公司) (“Shaoxing Zhixing Kangda”)	2,925,000.00	-
Less: Cash and cash equivalents held by subsidiaries at the date of losing control	18,734,613.70	-
Including: Austria Research & Development	47,660.42	-
Wenzhou Zhixing	2,693,012.94	-
Nantong Zhixing	370,245.42	-
Jinhua Zhixing	170,649.16	-
Hangzhou Zhixing Kangqiao	2,833,132.19	-
Wenzhou Zhixing Yuanteng	1,482,111.55	-
Hangzhou Zhixing Yuanji	3,461,361.37	-
Beijing Zhixing Aojia	640,582.37	-
Shenyang Tank Zhixing Gang Zheng	1,773,992.02	-
Linyi Tank Zhixing	555,446.67	-
Shanghai Zhixing Lianlong	1,937,676.09	-
Shaoxing Zhixing Kangda	2,768,743.50	-
Net cash receipts from disposal of subsidiaries	25,067,586.30	-

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

58. Supplementary information to the cash flow statement (continued)

(3) Components of cash and cash equivalents

Item	<i>RMB</i>	
	31/12/2022	31/12/2021
I. Cash	26,898,656,878.98	27,907,854,151.86
Including: Cash on hand	295,012.45	1,144,796.85
Bank deposits ready to be withdrawn on demand	26,898,361,866.53	27,906,709,355.01
II. Closing balance of cash and cash equivalents	26,898,656,878.98	27,907,854,151.86

59. Assets with limited ownership or use right

Item	<i>RMB</i>	
	Carrying amount at the end of the period	Reasons for the restrictions
Cash and bank balances	8,874,810,951.30	Security and margin deposits for bank acceptances, L/C, letter of guarantee deposits and others
Notes receivable	1,478,153,734.99	Used for issuance of notes payable and borrowing
Financing of receivables	16,921,215,489.61	Used for issuance of notes payable and borrowing
Long-term receivables	1,328,226,119.05	Used for borrowings and asset-backed securities
Total	28,602,406,294.95	

Notes to the Financial Statements

For the year ended 31 December 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

60. Monetary items denominated in foreign currencies

Item	Closing balance of foreign currencies	Exchange rate	<i>RMB</i> Closing balance of RMB
Cash and bank balances			
Including: RMB	1,131,244,964.68	1.0000	1,131,244,964.68
AUD	117,604,094.91	4.7138	554,362,182.61
USD	42,081,073.27	6.9646	293,077,842.92
HKD	157,193,230.11	0.8933	140,420,712.46
EUR	12,136,248.27	7.4229	90,086,157.26
JPY	113,090,256.30	0.0524	5,925,929.43
NZD	937,712.73	4.4162	4,141,126.94
GBP	4,246.60	8.3941	35,646.39
SGD	311.00	5.1831	1,611.94
RUB	572.51	0.0942	53.93
KRW	7,136.36	0.0055	39.25
THB	130.69	0.2014	26.32
Accounts receivable			
Including: USD	104,193,304.31	6.9646	725,664,687.20
RMB	6,999.09	1.0000	6,999.09
Other receivable			
Including: EUR	18,580,000.00	7.4229	137,917,482.00
GBP	20,152.00	8.3941	169,157.90
RMB	12,487.01	1.0000	12,487.01
Accounts payable			
Including: USD	5,802,740.19	6.9646	40,413,764.35
RMB	14,214,877.69	1.0000	14,214,877.69
JPY	268,097,633.59	0.0524	14,048,316.00
EUR	164,127.38	7.4229	1,218,301.12
CHF	600.01	7.5432	4,525.98
Other payables			
Including: JPY	251,668,119.47	0.0524	13,187,409.46
EUR	6,319,949.62	7.4229	46,912,354.04
USD	567,115.99	6.9646	3,949,736.03
RMB	6,531,834.13	1.0000	6,531,834.13
EUR	7,059.90	8.3941	59,261.51

Notes to the Financial Statements

For the year ended 31 December 2022

VII. CHANGES IN CONSOLIDATION SCOPE

1. Disposal of subsidiaries

Single disposal of investments in subsidiaries, i.e. the loss of control

Name of subsidiary	Equity disposal consideration	Equity disposal proportion (%)	Equity disposal approach	Time point of losing control	Determination basis for time point of losing control	<i>RMB</i>
						Difference amount of disposal consideration and shares of corresponding net assets of the subsidiary at consolidated level
Austria Research & Development	13,777,200.00	100.00	Sold in cash	July 2022	Note 1	1,904,509.39
Wenzhou Zhixing	3,600,000.00	100.00	Sold in cash	November 2022	Note 1	1,815,698.00
Nantong Zhixing	3,300,000.00	30.00	Sold in cash	November 2022	Note 1	426,239.74
Jinhua Zhixing	3,300,000.00	100.00	Sold in cash	November 2022	Note 1	827,565.23
Hangzhou Zhixing Kangqiao	4,500,000.00	100.00	Sold in cash	November 2022	Note 1	381,856.40
Wenzhou Zhixing Yuanteng	3,900,000.00	100.00	Sold in cash	November 2022	Note 1	626,259.12
Hangzhou Zhixing Yuanji	4,500,000.00	100.00	Sold in cash	November 2022	Note 1	1,631,324.59
Beijing Zhixing Aoja	1,000,000.00	100.00	Sold in cash	November 2022	Note 1	1,498,494.79
Shenyang Tank Zhixing Gang Zheng	–	30.00	Sold in cash	November 2022	Note 1	(19,302.84)
Linyi Tank Zhixing	3,000,000.00	30.00	Sold in cash	November 2022	Note 1	459,333.08
Shanghai Zhixing Lianlong	–	30.00	Sold in cash	November 2022	Note 1	406,429.10
Shaoxing Zhixing Kangda	2,925,000.00	30.00	Sold in cash	November 2022	Note 1	430,592.57

Note 1: The time point of losing control is the time point at which the Company loses the ability to determine the financial and operational policies of the investee.

Notes to the Financial Statements

For the year ended 31 December 2022

VII. CHANGES IN CONSOLIDATION SCOPE (continued)

2. Changes in consolidation scope for other reasons

Newly established subsidiaries during the current year:

Name	Date of establishment
Great Wall Zhixing (Chongqing) Technology Co., LTD. (長城智行(重慶)科技有限公司) (“Great Wall Wisdom (Chongqing)”)	January 2022
Weipai Zhixing (Chongqing) Technology Co., LTD. (魏牌智行(重慶)科技有限公司) (“Weipai Zhixing (Chongqing)”)	January 2022
Shenzhen Ange Intelligent Control Technology Co., LTD. (深圳市安格智控科技有限公司) (“Ange Intelligent Control”)	January 2022
Shanghai Jiayu Intelligent Technology Co., LTD. (上海嘉峪智慧科技有限公司) (“Shanghai Jiayu”)	January 2022
Salon Mecha (Hangzhou) Automobile Sales Co., LTD. (沙龍機甲(杭州)汽車銷售有限公司) (“Salon Mecha (Hangzhou)”)	January 2022
Salon Mecha (Guangzhou) Automobile Sales Co., LTD. (沙龍機甲(廣州)汽車銷售有限公司) (“Salon Mecha (Guangzhou)”)	January 2022
Mande Automotive Parts (Pizhou) Co., LTD. (曼德汽車零部件(邳州)有限公司) (“Mande Automotive Parts (Pizhou)”)	January 2022
Great Wall Auto Malaysia Sales Co., LTD. (長城汽車馬來西亞銷售有限公司) (“Great Wall Malaysia”)	February 2022
Great Wall Auto Bay Co., LTD. (長城汽車海灣有限公司) (“Great Wall Bay”)	February 2022
Honeycomb Transmission Technology Pizhou Co., LTD. (蜂巢傳動科技邳州有限公司) (“Honeycomb Transmission Technology (Pizhou)”)	February 2022
Great Wall Auto Middle East Co., LTD. (長城汽車中東有限公司) (“Great Wall Middle East”)	March 2022
Mande Auto Parts (Leling) Co., LTD. (曼德汽車零部件(樂陵)有限公司) (“Mande Auto Parts (Leling)”)	March 2022
Jingcheng Engineering Automotive Parts (Pizhou) Co., LTD. (精誠工科汽車零部件(邳州)有限公司) (“Jinggong Parts (Pizhou)”)	March 2022
Wenzhou Zhixing	March 2022
Shenyang Zhixing Xingkailai Automobile Sales and Service Co., LTD. (瀋陽智行興凱來汽車銷售服務有限公司) (“Shenyang Zhixing XingKailai”)	March 2022
Nantong Zhixing	March 2022
Lanzhou Zhixing Jindao Auto Sales and Service Co., LTD. (蘭州智行金島汽車銷售服務有限公司) (“Lanzhou Zhixing”)	March 2022
Jinhua Zhixing	March 2022
Jinan Tank Zhixing Shuncheng Auto Sales and Service Co., LTD. (濟南坦克智行順馳汽車銷售服務有限公司) (“Jinan Tank Zhixing”)	March 2022
Chengdu Zhixing Sanhe Auto Sales and Service Co., LTD. (成都智行三和汽車銷售服務有限公司) (“Chengdu Zhixing”)	March 2022
Jingcheng Engineering Automotive Systems (Europe) Co., LTD. (精誠工科汽車系統(歐洲)有限公司) (“Jinggong Systems (Europe)”)	April 2022

Notes to the Financial Statements

For the year ended 31 December 2022

VII. CHANGES IN CONSOLIDATION SCOPE (continued)

2. Changes in consolidation scope for other reasons (continued)

Newly established subsidiaries during the current year: (continued)

Name	Date of establishment
Jingcheng Engineering Auto Parts (Changchun) Co., LTD. (精誠工科汽車零部件(長春)有限公司) (“Jingong Parts (Changchun)”)	April 2022
Shijiazhuang Zhixiang Xiangyu Auto Sales and Service Co., LTD. (石家莊智享翔裕汽車銷售服務有限公司) (“Shijiazhuang Zhixiang”)	April 2022
Qingdao Zhixing Shuncheng Automobile Sales and Service Co., LTD. (青島智行順騰汽車銷售服務有限公司) (“Qingdao Zhixing Shuncheng”)	April 2022
Hangzhou Zhixing Kangqiao	April 2022
Haikou Zhixing Aochuang Auto Sales and Service Co., LTD. (海口市智行奧創汽車銷售服務有限公司) (“Haikou Zhixing Aochuang”)	April 2022
Chongqing Zhixing Xintian Auto Sales and Service Co., LTD. (重慶市智行新田汽車銷售服務有限公司) (“Chongqing Zhixing Xintian”)	April 2022
Wenzhou Zhixing Yuanteng	May 2022
Lanzhou Zhixing Kangda Auto Sales Co., LTD. (蘭州智行康達汽車銷售有限公司) (“Lanzhou Zhixing Kangda”)	May 2022
Jiaxing Zhiling Yuanxin Auto Sales and Service Co., LTD. (嘉興智領元信汽車銷售服務有限公司) (“Jiaxing Zhiling Yuanxin”)	May 2022
Hangzhou Zhixing Yuanji	May 2022
Beijing Zhixing Aojia	May 2022
Shenyang Tank Zhixing Gang Zheng	May 2022
Linyi Tank Zhixing	May 2022
Suzhou Zhiling Xinzhicheng Auto Sales and Service Co., LTD. (蘇州智領心之城汽車銷售服務有限公司) (“Suzhou Zhiling Xinzhicheng”)	June 2022
Shanghai Zhixing Lianlong	June 2022
Hangzhou Zhixing Baipeng Auto Sales and Service Co., LTD. (杭州智行佰騰汽車銷售服務有限公司) (“Hangzhou Zhixing Baipeng”)	June 2022
Great Wall Auto Vietnam Co., LTD. (長城汽車越南有限公司) (“Great Wall Vietnam”)	June 2022
Salon Mecha (Chengdu) Automobile Sales Co., LTD. (沙龍機甲(成都)汽車銷售有限公司) (“Salon Mecha (Chengdu)”)	June 2022
Salon Mecha (Beijing) Auto Sales Co., LTD. (沙龍機甲(北京)汽車銷售有限公司) (“Salon Mecha (Beijing)”)	June 2022
Jingcheng Engineering Daye Automotive Mold Technology Co., LTD. (精誠工科大冶汽車模具技術有限公司) (“Jing Engineering Daye”)	June 2022

Notes to the Financial Statements

For the year ended 31 December 2022

VII. CHANGES IN CONSOLIDATION SCOPE (continued)

2. Changes in consolidation scope for other reasons (continued)

Newly established subsidiaries during the current year: (continued)

Name	Date of establishment
Great Wall Motor Netherlands Sales B.V. (長城汽車荷蘭銷售有限責任公司) (“Netherlands Sales”)	July 2022
Chengdu Zhixing Jianguo Automobile Sales and Service Co., LTD. (成都市智行建國汽車銷售服務有限公司) (“Chengdu Zhixing Jianguo”)	July 2022
Mecha Zhixing (Shenzhen) Automobile Sales Co., Ltd. (機甲智行(深圳)汽車銷售有限公司) (“Mecha Zhixing (Shenzhen)”)	July 2022
Ruguo Yijia automobile (Hebei) Co., Ltd. (如果壹家汽車(河北)有限公司) (“Ruguo Yijia (Hebei)”)	July 2022
Ruguo Yijia automobile (Tianjin) Co., Ltd. (如果壹家汽車(天津)有限公司) (“Ruguo Yijia (Tianjin)”)	July 2022
Shaoxing Zhixing Kangda	July 2022
Great Wall Motor Italy Co., LTD. (長城汽車意大利有限責任公司) (“Great Wall Italy”)	August 2022
Shaanxi Zhixing Qinyue Automobile Sales and Service Co., LTD. (陝西智行秦越汽車銷售服務有限公司) (“Shaanxi Zhixing Qinyue”)	August 2022
Xinjiang Zhixing Ruixin Automobile Sales and Service Co., LTD. (新疆智行瑞欣汽車銷售服務有限公司) (“Xinjiang Zhixing Ruixin”)	August 2022
Salon mecha (Ningbo) Automobile Sales Co., Ltd. (沙龍機甲(寧波)汽車銷售有限公司) (“Salon mecha (Ningbo)”)	August 2022
Salon mecha (Xi'an) Automobile Sales Co., Ltd. (沙龍機甲(西安)汽車銷售有限公司) (以下簡稱“Salon Mecha (Xi'an)”)	August 2022
Shenzhen Weipai Zhixing Automobile Sales and Service Co., LTD. (深圳魏牌智行汽車銷售服務有限公司) (“Shenzhen Weipai Zhixing”)	September 2022
Guangzhou Weipai Zhixing Automobile Sales and Service Co., LTD. (廣州魏牌智行汽車銷售服務有限公司) (“Guangzhou Weipai Zhixing”)	September 2022
Suzhou Love Voice Technology Co., LTD. (蘇州愛情之音科技有限公司) (“Suzhou Love Voice”)	September 2022
Norbo Auto Parts (Tianjin) Co., LTD. (諾博汽車零部件(天津)有限公司) (“Norbo Auto Parts (Tianjin)”)	November 2022
Aike Intelligent Technology Co., LTD. (愛科智能科技有限公司) (“Aike Intelligent Technology”)	December 2022

Cancellation of subsidiaries in current year:

Name	Date of cancellation
Baoding Yixin Consulting Services Co., Ltd. (保定億新諮詢服務有限公司)	March 2022
Mande Optoelectronics (Taizhou) Co., Ltd. (曼德光電(泰州)有限公司)	August 2022
Honeycomb Intelligent Steering Technology Hebei Co., Ltd. (蜂巢智能轉向科技河北有限公司)	October 2022

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Structure of the Group

Subsidiaries invested by the Group:

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Great Wall Baoding Huabei Automotive Company Limited (保定長城華北汽車有限責任公司) ("Great Wall Huabei")	Limited liability company	Gaobeidian	Gaobeidian	Manufacture of automobile parts and components	100.00	—
Baoding Great	Limited liability company	Baoding	Baoding	Manufacture of automobile parts and components	100.00	—
Baoding Nobo Rubber Production Co., Ltd (保定市諾博橡膠製品有限公司) ("Baoding Nobo")	Limited liability company	Baoding	Baoding	Manufacture of automobile parts and components	100.00	—
Beijing Great Automotive Components Co., Ltd. (北京格瑞特汽車零部件有限公司) ("Beijing Great")	Limited liability company	Beijing	Beijing	Manufacture of automobile parts and components	100.00	—
Baoding Great Wall Auto Sales Co., Ltd. (保定長城汽車銷售有限公司) ("Great Wall Sales")	Limited liability company	Baoding	Baoding	Marketing and sales of automobiles	20.18	79.82
Tide Technology and Trade Company Limited (泰德科貿有限公司) ("Tide Technology and Trade")	—	Hong Kong	Hong Kong	Investment and financing services	100.00	—
Mind Electronics	Limited liability company	Baoding	Baoding	Manufacture of automobile parts and components	100.00	—
Tianjin Lean	Limited liability company	Tianjin Development Zone	Tianjin Development Zone	Manufacture of automobile parts and components	100.00	—

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Baoding Great Wall Ants Logistics Co., Ltd. (保定市長城螞蟻物流有限公司) ("Great Wall Ants")	Limited liability company	Baoding	Baoding	Logistics and ordinary goods transportation	100.00	—
Ningxia Great Wall Automobile Rental Co., Ltd. (寧夏長城汽車租賃有限公司) ("Ningxia Rental")	Limited liability company	Yinchuan Economic and Technological Development Zone	Yinchuan Economic and Technological Development Zone	Buildings rental	100.00	—
Baoding Great Wall Resource Recycling Co., Ltd (保定市長城再生資源利用有限公司) ("Great Wall Resource Recycling")	Limited liability company	Baoding	Baoding	Processing, recycling and sale of waste and used material	100.00	—
Baoding Exquisite Automotive Mould Technology Co., Ltd. (保定市精工汽車模具技術有限公司) ("Exquisite Mould")	Limited liability company	Baoding	Baoding	Research and development of auto moulds	100.00	—
Rizhao Weipai Motor Co., Ltd. (日照魏牌汽車有限公司) ("Rizhao Weipai")	Limited liability company	Rizhao	Rizhao	Manufacture of automotive	100.00	—
Beijing Great Wall Dongsheng Business Consulting Co., Ltd. (北京長城東晟商務諮詢有限公司)	Limited liability company	Beijing	Beijing	Business information consultation	—	100.00
Shanghai Salon	Limited liability company	Shanghai	Shanghai	Research and development of auto technology and technical consultation	—	100.00
Haval Motors Australia Pty Ltd (哈弗汽車澳大利亞有限公司) ("Haval Australia")	—	Australia	Australia	Sales of automobile	38.50	61.50

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Russian Havel Automobile Co., Ltd (俄羅斯哈弗汽車有限責任公司)	—	Russia	Russia	Sales of automobile	—	100.00
Australia Sinyos Technology And Trade Pty Ltd (澳大利亞森友斯科貿有限公司)	—	Australia	Australia	Sales of automobile	—	100.00
Russia Haval Automobile Manufacturing Co., Ltd. 俄羅斯哈弗汽車製造有限責任公司 (“Russia Manufacturing”)	—	Russia	Russia	Manufacture of automotive	72.27	27.73
Haval Motors South Africa Limited (哈弗汽車南非有限公司) (“Haval South Africa”)	—	South Africa	South Africa	Sales of automobile	100.00	—
Baoding Great Wall Scrap Car Recycling & Dismantling Co., Ltd. (保定長城報廢汽車回收拆解有限公司) (“Scrap Car Recycling & Dismantling”)	Limited liability company	Baoding	Baoding	Scrap car recycling (dismantling)	100.00	—
Great Wall Japan Motor Co., Ltd. (長城日本技研株式會社)	—	Yokohama, Japan	Yokohama, Japan	Research and design of automobile and auto parts	—	100.00
Great Wall Motor Europe Technical Center GmbH (長城汽車歐洲技術中心有限公司) (“Europe Technical Center”)	—	Germany	Germany	Research and design of automobile and auto parts	100.00	—
Great Wall India Research and Development Private Limited (長城印度研發私人有限公司) (“India R&D”)	—	India	India	Research and design of automobile and auto parts	99.90	0.10

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Zaoqi Financial Leasing Company Limited (棗啟融資租賃有限公司) ("Zaoqi Financial Leasing")	Limited liability company	Baoding	Baoding	Finance lease business	75.00	25.00
American HAVAL Motor Company (美國哈弗汽車有限公司) ("American HAVAL")	—	U.S.A.	U.S.A.	Investment platform	100.00	—
American HAVAL Motor technology, LLC (美國哈弗汽車科技有限責任公司)	—	U.S.A.	U.S.A.	Technology research and development of automobile	—	100.00
American HAVAL Asset Management, LLC (美國哈弗資產管理有限責任公司)	—	U.S.A.	U.S.A.	Asset management	—	100.00
Billion Sunny Technical Energy (億新科技能源有限公司)	—	Korea	Korea	Research and design of automobile and auto parts	—	100.00
Guangzhou Great Wall Auto Sales Company Limited (廣州長城汽車銷售有限公司) ("Guangzhou Great Wall Sales")	Limited liability company	Guangzhou	Guangzhou	Sales of automobile	100.00	—
Xiamen Great Wall Auto Sales Co., Ltd. (廈門長城汽車銷售有限公司) ("Xiamen Great Wall Sales")	Limited liability company	Xiamen	Xiamen	Sales of automobile	100.00	—
Chongqing Auto Parts	Limited liability company	Chongqing	Chongqing	Sales of automobile parts	100.00	—
Chongqing Haval	Limited liability company	Chongqing	Chongqing	Sales of automobile	100.00	—
Tianjin Oula	Limited liability company	Tianjin	Tianjin	Finance lease business	75.00	25.00
Honeycomb Yichuang Technology Co., Ltd. (蜂巢易創科技有限公司) ("Honeycomb Yichuang")	Limited liability company	Baoding	Baoding	Manufacture of automobile parts and components	100.00	—

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Jinggong Motor	Limited liability company	Baoding	Baoding	Manufacture of automobile parts and components	100.00	—
Nuobo Automotive	Limited liability company	Baoding	Baoding	Manufacture of automobile parts and components	100.00	—
Nuobo Rubber	Limited liability company	Baoding	Baoding	Manufacture of automobile parts and components	—	100.00
Nuobo Decoration	Limited liability company	Baoding	Baoding	Manufacture of automobile parts and components	—	100.00
Chongqing Jinggong Motor	Limited liability company	Chongqing	Chongqing	Manufacture of automobile parts and components	—	100.00
Chongqing Nobo Parts	Limited liability company	Chongqing	Chongqing	Manufacture of automobile parts and components	—	100.00
Hebei Xiong'an Great Wall Motor Technology Co., Ltd. (河北雄安長城汽車科技有限公司) ("Xiong'an Great Wall")	Limited liability company	Baoding	Baoding	R&D of automobile	100.00	—
Honeycomb Power	Limited liability company	Zhenjiang	Zhenjiang	R&D of automobile dynamic system	—	100.00
Honeycomb Transmission	Limited liability company	Zhenjiang	Zhenjiang	R&D of new energy vehicle transmission system	—	100.00
Honeycomb Electric Drive System (Jiangsu) Co., Ltd. (蜂巢電驅動系統(江蘇)有限公司)	Limited liability company	Zhenjiang	Zhenjiang	R&D of new energy vehicle electric drive system	—	100.00
Honeycomb Intelligent	Limited liability company	Zhenjiang	Zhenjiang	R&D of auto intelligent steering system and its components	—	100.00
Jinggong Yangzhong	Limited liability company	Zhenjiang	Zhenjiang	Manufacture of automotive parts	—	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Chongqing Mind	Limited liability company	Chongqing	Chongqing	Manufacture of automobile parts and components	—	100.00
Chongqing Haval Logistics	Limited liability company	Chongqing	Chongqing	Ordinary goods transportation, warehousing, etc.	—	100.00
Chongqing Great Wall After-sales	Limited liability company	Chongqing	Chongqing	After-sales services parts	100.00	—
Chongqing Weipai Automotive Sales Co., Ltd. (重慶魏牌汽車銷售有限公司) ("Chongqing Weipai")	Limited liability company	Chongqing	Chongqing	Sales of automobile and auto parts	100.00	—
Nuochuang Automotive Technology (Shanghai) Co., Ltd. (諾創汽車科技(上海)有限公司)	Limited liability company	Shanghai	Shanghai	Development of technologies of automotive parts	—	100.00
Baoding Yijian Start Automobile Sales Service Co., Ltd. (保定一見啟動汽車銷售服務有限公司) ("Baoding Yijian Start")	Limited liability company	Baoding	Baoding	Sales of automobile; Wholesale and retail of car accessories	100.00	—
Honeycomb Transmission Technology	Limited liability company	Baoding	Baoding	R&D of new energy vehicle transmission system	—	100.00
Yijian Start (Chongqing) Automobile Sales Service Co., Ltd. (一見啟動(重慶)汽車銷售服務有限公司)	Limited liability company	Chongqing	Chongqing	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Yijian Start (Ji'nan) Automobile Sales Service Co., Ltd. (一見啟動(濟南)汽車銷售服務有限公司)	Limited liability company	Ji'nan	Ji'nan	Sales of automobile; Wholesale and retail of car accessories	—	100.00

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For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Qingdao Yijian Start Automobile Sales Service Co., Ltd. (青島一見啟動汽車銷售服務有限公司)	Limited liability company	Qingdao	Qingdao	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Zaoqi (Xi'an) Automobile Sales Service Co., Ltd. (棗啟(西安)汽車銷售服務有限公司)	Limited liability company	Xi'an	Xi'an	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Yijian Start (Nanjing) Automobile Sales Service Co., Ltd. (一見啟動(南京)汽車銷售服務有限公司)	Limited liability company	Nanjing	Nanjing	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Yijian Start (Dongguan) Automobile Sales Service Co., Ltd. (一見啟動(東莞)汽車銷售服務有限公司)	Limited liability company	Dongguan	Dongguan	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Yijian Start (Lanzhou) Automobile Sales Service Co., Ltd. (蘭州一見啟動汽車銷售服務有限公司)	Limited liability company	Lanzhou	Lanzhou	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Zaoqi (Wenzhou) Automobile Sales Service Co., Ltd. (棗啟(溫州)汽車銷售服務有限公司)	Limited liability company	Wenzhou	Wenzhou	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Chengdu Zaoqi Automobile Sales Service Co., Ltd. (成都棗啟汽車銷售服務有限公司)	Limited liability company	Chengdu	Chengdu	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Hefei Yijian Start Automobile Sales Service Co., Ltd. (合肥一見啟動汽車銷售服務有限公司)	Limited liability company	Hefei	Hefei	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Kunming Mibang Automobile Sales Service Co., Ltd. (昆明米邦汽車銷售服務有限公司)	Limited liability company	Kunming	Kunming	Sales of automobile; Wholesale and retail of car accessories	—	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Yijian Start (Zhengzhou) Automobile Sales Service Co., Ltd. (鄭州一見啟動汽車銷售服務有限公司)	Limited liability company	Zhengzhou	Zhengzhou	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Yijian Start (Taiyuan) Automobile Sales Service Co., Ltd. (太原一見啟動汽車銷售服務有限公司)	Limited liability company	Taiyuan	Taiyuan	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Honeycomb Electric Drive Technology Hebei Co., Ltd. (蜂巢電驅動科技河北有限公司)	Limited liability company	Baoding	Baoding	R&D of new energy vehicle electric drive system	—	100.00
Yijian Start (Wuhan) Automobile Sales Service Co., Ltd. (一見啟動(武漢)汽車銷售服務有限公司)	Limited liability company	Wuhan	Wuhan	Sales of automobile; Wholesale and retail of car accessories	—	100.00
India Haval Automobile Private Co., Ltd. (印度哈弗汽車私人有限公司) ("India Haval")	—	India	India	Sales of automobile	99.90	0.10
Nanning Yijian Start Automobile Sales Service Co., Ltd. (南寧一見啟動汽車銷售服務有限公司)	Limited liability company	Nanning	Nanning	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Yijian Start (Beijing) Automobile Sales Service Co., Ltd. (一見啟動(北京)汽車銷售服務有限公司)	Limited liability company	Beijing	Beijing	Sales of automobile; Wholesale and retail of car accessories	—	100.00
Nobo Automotive Parts (Taizhou) Co., Ltd. (諾博汽車零部件(泰州)有限公司)	Limited liability company	Taizhou	Taizhou	Manufacture of automobile parts and components	—	100.00

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For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Proportion of voting rights (%)	Direct
Jingcheng Engineering Automotive Parts (Taizhou) Co., Ltd. (精誠工科汽車零部件(泰州)有限公司) ("Jingcheng Automotive Parts (Taizhou)")	Limited liability company	Taizhou	Taizhou	Manufacture of automobile parts and components	—	100.00
HWA Ding International	—	Hong Kong	Hong Kong	Investment and financing services	100.00	—
Nobo Automotive Parts (Rizhao) Co., Ltd. (諾博汽車零部件(日照)有限公司)	Limited liability company	Rizhao	Rizhao	Manufacture of automobile parts and components	—	100.00
Jingdong Rizhao Parts	Limited liability company	Rizhao	Rizhao	Manufacture of automobile parts and components	—	100.00
Thailand Sales Co., Ltd. (泰國銷售) ("Thailand Sales")	—	Thailand	Thailand	Sales of automobile	—	100.00
Honeycomb Zhixing transmission system (Jiangsu) Co., Ltd. (蜂巢智行傳動系統(江蘇)有限公司)	Limited liability company	Taizhou	Taizhou	R&D of new energy vehicle transmission system	—	100.00
Honeycomb Weiling Power Jiangsu	Limited liability company	Taizhou	Taizhou	R&D of automobile dynamic system	—	100.00
Ningyang Nobo Parts	Limited liability company	Taizhou	Taizhou	Manufacture of automotive parts and components	—	100.00
Shanghai Yuefan Information Technology Co., Ltd. (上海玥泛信息科技有限公 司) ("Shanghai Yuefan")	Limited liability company	Shanghai	Shanghai	Investment platform	100.00	—

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Mind Rizhao Parts	Limited liability company	Rizhao	Rizhao	Manufacture of automobile parts and components	—	100.00
Pinghu Nuobo Parts	Limited liability company	Jiaxing	Jiaxing	Manufacture of automobile parts and components	—	100.00
Honeycomb Transmission Chongqing	Limited liability company	Chongqing	Chongqing	R&D of new energy vehicle transmission system	—	100.00
Qichuang International Co.,Ltd. (齊創國際有限公司)	—	Hong Kong	Hong Kong	Investment and financing services	—	100.00
Xunqi International Co.,Ltd. (訊奇國際有限公司)	—	Hong Kong	Hong Kong	Investment and financing services	—	100.00
Yuefan International Co.,Ltd. (玥泛國際有限公司)	—	Hong Kong	Hong Kong	Investment and financing services	—	100.00
Yixintong Technology (Tianjin) Co., Ltd. (蟻信通科技(天津)有限公司)	Limited liability company	Tianjin	Tianjin	Sales of lubricants	—	100.00
Honeycomb Power Chongqing	Limited liability company	Chongqing	Chongqing	R&D of automobile dynamic system	—	100.00
Mande auto parts (Taizhou) Co., Ltd (曼德汽車零部件(泰州)有限公司)	Limited liability company	Taizhou	Taizhou	Manufacture of automotive parts and components	—	100.00
Nobo Automotive Technology	Limited liability company	Suzhou	Suzhou	Consulting services on automotive R&D	—	100.00
Zhangjiagang Nobo Parts	Limited liability company	Suzhou	Suzhou	Manufacture of automobile parts and components	—	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Nobo auto parts (Shenyang) Co., Ltd (諾博汽車零部件(瀋陽)有限公司)	Limited liability company	Shenyang	Shenyang	Manufacture of automobile parts and components	—	100.00
Jingcheng Engineering Automotive Systems (Pinghu) Co., Ltd. (精誠工科汽車系統(平湖)有限公司) ("Jinggong Pinghu Parts")	Limited liability company	Jiaxing	Jiaxing	Manufacture of automobile parts and components	—	100.00
Jingcheng Engineering Automotive Parts (Zhangjiagang) Co., Ltd. (精誠工科汽車零部件(張家港)有限公司) ("Jinggong Zhangjiagang Parts")	Limited liability company	Suzhou	Suzhou	Manufacture of automobile parts and components	—	100.00
Great Wall Motor Investment Holding Co., Ltd. (長城汽車投資控股有限責任公司)	—	Netherlands	Netherlands	Investment platform	—	100.00
Xiangyun Technology Logistics (Taizhou) Co., Ltd. (享運科技物流(泰州)有限公司)	Limited liability company	Taizhou	Taizhou	Logistics and daily cargo transportation services	—	100.00
Xiangyun Technology Logistics (Pinghu) Co., Ltd. (享運物流科技(平湖)有限公司)	Limited liability company	Jiaxing	Jiaxing	Logistics and daily cargo transportation services	—	100.00
Great Wall Motor Deutschland GmbH	—	Germany	Germany	Sales of autos and their parts	—	100.00
Mind Thailand.	—	Thailand	Thailand	Manufacture of automobile parts and components	—	100.00
Nobo Automotive Systems (Thailand) Co., Ltd. (諾博汽車系統(泰國)有限公司) ("Nobo Thailand")	—	Thailand	Thailand	Manufacture of automobile parts and components	—	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Xiangyun Technology Logistics (Rizhao) Co., Ltd. (享運物流科技(日照)有限公司)	Limited liability company	Rizhao	Rizhao	Logistics and daily cargo transportation services	—	100.00
Shanghai Great Wall Motor Technology Co., Ltd. (上海長城汽車科技(上海)有限公司) ("Shanghai Motor Technology")	Limited liability company	Shanghai	Shanghai	Technical development and consulting services	100.00	—
Tianjin Zhixin Financing Guarantee Co. Ltd. (天津智信融資擔保有限公司) ("Tianjin Zhixin")	Limited liability company	Tianjin	Tianjin	Financing guarantee business	100.00	—
Nobo Automotive Parts (Jingmen) Co., Ltd. (諾博汽車零部件(荊門)有限公司)	Limited liability company	Jingmen	Jingmen	Manufacture of automobile parts and components	—	100.00
Jingcheng Engineering Automotive Parts (Thailand) Co., Ltd. (精誠工科汽車零部件(泰國)有限公司) (Jinggong Automotive Parts Thailand)	—	Thailand	Thailand	Manufacture of automobile parts and components	—	100.00
Feige Intelligent Technology Co., Ltd. (菲格智能科技(上海)有限公司)	Limited liability company	Zhangjiagang	Zhangjiagang	Automobile technical development and consulting services	—	100.00
Sanya Jiashang Management Service Co., Ltd. (三亞佳尚管理服務有限公司)	Limited liability company	Sanya	Sanya	Economic information consultation	—	100.00
Mind Automotive Parts (Jingmen) Co., Ltd. (曼德汽車零部件(荊門)有限公司)	Limited liability company	Jingmen	Jingmen	Manufacture of automobile parts and components	—	100.00

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For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Proportion of voting rights (%)	Direct
Tianjin Great Wall Investment Co., Ltd. (天津長城投資有限公司) ("Tianjin Great Wall Investment")	Limited liability company	Tianjin	Tianjin	Investment platform	100.00	—
Oula Zhixing (Chongqing) Technology Co., Ltd. (歐拉智行(重慶)科技有限公司) ("Oula Zhixing")	Limited liability company	Chongqing	Chongqing	Sales of automobile	—	100.00
Jingcheng Engineering Automotive Parts (Jingmen) Co., Ltd. (精誠工科汽車零部件(荊門)有限公司) ("Jinggong Automotive Parts (Jinmen)")	Limited liability company	Jingmen	Jingmen	Manufacture of automobile parts and components	—	100.00
Zhangjiagang Automobile Research and Development Co., Ltd. (張家港長城汽車研發有限公司) ("Zhangjiagang Research and Development")	Limited liability company	Suzhou	Suzhou	Research and development of automobile and auto parts	100.00	—
Honeycomb Power System (Jiangxi) Co., Ltd. (蜂巢動力系統(江西)有限公司)	Limited liability company	Shangrao	Shangrao	Research and development of automobile and auto parts	—	100.00
Salon Mecha Technology	Limited liability company	Beijing	Beijing	Consulting services on automotive R&D	100.00	—
Great Wall Soul Technology Co., Ltd. (長城靈魂科技有限公司) ("Soul Technology")	Limited liability company	Baoding	Baoding	Research and manufacture of motorcycle and their parts	100.00	—
Chongqing Duzi Technology Co., Ltd. (重慶度勢科技有限公司)	Limited liability company	Chongqing	Chongqing	Research and development of automobile and auto parts	—	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Ruguo Technology (Xingtai) Co., Ltd. (如果科技(邢台)有限公司)	Limited liability company	Xingtai	Xingtai	Consulting services on automotive R&D	—	100.00
Baoding Feiyi Automobile Technology Co., Ltd. (保定飛翼汽車科技(保定)有限公司)	Limited liability company	Baoding	Baoding	Consulting services on automotive R&D	100.00	—
Guangzhou Zhixing Automobile Sales Co. Ltd. (廣州智行汽車銷售(廣州)有限公司)	Limited liability company	Guangzhou	Guangzhou	Sales of automobile	—	67.06
Great Wall Holland Investment Holding Co., Ltd. (長城荷蘭投資(長城)有限公司)	—	Holland	Holland	Sales of automobile	—	100.00
Confident Zhixing Technology Co., Ltd. (自信智行(自信)科技(自信)有限公司) ("Confident Zhixing")	Limited liability company	Baoding	Baoding	Consulting services on automotive R&D	100.00	—
Nuobo Rubber & Plastic Anhui.	Limited liability company	Bengbu	Bengbu	Manufacture of automobile parts and components	—	100.00
Tank Zhixing (Chongqing) Technology Co., Ltd. (坦克智行(重慶)科技(重慶)有限公司)	Limited liability company	Chongqing	Chongqing	Sales of automobile	—	100.00
Ruguo Zhixing Technology (Beijing) Co., Ltd. (如果智行(北京)科技(北京)有限公司)	Limited liability company	Beijing	Beijing	Consulting services on automotive R&D	—	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Shangrao Nuobo Auto Parts Co., Ltd. (上饒諾博汽車零部件有限公司)	Limited liability company	Shangrao	Shangrao	Manufacture of automobile parts and components	—	100.00
Jingcheng Engineering (Chongqing) Trade Co., Ltd. (精誠工科(重慶)貿易有限公司)	Limited liability company	Chongqing	Chongqing	Sales of automobile parts and components	—	100.00
Honeycomb Zhiyu Automobile Technology (Jiangsu) Co., Ltd. (蜂巢智馭汽車科技(江蘇)有限公司)	Limited liability company	Suzhou	Suzhou	Research and development of automobile and auto parts	—	100.00
Chongqing Great Wall	Limited liability company	Chongqing	Chongqing	Research and development of automobile and auto parts	—	100.00
Mind Youchuang (Chongqing) Trading Co., Ltd. (曼德優創(重慶)貿易有限公司)	Limited liability company	Chongqing	Chongqing	Sales of automobile parts and components	—	100.00
Shangrao Mande Auto Parts Co., Ltd. (上饒曼德汽車零部件有限公司)	Limited liability company	Shangrao	Shangrao	Research and manufacture of automobile and auto parts	—	100.00
Nuobo (Chongqing) Trading Co., Ltd. (諾博(重慶)貿易有限公司)	Limited liability company	Chongqing	Chongqing	Sales of automobile parts and components	—	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Shangrao Jingcheng Engineering Automotive Parts Co., Ltd. (上饒精誠工科汽車零部件有限公司) ("Shangrao Jingcheng Engineering")	Limited liability company	Shangrao	Shangrao	Manufacture of automobile parts and components	—	100.00
Nuobo Automotive Technology Nanjing Co., Ltd. (諾博汽車科技南京有限公司)	Limited liability company	Nanjing	Nanjing	Research and development of automobile and auto parts	—	100.00
Mind Business & Technology Co., Ltd. (曼德商務與技術有限責任公司)	—	Germany	Germany	Research and development of automobile and auto parts	—	100.00
Great Wall Brazil	—	Brazil	Brazil	Manufacture of automotive	—	100.00
Great Wall Zhixing (Chongqing) (Note 1)	Limited liability company	Chongqing	Chongqing	Sales of automobile; Wholesale and retail of auto supplies and accessories	100.00	—
Weipai Zhixing (Chongqing) (Note 1)	Limited liability company	Chongqing	Chongqing	Sales of automobile; Wholesale and retail of auto supplies and accessories	—	100.00
Ange Intelligent Control (Note 1)	Limited liability company	Shenzhen	Shenzhen	Manufacture of automobile parts and components	—	100.00
Shanghai Jiayu (Note 1)	Limited liability company	Shanghai	Shanghai	Automobile technology development and consulting services	—	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Proportion of voting rights (%)	Direct
Salon Mecha (Hangzhou) (Note 1)	Limited liability company	Hangzhou	Hangzhou	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Salon Mecha (Guangzhou) (Note 1)	Limited liability company	Guangzhou	Guangzhou	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Mande Automotive Parts (Pizhou) (Note 1)	Limited liability company	Xuzhou	Xuzhou	Manufacture of automobile parts and components	–	100.00
Great Wall Malaysia (Note 1)	–	Kuala Lumpur, Malaysia	Kuala Lumpur, Malaysia	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Great Wall Bay (Note 1)	–	Dubai, United Arab Emirates	Dubai, United Arab Emirates	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Honeycomb Transmission Technology (Pizhou) (Note 1)	Limited liability company	Xuzhou	Xuzhou	R&D of new energy vehicle transmission system	–	100.00
Great Wall Middle East (Note 1)	–	Dubai, United Arab Emirates	Dubai, United Arab Emirates	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Mande Auto Parts (Leling) (Note 1)	Limited liability company	Dezhou	Dezhou	Manufacture of automobile parts and components	–	100.00
Jinggong Parts (Pizhou) (Note 1)	Limited liability company	Xuzhou	Xuzhou	Manufacture of automobile parts and components	–	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Jinggong Systems (Europe) (Note 1)	-	Germany	Germany	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Jinggong Parts (Changchun) (Note 1)	Limited liability company	Changchun	Changchun	Manufacture of automobile parts and components	-	100.00
Great Wall Vietnam (Note 1)	-	Vietnam	Vietnam	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Salon Mecha (Chengdu) (Note 1)	Limited liability company	Chengdu	Chengdu	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Salon Mecha (Beijing) (Note 1)	Limited liability company	Beijing	Beijing	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Jing Engineering Daye Automotive Mold (Note 1)	Limited liability company	Huangshi	Huangshi	Manufacture of automobile parts and components	-	100.00
Shenyang Zhixing XingKailai (Note 1)	Limited liability company	Shenyang	Shenyang	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Lanzhou Zhixing (Note 1)	Limited liability company	Lanzhou	Lanzhou	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Jinan Tank Zhixing (Note 1)	Limited liability company	Jinan	Jinan	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Chengdu Zhixing (Note 1)	Limited liability company	Chengdu	Chengdu	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Shijiazhuang Zhixiang (Note 1)	Limited liability company	Shijiazhuang	Shijiazhuang	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Qingdao Zhixing Shuncheng (Note 1)	Limited liability company	Qingdao	Qingdao	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Lanzhou Zhixing Kangda (Note 1)	Limited liability company	Lanzhou	Lanzhou	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Jiaxing Zhiling Yuanxin (Note 1)	Limited liability company	Jiaxing	Jiaxing	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Suzhou Zhiling Xinzhicheng (Note 1)	Limited liability company	Suzhou	Suzhou	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Haikou Zhixing Aochuang (Note 1)	Limited liability company	Haikou	Haikou	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	67.11
Chongqing Zhixing Xintian (Note 1)	Limited liability company	Chongqing	Chongqing	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	67.01
Hangzhou Zhixing Baipeng (Note 1)	Limited liability company	Hangzhou	Hangzhou	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	67.09

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Netherlands Sales (Note1)	Limited liability company	Netherlands	Netherlands	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Chengdu Zhixing Jianguo (Note1)	Limited liability company	Chengdu	Chengdu	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Mecha Zhixing (Shenzhen) (Note1)	Limited liability company	Shenzhen	Shenzhen	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Ruguo Yijia (Hebei) (Note1)	Limited liability company	Xingtai	Xingtai	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Ruguo Yijia (Tianjin) (Note1)	Limited liability company	Tianjin	Tianjin	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Great Wall Italy (Note1)	-	Italy	Italy	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Shaanxi Zhixing Qinyue (Note1)	Limited liability company	Xixian New Area	Xixian New Area	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Xinjiang Zhixing Ruixin (Note1)	Limited liability company	Urumchi	Urumchi	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00
Salon mecha (Ningbo) (Note 1)	Limited liability company	Ningbo	Ningbo	Sales of automobile; Wholesale and retail of auto supplies and accessories	-	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Proportion of voting rights (%)	
					Direct	Indirect
Salon mecha (Xi'an) (Note 1)	Limited liability company	Xi'an	Xi'an	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Shenzhen Weipai Zhixing (Note 1)	Limited liability company	Shenzhen	Shenzhen	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Guangzhou Weipai Zhixing (Note 1)	Limited liability company	Guangzhou	Guangzhou	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Suzhou Love Voice (Note 1)	Limited liability company	Suzhou	Suzhou	Automobile technical development and consulting services	–	100.00
Norbo Auto Parts (Tianjin) (Note 1)	Limited liability company	Tianjin	Tianjin	Sales of automobile; Wholesale and retail of auto supplies and accessories	–	100.00
Aike Intelligent Technology (Note 1)	Limited liability company	Wuxi	Wuxi	Automobile technical development and consulting services	–	100.00

Note 1: These companies are newly-established subsidiaries in the current year.

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries acquired through business combinations not involving enterprises under common control and assets acquired in the form of acquisition of subsidiaries:

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Billion Sunny Development	–	Hong Kong	Hong Kong	Investment holding	–	100.00
NOBO Automotive Germany Holding B.V. (諾博汽車德國控股公司)	–	Netherlands	Netherlands	Investment holding	–	100.00
Nobo Automotive Systems Germany GmbH (諾博汽車系統(德國)有限責任公司)	–	Germany	Germany	Manufacture of automotive parts and components	–	100.00
NOBO Automotive Germany GmbH (諾博汽車德國有限責任公司)	–	Germany	Germany	Investment holding	–	100.00
NOBO Automotive Holding GmbH & Co. KG (諾博汽車控股兩合公司)	–	Germany	Germany	Investment holding	–	100.00
Great Wall Motor Thailand	–	Thailand	Thailand	Manufacture of automobile	–	100.00
Hycet Engine Thailand	–	Thailand	Thailand	Manufacture of automotive parts and components	–	100.00
Laoyou Insurance Brokerage Co., Ltd. (老友保險經紀有限公司) (“Laoyou Insurance”)	Limited liability company	Beijing	Beijing	Insurance brokers	100.00	–
Hebei Changzheng Automobile Manufacturing Co. LTD	Limited liability company	Xingtai	Xingtai	Manufacture of automobile	–	100.00

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries acquired through business combinations involving enterprises under common control:

Name of subsidiary	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Proportion of voting rights (%)	Direct
Baoding Yixin	Limited liability company	Baoding	Baoding	Manufacture of automobile parts and components	100.00	–
Changyou Haoche (Tianjin) Automobile Import and Export Co., Ltd (常有好車(天津)汽車進出口有限公司) (“Changyou Haoche”)	Limited liability company	Tianjin	Tianjin	Sales of automobile and automobile parts and components	100.00	–
Ruguo Technology Co., Ltd. (如果科技有限公司) (“Ruguo Technology”)	Limited liability company	Baoding	Baoding	Research and test development of engineering technology	100.00	–
Tianjin Jolion Shuju Information Technology Co., Ltd. (天津初戀數聚資訊科技有限公司) (“Tianjin Jolion Shuju”)	Limited liability company	Tianjin	Tianjin	Network and information security software development	100.00	–
Yunshi Chelian	Limited liability company	Tianjin	Tianjin	Technical services and computer system services	–	100.00

2. No transactions occurred in the current year in which the proportion of equity in subsidiaries has changed while the subsidiaries are still held by the Company.

Notes to the Financial Statements

For the year ended 31 December 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

3. Interests in joint ventures or associates

(1) Significant joint venture

Name of joint venture	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)		Accounting procedures for investment in joint ventures
				Direct	Indirect	
Automotive Finance	Tianjin	Tianjin	Automotive Finance	98.18	—	Equity Method

Description of the difference between the proportion of shareholding and proportion of voting rights in the joint venture:

According to the Articles of Association of Automotive Finance, the activities relating to financial and operational decisions shall be decided upon unanimous approval by the board of directors. Therefore, the Company implements joint control over Automotive Finance.

(2) Key financial information of significant joint venture

	Closing balance/ Amount incurred in the current year	Opening balance/ Amount incurred in the prior year
		<i>RMB</i>
Cash and deposits with the central bank	340,738,497.99	390,454,649.01
Deposits with other banks	3,519,597,067.53	5,245,582,559.47
Total assets	50,945,316,382.92	48,737,218,273.50
Total liabilities	40,213,638,691.36	38,827,780,432.60
Minority interests	—	—
Equity attributable to the shareholders of the Parent Company	10,731,677,691.56	9,909,437,840.90
Share of net assets calculated based on the proportion of shareholding	10,536,361,157.57	9,729,086,072.20
Adjustments		
— Others	(324,033,197.55)	(256,773,977.77)
Carrying amount of investments in equity of joint ventures	10,212,327,960.02	9,472,312,094.43
Operating income	1,981,796,159.20	2,575,995,924.69
Income tax expenses	274,402,188.70	398,680,169.63
Net profit	822,239,850.66	1,193,982,410.14
Other comprehensive income	—	—
Total comprehensive income	822,239,850.66	1,193,982,410.14

Notes to the Financial Statements

For the year ended 31 December 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments of the Group mainly include cash and bank balances, held-trading financial assets, derivative financial assets/liabilities, accounts receivable, notes receivable, financing with receivables, other receivables, other current assets – deposits with non-bank financial institutions, long-term receivables, other equity instrument investments, other non-current financial assets, other non-current assets – purchase margin, borrowings, accounts payable, notes payable, other payables, other current liabilities and bonds payable etc. Detailed descriptions of these financial instruments are set out in Note VI. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate such risks are set out below. The management of the Group manages and monitors such risk exposures to ensure such risks are limited to a prescribed level.

	31/12/2022 RMB	31/12/2021 RMB
Financial assets		
At FVTPL		
Held-trading financial assets	2,053,553,807.44	6,046,493,154.78
Derivative financial assets	13,170,797.64	5,554,185.76
Other non-current financial assets	133,328,692.28	58,247,041.15
At FVTOCI		
Financing with receivables	22,152,492,848.09	31,499,637,236.45
Other equity instrument investments	1,481,976,762.81	813,215,710.00
At amortized cost		
Cash and bank balances	35,773,467,830.28	33,047,560,929.36
Notes receivable	2,735,886,300.00	3,181,930,272.20
Accounts receivable	6,611,191,147.15	5,421,996,764.84
Other receivables	2,415,575,628.26	1,121,872,592.52
Other current assets – Deposits with non-bank financial institutions	6,908,799,698.05	7,956,180,947.96
Long-term receivables (less finance lease receivables)	759,033,224.94	839,609,999.76
Other non-current assets – Purchase margin	1,499,685,302.77	2,691,573,610.58
Financial liabilities		
At FVTPL		
Derivative financial liabilities	28,800,759.63	1,006,607.03
At amortized cost		
Short-term borrowings	5,943,335,783.46	5,204,463,651.75
Notes payable	30,061,481,322.24	26,809,308,822.40
Accounts payable	29,305,857,540.98	37,083,081,730.25
Other payables	5,412,038,588.21	4,063,372,904.57
Other current liabilities	5,555,585,325.06	4,542,933,786.57
Non-current liabilities due within 1 year (excluding lease liabilities due within 1 year)	4,481,304,348.88	3,516,703,300.55
Long-term borrowings	15,405,655,852.03	8,656,160,276.64
Bonds payable	3,511,206,000.48	3,476,276,681.02
Other non-current liabilities	39,789,867.25	41,925,752.20

Notes to the Financial Statements

For the year ended 31 December 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Group adopts sensitivity analysis technique to analyze how the profit or loss for the period or shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

1. Objective and policies of risk management

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyze the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitor regularly and effectively these exposures to ensure the risks are monitored at a certain level.

1.1 Market risk*1.1.1 Currency risk*

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The assets and liabilities (including internal current account denominated in foreign currency) denominated in foreign currencies which may have impact on the Group's performance as a result of currency risk are as follows:

Item	31 December 2022	<i>RMB</i> 31 December 2021
Cash and bank balances	2,219,296,294.13	651,194,616.09
Accounts receivable	2,614,085,412.12	696,876,534.03
Other receivables	5,059,674,680.89	2,533,479,173.35
Accounts payable	(3,219,437,693.00)	(4,302,917,064.72)
Other payables	(148,055,491.69)	(218,458,846.18)
Long-term borrowings	-	(1,582,441,235.47)

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk. Except for the above items, currency risk is not involved in the Group's other financial instruments.

Notes to the Financial Statements

For the year ended 31 December 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Objective and policies of risk management (continued)

1.1 Market risk (continued)

1.1.1 Currency risk (continued)

Sensitivity analysis on currency risk

Where all other variables are held constant, the effects of potential reasonable changes in exchange rates on the profit or loss and equity interests before tax for the period are set out below:

Item	Change in exchange rate	RMB	
		2022 Effect on total profit	Effect on shareholders' equity
USD	5% increase against RMB	117,207,322.50	117,207,322.50
USD	5% decrease against RMB	(117,207,322.50)	(117,207,322.50)
EUR	5% increase against RMB	130,341,183.33	130,341,183.33
EUR	5% decrease against RMB	(130,341,183.33)	(130,341,183.33)
HKD	5% increase against RMB	7,021,035.62	7,021,035.62
HKD	5% decrease against RMB	(7,021,035.62)	(7,021,035.62)
RUB	5% increase against RMB	27,745,995.38	27,745,995.38
RUB	5% decrease against RMB	(27,745,995.38)	(27,745,995.38)
AUD	5% increase against RMB	41,166,146.43	41,166,146.43
AUD	5% decrease against RMB	(41,166,146.43)	(41,166,146.43)

Note: The potential reasonable changes in other exchange rates has limited effect on the profit or loss and equity interests before tax for the period. The above effect of changes in exchange rate has included the effect of forward exchange contracts held by the Group.

Notes to the Financial Statements

For the year ended 31 December 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**1. Objective and policies of risk management** (continued)**1.1 Market risk** (continued)*1.1.1 Currency risk (continued)*

Sensitivity analysis on currency risk (continued)

		RMB	
		2021	
Item	Change in exchange rate	Effect on total profit	Effect on shareholders' equity
USD	5% increase against RMB	105,737,667.16	105,737,667.16
USD	5% decrease against RMB	(105,737,667.16)	(105,737,667.16)
EUR	5% increase against RMB	(92,005,194.96)	(92,005,194.96)
EUR	5% decrease against RMB	92,005,194.96	92,005,194.96
JPY	5% increase against RMB	(20,391,618.09)	(20,391,618.09)
JPY	5% decrease against RMB	20,391,618.09	20,391,618.09
RUB	5% increase against RMB	25,312,333.79	25,312,333.79
RUB	5% decrease against RMB	(25,312,333.79)	(25,312,333.79)
AUD	5% increase against RMB	22,091,053.03	22,091,053.03
AUD	5% decrease against RMB	(22,091,053.03)	(22,091,053.03)

Note: The potential reasonable changes in other exchange rates has limited effect on the profit or loss and equity interests before tax for the period. The above effect of changes in exchange rate has included the effect of forward exchange contracts held by the Group.

Notes to the Financial Statements

For the year ended 31 December 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Objective and policies of risk management (continued)

1.1 Market risk (continued)

1.1.2 Interest rate risk

The Group's cash flow interest rate risk of financial instruments relates primarily to variable-rate bank borrowings. It is the Group's policy to keep its borrowings at floating rate of interests and constantly pay close attention to the effect of interest rate changes on the interest rate risk exposed to the Group.

Sensitivity analysis on interest rate risk

Sensitivity analysis on interest rate risk is based on the following assumption: the changes in market interest rate may have impact on the interest expenses of variable rate financial liabilities.

On the basis of the above assumption, where all other variables are held constant, the effects of potential reasonable changes in interest rates on the profit or loss and equity interests before tax for the period are set out below:

		<i>RMB</i>	
		2022	
Item	Interest rate changes	Effect on profit	Effect on shareholders' equity
Long-term borrowings	Increase of 100 basis points	(190,733,019.70)	(190,733,019.70)
Long-term borrowings	Decrease of 100 basis points	190,733,019.70	190,733,019.70
Short-term borrowings	Increase of 100 basis points	(8,681,474.68)	(8,681,474.68)
Short-term borrowings	Decrease of 100 basis points	8,681,474.68	8,681,474.68
		<i>RMB</i>	
		2021	
Item	Interest rate changes	Effect on profit	Effect on shareholders' equity
Long-term borrowings	Increase of 100 basis points	(78,451,892.15)	(78,451,892.15)
Long-term borrowings	Decrease of 100 basis points	78,451,892.15	78,451,892.15
Short-term borrowings	Increase of 100 basis points	(5,500,000.00)	(5,500,000.00)
Short-term borrowings	Decrease of 100 basis points	5,500,000.00	5,500,000.00

Notes to the Financial Statements

For the year ended 31 December 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Objective and policies of risk management (continued)

1.1 Market risk (continued)

1.1.3 Other price risks

The Group's price risks mainly arise from investments in held-for-trading equity instruments, other equity instrument investments and other non-current financial assets. For investments in held-for-trading equity instruments, the Group is exposed to the risks of changes in the security prices. In addition, the Group has invested in certain unlisted interests and industry funds for long-term strategic use. The Group closely monitors market changes in order to reduce the price risks of equity security investments.

If the fair value of the shares held by the Group at the end of the year increases or decreases by 10% while all other variables remain the same, the shareholders' equity of the Group at the end of the year will increase or decrease by RMB49,494,900.00.

1.2 Credit risk

As at 31 December 2022, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, is arising from the carrying amounts of the respective recognized financial assets as stated in the consolidated balance sheets. For debt instruments measured at fair value, the carrying amount reflects its risk exposure but not the maximum risk exposure, and the maximum risk exposure will change with future changes in fair value.

The Group only transacts with the third parties having good credit records, and most of the sales transactions are settled by receipts in advance or bank acceptances. In order to minimize the credit risk, the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of the financial assets and contract assets at each balance sheet date to ensure that adequate provision for expected credit loss is made for related assets.

The Group's cash and bank balances are deposited in banks with high credit ratings and the acceptance bank in which bank acceptances receivable are deposited is a bank of relatively high credit ratings, thus cash and bank balances and bank acceptances receivable have limited credit risk.

The Group's receivables from joint ventures are mainly deposits with non bank financial institutions. The Group regularly monitors the operating performance of joint ventures. The Group controls credit risk through the value of assets held by these entities and the power to jointly control the relevant activities of these entities. For other receivables, the management regularly evaluates the recoverability of other receivables based on historical settlement records, past experience and reasonable supporting forward-looking information. As at 31 December 2022, the group has assessed the expected credit loss of accounts receivable from joint ventures and other receivables, and there is no significant credit risk.

As at 31 December 2022, please refer to Note VI 3 and 6 for details of the top five accounts receivable and other receivables of the Group. In addition, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

As at 31 December 2022, details of credit risk on the Group's accounts receivable, other receivables and financing lease receivables and their expected credit losses are set out in Note VI 3, 6 and 10.

Notes to the Financial Statements

For the year ended 31 December 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Objective and policies of risk management (continued)

1.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

At the end of each year, the maturity analysis for non-derivative financial liabilities and lease liabilities held by the Group which is based on undiscounted remaining contractual obligations is as follows:

	31 December 2022			Total
	Within 1 year	1 to 5 years	Over 5 years	
Short-term borrowings	(5,969,009,132.84)	-	-	(5,969,009,132.84)
Notes payable	(30,061,481,322.24)	-	-	(30,061,481,322.24)
Accounts payable	(29,305,857,540.98)	-	-	(29,305,857,540.98)
Other payables	(5,412,038,588.21)	-	-	(5,412,038,588.21)
Other current liabilities	(5,555,585,325.06)	-	-	(5,555,585,325.06)
Long-term borrowings (due within 1 year inclusive)	(4,088,553,399.25)	(15,888,148,298.17)	(4,233,275.26)	(19,980,934,972.67)
Lease liabilities (due within 1 year inclusive)	(447,808,423.48)	(979,454,938.60)	-	(1,427,263,362.08)
Bonds payable(due within 1 year inclusive)	(537,552,086.59)	(4,036,091,708.00)	-	(4,573,643,794.59)

	31 December 2021			Total
	Within 1 year	1 to 5 years	Over 5 years	
Short-term borrowings	(5,259,266,410.99)	-	-	(5,259,266,410.99)
Notes payable	(26,809,308,822.40)	-	-	(26,809,308,822.40)
Accounts payable	(37,083,081,730.25)	-	-	(37,083,081,730.25)
Other payables	(4,063,372,904.57)	-	-	(4,063,372,904.57)
Other current liabilities	(4,542,933,786.57)	-	-	(4,542,933,786.57)
Long-term borrowings (due within 1 year inclusive)	(2,787,334,025.89)	(8,920,611,131.25)	-	(11,707,945,157.14)
Lease liabilities (due within 1 year inclusive)	(158,064,517.21)	(568,341,779.98)	-	(726,406,297.19)
Bonds payable (due within 1 year inclusive)	(867,478,476.88)	(405,324,403.45)	(3,745,000,000.00)	(5,017,802,880.33)

Notes to the Financial Statements

For the year ended 31 December 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**2. Capital management**

The Group manages capital by optimizing the structure of liabilities and shareholders' equity to ensure that the entities within the Group can continue to operate and maximize shareholders' returns at the same time.

The Group's capital structure consists of the Group's net debt (the net amount of borrowings and bonds payable after deducting cash and bank balances as disclosed in Note VI. 21,30 and 1) and the shareholders' equity.

The Group is not subject to external mandatory capital management requirements. The management of the Group reviews the capital structure of the Group on a regular basis.

X. DISCLOSURE OF FAIR VALUE**1. Fair value at the end of the period of financial assets and financial liabilities measured at fair value**

Some of the Group's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation techniques and inputs used).

Item	Fair value at the end of the period			Total
	Level 1	Level 2	Level 3	
<i>RMB</i>				
I. Continuous fair value measurement				
(I) Financial assets at fair value through profit or loss				
1. Held-for-trading financial assets	494,949,000.00	1,558,604,807.44	-	2,053,553,807.44
(1) Financial Products	-	1,558,604,807.44	-	1,558,604,807.44
(2) Equity instrument	494,949,000.00	-	-	494,949,000.00
2. Derivative financial assets	-	13,170,797.64	-	13,170,797.64
3. Other non-current financial assets	-	-	133,328,692.28	133,328,692.28
(II) Financial assets at fair value through other comprehensive income				
1. Financing with receivables	-	22,152,492,848.09	-	22,152,492,848.09
(III) Designated as financial assets at fair value through other comprehensive income				
1. Other Equity instrument investments	-	-	1,481,976,762.81	1,481,976,762.81
Total assets measured at fair value on a recurring basis	494,949,000.00	23,724,268,453.17	1,615,305,455.09	25,834,522,908.26
(I) Financial liabilities at fair value through profit or loss				
1. Derivative financial liabilities	-	(28,800,759.63)	-	(28,800,759.63)
Total liabilities measured at fair value on a recurring basis	-	(28,800,759.63)	-	(28,800,759.63)

Notes to the Financial Statements

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X. DISCLOSURE OF FAIR VALUE (continued)

2. Basis for determining the market price of level 1 fair value measurement items

Level 1 fair value measurement items mainly refer to held-for-trading financial assets – equity instruments, and the market price is determined based on the value of the open market shares.

3. Valuation techniques and information of key parameters adopted for level 2 fair value measurement items

Level 2 fair value measurement items mainly refer to held-for trading financial assets – wealth management products, forward foreign exchange settlement contracts and financing with receivables – notes receivable. Cash flow discount method is adopted for valuation techniques of fair values, and the inputs are contract-linked observable inputs, forward exchange rate, observable interest rate, etc.

4. Valuation techniques and information of key parameters adopted for level 3 fair value measurement items

Level 3 fair value measurement items mainly refer to other equity instrument investments and other non-current financial assets. Asset-based approach and market approach are adopted for valuation techniques of fair value of other equity instrument investments and other non-current financial assets.

5. Fair value of financial assets and financial liabilities which are not measured at fair value

Except for the items set out below, the management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized costs in the financial statements as at 31 December 2022 approximate their fair values.

Item	<i>RMB'000</i>	
	Book value 31 December 2022	Fair value 31 December 2022
Bonds payable		
– Convertible Corporate bonds	3,652,240	4,011,881
– Asset-backed securities and notes (including within 1 year)	701,320	745,686

Note: The carrying amount of convertible corporate bonds includes the carrying amount of liabilities and equity components.

The fair value of convertible corporate bonds is the unadjusted quotation in the active market, which is a level 1 fair value measurement item.

The fair value of asset-backed securities is determined by the cash flow discount method, and the market return rate of other financial instruments with similar contract terms, credit risks and remaining maturities is taken as the discount rate. It is a level 2 fair value measurement item.

Notes to the Financial Statements

For the year ended 31 December 2022

XI. RELATED PARTIES AND TRANSACTIONS**1. Parent company of the Company**

Name of company	Place of registration	Nature of business	Registered capital	<i>RMB</i>	
				Shareholding ratio of the company as At 31 December 2022, (%)	Percentage of voting rights of the company as At 31 December 2022, (%)
Innovation Great Wall	Baoding	Investment	5,000,000,000.00	58.36	58.36

The ultimate controlling shareholder of the Company is Wei Jianjun.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note VIII.

3. Joint ventures and associates of the Company

Details of the joint ventures and associates of the Company are set out in Note VIII.

Notes to the Financial Statements

For the year ended 31 December 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)

4. Other related parties of the Company

Name	Relationship with the Group
Baoding Great Wall Holdings Company Limited and its subsidiaries (保定市長城控股集團有限公司及其子公司) (Great Wall Holdings and its subsidiaries) (<i>note</i>)	Entity controlled by the ultimate controlling shareholder
Spotlight Automotive Company Limited (光東汽車有限公司) ("Spotlight Automotive")	Joint venture invested by the Company
Baoding Taihang Plastic Steel Door And Window Co., Ltd. (保定市太行塑鋼門窗有限公司) ("Taihang Plastic Steel")	Entity directly controlled by family member closely related with ultimate controlling shareholder
Baoding Kelakang Medical Management Co., Ltd. (保定市凱爾康醫療管理有限公司) ("Kelakang Medical")	Entity in which the ultimate controlling shareholder indirectly holds more than 30% equity
Baoding Kaierkang Medical Management Co., LTD. (保定市凱爾康醫療管理有限公司徐水凱爾康藥店) ("Kaierkang Medical")	Entity in which the ultimate controlling shareholder indirectly holds more than 30% equity
Baoding Aihecheng Kindergarten in Lianchi District (保定市蓮池區愛和城幼兒園) ("Great Wall Kindergarten")	Private non-enterprise entity indirectly controlled by the ultimate controlling shareholder
Baoding Aihecheng School in Lianchi District (保定市蓮池區愛和城學校) ("Great Wall School")	Private non-enterprise entity indirectly controlled by the ultimate controlling shareholder in the past 12 months
Hebei Baocang Expressway Co. Ltd. (河北保滄高速公路有限公司) ("Baocang Expressway")	Ultimate controlling shareholder serving as director of the company
Great Wall Venture	Entity in which the ultimate controlling shareholder serves as a director and indirectly holds more than 30% equity
Han Xuejuan	Family members closely related with ultimate controlling shareholder
Hebei Baoding Tai Hang Group Co., Ltd. (河北保定太行集團有限責任公司) ("Tai Hang Group")	Entity directly controlled by family member closely related with ultimate controlling shareholder
Baoding Aihecheng Senior High School (保定市愛和城高級中學有限公司) ("Aihecheng Senior High School")	Entity in which the ultimate controlling shareholder indirectly holds more than 30% equity
Tehai Hydrogen Energy Testing (Baoding) Co., LTD (特嗨氫能檢測(保定)有限公司) ("Tehai Hydrogen Energy")	Entity in which the ultimate controlling shareholder indirectly holds more than 50% equity

Note: Haomo Zhixing is not only an associate of the Group, but also an entity controlled by the ultimate controlling shareholder of the Group. The related party transactions, receivables and payables between the Group and Haomo Zhixing, are included in the related party transactions, receivables and payables between the Group and Great Wall Holdings and its subsidiaries.

Notes to the Financial Statements

For the year ended 31 December 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions

(1) Related party transactions in the purchase and sale of goods, provision and acceptance of services

Purchase of goods/acceptance of services

Related parties	Related party transaction	RMB	
		2022	2021
Great Wall Holding and its subsidiaries	The purchase of goods	3,943,389,109.71	3,791,143,848.71
	Accepting services,	537,663,273.63	353,070,431.76
	Rental expenses and others	526,603,332.83	110,328,426.66
Automotive Finance	Purchase of goods	4,693.54	–
	Accepting services,	118,261,719.33	427,208,790.26
Spotlight Automotive	Purchase of goods	780,210,828.10	–
	Accepting services,	103,071,797.17	27,112,052.72
Jiangsu Longcheng	Purchase of goods	137,321,151.33	–
Jiangsu Baojie	Purchase of goods	30,126,728.40	–
Tai Hang Group	Purchase of goods	42,123.00	–
Taihang Plastic Steel	Purchase of goods	–	315,747.90
Kelkang Medical	Purchase of goods	85,530.00	1,088.18
	Receipt of services	3,304,930.00	–
Kelkang Pharmacy	Purchase of goods	51,201.00	–
Tehai Hydrogen Energy	Receipt of services	877,741.60	–

Sales of goods/rendering of services

Related parties	Related party transaction	RMB	
		2022	2021
Great Wall Holding and its subsidiaries	Sales of goods	233,680,252.10	637,712,952.74
	Provide labor services	69,271,356.85	71,655,402.84
	Rental income and others	12,236,707.51	13,710,792.94
Spotlight Automotive	Sale of goods	177,382,602.47	88,200,587.52
	Rendering of services	193,368,245.06	294,127,274.73
	Rental income and others	–	343,241.12
Automotive Finance	Sale of goods	24,431.33	34,356.51
	Rendering of services	48,007,307.97	54,922,947.73
	Rental income and others	274,172.48	556,183.10
	Interest income	290,506,562.58	326,257,905.60
Aihecheng School	Sale of goods	927,943.25	1,221,279.07
Great Wall Venture	Rendering of services	1,226.42	14,972.04
	Rental income and others	12,833.18	–

Notes to the Financial Statements

For the year ended 31 December 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(1) Related party transactions in the purchase and sale of goods, provision and acceptance of services (continued)

Sales of goods/rendering of services (continued)

Related parties	Related party transaction	RMB	
		2022	2021
Aihecheng Kindergarten	Rendering of services	1,226.42	1,556.34
Baocang Expressway	Rendering of services	3,507.77	11,193.95
Aihecheng Senior High School	Rendering of services	8,112.70	–
Kelkang Medical	Rendering of services	1,839.63	–
	Rental income and others	14,285.71	–
Tehai Hydrogen Energy	Sale of goods	52,883,641.87	–
	Rendering of services	300,686.49	–
	Rental income and others	2,800,003.46	–
Tai Hang Group	Rendering of services	5,608.49	–
Han Xuejuan	Sale of goods	–	256,460.18
Jiangsu Longcheng	Sale of goods	748,124.55	–
Jiangsu Baojie	Sale of goods	322,136.50	–
	Rendering of services	4,500,000.00	–

(2) Emolument for key management

Item	RMB	
	2022	2021
Salary for key management	16,588,810.88	18,360,087.39
Share based payment for key management	7,984,910.25	7,053,693.05

Key management are the individuals who are authorized and responsible for planning, supervision and control of corporate activities, including directors, general manager, chief accounting officer, deputy general managers, and other administration officers.

Notes to the Financial Statements

For the year ended 31 December 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(2) Emolument for key management (continued)

(a) Remunerations for independent non-executive directors

Remunerations for independent non-executive directors for the current year:

	2022	2021
		<i>RMB'000</i>
Li Wanjun	60	60
Ng Chi Kit	135	136
Yue Ying	60	60
Total	255	256

The above remuneration of the independent non-executive directors represents their remuneration for their services as directors of the Company. There is no other remuneration payable to the independent non-executive directors during the year (2021: Nil).

(b) Executive directors, non-executive directors and supervisors

2022	Emolument	Salaries, subsidies and welfare in kind	Bonus	Retirement benefit contributions	Share based payment	Total remunerations
Executive directors:						
Wei Jianjun	-	3,388	2,334	33	-	5,755
Wang Fengying (Note 1)	-	1,906	-	18	4,987	6,911
Yang Zhijuan (Note 2)	-	113	-	-	80	193
Zhao Guoqing (Note 1)	-	1,476	1,516	33	563	3,588
Li Hongshuan (Note 2)	-	291	884	33	1,911	3,119
Non-executive directors:						
He Ping	60	-	-	-	-	60
Supervisors:						
Liu Qian	20	-	-	-	-	20
Ma Yubo	20	-	-	-	-	20
Lu Caijuan	-	255	133	-	-	388
Total	100	7,429	4,867	117	7,541	20,054

Note 1: Ms. Wang Fengying resigned as the executive director of the Company in March 2022, and Mr. Zhao Guoqing was appointed as the executive director of the Company since March 2022.

Note 2: Ms. Yang Zhijuan resigned as the executive director of the Company in March 2022, and Ms. Li Hongshuan was appointed as the executive director of the Company since March 2022.

Notes to the Financial Statements

For the year ended 31 December 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(2) Emolument for key management (continued)

(b) Executive directors, non-executive directors and supervisors (continued)

	RMB'000					
2021	Emolument	Salaries, subsidies and welfare in kind	Bonus	Retirement benefit contributions	Share based payment	Total remunerations
Executive directors:						
Wei Jianjun	-	3,386	2,331	31	-	5,748
Wang Fengying	-	3,266	2,217	31	-	5,514
Yang Zhijuan	-	406	361	-	-	767
Non-executive directors:						
He Ping	60	-	-	-	-	60
Supervisors:						
Chen Biao (Note 3)	-	146	-	10	1,030	1,186
Zong Yixiang (Note 4)	17	-	-	-	-	17
Liu Qian	20	-	-	-	-	20
Ma Yubo (Note 4)	4	-	-	-	-	4
Lu Caijuan (Note 3)	-	165	138	-	-	303
Total	101	7,369	5,047	72	1,030	13,619

Note 3: Mr. Chen Biao resigned as the employee representative supervisor on 12 May 2021, and Ms. Lu Caijuan was appointed as the employee representative supervisor of the Company on 12 May 2021.

Note 4: Ms. Zong Yixiang resigned as the independent supervisor on 29 October 2021, and Mr. Ma Yubo was appointed as the independent supervisor of the Company on 29 October 2021.

The bonus is determined according to the performance of the Group.

The above remunerations are the compensation to the executive directors for their services as the Company's management personnel. The above remuneration of the independent non-executive directors represents their remuneration for their services as directors of the Company. The above remuneration of the supervisors represents their remuneration for their service as supervisors or managers of the Company.

During the current year, neither the directors nor the supervisors waive or agree to waive any remuneration. The Group has not paid any remuneration to directors or supervisors as a reward for joining the Group or after joining the Group or as compensation for lost jobs.

Notes to the Financial Statements

For the year ended 31 December 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)**5. Related party transactions** (continued)**(2) Emolument for key management** (continued)*(c) Top five highest paid employees*

Of the five highest paid employees in the Group, remunerations for four (2021: two) highest paid employees are shown in the above table and remunerations for the other three (2021: three) highest paid employees are analyzed below:

	2022	<i>RMB'000</i> 2021
Salaries, subsidies and welfare in kind	421	3,545
Bonus	3,598	2,009
Retirement benefit contributions	18	78
Share based payment	368	4,480
Total	4,405	10,112

The number of employees whose remunerations are ranged as follows:

	2022	2021
HK\$2,000,001 to HK\$2,500,000	–	1
HK\$4,000,001 to HK\$4,500,000	–	1
HK\$4,500,001 to HK\$5,000,000	1	–
HK\$5,500,001 to HK\$6,000,000	–	1

Notes to the Financial Statements

For the year ended 31 December 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(3) Other related party transactions

(a) Deposits with related parties

Changes in deposits with related parties:

Related party	31/12/2021	Deposits for the year	Recovery for the year	RMB
				31/12/2022
Automotive Finance	7,762,000,000.00	–	(1,000,000,000.00)	6,762,000,000.00

(b) Guarantees provided by related parties

Guarantee company	Currency	Guaranteed amount	Guaranteed start date	Guaranteed end date	Whether the
					guarantee has been fulfilled
Great Wall Holdings	RMB	500,000,000.00	NA	NA	No
Great Wall Venture	RMB	600,000,000.00	2024.09.28	2027.9.28	No
Great Wall Venture	RMB	500,000,000.00	2024.01.04	2027.1.4	No

(c) Right-of-use assets and lease liabilities

During the current period, the Group signed several new lease agreements with related parties. Except for short-term leases and low-value assets, the Group's recognized right-of-use assets are RMB884,215,213.80.

At the end of the period, the balance of lease liabilities between the Group and related parties is RMB921,355,091.09. The interest expense of lease liabilities incurred in this period is RMB38,248,470.32.

Notes to the Financial Statements

For the year ended 31 December 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)

6. Amounts due from/due to related parties

Item	Related party transactions	RMB	
		31/12/2022	31/12/2021
Accounts receivable	Great Wall Holding and its subsidiaries	200,891,925.14	321,926,107.71
Accounts receivable	Automotive Finance	16,135,882.72	17,401,187.68
Accounts receivable	Spotlight Automotive	350,242,677.58	295,878,453.27
Accounts receivable	Other related parties	6,280.96	271,075.28
Accounts receivable	Jiangsu Longcheng	211,811.52	–
Subtotal of accounts receivable:		567,488,577.92	635,476,823.94
Other receivables	Great Wall Holding and its subsidiaries	9,947,796.57	45,048,201.21
Other receivables	Spotlight Automotive	1,230,739.50	250,000.00
Other receivables	Other related parties	7,660.00	–
Other receivables	Jiangsu Baojie	1,757.55	–
Subtotal of other receivables		11,187,953.62	45,298,201.21
Prepayments	Great Wall Holding and its subsidiaries	340,857,653.75	16,581,699.31
Prepayments	Automotive Finance	427,388.54	–
Prepayments	Spotlight Automotive	301,753.20	–
Prepayments	Jiangsu Baojie	193,670.08	–
Subtotal of prepayments		341,780,465.57	16,581,699.31
Notes receivable	Great Wall Holding and its subsidiaries	31,923.09	72,500,000.00
Subtotal of notes receivable		31,923.09	72,500,000.00
Financing with receivables	Great Wall Holding and its subsidiaries	47,659,659.34	4,488,371.42
Subtotal of financing with receivables		47,659,659.34	4,488,371.42
Other current assets	Automotive Finance	6,908,799,698.05	7,956,180,947.96
Subtotal of other current assets		6,908,799,698.05	7,956,180,947.96

Notes to the Financial Statements

For the year ended 31 December 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)**6. Amounts due from/due to related parties** (continued)

Item	Related party transactions	RMB	
		31/12/2022	31/12/2021
Other non-current assets	Great Wall Holding and its subsidiaries	735,000,000.00	540,617,386.35
Subtotal of non-current assets		735,000,000.00	540,617,386.35
Accounts payable	Great Wall Holding and its subsidiaries	608,119,889.01	983,478,335.02
Accounts payable	Automotive Finance	30,370.79	134,694,545.10
Accounts payable	Spotlight Automotive	477,193,197.66	27,112,052.72
Accounts payable	Other related parties	163,655.83	70.00
Accounts payable	Jiangsu Longcheng	12,402,877.29	–
Accounts payable	Jiangsu Baojie	24,201,568.86	–
Subtotal of accounts payable		1,122,111,559.44	1,145,285,002.84
Other payables	Great Wall Holding and its subsidiaries	51,031,683.09	4,138,700.96
Other payables	Automotive Finance	212,746.23	190,924.22
Other payables	Spotlight Automotive	–	583,072.37
Other payables	Joint venture	–	–
Other payables	Other related parties	45,429.02	212,458.37
Subtotal of other payables:		51,289,858.34	5,125,155.92
Contract liabilities	Great Wall Holding and its subsidiaries	31,532,275.42	12,774,769.57
Contract liabilities	Automotive Finance	1,405,740.25	1,525,842.69
Contract liabilities	Spotlight Automotive	–	4,868,230.10
Contract liabilities	Jiangsu Longcheng	65,871.29	–
Contract liabilities	Jiangsu Baojie	4,830,000.00	–
Subtotal of contract liabilities		37,833,886.96	19,168,842.36
Notes payable	Great Wall Holding and its subsidiaries	1,028,837.17	–
Notes payable	Other related parties	–	58,711.35
Notes payable	Jiangsu Longcheng	6,499,161.03	–
Notes payable	Jiangsu Baojie	9,767,966.81	–
Subtotal of notes payable:		17,295,965.01	58,711.35
Lease liability	Great Wall Holding and its subsidiaries	921,355,091.09	171,894,418.90
Subtotal of lease liabilities:		921,355,091.09	171,894,418.90

Notes to the Financial Statements

For the year ended 31 December 2022

XII. SHARE-BASED PAYMENTS

1. General information of share-based payments

	Restricted Share	Share Option
31 December 2021	56,322,850	373,381,428
Total equity instruments granted by the Company in the year	7,955,800	75,497,100
Total equity instruments unlocked or exercised by the Company in the year	24,557,798	27,785,373
Total equity instruments expired by the Company in the year (Note)	4,438,847	40,388,475
31 December 2022	35,282,005	380,704,680
The range of exercise price of share options issued by the Company at the end of the year and the remaining contract period	See other explanations	See other explanations
The range of exercise price of other equity instruments issued by the Company at the end of the year and the remaining contract period	See other explanations	See other explanations

Note: The restricted stocks that have expired this year include 1,028,190 restricted stocks that have been approved by the board of directors to be cancelled but have not yet been repurchased and cancelled.

Other explanations:

According to the "Proposal on restricted shares and share options incentive plans of Great Wall Motor Company Limited in 2020 (the First Revised Draft) and its summary", the "Proposal on the assessment measures for the implementation of restricted shares and share options incentive plans of Great Wall Motor Company Limited in 2020 (Revised)" and the "Proposal to the shareholders' meeting for fully authorizing the board of directors and its authorized persons to handle the matters related to restricted shares and share options incentive plans of the Company in 2020" approved in the Company's 2020 first extraordinary shareholders meeting, 2020 first H-share class shareholders' meeting and 2020 first A-share class shareholders' meeting, and the "Proposal on adjusting the incentive target lists of restricted shares and share options incentive plans and the number of shares granted in 2020" and the "Proposal of Great Wall Motor Company Limited on granting restricted shares or share options to incentive targets of restricted shares and share options incentive plans in 2020" (hereinafter referred to as the "2020 Equity Incentive Plans") approved by the Company at the 34th meeting of the sixth session of board of directors on 27 April 2020, the Company granted 52,678,200 restricted shares for the first time to the incentive targets at a price of RMB4.37 per share on 27 April 2020, while the incentive targets actually subscribed 49,303,500 restricted shares.

At the 13th meeting of the seventh session board of directors on 28 January 2021, the Company approved the "Proposal of Great Wall Motor Company Limited on granting reserved restricted shares or share Options to incentive targets"; and at the 14th meeting of the seventh session board of directors on 12 March 2021, the Company approved the "Proposal of Great Wall Motor Company Limited on adjusting the granting price of reserved restricted shares of the Company's restricted shares and share options incentive plans in 2020". On 28 January 2021, the Company granted 8.748 million restricted shares to incentive targets at a price of RMB20.8 per share, and incentive targets subscribed 1,149,200 restricted shares.

Notes to the Financial Statements

For the year ended 31 December 2022

XII. SHARE-BASED PAYMENTS (continued)

1. General information of share-based payments (continued)

Other explanations: (continued)

According to the "Proposal on restricted shares incentive plan of Great Wall Motor Company Limited In 2021 (Draft) and its summary", the "Proposal on share options incentive plan of Great Wall Motor Company Limited in 2021 (Draft) and its summary", the "Proposal on the assessment measures for the restricted shares incentive plan's implementation of Great Wall Motor Company Limited in 2021", the "Proposal on the assessment measures for share options incentive plan's implementation of Great Wall Motor Company Limited in 2021", the "Proposal to the general meeting of shareholders to authorize the board of directors and its authorized persons to handle matters relating to the restricted shares incentive plan of the Company in 2021" and the "Proposal to the general meeting of shareholders to authorize the board of directors and its authorized persons to handle matters relating to share options incentive plan of the Company in 2021", approved by the Company's fourth extraordinary general meeting of shareholders in 2021, the second H-share class shareholders' meeting in 2021 and the second A-share class shareholders' meeting in 2021, as well as the "Proposal of Great Wall Motor Company Limited on granting restricted shares to incentive targets of the restricted shares incentive plan and granting share options to the incentive targets of share options incentive plan in 2021", and the "Proposal of Great Wall Motor Company Limited to adjust the incentive target lists and the number of granting shares and option under the restricted shares incentive plan and share option incentive plan in 2021" (hereinafter referred as "2021 Equity Incentive Plans"), approved by the 23rd meeting of the 7th session board of directors and the 21st meeting of the 7th session board of supervisors on 22 July 2021, the Company granted 34,057,000 restricted shares to the incentive targets for the first time at a price of RMB16.78 per share, and the incentive targets actually subscribed for 32,653,200 restricted shares.

At the 38th meeting of the 7th session Board of Directors on 29 April 2022, the Company approved the "Proposal on granting reserved restricted shares to incentive targets in 2021" and the "Proposal on granting reserved share options to incentive targets in 2021". On 29 April 2022, the Company granted 8,600,000 reserved restricted shares to incentive targets at the price of RMB12.73 per share, and incentive targets actually subscribed 7,955,800 restricted shares.

Notes to the Financial Statements

For the year ended 31 December 2022

XII. SHARE-BASED PAYMENTS (continued)**1. General information of share-based payments** (continued)**Other explanations:** (continued)

The conditions on unlocking the restricted shares of incentive targets need to meet certain performance conditions and personal performance evaluation conditions. The vesting periods for restricted shares are 1, 2, and 3 years from the date of first grant. While the vesting periods for reserved restricted share granted are 1 and 2 years from the date of grant. During the vesting period, the cash dividends distributed by the Company to restricted shareholders are revocable.

According to the 2020 Equity Incentive Plans, the Company granted 87,065,300 share options to incentive targets, with an exercise price of RMB8.73 per share for the first time on 27 April 2020. On 28 January 2021, the Company granted 15.721 million reserved share options to the incentive targets at an exercise price of RMB42.15 per share. According to the 2021 Share Incentive Plans, the Company granted 300,594,000 share options to the incentive targets for the first time on 22 July 2021, with an exercise price of RMB33.56 per share; the Company granted 75,497,100 reserved share options to the incentive targets on 29 April 2022, with an exercise price of RMB25.45 per share. The exercise of the above share options shall meet certain performance conditions and personal performance evaluation conditions. Different vesting periods apply to share options granted to incentive targets, ranging from 1, 2 and 3 years for share options granted for the first time and 1 and 2 years for reserved share options grant, respectively.

2. Equity-settled share-based payment

RMB

Method for determining the fair value of equity instruments on the grant date**See other explanations**

The basis for determining the number of exercisable equity instruments

Based on the number of restricted shares/options granted, the Company makes the best estimate of the number of restricted shares/options that are expected to be exercised in each period in the unlock/exercise arrangement

Reasons for the significant difference between the current estimate and the previous estimate

N/A

The cumulative amount of equity-settled share-based payments included in the capital reserve

3,368,053,001.78

The total amount of expenses recognized for equity-settled share-based payments in the current year

863,787,819.57

Notes to the Financial Statements

For the year ended 31 December 2022

XII. SHARE-BASED PAYMENTS (continued)

2. Equity-settled share-based payment (continued)

Other explanations:

For the aforementioned Restricted Shares Incentive Plans, the fair value of restricted shares granted by the Company on the grant date is measured based on the market price of the Company's ordinary shares on the grant date.

For the share options granted in 2021 and 2022, the Company calculates the fair value of the share options on the grant date according to the "Binary Tree Option Pricing Model", main parameters selected in the model are underlying share price, exercise price, option validity, share price volatility, risk-free interest rate and the average dividend yield of the Company in the last 12 months.

XIII. COMMITMENTS

1. Significant commitments

Capital commitments

	31/12/2022	31/12/2021
		<i>RMB'000</i>
Contracted but not provided	5,342,558	3,677,690
– Purchase of long-term asset commitments	5,342,558	3,677,690
Total	5,342,558	3,677,690

XIV. EVENTS AFTER THE BALANCE SHEET DATE

None.

Notes to the Financial Statements

For the year ended 31 December 2022

XV. OTHER SIGNIFICANT EVENTS

1. Segment reporting

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

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

Item	2022	<i>RMB</i> 2021
Revenue from external customers in China	110,589,888,838.80	120,242,883,244.69
Revenue from external customers in other countries	26,750,096,348.96	16,161,779,793.98
Total	137,339,985,187.76	136,404,663,038.67

Item	31/12/2022	<i>RMB</i> 31/12/2021
Non-current assets located in China	63,768,462,054.50	52,555,571,667.97
Non-current assets located in other countries	4,495,812,774.06	3,999,057,674.04
Total	68,264,274,828.56	56,554,629,342.01

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

The Group is not dependent on one or more important clients.

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY

1. Cash and bank balances

Item	31 December 2022	31 December 2021
<i>RMB</i>		
Cash:		
RMB	179,967.15	53,875.06
GBP	13,541.53	13,884.02
HKD	7,025.93	6,430.75
USD	3,585.79	3,282.59
JPY	1,581.68	1,674.03
SGD	1,611.94	1,467.27
RUB	53.93	48.95
KRW	39.25	38.11
THB	26.18	24.85
Bank balances:		
RMB	12,191,133,624.36	20,105,438,924.95
AUD	364,269,348.65	—
HKD	140,413,552.54	30,801.19
USD	110,624,192.08	180,487,947.23
EUR	4,050,437.66	1,428,857.90
GBP	22,104.86	209,232.26
JPY	—	452,360.40
Other cash and bank balances:		
RMB	4,018,974,907.69	993,131,055.09
Total	16,829,695,601.22	21,281,259,904.65
Including: overseas cash and bank balances	—	—

As at 31 December 2022, the Company had restricted cash and bank balances of RMB4,018,974,907.69, Of which, the guarantee on bank acceptance notes amount to RMB4,016,360,407.69, and other guarantees amount to RMB2,614,500.00.

As at 31 December 2021, the Company had restricted cash and bank balances of RMB993,131,055.09, all as the guarantee on bank acceptance notes.

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Accounts receivable

(1) Disclosed by aging:

Aging	31/12/2022			31/12/2021		
	Amount	Credit loss provision	Proportion (%)	Amount	Credit loss provision	Proportion (%)
Within 1 year	25,045,600,665.56	(4,539,483.57)	0.02	17,566,167,390.50	(2,860,953.87)	0.02
1 to 2 years	403,455,758.90	(1,449,482.82)	0.36	316,845,838.08	(27,606,830.53)	8.71
2 to 3 years	237,687,974.44	—	—	201,932,851.35	—	—
Over 3 years	364,581,868.20	(339,103,501.03)	93.01	525,133,228.74	(310,430,202.96)	59.11
Total	26,051,326,267.10	(345,092,467.42)	1.32	18,610,079,308.67	(340,897,987.36)	1.83

RMB

The aging analysis of the above accounts receivable is based on the time of revenue recognition.

(2) Disclosed by classification of credit loss provision method

Category	31/12/2022					31/12/2021				
	Carrying amount		Credit loss provision		Book value	Carrying amount		Credit loss provision		Book value
Amount	Ratio (%)	Amount	Ratio (%)	Amount		Ratio (%)	Amount	Ratio (%)		
Credit loss provision by individuals	339,103,501.03	1.30	(339,103,501.03)	100.00	—	579,566,825.93	3.11	(310,430,202.96)	53.56	269,136,622.97
Credit loss provision assessed by portfolios	25,712,222,766.07	98.70	(5,988,966.39)	0.02	25,706,233,799.68	18,030,512,482.74	96.89	(30,467,784.40)	0.17	18,000,044,698.34
Total	26,051,326,267.10	100.00	(345,092,467.42)	1.32	25,706,233,799.68	18,610,079,308.67	100.00	(340,897,987.36)	1.83	18,269,181,321.31

RMB

Description of the accounts receivable for which credit loss provision has been assessed by portfolios:

As part of the Company's credit risk management, the Company assesses the expected credit losses for various categories of accounts receivable based on their credit periods and overdue aging.

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Accounts receivable (continued)

(2) Disclosed by classification of credit loss provision method (continued)

Accounts receivable whose credit loss provision are assessed by portfolio and their expected credit losses are as follows:

Aging	31 December 2022				31 December 2021			
	Expected loss rate	Carrying amount	Credit loss provision	Book value	Expected loss rate	Carrying amount	Credit loss provision	Book value
Within contractual/								
Indefinite	0.00%-4.00%	25,703,943,405.55	(1,750,926.74)	25,702,192,478.81	0.00%-4.00%	18,000,034,421.83	(547,205.38)	17,999,487,216.45
Overdue for								
1-180 days	11.78%-50.00%	4,580,788.31	(539,467.44)	4,041,320.87	10.60%-50.00%	623,547.57	(66,065.68)	557,481.89
Overdue for over								
180 days	100.00%	3,698,572.21	(3,698,572.21)	—	100.00%	29,854,513.34	(29,854,513.34)	—
Total		25,712,222,766.07	(5,988,966.39)	25,706,233,799.68		18,030,512,482.74	(30,467,784.40)	18,000,044,698.34

RMB

(3) Provision, recovery or reversal of credit loss provision during the current year:

Credit loss provision	2022		Total
	Lifetime ECL (not occurred credit-impairment)	Lifetime ECL (occurred credit-impairment)	
Balance at 31 December 2021	613,271.06	340,284,716.30	340,897,987.36
Provision	5,011,206.14	1,887,641.70	6,898,847.84
Reversals	(1,431,386.89)	(29,784,615.14)	(31,216,002.03)
Written-off	—	(161,663.82)	(161,663.82)
— Transfer to occurred credit impairment	(1,902,696.13)	1,902,696.13	—
Exchange difference	—	28,673,298.07	28,673,298.07
Balance at 31 December 2022	2,290,394.18	342,802,073.24	345,092,467.42

RMB

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Accounts receivable (continued)

(4) Top five entities with the largest balances of accounts receivable:

Name of entity	Closing balance	Proportion of the amount to the total accounts receivable (%)	RMB
			Closing balance of credit loss provision
Subsidiary 1	13,400,931,393.57	51.44	—
Subsidiary 2	2,291,988,063.14	8.80	—
Subsidiary 3	2,261,326,037.02	8.68	—
Subsidiary 4	1,346,917,825.91	5.17	—
Customer 1	1,191,592,184.00	4.57	—
Total	20,492,755,503.64	78.66	—

3. Notes receivable and financing with receivables

3.1 Notes receivable

Category	RMB	
	31/12/2022	31/12/2021
Bank acceptances	2,489,172,285.00	3,071,864,668.01
Commercial acceptances	1,845,888.00	5,840,000.00
Total	2,491,018,173.00	3,077,704,668.01

Note: The Company pledged notes receivable amount to RMB1,393,403,705.10 at the end of this year to issue notes payable and pledge loans.

3.2 Financing with receivables

(1) Classification:

Category	RMB	
	31/12/2022	31/12/2021
Bank acceptances	17,437,826,198.48	20,690,106,005.49
Total	17,437,826,198.48	20,690,106,005.49

According to the business model of managing these notes, the Company classifies notes receivable as financial assets at fair value through other comprehensive income.

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Notes receivable and financing with receivables (continued)

3.2 Financing with receivables (continued)

(2) Pledged notes receivable as at the end of year:

Category	RMB	
	31/12/2022	31/12/2021
Bank acceptances	14,927,595,265.87	13,571,110,081.52
Total	14,927,595,265.87	13,571,110,081.52

Note: The Company pledged these notes at the end of the year to issue notes payable.

(3) Notes receivable endorsed and discounted by the Company to other parties but yet undue by the end of the year are as follows:

Category	Amount	
	derecognized at 31/12/2021	Amount not derecognized at 31/12/2021
Bank acceptances	24,549,895,545.32	—
Total	24,549,895,545.32	—

The Company holds that its bank acceptances are not exposed to significant credit risk and will not subject to significant loss due to the default of the notes acceptor, therefore the Group has not made any provision for credit loss.

4. Other receivables

4.1 Summary of other receivables

Category	RMB	
	31/12/2022	31/12/2021
Interest receivable	8,883,412.13	10,251,474.99
Dividends receivable	300,049,810.21	301,983,748.65
Other receivables	9,869,156,893.60	5,761,034,713.66
Total	10,178,090,115.94	6,073,269,937.30

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Other receivables (continued)

4.2 Other receivables

(1) Disclosed by aging:

Aging	31/12/2022			31/12/2021			RMB
	Amount	Credit loss provision	Ratio (%)	Amount	Credit loss provision	Ratio (%)	
Within 1 year	6,232,523,132.44	—	—	3,420,611,690.95	—	—	
1 to 2 years	1,495,786,077.02	—	—	535,086,185.72	—	—	
2 to 3 years	454,471,285.89	—	—	1,787,250,966.98	—	—	
Over 3 years	1,686,546,236.25	(169,838.00)	0.01	18,255,708.01	(169,838.00)	0.93	
Total	9,869,326,731.60	(169,838.00)	—	5,761,204,551.66	(169,838.00)	—	

(2) Disclosed by nature are as follows:

Nature of other receivables	Carrying amount at 31/12/2022	Carrying amount at 31/12/2021	RMB
Receivables	4,218,031,111.26	1,964,162,915.42	
Tax refunds	443,983,091.04	229,473,652.38	
Proceeds from land transfer	270,758,568.00	186,256,243.00	
Security and margin deposits	28,671,815.47	34,987,384.46	
Deposits	20,124,479.59	26,662,020.42	
Others	4,887,757,666.24	3,319,662,335.98	
Total	9,869,326,731.60	5,761,204,551.66	

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Other receivables (continued)

4.2 Other receivables (continued)

(3) Assessment of credit loss provision:

Aging	31/12/2022				31/12/2021			
	Expected average loss rate	Carrying amount	Credit loss provision	Book value	Expected average loss rate	Carrying amount	Credit loss provision	Book value
Indefinite/within contractual repayment period	—	9,869,156,893.60	—	9,869,156,893.60	—	5,761,034,713.66	—	5,761,034,713.66
Overdue for 1-180 days	—	—	—	—	—	—	—	—
Overdue for over 180 days	100.00%	169,838.00	(169,838.00)	—	100.00%	169,838.00	(169,838.00)	—
Total		9,869,326,731.60	(169,838.00)	9,869,156,893.60		5,761,204,551.66	(169,838.00)	5,761,034,713.66

RMB

The Company determines the expected credit losses of the other receivables based on the historical experience data and forward-looking information. In 2022, the Company's assessment method and significant assumptions have remained unchanged.

(4) Credit loss provision:

Credit loss provision	Phase 1	Phase 2	Phase 3	Total
	Future 12-month ECL	Lifetime ECL (not occurred credit-impairment)	Lifetime ECL (occurred credit-impairment)	
Balance at 31 December 2021	—	—	169,838.00	169,838.00
Provision	—	—	—	—
Reversals	—	—	—	—
Written-off	—	—	—	—
Balance at 31 December 2022	—	—	169,838.00	169,838.00

RMB

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Other receivables (continued)

4.2 Other receivables (continued)

(5) Top five entities with the largest balances of other receivables:

Name of entity		Nature	Amount	Aging	Proportion of the amount to the total other receivables (%)	Closing balance of credit loss provision
Subsidiary 1	Others		2,032,941,558.93	Within 1 year, 1 to 2 years, 2 to 3 years, Over 3 years	20.60	—
Subsidiary 2	Receivables		1,928,730,076.22	Within 1 year, 1-2 years	19.54	—
Subsidiary 3	Others		869,289,441.61	Within 1 year	8.81	—
Subsidiary 4	Others		616,407,870.07	Within 1 year, 1 to 2 years, 2 to 3 years, Over 3 years	6.25	—
Subsidiary 5	Receivables		600,000,000.00	Within 1 year, 1 to 2 years	6.08	—
Total			6,047,368,946.83		61.28	—

RMB

The Company has no other receivables related to government grants.

5. Inventories

(1) Inventories by category

Item	31/12/2022		
	Carrying amount	Provision for decline in value of inventories	Book value
Raw materials	3,805,515,711.90	(114,163,508.00)	3,691,352,203.90
Work-in-progress	468,204,367.85	(5,083,589.95)	463,120,777.90
Finished goods	6,119,680,214.47	(243,698,118.37)	5,875,982,096.10
Low-valued and short-lived consumables	205,331,371.31	(944,249.16)	204,387,122.15
Total	10,598,731,665.53	(363,889,465.48)	10,234,842,200.05

RMB

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. Inventories (continued)

(1) Inventories by category (continued)

RMB

Item	Carrying amount	31/12/2021	
		Provision for decline in value of inventories	Book value
Raw materials	1,990,270,037.05	(53,051,503.55)	1,937,218,533.50
Work-in-progress	709,490,703.89	(2,663,897.96)	706,826,805.93
Finished goods	2,846,181,752.38	(75,470,458.17)	2,770,711,294.21
Low-valued and short-lived consumables	257,975,934.40	(1,148,266.85)	256,827,667.55
Total	5,803,918,427.72	(132,334,126.53)	5,671,584,301.19

(2) Provision for decline in value of inventories

RMB

Inventories by category	31/12/2021	Provision for the year	Decrease for the year		Other decrease	31/12/2022
			Reversals	Written-off		
Raw materials	53,051,503.55	170,766,839.36	—	(109,654,834.91)	—	114,163,508.00
Work-in-progress	2,663,897.96	7,339,349.34	—	(4,919,657.35)	—	5,083,589.95
Finished goods	75,470,458.17	289,087,596.68	(760,070.03)	(120,099,866.45)	—	243,698,118.37
Low-valued and short-lived consumables	1,148,266.85	—	(24,386.97)	(176,011.05)	(3,619.67)	944,249.16
Total	132,334,126.53	467,193,785.38	(784,457.00)	(234,850,369.76)	(3,619.67)	363,889,465.48

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. Inventories (continued)

(3) Analysis of provision for decline in value of inventories

Item	Basis of provision for decline in value of inventories	Reasons for reversal or written-off of provision for decline in value of inventories during the year	Percentage of the reversal to the closing balance of the inventory during the year (%)
Raw materials	Note 1	Note 2	—
Work-in-progress	Note 1	Note 2	—
Finished goods	Note 1	Note 2	0.01
Low-valued and short-lived consumables		Note 2	0.01

Descriptions of inventories:

Note 1: As the estimated net realizable value of some vehicle products was lower than the inventory cost as at the end of the period, provision for decline in value of inventories had been made for raw materials, work-in-progress, low-valued and short-lived consumables finished goods correspondingly.

Note 2: As the estimated net realizable value of some, raw materials, work-in-progress, finished goods, low-valued and short-lived consumables was higher than the inventory cost as at the end of the year, the provision for decline in value of inventories for the previous year has been reversed. In addition, as the inventories for which provision for decline in value has been made in the previous year was sold during the year, the provision for decline in value of inventories has been written off.

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

6. Other current assets

Details of other current assets:

Item	RMB	
	31/12/2022	31/12/2021
Deposits in non-bank financial institutions (Note 1)	6,908,799,698.05	7,956,180,947.96
Taxes to be deducted	686,295,079.87	893,446,616.01
Mould (Note 2)	4,396,737.81	40,255,028.49
Paint for vehicles	3,987,243.36	4,118,449.60
Others	37,206,563.11	24,817,691.09
Total	7,640,685,322.20	8,918,818,733.15

Note 1: The deposits in non-bank financial institutions are deposits in Automotive Finance.

Note 2: The estimated useful life is less than one year.

7. Long-term equity investments

Breakdown of long-term equity investments:

Item	31/12/2022			31/12/2021		
	Carrying amount	Impairment provision	Book value	Carrying amount	Impairment provision	Book value
Investments in subsidiaries	17,503,413,059.66	—	17,503,413,059.66	14,288,148,959.67	—	14,288,148,959.67
Investments in joint ventures	10,212,327,960.02	—	10,212,327,960.02	9,493,274,421.56	—	9,493,274,421.56
Investments in associates	9,986,742.43	—	9,986,742.43	—	—	—
Total	27,725,727,762.11	—	27,725,727,762.11	23,781,423,381.23	—	23,781,423,381.23

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

7. Long-term equity investments (continued)

Breakdown of investments in subsidiaries are as follows:

Investee	31/12/2021	Increase for the year	Decrease for the year	Others (Note XII)	31/12/2022	RMB	
						Provision for impairment	Closing balance of impairment provision
Honeycomb Yichuang (Note 1)	3,226,372,089.35	276,398,524.59	—	139,504,384.67	3,642,274,998.61	—	—
Nuobo Automotive	2,386,936,340.67	—	—	169,405,019.37	2,556,341,360.04	—	—
Tide Technology and Trade (Note 2)	1,821,094,150.70	22,181,591.76	—	—	1,843,275,742.46	—	—
Jinggong Motor	1,165,767,207.25	—	—	155,192,728.84	1,320,959,936.09	—	—
Mind Electronics (Note 3)	1,130,017,729.30	602,700,000.00	—	94,863,448.06	1,827,581,177.36	—	—
Russia Manufacturing (Note 4)	1,098,584,098.98	490,000,000.00	—	—	1,588,584,098.98	—	—
Tianjin Oula	566,579,896.45	—	—	(1,008,202.95)	565,571,693.50	—	—
Rizhao Weipai	379,917,867.85	—	—	1,441,517.62	381,359,385.47	—	—
Shanghai Yuefan	290,900,784.83	—	—	753.42	290,901,538.25	—	—
Great Wall Huabei	269,847,922.88	—	—	625,766.67	270,473,689.55	—	—
Baoding Yijian Start	200,178,890.78	—	—	143,562.74	200,322,453.52	—	—
Tianjin Lean	186,363,431.80	—	—	—	186,363,431.80	—	—
American HAVAL	169,620,600.00	—	—	—	169,620,600.00	—	—
Ruguo Technology (Note 5)	169,050,000.00	280,950,000.00	—	4,856,064.28	454,856,064.28	—	—
Zaoqi Financial Leasing	128,563,829.09	—	—	585,626.78	129,149,455.87	—	—
Great Wall Ants	111,418,151.65	—	—	7,811,762.42	119,229,914.07	—	—
Confident Zhixing	110,000,000.00	—	—	—	110,000,000.00	—	—
Tianjin Zhixin	100,000,000.00	—	—	—	100,000,000.00	—	—
HWA Ding International	92,942,500.23	—	—	—	92,942,500.23	—	—
Baoding Nobo	72,240,000.00	—	—	—	72,240,000.00	—	—
Laoyou Insurance	70,481,877.24	—	—	4,531.70	70,486,408.94	—	—
Salon Mecha Technology (Note 6)	68,889,866.03	364,320,000.00	—	1,041,196.45	434,251,062.48	—	—
Zhangjiagang Research and Development	45,000,000.00	—	—	—	45,000,000.00	—	—
Haval Australia	43,773,250.00	—	—	—	43,773,250.00	—	—

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

7. Long-term equity investments (continued)

Breakdown of investments in subsidiaries are as follows: (continued)

Investee	31/12/2021	Increase for the year	Decrease for the year	Others (Note XII)	31/12/2022	RMB	
						Provision for impairment	Closing balance of impairment provision
Xiong'an Great Wall	41,000,000.00	—	—	—	41,000,000.00	—	—
Baoding Great	34,094,400.47	—	—	9,962,704.92	44,057,105.39	—	—
Baoding Yixin	33,452,311.67	—	—	4,086,348.93	37,538,660.60	—	—
Europe Technical Center	33,428,802.00	—	—	—	33,428,802.00	—	—
India R&D	28,082,810.70	—	—	—	28,082,810.70	—	—
Oula Zhixing (Note 7)	26,000,000.00	—	(26,000,000.00)	—	—	—	—
Haval South Africa	25,912,080.00	—	—	—	25,912,080.00	—	—
India Haval	20,731,008.88	—	—	—	20,731,008.88	—	—
Changyou Haoche	20,020,370.44	—	—	16,813.53	20,037,183.97	—	—
Ningxia Rental	20,000,000.00	—	—	—	20,000,000.00	—	—
Shanghai Motor Technology	16,851,666.79	—	—	32,567,684.42	49,419,351.21	—	—
Great Wall Sales (Note 8)	15,824,712.98	—	(7,989,910.00)	50,320,734.40	58,155,537.38	—	—
Beijing Great (Note 9)	12,539,100.00	10,000,000.00	—	—	22,539,100.00	—	—
Soul Technology (Note 10)	10,695,308.82	41,000,000.00	—	2,189,647.70	53,884,956.52	—	—
Great Wall Resource							
Recycling	10,000,000.00	—	—	204,681.55	10,204,681.55	—	—
Chongqing Auto Parts	9,088,295.94	—	—	1,885,883.23	10,974,179.17	—	—
Exquisite Mould	8,404,789.81	—	—	3,378,366.27	11,783,156.08	—	—
Tianjin Jolion Shuju (Note 11)	7,282,532.05	2,970,000.00	—	—	10,252,532.05	—	—
Scrap Car Recycling & Dismantling	5,420,116.74	—	—	366,155.07	5,786,271.81	—	—
Tank Zhixing Chongqing (Note 12)	4,000,000.00	—	(4,000,000.00)	—	—	—	—
Chongqing Great Wall							
Customer Service	299,292.32	—	—	56,713.55	356,005.87	—	—
Chongqing Weipai	270,000.00	—	—	—	270,000.00	—	—
Chongqing Haval	93,374.98	—	—	—	93,374.98	—	—
Tianjin Great Wall							
Investment (Note 13)	50,000.00	350,500,000.00	—	—	350,550,000.00	—	—
Guangzhou Great Wall							
Sales	34,500.00	—	—	—	34,500.00	—	—
Xiamen Great Wall Sales	33,000.00	—	—	—	33,000.00	—	—
Great Wall Wisdom (Chongqing) (Note 14)	—	132,730,000.00	—	—	132,730,000.00	—	—
Total	14,288,148,959.67	2,573,750,116.35	(37,989,910.00)	679,503,893.64	17,503,413,059.66	—	—

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

7. Long-term equity investments (continued)

Breakdown of investments in joint ventures and associates are as follows:

RMB

Investee	31 December 2021	Increase	Reduced investment	Changes for the year						31 December 2022	Closing balance of impairment provision
				Recognition of investment profit or loss under equity method	Adjustment in other comprehensive income	Movement in other equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Joint ventures											
Automotive Finance	9,472,312,094.43	—	—	740,015,865.59	—	—	—	—	—	10,212,327,960.02	—
Shanghai Junying	20,962,327.13	—	(20,962,327.13)	—	—	—	—	—	—	—	—
Sub-total	9,493,274,421.56	—	(20,962,327.13)	740,015,865.59	—	—	—	—	—	10,212,327,960.02	—
Associates											
Wuxi Xindong	—	10,000,000.00	—	(13,257.57)	—	—	—	—	—	9,986,742.43	—
Sub-total	—	10,000,000.00	—	(13,257.57)	—	—	—	—	—	9,986,742.43	—
Total	9,493,274,421.56	10,000,000.00	(20,962,327.13)	740,002,608.02	—	—	—	—	—	10,222,314,702.45	—

Note 1 During the year, the Company increased its investment in Honeycomb Yichuang with monetary capital of RMB276,398,524.59.

Note 2 During the year, the Company increased its contribution to Tide Technology and Trade with monetary funds of USD3,433,442.50 and EUR 35,000.00 (total RMB22,181,591.76).

Note 3 During the current year, the Company has increased its contribution to Mind Electronics with monetary capital of RMB602,700,000.00.

Note 4 During the year, the Company increased its investment in Russia Manufacturing with monetary funds of RMB490,000,000.00.

Note 5 During the current year, the Company has increased its contribution to Ruguo Technology with monetary capital of RMB280,950,000.00.

Note 6 In the current year, the Company has increased its investment in Salon Mecha Technology with monetary capital of RMB364,320,000.00.

Note 7 During the year, the Company transferred 100% of the equity of Oula Zhixing to the Company's subsidiary, Great Wall Wisdom (Chongqing).

Note 8 During the year, the Company reduced its investment in Great Wall Sales by RMB7,989,910.00.

Note 9 During the current year, the Company increases its contribution to Beijing Great with monetary capital of RMB10,000,000.00.

Note 10 During the year, the Company increased its contribution to Soul Technology with monetary capital of RMB41,000,000.00.

Note 11 In the current year, the Company has increased its investment in Tianjin Jolion Shuju with monetary capital of RMB2,970,000.00.

Note 12 During the year, the Company transferred 100% of the equity of Tank Zhixing (Chongqing) to its subsidiary, Great Wall Wisdom (Chongqing).

Note 13 During the year, the Company increased its contribution to Tianjin Great Wall Investment with monetary capital of RMB350,500,000.00.

Note 14 During the year, the Company increased its investment in Great Wall Wisdom (Chongqing) with monetary capital of RMB132,730,000.00.

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

8. Investment properties

The investment properties measured under the cost method:

Item	<i>RMB</i>		
	Buildings	Land use right	Total
I. Original carrying amount			
31 December 2021	3,181,699,639.09	106,161,573.60	3,287,861,212.69
Additions for the year	596,981,571.22	421,327.25	597,402,898.47
1. Purchases	2,138,847.43	—	2,138,847.43
2. Transfer from intangible assets	—	421,327.25	421,327.25
3. Transfer from construction in progress	17,161,557.01	—	17,161,557.01
4. Transfer from fixed assets	577,681,166.78	—	577,681,166.78
Reductions for the year	(103,455,809.42)	—	(103,455,809.42)
1. Transfer to fixed assets	(103,455,809.42)	—	(103,455,809.42)
31 December 2022	3,675,225,400.89	106,582,900.85	3,781,808,301.74
II. Accumulated depreciation and depreciation			
31 December 2021	883,768,344.00	23,037,288.51	906,805,632.51
Additions for the year	312,197,673.88	2,227,473.13	314,425,147.01
1. Provision or amortization	135,123,993.04	2,187,852.73	137,311,845.77
2. Transfer from intangible assets	—	39,620.40	39,620.40
3. Transfer from fixed assets	177,073,680.84	—	177,073,680.84
Reductions for the year	(42,268,094.31)	—	(42,268,094.31)
1. Transfer to fixed assets	(42,268,094.31)	—	(42,268,094.31)
2. Disposals	—	—	—
31 December 2022	1,153,697,923.57	25,264,761.64	1,178,962,685.21
III. Net book value			
31 December 2021	2,297,931,295.09	83,124,285.09	2,381,055,580.18
31 December 2022	2,521,527,477.32	81,318,139.21	2,602,845,616.53

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

9. Fixed assets

Description of fixed assets:

RMB

Item	Buildings	Machinery and equipment	Transportation vehicles	Electronic equipment and others	Total
I. Original carrying amount					
31 December 2021	11,460,496,381.38	14,036,756,580.58	143,550,808.38	5,305,899,232.91	30,946,703,003.25
Additions for the year	681,763,528.00	1,210,078,256.14	13,384,087.89	729,996,205.23	2,635,222,077.26
1. Purchases	33,567,428.37	147,711,085.52	11,255,171.07	457,221,893.28	649,755,578.24
2. Transfer from construction in progress	544,740,290.21	1,062,286,722.88	1,876,937.61	231,780,076.63	1,840,684,027.33
3. Transfer from inventories	—	80,447.74	251,979.21	40,994,235.32	41,326,662.27
4. Transfer from investment properties	103,455,809.42	—	—	—	103,455,809.42
Reductions for the year	(842,675,362.73)	(2,243,562,652.24)	(19,754,940.37)	(632,047,418.06)	(3,738,040,373.40)
1. Disposal and scrap	(1,407,151.38)	(1,219,475,024.00)	(17,974,959.17)	(548,971,552.29)	(1,787,828,686.84)
2. Decrease for transfer to construction in progress	—	(306,729,639.40)	—	(6,305,396.82)	(313,035,036.22)
3. Transfer to investment properties	(564,542,625.40)	(8,372,890.59)	—	(4,765,650.79)	(577,681,166.78)
4. Other transfers-out	(276,725,585.95)	(708,985,098.25)	(1,779,981.20)	(72,004,818.16)	(1,059,495,483.56)
Reclassification	(54,000.00)	169,990.86	—	(115,990.86)	—
31 December 2022	11,299,530,546.65	13,003,442,175.34	137,179,955.90	5,403,732,029.22	29,843,884,707.11
II. Accumulated depreciation					
31 December 2021	2,813,720,345.46	8,808,626,632.79	100,539,176.05	3,698,079,120.69	15,420,965,274.99
Additions for the year	419,032,425.07	1,080,269,920.31	14,749,860.59	423,078,141.38	1,937,130,347.35
1. Provision	376,764,330.76	1,080,269,920.31	14,749,860.59	423,078,141.38	1,894,862,253.04
2. Transfer from investment properties	42,268,094.31	—	—	—	42,268,094.31
Reductions for the year	(169,633,957.48)	(805,040,225.21)	(15,005,990.04)	(411,057,958.05)	(1,400,738,130.78)
1. Disposal and scrap	(514,261.67)	(654,497,113.13)	(14,940,320.19)	(384,312,047.88)	(1,054,263,742.87)
2. Decrease for transfer to construction in progress	—	(146,048,564.86)	—	(4,895,383.48)	(150,943,948.34)
3. Transfer to investment properties	(168,183,916.58)	(4,443,324.34)	—	(4,446,439.92)	(177,073,680.84)
4. Other transfers-out	(935,779.23)	(51,222.88)	(65,669.85)	(17,404,086.77)	(18,456,758.73)
Reclassification	(12,009.55)	2,883,833.76	—	(2,871,824.21)	—
31 December 2022	3,063,106,803.50	9,086,740,161.65	100,283,046.60	3,707,227,479.81	15,957,357,491.56

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

9. Fixed assets (continued)

Description of fixed assets: (continued)

Item					<i>RMB</i>
	Buildings	Machinery and equipment	Transportation vehicles	Electronic equipment and others	Total
III. Impairment provision					
31 December 2021	204,878.87	122,778,445.41	(189,861.47)	285,638,201.00	408,431,663.81
Additions for the year	-	3,852,541.86	22,972.28	23,223,302.24	27,098,816.38
1. Provision (Note)	-	3,852,541.86	22,972.28	23,223,302.24	27,098,816.38
Reductions for the year	-	(8,693,907.66)	-	(67,216,511.11)	(75,910,418.77)
1. Disposal and scrap	-	(6,620,501.86)	-	(64,784,014.89)	(71,404,516.75)
2. Decrease for transfer to construction in progress	-	(1,973,855.21)	-	(750,352.14)	(2,724,207.35)
3. Other transfers-out	-	(99,550.59)	-	(1,682,144.08)	(1,781,694.67)
31 December 2022	204,878.87	117,937,079.61	(166,889.19)	241,644,992.13	359,620,061.42
IV. Net book value					
31 December 2021	8,646,571,157.05	5,105,351,502.38	43,201,493.80	1,322,181,911.22	15,117,306,064.45
31 December 2022	8,236,218,864.28	3,798,764,934.08	37,063,798.49	1,454,859,557.28	13,526,907,154.13

Note: Due to suspended production of some vehicle models and changes in craftsmanship, impairment losses of assets of RMB27,098,816.38 (2021: RMB91,602,963.04) has been provided for the current year.

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

10. Construction in progress

(1) Breakdown of construction in progress is as follows:

Item	31/12/2022			31/12/2021		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Shangrao automotive project	626,125,139.85	—	626,125,139.85	506,434,759.00	—	506,434,759.00
Xushui Automobile Project	619,914,103.66	(334,523.67)	619,579,579.99	228,460,931.14	—	228,460,931.14
Daye automotive project	605,073,062.25	—	605,073,062.25	—	—	—
Industrial park phase I, II, III reconstruction and expansion	320,012,324.29	(3,259,513.29)	316,752,811.00	254,978,327.26	(3,602,004.61)	251,376,322.65
Tianjin automobile project	278,815,224.84	(123,262.86)	278,691,961.98	177,493,795.18	—	177,493,795.18
Tianjin parts and components project	274,925,282.04	(306,627.78)	274,618,654.26	10,425,859.65	(457,111.03)	9,968,748.62
Jingmen automotive project	194,092,545.23	—	194,092,545.23	3,944,526.53	—	3,944,526.53
Taizhou automotive project	45,057,021.11	—	45,057,021.11	146,713,976.20	—	146,713,976.20
Parts and components project reconstruction and expansion	25,436,878.96	(244,463.44)	25,192,415.52	61,302,996.62	(837,571.37)	60,465,425.25
Chongqing Great Wall vehicle project	17,596,136.50	—	17,596,136.50	61,534,495.78	—	61,534,495.78
New technology centre	13,584,074.80	—	13,584,074.80	17,744,652.35	—	17,744,652.35
Xushui parts and components project	1,772,862.21	—	1,772,862.21	25,960,238.95	—	25,960,238.95
Other automotive projects	547,960,875.99	—	547,960,875.99	767,378,790.38	—	767,378,790.38
Other R&D projects	106,363,485.48	—	106,363,485.48	96,320,777.25	—	96,320,777.25
Total	3,676,729,017.21	(4,268,391.04)	3,672,460,626.17	2,358,694,126.29	(4,896,687.01)	2,353,797,439.28

RMB

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

10. Construction in progress (continued)

(2) Movement in construction in progress is as follows:

Items	Budgeted amount	31 December 2021	Additions	Transfer to fixed assets	Other reductions	Investment to budget (%)	Accumulated capitalized interest amount	Including: capitalized interest amount	Ratio of capitalized interest amount (%)	Sources of fund	RMB
											31 December 2022
Shangrao automotive project	1,378,649,551.93	506,434,759.00	174,907,663.52	(11,607,265.00)	(43,610,017.67)	46.28	—	—	—	Self-owned	626,125,139.85
Xushui Automobile Project	12,771,912,861.62	228,460,931.14	453,957,154.99	(60,728,490.39)	(1,775,492.08)	85.70	—	—	—	Self-owned	619,914,103.66
Daye automotive project	605,602,082.07	—	605,073,062.25	—	—	99.91	—	—	—	Self-owned	605,073,062.25
Industrial park phase I, II, III reconstruction and expansion	1,702,806,018.29	254,978,327.26	183,416,501.77	(23,253,516.44)	(95,128,988.30)	91.83	—	—	—	Self-owned	320,012,324.29
Tianjin automobile project	5,886,432,237.71	177,493,795.18	240,564,048.95	(138,154,743.15)	(1,087,876.14)	97.72	—	—	—	Self-owned	278,815,224.84
Tianjin parts and components project	5,114,414,737.00	10,425,859.65	271,650,180.83	(5,228,557.09)	(1,922,201.35)	82.19	—	—	—	Self-owned	274,925,282.04
Jingmen automotive project	1,038,871,609.65	3,944,526.53	195,191,808.23	(1,414,280.38)	(3,629,509.15)	18.82	—	—	—	Self-owned	194,092,545.23
Taizhou automotive project	465,502,910.22	146,713,976.20	294,625,896.80	(396,282,851.89)	—	95.41	—	—	—	Self-owned	45,057,021.11
Parts and components project reconstruction and expansion	2,349,378,408.38	61,302,996.62	70,292,901.57	(20,123,010.99)	(86,036,008.24)	62.95	—	—	—	Self-owned	25,436,878.96
Chongqing Great Wall vehicle project	2,821,709,328.00	61,534,495.78	10,294,565.83	(37,197,657.92)	(17,035,267.19)	79.63	—	—	—	Self-owned	17,596,136.50
New technology centre	1,648,554,374.00	17,744,652.35	787,631.93	(4,948,209.48)	—	99.83	—	—	—	Self-owned	13,584,074.80
Xushui parts and components project	5,292,681,710.44	25,960,238.95	6,164,042.49	(28,842,323.19)	(1,509,096.04)	97.64	—	—	—	Self-owned	1,772,862.21
Other automotive projects	3,514,009,529.56	767,378,790.38	875,573,611.91	(1,077,561,327.47)	(17,430,198.83)	46.64	—	—	—	Self-owned	547,960,875.99
Other R&D projects	557,973,245.00	96,320,777.25	69,667,672.57	(35,341,793.94)	(24,283,170.40)	82.92	—	—	—	Self-owned	106,363,485.48
Total	45,148,498,603.87	2,358,694,126.29	3,452,166,743.64	(1,840,684,027.33)	(293,447,825.39)						3,676,729,017.21

Note: Other reductions mainly represent the decrease of RMB149,627,424.08 due to the transfer from construction in progress to intangible assets and the decrease of RMB17,161,557.01 due to the transfer from construction in progress to investment properties.

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

10. Construction in progress (continued)

(3) Provision for impairment of construction in progress

RMB

Items	Provision	Reason for provision
Tianjin automotive project	123,262.86	Automobiles model discontinued
Xushui automotive project	37,338.06	Change of production techniques
Total	160,600.92	

11. Right-of-use assets

RMB

Items	Land use rights	Buildings	Machinery and equipment	Transportation vehicles	Total
I. Original carrying amount					
31 December 2021	13,505,701.51	131,732,621.96	180,326,415.04	6,145,522.83	331,710,261.34
Additions for the year	19,776,632.61	246,058,482.76	265,921,747.61	1,992,950.67	533,749,813.65
Reductions for the year	(3,656,461.60)	(70,007,872.97)	(167,358,369.70)	(2,204,666.71)	(243,227,370.98)
31 December 2022	29,625,872.52	307,783,231.75	278,889,792.95	5,933,806.79	622,232,704.01
II. Accumulated depreciation					
31 December 2021	9,484,111.94	50,685,488.52	145,486,753.90	2,332,682.79	207,989,037.15
Additions for the year	7,976,916.10	95,317,595.02	114,440,638.58	2,936,035.61	220,671,185.31
1. Provision	7,976,916.10	95,317,595.02	114,440,638.58	2,936,035.61	220,671,185.31
Reductions for the year	(3,656,461.60)	(32,380,620.84)	(167,226,583.21)	(1,398,322.01)	(204,661,987.66)
31 December 2022	13,804,566.44	113,622,462.70	92,700,809.27	3,870,396.39	223,998,234.80
III. Impairment provision					
31 December 2021	—	—	—	—	—
31 December 2022	—	—	—	—	—
IV. Net book value					
31 December 2021	4,021,589.57	81,047,133.44	34,839,661.14	3,812,840.04	123,721,224.19
31 December 2022	15,821,306.08	194,160,769.05	186,188,983.68	2,063,410.40	398,234,469.21

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

12. Intangible assets

Description of intangible assets:

Item	<i>RMB</i>			
	Land use right	Software and others	Non-patent technology	Total
I. Original carrying amount				
31 December 2021	3,309,805,013.74	555,983,873.71	4,532,480,568.49	8,398,269,455.94
Additions for the year	16,193,850.92	269,566,957.81	1,699,824,910.38	1,985,585,719.11
1. Purchases	16,193,850.92	119,939,533.73	–	136,133,384.65
2. Internal research and development	–	–	1,699,824,910.38	1,699,824,910.38
3. Transfer from construction in progress	–	149,627,424.08	–	149,627,424.08
Reductions for the year	(50,090,301.75)	(4,762,162.81)	(59,049,269.64)	(113,901,734.20)
1. Disposals	(49,668,974.50)	(4,762,162.81)	(14,022,253.03)	(68,453,390.34)
2. Transfer to investment properties	(421,327.25)	–	–	(421,327.25)
3. Other transfers-out	–	–	(45,027,016.61)	(45,027,016.61)
31 December 2022	3,275,908,562.91	820,788,668.71	6,173,256,209.23	10,269,953,440.85
II. Accumulated amortization				
31 December 2021	623,466,799.03	187,884,644.83	2,307,870,666.52	3,119,222,110.38
Additions for the year	67,254,616.72	67,728,365.27	1,349,786,035.45	1,484,769,017.44
1. Provision	67,254,616.72	67,728,365.27	1,349,786,035.45	1,484,769,017.44
Reductions for the year	(8,278,210.84)	(4,595,843.91)	(9,797,116.34)	(22,671,171.09)
1. Disposals	(8,238,590.44)	(4,595,843.91)	(7,177,864.19)	(20,012,298.54)
2. Transfer to investment properties	(39,620.40)	–	–	(39,620.40)
3. Other transfers-out	–	–	(2,619,252.15)	(2,619,252.15)
31 December 2022	682,443,204.91	251,017,166.19	3,647,859,585.63	4,581,319,956.73
IV. Net book value				
31 December 2021	2,686,338,214.71	368,099,228.88	2,224,609,901.97	5,279,047,345.56
31 December 2022	2,593,465,358.00	569,771,502.52	2,525,396,623.60	5,688,633,484.12

The proportion of intangible assets arising from internal research and development at the end of the year to balance of total intangible assets is 44.39%.

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

13. Development expenditure

RMB

Item	31/12/2021	Additions	Reductions		31/12/2022
			Recognized as intangible assets	Transfer into profit or loss	
Auto development project	4,884,419,367.95	6,224,364,140.44	(1,699,824,910.38)	(427,569,433.45)	8,981,389,164.56

14. Short-term borrowings and long-term borrowings

(1) Short-term borrowings

RMB

Item	31/12/2022	31/12/2021
Pledged loans (Note 1)	586,109,700.00	543,365,600.00
Credit loans	800,000,000.00	3,050,520,972.22
Total	1,386,109,700.00	3,593,886,572.22

Note 1: Pledged loans at the end of the year represented discount charges acquired from discounted but undue notes receivable that did not meet the criteria for derecognition at the end of the reporting period.

(2) Long-term borrowings

RMB

Item	31/12/2022	31/12/2021
Secured loan	15,761,444,278.81	6,780,915,097.18
Guaranteed loans	1,100,890,694.44	600,485,833.33
Less: Long-term borrowings due within one year	2,816,251,362.15	1,917,877,111.11
Total	14,046,083,611.10	5,463,523,819.40

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

15. Notes payable

Category	RMB	
	31/12/2022	31/12/2021
Bank acceptances	21,539,854,918.41	15,762,775,809.24
Commercial acceptances	41,909,734.96	—
Total	21,581,764,653.37	15,762,775,809.24

16. Accounts payable

(1) *Accounts payable is shown as follows:*

Item	RMB	
	31/12/2022	31/12/2021
Within 1 year	30,416,343,768.43	39,801,366,496.90
1 to 2 years	221,696,096.10	143,820,108.97
2 to 3 years	96,470,691.76	36,585,350.10
Over 3 years	68,393,071.89	45,955,936.21
Total	30,802,903,628.18	40,027,727,892.18

The aging analysis of accounts payable is based on the time of purchasing materials, goods or receiving services.

(2) *Accounts payable aged over one year with significant amounts*

Item	RMB	
	31/12/2022	Reason for outstanding or transfer
Subsidiary 1	173,018,162.77	Payment terms have not been reached
Subsidiary 2	81,186,938.63	Payment terms have not been reached
Subsidiary 3	42,329,052.98	Payment terms have not been reached
Subsidiary 4	14,661,940.49	Payment terms have not been reached
Supplier 1	6,965,393.00	Payment terms have not been reached
Total	318,161,487.87	

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)**17. Contract liabilities**

Item	RMB	
	31/12/2022	31/12/2021
Receipts in advance	15,959,187,225.39	12,387,325,631.19
Maintenance service	1,510,271,770.04	960,815,792.44
Warranty service	425,312,960.19	223,695,359.41
Transportation service	35,413,206.55	70,706,931.50
Total	17,930,185,162.17	13,642,543,714.54

18. Lease liabilities

Item	RMB	
	31/12/2022	31/12/2021
Lease liabilities	707,117,859.12	522,311,333.95
Sub-total	707,117,859.12	522,311,333.95
Less: Lease liabilities recognized in non-current liabilities due within one year	165,829,557.45	118,609,386.42
Total	541,288,301.67	403,701,947.53

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

19. Capital reserve

Item	Opening balance	Additions	Reductions	Closing balance
<i>RMB</i>				
2022:				
Capital premiums (Note 1)	2,463,302,710.51	749,479,447.94	(3,212,782,158.45)	—
Other capital reserve (Note 2)	2,411,658,068.47	1,438,193,200.90	(1,714,267,194.55)	2,135,584,074.82
Total	4,874,960,778.98	2,187,672,648.84	(4,927,049,353.00)	2,135,584,074.82
2021:				
Capital premiums	1,626,571,645.87	844,532,395.89	(7,801,331.25)	2,463,302,710.51
Other capital reserve	200,274,825.52	2,315,053,025.25	(103,669,782.30)	2,411,658,068.47
Total	1,826,846,471.39	3,159,585,421.14	(111,471,113.55)	4,874,960,778.98

Note 1: The increase of capital premiums amount to RMB745,534,876.26, due to the Company's granting of restricted shares to the incentive targets, exercising option and unlocking restricted shares of the incentive targets; the increase of capital premiums amount to RMB3,944,571.68, due to part of "Great Wall Convertible Bond" converting into the Company's shares.

The decrease of capital premiums amount to RMB49,807,145.76, due to canceling expired restricted shares; the decrease of capital premiums amount to RMB3,162,975,012.69, due to canceling shares.

Note 2: The increase in other capital reserves amount to RMB1,438,193,200.90, due to share-based payments recognized in shareholders' equity.

The decrease in other capital reserves amount to RMB461,441,259.73, due to exercising option and unlocking restricted shares of the incentive targets; the decrease of capital premiums amount to RMB1,139,927,956.44, due to canceling shares; the decrease of capital premiums amount to RMB112,897,978.38, due to the effect of income tax of equity incentive plan recognised in owners' equity.

20. Undistributed profits

Item	Amount
<i>RMB</i>	
2022:	
Undistributed profit at the beginning of the previous year	33,321,678,732.45
Add: Net profit	7,629,520,408.87
Less: Distribution of cash dividends	641,564,045.06
Undistributed profits at the end of the year	40,309,635,096.26
2021:	
Undistributed profits at the beginning of the year	34,692,078,405.98
Add: Net profit	3,967,667,465.57
Less: Distribution of cash dividends	5,338,067,139.10
Undistributed profits at the end of the year	33,321,678,732.45

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

21. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	2022		2021	
	Income	Costs	Income	Costs
Principal operating activities	123,574,927,802.59	109,464,039,285.12	124,705,236,272.07	117,692,569,568.20
Other operating activities	3,639,893,962.49	2,942,963,357.47	3,906,452,493.56	3,219,702,093.05
Total	127,214,821,765.08	112,407,002,642.59	128,611,688,765.63	120,912,271,661.25

(2) Revenue from contracts

Category of contracts	2022		2021	
	Income	Costs	Income	Costs
Revenue from the sales of automobiles	117,260,271,608.86		116,814,068,032.43	
Revenue from the sales of automotive parts and components	5,824,284,191.42		7,333,317,562.63	
Revenue from the rendering of services	490,372,002.31		557,850,677.02	
Other operating revenue	3,371,806,418.77		3,598,605,350.21	
Revenue from contracts with customers	126,946,734,221.36		128,303,841,622.29	
Rental Revenue	268,087,543.72		307,847,143.34	
Total	127,214,821,765.08		128,611,688,765.63	

22. Taxes and levies

Item	2022		2021	
	Income	Costs	Income	Costs
Consumption tax	3,508,376,968.91		2,904,287,447.86	
City maintenances and construction tax	387,183,900.44		310,047,301.70	
Educational surcharges	277,182,949.09		222,576,448.35	
Stamp duty	135,594,733.04		109,299,656.88	
House property tax	126,012,678.85		124,683,461.44	
Land use tax	50,175,565.99		50,750,215.15	
Others	1,885,273.15		2,575,983.91	
Total	4,486,412,069.47		3,724,220,515.29	

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

23. Selling expenses

Item	RMB	
	2022	2021
Advertising and media services fees	1,943,983,921.48	1,518,444,974.02
After-sales service expenses	438,580,578.67	565,893,187.20
Wages and salaries	466,982,332.34	387,063,169.86
Consulting service fees	286,729,969.35	139,605,254.83
Port charges	79,291,904.03	48,711,116.76
Share-based payments	48,039,221.01	81,184,417.31
Travelling expenses	43,808,612.86	32,564,399.18
Others	138,219,592.81	343,063,143.13
Total	3,445,636,132.55	3,116,529,662.29

24. Administrative expenses

Item	RMB	
	2022	2021
Wages and salaries	1,267,806,962.78	1,078,930,797.34
Consulting service fee	542,317,945.08	336,272,980.94
Depreciation and amortization	241,216,139.32	183,542,304.38
Repair and maintenance fees	204,898,587.98	215,928,033.20
Office expenses	167,083,254.34	154,361,882.84
Share-based payments	105,791,133.17	197,452,977.41
Business reception fees	11,526,508.16	12,708,604.76
Auditors' remuneration	2,900,342.78	3,051,578.32
Others	156,741,809.46	127,079,459.01
Total	2,700,282,683.07	2,309,328,618.20

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)**25. Research and development expenses**

Item	RMB	
	2022	2021
Depreciation and amortization	1,533,268,903.15	1,207,829,393.15
Wages and salaries	691,110,373.84	470,744,750.92
Design and development expenses	410,174,459.15	175,138,020.94
Material test and detection expenses	361,452,355.12	388,664,059.09
Share-based payments	139,573,601.94	213,554,459.66
Consulting service fee	100,349,710.17	196,573,631.34
Office expenses	99,769,578.64	79,958,772.92
Others	198,865,168.73	93,983,856.73
Total	3,534,564,150.74	2,826,446,944.75

26. Financial expense

Item	RMB	
	2022	2021
Interest expenses	530,848,488.31	405,056,390.31
Including: Interest expenses on leases	31,331,548.81	24,475,128.90
Interest income from bank deposits	(917,972,668.85)	(663,784,452.40)
Foreign currency translation differences	(109,577,860.14)	(8,433,899.53)
Others	7,380,246.41	6,217,336.19
Total	(489,321,794.27)	(260,944,625.43)

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

27. Investment income

Breakdown:

Item	2022	RMB 2021
Income from long-term equity investments under cost method	5,455,323,212.20	5,381,192,625.51
Income from long-term equity investments under equity method	740,002,608.02	1,070,959,771.36
Losses on deregistration of discounted bills	(172,053,029.38)	(108,995,230.24)
Investment income from wealth management products	116,356,934.82	166,982,840.04
Dividend income from holding other equity instrument investments	3,240,134.00	1,656,000.00
Investment losses from the disposal of derivative financial instruments	(2,736,234.96)	—
Net losses from disposal of long-term equity investments	(200,548.51)	—
Total	6,139,933,076.19	6,511,796,006.67

There are no significant restrictions on remittance of investment income of the Company.

28. Impairment losses of assets

Item	2022	RMB 2021
I. Losses from decline in value of inventories	(466,409,328.38)	(265,091,335.70)
II. Impairment losses of fixed assets	(27,098,816.38)	(91,602,963.04)
III. Impairment losses of construction in progress	(160,600.92)	(101,536.56)
Total	(493,668,745.68)	(356,795,835.30)

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

29. Income tax expenses

Item	RMB	
	2022	2021
Current tax expenses	2,306,474.70	10,581,436.31
Deferred tax expenses	(3,874,561.66)	(800,183,527.18)
Total	(1,568,086.96)	(789,602,090.87)

Reconciliation of income tax expenses to the accounting profit is as follows:

Item	RMB	
	2022	2021
Total profit	7,627,952,321.91	3,178,065,374.70
Income tax rate	15%	15%
Income tax expenses calculated at 15%	1,144,192,848.29	476,709,806.21
Effect of additional deduction for research and development costs	(249,151,931.94)	(300,615,136.24)
Effect of additional deduction for the wages of disabled staff	(303,239.40)	(377,164.39)
Tax effect of non-taxable income	(853,136,491.97)	(971,934,448.84)
The fixed assets of high-tech enterprises shall be deducted in addition	(174,259,201.86)	—
Equity incentive deduction	67,892,887.39	—
Tax effect of non-deductible expenses	20,139,552.34	19,248,103.24
Annual filling differences of prior years	51,412,445.81	(16,794,259.99)
Others	(8,354,955.62)	4,161,009.14
Total	(1,568,086.96)	(789,602,090.87)

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

30. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	2022	2021
<i>RMB</i>		
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	7,629,520,408.87	3,967,667,465.57
Add: Impairment losses on assets	493,668,745.68	356,795,835.30
Impairment (gains) losses on credit	(24,317,154.19)	2,791,287.57
Depreciation of fixed assets	1,894,862,253.04	2,089,041,072.53
Depreciation of right-of-use assets	220,671,185.31	173,422,442.86
Amortization of intangible assets	1,484,769,017.44	1,123,920,071.49
Amortization of long-term prepaid expenses	11,077,584.93	10,895,085.67
Depreciation and amortization of investment properties	137,311,845.77	126,632,887.87
Gains on disposals of assets	(34,666,213.23)	(5,066,732.35)
Amortization of deferred income	(159,386,889.41)	(411,269,121.17)
Financial expense	(92,527,613.25)	37,953,427.67
Gains (losses) from changes in fair value	21,224,283.15	(11,511,493.63)
Investment income	(6,311,986,105.57)	(6,620,791,236.91)
Decrease in deferred tax assets (Less: increase)	(3,874,561.66)	(800,183,527.18)
Decrease in inventories (Less: increase)	(5,070,986,406.97)	(1,967,114,646.28)
Decrease in operating receivables (Less: increase)	(2,912,181,369.64)	6,466,973,074.25
Increase in operating payables (Less: decrease)	1,073,001,594.33	17,666,728,221.21
Net cash flows from operating activities	(1,643,819,395.40)	22,206,884,114.47
2. Significant investing and financing activities which do not involve cash receipts and payments:		
Right-of-use assets recognized by leased fixed assets	533,749,813.65	145,248,554.60
Repayment of dividends with notes receivable by subsidiaries	1,949,245,948.04	1,199,467,921.47
3. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	12,810,720,693.53	20,288,128,849.56
Less: Opening balance of cash and cash equivalents	20,288,128,849.56	8,728,034,521.63
Net (decrease) increase in cash and cash equivalents	(7,477,408,156.03)	11,560,094,327.93

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

30. Supplementary information to the cash flow statement (continued)

(2) Components of cash and cash equivalents

Item	RMB	
	31 December 2022	31 December 2021
I. Cash	12,810,720,693.53	20,288,128,849.56
Including: Cash on hand	207,433.38	80,725.63
Bank deposits ready to be withdrawn on demand	12,810,513,260.15	20,288,048,123.93
II. Closing balance of cash and cash equivalents	12,810,720,693.53	20,288,128,849.56

31. Related party transactions

(1) Related party transactions in respect of purchases and sales of goods, receipts and rendering of services:

Purchases of goods/receipts of services:

Related party	Related party transaction	RMB	
		2022	2021
Subsidiary of the Company	Purchases of goods	88,904,032,463.73	100,068,857,684.39
Joint venture of the Company	Purchases of goods	4,693.54	—
Other related party of the Company	Purchases of goods	4,441,979,398.01	3,575,710,208.48
Subsidiary of the Company	Receipts of services	4,257,425,054.49	2,400,626,317.15
Joint venture of the Company	Receipts of services	97,901,411.68	366,537,166.75
Other related party of the Company	Receipts of services	631,853,058.19	370,573,726.86
Subsidiary of the Company	Rental payment and others	5,320,728.90	8,125,266.35
Other related party of the Company	Rental payment and others	155,763,060.50	10,467,741.85

Sales of goods/Rendering of services:

Related party	Related party transaction	RMB	
		2022	2021
Subsidiary of the Company	Sales of goods	46,968,753,682.35	51,208,217,293.59
Joint venture of the Company	Sales of goods	8,280.00	3,938.94
Other related party of the Company	Sales of goods	138,306,009.48	80,714,503.79
Subsidiary of the Company	Rendering of services	1,102,546,933.08	1,033,297,469.72
Joint venture of the Company	Rendering of services	334,437,724.90	52,691,940.43
Other related party of the Company	Rendering of services	214,859,887.34	333,656,530.76
Subsidiary of the Company	Rental income and others	213,588,269.82	274,148,103.07
Joint venture of the Company	Rental income and others	202,107.56	474,925.13
Other related party of the Company	Rental income and others	13,803,769.21	13,874,123.39
Joint venture of the Company	Interest income from deposits	290,506,562.58	326,257,905.60

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

31. Related party transactions (continued)

(2) Guarantee

Warrantee	Relationship with the Company	Type of guarantee	Currency	Maximum guaranteed amount	Currency of borrowings of Warrantee	RMB
						Actual balance of loan borrowed by warrantee
Tianjin Oula	Subsidiary of the Company	Maximum guarantee	RMB	1,000,000,000.00	RMB	62,182,629.37
Tianjin Oula	Subsidiary of the Company	Maximum guarantee	RMB	2,000,000,000.00	RMB	220,422,000.00
Tianjin Oula	Subsidiary of the Company	Maximum guarantee	RMB	1,000,000,000.00	RMB	478,000,000.00
Honeycomb Transmission	Subsidiary of the Company	L/C guarantee	RMB	158,860,000.00	RMB	-
Honeycomb Transmission	Subsidiary of the Company	Maximum guarantee	RMB	500,000,000.00	RMB	419,621,370.04
Honeycomb Transmission	Subsidiary of the Company	Maximum guarantee	RMB	200,000,000.00	RMB	155,194,727.77
Honeycomb Transmission	Subsidiary of the Company	Maximum guarantee	RMB	200,000,000.00	RMB	151,328,806.20
Honeycomb Transmission	Subsidiary of the Company	Maximum guarantee	RMB	100,000,000.00	RMB	99,991,757.73
Honeycomb Transmission	Subsidiary of the Company	Maximum guarantee	RMB	200,000,000.00	RMB	-
Honeycomb Transmission	Subsidiary of the Company	Maximum guarantee	RMB	100,000,000.00	RMB	79,155,934.18
Honeycomb Transmission	Subsidiary of the Company	Maximum guarantee	RMB	50,000,000.00	RMB	47,159,134.69
Honeycomb Power	Subsidiary of the Company	Maximum guarantee	RMB	975,224,000.00	RMB	259,940,026.00
Honeycomb Power	Subsidiary of the Company	Maximum guarantee	RMB	300,000,000.00	RMB	51,332,313.22
Honeycomb Power	Subsidiary of the Company	Maximum guarantee	RMB	300,000,000.00	RMB	148,870,378.71
Jinggong Yangzhong	Subsidiary of the Company	Maximum guarantee	RMB	400,000,000.00	RMB	186,458,075.96
Jinggong Yangzhong	Subsidiary of the Company	Maximum guarantee	RMB	100,000,000.00	RMB	99,984,434.16
Honeycomb Intelligent	Subsidiary of the Company	Maximum guarantee	RMB	46,492,708.50	THB	16,492,708.50
Honeycomb Intelligent	Subsidiary of the Company	Maximum guarantee	RMB	100,000,000.00	THB	49,921,590.60
Honeycomb Intelligent	Subsidiary of the Company	Maximum guarantee	RMB	40,000,000.00	RMB	-
Honeycomb Intelligent	Subsidiary of the Company	Maximum guarantee	RMB	100,000,000.00	RMB	17,540,436.53
Great Wall Motor Thailand & Thailand Sales	Subsidiary of the Company	Maximum guarantee	USD	90,000,000.00	THB	2,090,000,000.00
Great Wall Motor Thailand & Thailand Sales	Subsidiary of the Company	Maximum guarantee	USD	30,000,000.00	THB	-
Great Wall Motor Thailand	Subsidiary of the Company	Maximum guarantee	THB	1,000,000,000.00	THB	1,000,000,000.00
Jinggong Automotive Parts (Taizhou)	Subsidiary of the Company	Maximum guarantee	RMB	100,000,000.00	RMB	-
Great Wall Brazil	Subsidiary of the Company	Maximum guarantee	USD	45,000,000.00	BRL	78,945,000.00
Great Wall Brazil	Subsidiary of the Company	Maximum guarantee	USD	43,500,000.00	BRL	-
Honeycomb Power Thailand, Mind Thailand, Jinggong Automotive Parts Thailand, Nobo Thailand	Subsidiary of the Company	Maximum guarantee	USD	80,000,000.00	THB	1,596,000,000.00
HWA Ding International	Subsidiary of the Company	Maximum guarantee	USD	70,000,000.00	USD	38,052,000.00
Jinggong Motor	Subsidiary of the Company	Maximum guarantee	RMB	300,000,000.00	RMB	100,000,000.00
Mind Electronics	Subsidiary of the Company	Maximum guarantee	RMB	300,000,000.00	RMB	300,000,000.00
Russia Manufacturing	Subsidiary of the Company	Maximum guarantee	RMB	300,000,000.00	RUB	2,000,000,000.00

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

31. Related party transactions (continued)

(2) Guarantee (continued)

Warrantee	Relationship with the Company	Type of guarantee	Currency	Maximum guaranteed amount	Currency of borrowings of Warrantee	<i>RMB</i>
						Actual balance of loan borrowed by warrantee
Rizhao Weipai, Chongqing Automotive Parts, Jinggong Motor, Chongqing Jinggong Motor, Jinggong Automotive Parts (Taizhou), Jinggong Automotive Parts (Rizhao), Jinggong Automotive Parts (Jingmen), Jinggong (Pinghu), Jinggong Automotive Parts (Zhangjiagang), Shangrao Jingcheng Engineering, Great Wall Huabei	Subsidiary of the Company	Joint and several liability	RMB	400,000,000.00	RMB	16,520,823.49
Rizhao Weipai, Chongqing Automotive Parts, Jinggong Motor, Chongqing Jinggong Motor, Jinggong Automotive Parts (Taizhou), Jinggong Automotive Parts (Rizhao), Jinggong Automotive Parts (Jingmen), Jinggong (Pinghu), Jinggong Automotive Parts (Zhangjiagang), Shangrao Jingcheng Engineering	Subsidiary of the Company	Joint and several liability	RMB	600,000,000.00	RMB	5,285,755.04

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

31. Related party transactions (continued)

(3) Emolument for key management

Item	2022	<i>RMB</i> 2021
Salary for key management	16,588,810.88	18,360,087.39
Share based payment for key management	7,984,910.25	7,053,693.05

(4) Right-of-use assets and lease liabilities

During the year, the Company signed several new lease agreements with subsidiaries and other related parties. Except for short-term leases and low-value assets, the Company recognized RMB389,829.03 and RMB510,886,724.60 of the right-of-use assets respectively.

At the end of the year, the lease liabilities of the Company with its subsidiaries and other related parties were RMB26,597.65 and RMB666,505,694.60 respectively, The interest expense of lease liabilities incurred in this year is RMB30,204,883.22.

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

32. Amounts due from/due to related parties

Item	Related party	<i>RMB</i>	
		31 December 2022	31 December 2021
Accounts receivable	Subsidiary of the Company	22,790,838,677.40	15,098,295,217.78
Accounts receivable	Joint venture of the Company	12,059,969.25	16,903,206.16
Accounts receivable	Other related party of the Company	150,644,390.63	236,952,807.33
Subtotal of accounts receivable:		22,953,543,037.28	15,352,151,231.27
Other receivables	Subsidiary of the Company	8,862,515,960.75	5,084,923,944.74
Other receivables	Other related party of the Company	9,014,119.59	39,285,699.92
Subtotal of Other receivables:		8,871,530,080.34	5,124,209,644.66
Prepayments	Subsidiary of the Company	1,431,249,481.41	46,225,270.78
Prepayments	Other related party of the Company	316,500,297.91	11,932,671.35
Subtotal of prepayments:		1,747,749,779.32	58,157,942.13
Notes receivable	Subsidiary of the Company	302,694,760.00	1,020,450,668.01
Notes receivable	Other related party of the Company	—	72,500,000.00
Subtotal of notes receivable		302,694,760.00	1,092,950,668.01
Financing with receivables	Subsidiary of the Company	298,019,494.31	150,411,367.42
Financing with receivables	Other related party of the Company	—	23,700.00
Subtotal of financing with receivables:		298,019,494.31	150,435,067.42
Dividends receivable	Subsidiary of the Company	300,049,810.21	301,983,748.65
Subtotal of dividends receivable		300,049,810.21	301,983,748.65
Other current assets	Joint venture of the Company	6,908,799,698.05	7,956,180,947.96
Subtotal of other current assets		6,908,799,698.05	7,956,180,947.96

Notes to the Financial Statements

For the year ended 31 December 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

32. Amounts due from/due to related parties (continued)

Item	Related party	<i>RMB</i>	
		31 December 2022	31 December 2021
Other non-current assets	Other related party of the Company	735,000,000.00	540,617,386.35
Subtotal of other non-current assets		735,000,000.00	540,617,386.35
Accounts payable	Subsidiary of the Company	19,189,077,613.06	35,551,485,333.36
Accounts payable	Joint venture of the Company	—	106,155,931.75
Accounts payable	Other related party of the Company	940,756,753.35	886,247,617.71
Subtotal of accounts payable		20,129,834,366.41	36,543,888,882.82
Other payables	Subsidiary of the Company	3,280,168,198.88	232,547,545.64
Other payables	Joint venture of the Company	181,100.32	182,937.85
Other payables	Other related party of the Company	828,724.44	3,034,083.11
Subtotal of other payables		3,281,178,023.64	235,764,566.60
Contract liabilities	Subsidiary of the Company	12,224,779,448.92	9,467,779,321.12
Contract liabilities	Joint venture of the Company	1,393,079.40	1,473,807.29
Contract liabilities	Other related party of the Company	712,363.42	7,669,721.04
Subtotal of contract liabilities		12,226,884,891.74	9,476,922,849.45
Notes payable	Subsidiary of the Company	12,149,617,288.32	10,510,854,305.97
Notes payable	Other related party of the Company	922,948.34	—
Subtotal of notes payable:		12,150,540,236.66	10,510,854,305.97
Lease liabilities	Subsidiary of the Company	26,597.65	366,460.58
Lease liabilities	Other related party of the Company	666,505,694.60	161,105,466.29
Subtotal of Lease liabilities:		666,532,292.25	161,471,926.87

Supplementary information

For the year ended 31 December 2022

1. BREAKDOWN OF NON-RECURRING GAINS AND LOSSES

Item	RMB	
	2022	2021
Gains (losses) from disposal of non-current assets	4,858,556.38	(27,689,757.55)
Government grants recognized in profit or loss (other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard)	1,814,561,079.19	2,195,683,034.22
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date recognized as a result of business combination of enterprises under common control	–	(7,272,273.67)
Investment income obtained from the disposal of subsidiaries, held-for-trading financial assets, derivative financial instruments and dividend income of other equity instruments during the holding period	148,457,285.38	214,075,363.44
Gains on changes in fair values	50,337,480.30	306,440,874.33
Other non-operating income or expenses other than the above	89,680,874.61	93,115,357.65
Other profit and loss items that meet the definition of non-recurring profit and loss	1,932,055,618.26	17,118,415.66
Effect of income tax	(250,386,753.96)	(268,120,123.40)
Impact of minority shareholders' equity (after tax)	(47,442.19)	–
Total	3,789,516,697.97	2,523,350,890.68

The non-recurring gains and losses of the Group was recognized in accordance with the relevant requirements of the *Explanatory Notice for Information Disclosures by Companies that Offer Securities to the Public (No. 01) – Non-recurring Gains and Losses*.

Note: Other profit or loss items that meet the definition of non-recurring profit or loss in the current year were mainly the exchange rate gains or losses incurred by the Group's subsidiaries located in Russia due to abnormal fluctuations in the exchange rate of RUB.

Supplementary information

For the year ended 31 December 2022

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

This calculation of return on net assets and earnings per share was prepared by the Group in accordance with the relevant requirements of the *Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No. 09) – Calculations and Disclosures for the Return on Net Assets and Earnings per Share* (as amended in 2010) issued by the China Securities Regulatory Commission.

2022	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to shareholders of ordinary shares of the Company	12.66	0.91	0.91
Net profit attributable to shareholders of ordinary shares of the Company, after deducting non-recurring gains and losses	6.86	0.49	0.49
2021	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to shareholders of ordinary shares of the Company	11.26	0.73	0.73
Net profit attributable to shareholders of ordinary shares of the Company, after deducting non-recurring gains and losses	7.02	0.46	0.45

The supplementary information provided by the management of Great Wall Motor Company Limited was endorsed by the followings:

Legal Representative: Wei Jian Jun

Chief Financial Officer: Li Hong Shuan

Head of the Finance Section: Wang Hai Ping

30 March 2023

Baoding, Hebei Province, the PRC, 30 March 2023

As at the date of this announcement, members of the Board comprise:

Executive Directors: Mr. Wei Jian Jun, Mr. Zhao Guo Qing and Ms. Li Hong Shuan.

Non-executive Director: Mr. He Ping.

Independent Non-executive Directors: Ms. Yue Ying, Mr. Li Wan Jun and Mr. Ng Chi Kit.

** For identification purpose only*