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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)**

## **ANNOUNCEMENT ENTERING INTO THE LETTER OF INTENT WITH BMW**

### **SIGNIFICANT RISKS AND UNCERTAINTIES IN THE FULFILLMENT OF LOI**

The letter of intent (the “**LOI**”) entered into by the Parties, other than Chapter 3 (general terms) therein, has no binding effect;

The Parties are evaluating the prospect and feasibility of setting up a joint venture to cooperate in the field of new energy vehicles according to the LOI. The investment scale, business model and other terms of the joint venture have not been determined;

As the market conditions and relevant policies may change in future, the implementation of the LOI and the signing of further definitive agreements are uncertain;

The cooperation between the Parties in respect of the joint venture is still pending for completion of the relevant approval procedures of the Parties and the approval from or filing with the relevant authorities; and

The Parties have preliminarily reached an intent of cooperation in the field of new energy vehicles. Assuming that the Parties will proceed with the cooperation in respect of the joint venture smoothly, it is expected that it will greatly improve the technology level and brand premium of the Company, better meet the needs of consumers and further tap on the new energy vehicle market at home and abroad. However, the actual results are unable to be predicted currently.

### **IMPACT ON THE BUSINESS PERFORMANCE OF THE LISTED COMPANY FOR THE YEAR**

The signing of the LOI is not expected to affect the operating results and financial position of the Company in 2018.

This announcement is made by Great Wall Motor Company Limited (the “**Company**” or “**Great Wall Motor**” or “**GWM**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2)(a) and 13.10B of the Listing Rules.

## **I. BASIC INFORMATION ON THE SIGNING OF THE LOI**

### **(I) Basic information on the counterparty**

Bayerische Motoren Werke Aktiengesellschaft (“**BMW**”) business scope is to engage in the production and sale of engines, engine-equipped vehicles, related accessories and products of the machinery and metalworking industry as well as the rendering of services related to the aforementioned items, and BMW was founded based on German Law, registered address is Petuelring 130, 80809 Munich, Germany, registered capital is €657,600,600.00.

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world’s leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. As a global company, the BMW Group operates 31 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

The relationship with the listed Company: the Company does not have any connected relations with BMW.

### **(II) The time, place and manner of entering into the LOI**

The Parties signed the LOI in Beijing, China on 23 February 2018.

### **(III) The consideration and approval procedures completed for entering into the LOI**

The entering into of the LOI is not subject to the consideration by the Board and the Shareholders’ General Meeting of the Company. The Company will complete the relevant approval procedures in accordance with the relevant requirements of the Articles of Association after entering into the definitive joint venture contract.

### **(IV) The approval or filing procedures completed for entering into the LOI**

The entering into of the LOI is not subject to the approval or filing procedures. The Company will complete the relevant approval or filing procedures in accordance with the relevant requirements of the applicable laws and regulations after signing the definitive joint venture contract.

## **II. MAIN CONTENTS OF THE LOI**

The main contents of the LOI are as follows:

The LOI was signed by the following two parties:

Party A: Bayerische Motoren Werke Aktiengesellschaft; and

Party B: Great Wall Motor Company Limited

(each as a “Party”, collectively as the “Parties”)

## **(I) The background, target and main contents of cooperation**

### **1. The background and target for cooperation**

The Parties intend to use their respective technical and commercial expertise in the automotive industry to cooperate in the form of a joint venture in accordance with the requirements of relevant PRC law and regulations. The cooperation shall mainly focus on new energy vehicles and future technology.

### **2. The consensus of the Parties on the joint venture**

- (1) The Parties intend to cooperate in the form of the Chinese-Foreign Equity Joint Venture (the “**Joint Venture**”) jointly invested by the Parties and/or their respective affiliates. GWM will be the majority shareholder of the Joint Venture, while BMW or its affiliates will be the minority shareholder of the Joint Venture;
- (2) At the current phase of cooperation, the Parties plan to conduct further discussions on the cooperation model and a joint vehicle platform in order to fulfill the cooperation targets;
- (3) To the extent permitted by applicable law, the Joint Venture will mainly focus on the development, sourcing and production of new energy vehicles and other relevant activities;
- (4) After signing the LOI, the Parties will further determine the investment scale, establish a business model and complete the feasibility study of the project. The Parties will start negotiations of a formal joint venture contract (the “**Joint Venture Contract**”) immediately after signing of this LOI.

### **3. General terms**

The Chapter 3 and all the provisions and stipulations under the Chapter in LOI shall be binding between the Parties. Other clauses and provisions in this LOI are not binding and shall not create any legal obligations on the Parties.

- (1) The Parties acknowledge that preliminary applications and filings with the competent Chinese authorities might be necessary before execution of the envisaged Joint Venture Contract. Before any such application or filing may be made, either Party has to approve such application or filing.
- (2) Each of the Parties shall bear its own costs in connection with this LOI and further negotiations of the Joint Venture Contract, including but not limited to costs of experts, consultants, lawyers or travel expenses.
- (3) A withdrawal by one Party from the negotiations with regards to the potential Joint Venture shall not entitle the other Party to any kind of compensation whatsoever under this LOI.

- (4) If one Party decides not to pursue the envisaged Joint Venture any more, it shall inform the other Party in writing about its decision.
- (5) Neither Party shall issue any press release or other public statement without the prior written consent of the other Party and without previously agreeing on the text thereof and the date of issue. In the event that disclosure of any confidential information is required by applicable laws or regulations, both Parties shall consult and cooperate to the maximum extent possible in advance to agree on the content of any such disclosure.
- (6) This LOI shall be governed by, and construed in accordance with, the laws and regulations of the PRC.
- (7) Any dispute arising out of or in connection with this LOI, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of the arbitration shall be Singapore. The tribunal shall consist of three arbitrators. The language of the arbitration shall be English.

**(II) The conditions and time for the LOI to take effect and the liabilities for the breach of LOI by each Party**

This LOI shall become effective at the time of its signing by both Parties.

Please refer to the Chapter 3 (general terms) of the LOI for other relevant agreed provisions.

**(III) Conditions for actual implementation of the LOI and the conditions that have been met at present**

This LOI indicates the initial cooperation intention between the Parties in the field of new energy vehicles. It shall be deemed as an outline and a guidance document for the future cooperation between the Parties and the application with relevant authorities in the PRC. It may also serve as the preliminary basis for relevant agreements to be signed by the Parties or its affiliates, subject to negotiation and execution of final definitive agreements.

**III. IMPACT ON THE LISTED COMPANY**

- (I) The impact on the performance of the listed company: The signing of the LOI is not expected to affect the operating results and financial position of the Company in 2018.
- (II) The impact on the operation of the listed company: The Parties have preliminarily reached an intent of cooperation in the field of new energy vehicles. Assuming that the Parties will proceed with the cooperation smoothly, it is expected that it will greatly improve the technology level and brand premium of the Company, better meet the needs of consumers and further tap on the new energy vehicle market at home and abroad.

#### IV. SIGNIFICANT RISK WARNING

1. The LOI entered into by the Parties, other than Chapter 3 (general terms) therein, has no binding effect;
2. The Parties are evaluating the prospects and feasibility of setting up a joint venture to cooperate in the field of new energy vehicles. The investment scale, business model and other details of the joint venture have not been determined;
3. As the market conditions and related policies may change in the future, the implementation of the LOI and the signing of further definitive agreements are uncertain;
4. The cooperation between the Parties in respect of the Joint Venture is still pending for completion of the relevant approval procedures of the Parties and the approval from or filing with the relevant authorities; and
5. The Parties have preliminarily reached an intent of cooperation in the field of new energy vehicles. Assuming that the Parties will proceed with the cooperation smoothly, it is expected that it will greatly improve the technology level and brand premium, better meet the needs of consumers and further tap on the new energy vehicle market at home and abroad. However, the actual results are unable to be predicted currently.

The Company will announce the relevant progress in a timely manner, and investors shall pay attention to the risk of investment.

The shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement will be published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)), the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the official website of the Company ([www.gwm.com.cn](http://www.gwm.com.cn)).

By order of the Board  
**Great Wall Motor Company Limited**  
**Xu Hui**  
*Company Secretary*

Baoding, Hebei Province, the PRC, 23 February 2018

*As at the date of this announcement, members of the Board comprise:*

*Executive Directors: Mr. Wei Jian Jun, Ms. Wang Feng Ying and Ms. Yang Zhi Juan.*

*Non-executive Director: Mr. He Ping.*

*Independent Non-executive Directors: Mr. Ma Li Hui, Mr. Li Wan Jun and Mr. Ng Chi Kit.*

\* *For identification purpose only*