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 OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June 2013	For the six months ended 30 June 2012	
	(Unaudited)	(Unaudited)	Change (%)
Operating revenue *(RMB million)*	**26,417**	18,288	44.45
Total profit *(RMB million)*	**4,931**	2,855	72.70
Net profit attributable to shareholders of the Company *(RMB million)*	**4,087**	2,354	73.67
Earnings per share	**RMB1.34**	RMB0.77	73.67

The board of directors (the "**Board**") of Great Wall Motor Company Limited (the "**Company**" or "**Great Wall Motor**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") prepared in accordance with the China Accounting Standards for Business Enterprises for the six months ended 30 June 2013 (the "**Reporting Period**"), which have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu Certified Public Accountants LLP, together with the comparative figures for the corresponding period of 2012 as follows:

1. FINANCIAL INFORMATION

Consolidated Balance Sheet

Item	*Note*	**30/06/2013** ***(unaudited)*** ***RMB***	31/12/2012 *(audited)* *RMB*
Assets			
Current Assets:			
Cash and bank balances		**7,364,146,110.61**	6,336,981,784.93
Held-for-trading financial assets		**16,270,882.85**	11,651,307.26
Bills receivable		**13,658,096,216.54**	14,790,887,422.30
Accounts receivable	(i)	**672,077,683.61**	691,488,679.17
Prepayments		**378,721,420.57**	391,549,732.29
Dividends receivable		**15,280,463.03**	15,280,463.03
Other receivables		**1,347,886,715.64**	854,389,669.52
Inventories		**2,684,634,280.74**	2,695,117,691.59
Other current assets		**62,956,662.01**	60,330,465.60
Total Current Assets		**26,200,070,435.60**	25,847,677,215.69
Non-current Assets:			
Long-term receivables		**—**	22,970,074.17
Long-term equity investments		**45,580,787.32**	41,841,473.15
Investment properties		**6,171,001.31**	6,251,972.88
Fixed assets		**10,455,362,839.16**	9,019,119,819.20
Construction in progress		**5,541,696,260.80**	4,989,704,197.26
Intangible assets		**2,219,359,118.58**	2,214,215,362.85
Goodwill		**2,163,713.00**	2,163,713.00
Long-term prepaid expenses		**15,385,460.54**	17,486,693.00
Deferred tax assets		**396,491,293.86**	407,966,015.58
Total Non-current Assets		**18,682,210,474.57**	16,721,719,321.09
TOTAL ASSETS		**44,882,280,910.17**	42,569,396,536.78

Item	Note	**30/06/2013**	31/12/2012
		(unaudited)	*(audited)*
	Note	***RMB***	*RMB*
Liabilities and Shareholders' Equity			
Current Liabilities:			
Bills payable		**4,275,374,132.24**	4,341,672,114.91
Accounts payable	(ii)	**8,864,123,786.19**	8,697,430,801.03
Advances from customers		**2,904,060,199.28**	3,195,376,434.87
Salaries payable		**383,436,463.02**	736,035,068.04
Taxes payable		**542,649,160.43**	537,079,490.65
Dividends payable		**92,177,074.33**	—
Other payables		**1,558,958,212.68**	1,219,640,824.99
Non-current liabilities due within one year		**49,906,310.54**	51,704,662.45
Other current liabilities		**576,569,223.56**	540,227,876.22
Total Current Liabilities		**19,247,254,562.27**	19,319,167,273.16
Non-current Liabilities:			
Other non-current liabilities		**1,736,120,349.30**	1,606,859,855.26
Total Non-current Liabilities		**1,736,120,349.30**	1,606,859,855.26
TOTAL LIABILITIES		**20,983,374,911.57**	20,926,027,128.42
SHAREHOLDERS' EQUITY:			
Share capital		**3,042,423,000.00**	3,042,423,000.00
Capital reserve		**4,461,109,309.25**	4,461,109,309.25
Surplus reserve		**2,217,932,376.40**	2,217,932,376.40
Undistributed profits	(iii)	**14,152,160,533.25**	11,799,009,548.92
Foreign currency translation differences		**(6,261,109.40)**	(6,230,241.74)
Total shareholders' equity attributable to equity holders of the Company		**23,867,364,109.50**	21,514,243,992.83
Minority interests		**31,541,889.10**	129,125,415.53
TOTAL SHAREHOLDERS' EQUITY		**23,898,905,998.60**	21,643,369,408.36
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**44,882,280,910.17**	42,569,396,536.78

Consolidated Income Statement

Item	Note	**Six months ended 30/06/2013 *(unaudited)* *RMB***	Six months ended 30/06/2012 *(unaudited)* *RMB*
Total operating revenue	(iv)	**26,416,838,569.72**	18,287,571,441.06
Total operating costs		**21,579,156,474.77**	15,475,020,650.92
Including: Operating costs	(iv)	**18,765,540,112.22**	13,476,105,405.77
Business tax and surcharges		**955,299,210.84**	663,551,215.21
Selling expenses		**855,302,745.69**	633,718,965.41
Administrative expenses		**1,033,999,951.06**	687,249,111.85
Financial expenses		**(30,447,573.94)**	(47,845,214.00)
Impairment loss on assets		**(537,971.10)**	62,241,166.68
Add: Gains or losses from changes in fair values		**4,619,575.59**	(8,390,875.32)
Investment income		**30,278,889.54**	6,932,650.07
Including: share of profit of associates and jointly controlled entities		**3,739,314.17**	548,445.26
Operating profit		**4,872,580,560.08**	2,811,092,564.89
Add: Non-operating income		**70,415,952.21**	51,727,417.28
Less: Non-operating expenses		**11,624,508.29**	7,433,972.04
Including: Losses from disposal of non-current assets		**5,304,039.67**	1,564,950.05
Total profit		**4,931,372,004.00**	2,855,386,010.13
Less: Income tax expenses	(v)	**839,694,409.12**	478,584,495.98
Net profit		**4,091,677,594.88**	2,376,801,514.15
Net profit attributable to shareholders of the Company		**4,087,332,094.33**	2,353,515,940.60
Profit or loss attributable to minority interests		**4,345,500.55**	23,285,573.55
Earnings per share:			
(I) Basic earnings per share	(vi)	**1.34**	0.77
(II) Diluted earnings per share		**N/A**	N/A
Other comprehensive income		**(30,867.66)**	110,898.73
Total comprehensive income:		**4,091,646,727.22**	2,376,912,412.88
Total comprehensive income attributable to shareholders of the Company		**4,087,301,226.67**	2,353,626,839.33
Total comprehensive income attributable to minority interests		**4,345,500.55**	23,285,573.55

Note:

(i) Accounts receivable

(1) Accounts receivable were disclosed by category as follows:

Descriptions of the categories of accounts receivable:

The Group recognizes accounts receivable of over RMB3 million and accounts receivable from unconsolidated related parties as individually significant.

RMB

	30/06/2013 (unaudited)				31/12/2012 (audited)			
	Book value		Provision for bad debts		Book value		Provision for bad debts	
Category	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Individually significant and subject to separate provision	**634,826,010.03**	**93.50**	**(1,582,814.60)**	**23.13**	627,157,658.43	87.97	(13,239,602.10)	61.86
Subject to provision by groups								
Accounts receivable of small amounts with high risks based on the characteristics of credit risk as a group	**3,325,356.97**	**0.49**	**(2,228,042.66)**	**32.55**	3,978,340.07	0.56	(2,743,849.02)	12.82
Other insignificant accounts receivable	**40,770,656.53**	**6.01**	**(3,033,482.66)**	**44.32**	81,754,886.33	11.47	(5,418,754.54)	25.32
Subtotal	**44,096,013.50**	**6.50**	**(5,261,525.32)**	**76.87**	85,733,226.40	12.03	(8,162,603.56)	38.14
Accounts receivable which are individually insignificant but subject to separate provision	**—**	**—**	**—**	**—**	—	—	—	—
Total	**678,922,023.53**	**100.00**	**(6,844,339.92)**	**100.00**	712,890,884.83	100.00	(21,402,205.66)	100.00

* *The Group normally receives payments or bills in advance for the sale of automobiles.*

(2) Aging analysis of accounts receivable and corresponding provisions for bad debts were as follows:

RMB

	30/06/2013 (unaudited)				31/12/2012 (audited)			
Aging	Amount	Ratio (%)	Provision for bad debts	Book value	Amount	Ratio (%)	Provision for bad debts	Book value
Within 1 year	**674,764,583.56**	**99.40**	**(3,784,214.26)**	**670,980,369.30**	708,917,123.62	99.45	(18,658,356.64)	690,258,766.98
1 to 2 years	**3,873,625.97**	**0.56**	**(2,935,311.66)**	**938,314.31**	3,871,031.21	0.54	(2,641,119.02)	1,229,912.19
2 to 3 years	**283,814.00**	**0.04**	**(124,814.00)**	**159,000.00**	102,730.00	0.01	(102,730.00)	—
Total	**678,922,023.53**	**100.00**	**(6,844,339.92)**	**672,077,683.61**	712,890,884.83	100.00	(21,402,205.66)	691,488,679.17

(ii) Accounts payable

RMB

Item	30/06/2013	31/12/2012
	(unaudited)	*(audited)*
Within 1 year	**8,827,723,299.08**	8,661,319,765.87
1 to 2 years	**21,445,283.22**	17,900,819.63
2 to 3 years	**11,422,081.64**	10,226,566.27
Over 3 years	**3,533,122.25**	7,983,649.26
Total	**8,864,123,786.19**	8,697,430,801.03

Note 1: Accounts payable aged over one year were primarily the remaining balances for raw materials due to suppliers.

Note 2: At the end of the Reporting Period, there were no accounts payable due to shareholders holding 5% or more voting shares of the Company.

(iii) Undistributed profits

RMB

Item	Six months ended 30 June 2013	Six months ended 30 June 2012
	(unaudited)	*(unaudited)*
Undistributed profits at the end of the period	**14,152,160,533.25**	9,094,763,236.63
Of which: has been proposed but not yet paid shares	**—**	—
Total proposed dividends in current period	**1,734,181,110.00**	912,726,900.00

The 2012 annual general meeting of the Company held on 10 May 2013 considered and approved the resolution regarding the profit distribution proposal for the year 2012. The Company declared the 2012 annual cash dividend of RMB0.57 per share (tax inclusive) to all shareholders, aggregating to RMB1,734,181,110.00 based on the total of 3,042,423,000 shares with a par value of RMB1 each.

(iv) Operating revenue and operating costs

(1) Operating revenue

RMB

Item	Six months ended 30 June 2013	Six months ended 30 June 2012
	(unaudited)	*(unaudited)*
Revenue from principal businesses	**26,225,491,736.72**	18,019,271,698.88
Of which: Revenue from the sale of automobiles	**25,019,954,911.74**	17,078,913,330.97
Revenue from the sale of automotive parts and components	**898,589,027.30**	580,061,503.72
Revenue from the sale of moulds and others	**240,404,101.52**	316,113,295.00
Revenue from providing services	**66,543,696.16**	44,183,569.19
Revenue from other businesses	**191,346,833.00**	268,299,742.18
Total	**26,416,838,569.72**	18,287,571,441.06

(2) Operating costs

Item	**Six months ended 30 June 2013**	Six months ended 30 June 2012
		RMB
	(unaudited)	*(unaudited)*
Costs from principal businesses	**18,639,282,037.40**	13,277,731,419.08
Of which: Expenses from the sales of automobiles	**17,698,062,841.17**	12,419,539,720.43
Expenses from the sales of automotive parts and components	**692,588,267.38**	540,357,916.35
Expenses from the sales of moulds and others	**193,774,612.70**	277,963,404.56
Expenses from providing services	**54,856,316.15**	39,870,377.74
Expenses from other businesses	**126,258,074.82**	198,373,986.69
Total	**18,765,540,112.22**	13,476,105,405.77

(v) Income tax expenses

Item	**Six months ended 30 June 2013**	Six months ended 30 June 2012
		RMB
	(unaudited)	*(unaudited)*
Current income tax calculated according to tax laws and relevant rules	**832,213,713.03**	508,662,375.31
Deferred income tax	**7,480,696.09**	(30,077,879.33)
Total	**839,694,409.12**	478,584,495.98

Reconciliation between income tax expenses and accounting profits is as follows:

Item	**Six months ended 30 June 2013**	Six months ended 30 June 2012
		RMB
	(unaudited)	*(unaudited)*
Accounting profit	**4,931,372,004.00**	2,855,386,010.13
Income tax rate	**25%**	25%
Income tax calculated at tax rate of 25%	**1,232,843,001.00**	713,846,502.53
Tax holidays, exemptions and concessionary rates	**(352,506,878.34)**	(214,529,259.80)
Additional tax deduction for research and development expenses	**(46,232,703.49)**	(33,468,152.46)
Tax effect of non-taxable income	**(934,828.54)**	(137,111.32)
Tax effect of non-deductible expenses	**6,525,818.49**	12,872,517.03
Total	**839,694,409.12**	478,584,495.98

(vi) Calculation of basic and diluted earnings per share

Net profit for the current period attributable to ordinary shareholders used for calculating is as follows:

Item	**Six months ended 30 June 2013**	Six months ended 30 June 2012
	RMB	*RMB*
	(unaudited)	*(unaudited)*
Net profit attributable to ordinary shareholders	**4,087,332,094.33**	2,353,515,940.60
Of which: Net profit attributable to continuing operations	**4,087,332,094.33**	2,353,515,940.60
Total	**4,087,332,094.33**	2,353,515,940.60

The denominator used for calculating earnings per share, being the number of outstanding ordinary shares, is calculated as follows:

Item	**Six months ended 30 June 2013**	Six months ended 30 June 2012
	RMB	*RMB*
	(unaudited)	*(unaudited)*
Number of outstanding ordinary shares at the beginning of the period	**3,042,423,000.00**	3,042,423,000.00
Add: Weighed number of ordinary shares issued in the period	**—**	—
Less: Weighted number of ordinary shares repurchased in the period	**—**	—
Weighted number of outstanding ordinary shares at the end of the period	**3,042,423,000.00**	3,042,423,000.00

Item	**Six months ended 30 June 2013**	Six months ended 30 June 2012
	RMB	*RMB*
	(unaudited)	*(unaudited)*
Based on the net profit attributable to shareholders of Company:	**4,087,332,094.33**	2,353,515,940.60
Basic earnings per share	**1.34**	0.77
Diluted earnings per share	**N/A**	N/A
Based on the net profit from continuing operations attributable to shareholders of Company:	**4,087,332,094.33**	2,353,515,940.60
Basic earnings per share	**1.34**	0.77
Diluted earnings per share	**N/A**	N/A

2. MANAGEMENT DISCUSSION AND ANALYSIS

Operating Environment

Since 2013, the PRC's automobile industry has been faced with complex and volatile domestic and overseas economic environments. However, driven by the gradual improvements of the world's two largest economies — United States of America and the PRC, the PRC's automobile industry had continued its upward trend since 2012 and maintained a steady and rapid growth momentum since the beginning of this year.

According to the statistics of China Association of Automobile Manufacturers, the production and sales volume of automobiles in the PRC in the first half of 2013 reached 10,751,700 units and 10,782,200 units respectively, representing increases of 12.83% and 12.34% respectively when compared with those of the corresponding period in 2012, which were higher than those expected at the beginning of this year. The production and sales volume of passenger vehicles amounted to 8,664,500 units and 8,665,100 units respectively, representing increases of 14.02% and 13.81% respectively from those of the corresponding period in 2012. The aforementioned data indicated not only the steady growth in sales volume of and demand for automobiles, but also the gradual enhancement of car purchasing power of domestic consumers.

SUV models, especially those that boasted high price-performance, brand equity and stunning exterior design, continued to maintain a relatively high growth, with aggregate sales volume growth surpassing the overall growth rate of the PRC automobile market for several years in a row. Simultaneously, consumers were offered with a wider choice of selection, with the further development of the automobile market, enhancement of production capacity of domestic car enterprises and more diverse product lines. Against the backdrop of increasingly intensified market competition, domestic automobile manufacturers inevitably had to keep increasing their investments in technology and research and development to cope with new market challenges.

Owing to volatility in overseas economies in the first half of 2013, exports of domestic automobiles had also been suppressed. According to the statistics of the China Association of Automobile Manufacturers, the PRC's automobile export volume decreased by 0.6% year-on-year to 486,800 units in the first half of 2013. Nonetheless, domestic automobile enterprises continued to put strong emphasis on international market development and their competitiveness enhancement.

Financial Review

Operating revenue

During the Reporting Period, the operating revenue of the Group amounted to RMB26,416,838,569.72, representing a 44.45% increase from the corresponding period in 2012 (corresponding period of 2012: RMB18,287,571,441.06). The increase in operating revenue was mainly due to an increase in the overall sales volume as a result of the Group's commitment to develop high price-performance products, emphasis on customers' demands, and product quality enhancement.

Sale of automobiles

During the Reporting Period, the Group's revenue from sale of automobiles amounted to RMB25,019,954,911.74, representing a 46.50% increase from the corresponding period in 2012 (corresponding period of 2012: RMB17,078,913,330.97). This was mainly due to an increase in the Group's overall sales volume and increase in SUV's sales proportion. During the Reporting Period, the Group sold 370,301 units of automobiles, representing a 41.33% increase from the corresponding period in 2012 (corresponding period of 2012: 262,018 units).

Automotive parts and components and others

In addition to the production of automobiles, the Group also engaged in the sale of major automotive parts and components used in the production of pick-up trucks, SUVs, and sedans. These include self-manufactured engines, transmissions, front and rear axles, air-conditioning equipment, drag ball pins, lever assembly and other parts and components for the production of automobiles. Sale of automotive parts and components not only contributes to the Group's revenue but also ensures the availability of parts and components for after-sales services. During the Reporting Period, the revenue generated from the sales of automotive parts and components and others was RMB1,396,883,657.98, representing a 15.57% increase from the corresponding period of 2012 (corresponding period of 2012: RMB1,208,658,110.09). The increase was mainly attributable to an increase in the revenue generated from sales of parts and components for after-sales services, as a result of a significant growth in the sales volume of automobiles.

Gross profit and gross profit margin

During the Reporting Period, the Group's gross profit amounted to RMB7,651,298,457.50, representing a 59.02% increase from the corresponding period of 2012 (corresponding period of 2012: RMB4,811,466,035.29). The increase in the Group's gross profit was mainly due to increases in the Group's overall sales volume and in the gross profit margin of automobiles. The Group's gross profit margin increased from 26.31% in the first half of 2012 to 28.96% in the first half of 2013, which was mainly due to economies of scale as a result of enlarged sales volume and increase in the sales proportion of SUV, which had a higher gross profit margin.

Net profit attributable to shareholders of the Company and earnings per share

During the Reporting Period, the Group's net profit attributable to shareholders of the Company increased by 73.67% to RMB4,087,332,094.33 when compared with that of the corresponding period of 2012 (corresponding period of 2012: RMB2,353,515,940.60). The increase was mainly due to an increase in profit driven by growth in sales.

Basic earnings per share of the Group for the Reporting Period were RMB1.34 (corresponding period of 2012: RMB0.77). During the Reporting Period, the Group did not present any diluted earnings per share as there was no ordinary share which may cause any dilution effect.

Selling and administrative expenses

During the Reporting Period, the selling expenses of the Group amounted to RMB855,302,745.69, representing a 34.97% increase from the corresponding period of 2012 (corresponding period of 2012: RMB633,718,965.41). The increase in selling expenses was mainly due to increases in the transportation fees and after-sales service fees as a result of an increase in sales volume. The percentage of selling expenses to operating revenue decreased from 3.47% in the first half of 2012 to 3.24 % in the first half of 2013. During the Reporting Period, the administrative expenses of the Group amounted to RMB1,033,999,951.06, representing a 50.45% increase from the corresponding period of 2012 (corresponding period of 2012: RMB687,249,111.85). The increase in administrative expenses was mainly due to an increase in technology development expenses. The percentage of administrative expenses to operating revenue increased from 3.76% in the first half of 2012 to 3.91% in the first half of 2013.

Finance costs

During the Reporting Period, the Group's finance costs were RMB-30,447,573.94, as compared to RMB-47,845,214.00 for the corresponding period of 2012. The increase in finance costs was mainly due to an increase in the gains and losses from foreign exchange resulting from exchange rate fluctuations during the Reporting Period.

Current assets and current liabilities

As at 30 June 2013, the Group's current assets were RMB26,200,070,435.60 (31 December 2012: RMB25,847,677,215.69), mainly included cash and bank balances of RMB7,364,146,110.61, bills receivable of RMB13,658,096,216.54, accounts receivable of RMB672,077,683.61, inventories of RMB2,684,634,280.74, prepayments of RMB378,721,420.57 and other receivables of RMB1,347,886,715.64. As at 30 June 2013, the Group's current liabilities were RMB19,247,254,562.27 (31 December 2012: RMB19,319,167,273.16), mainly included advances from customers of RMB2,904,060,199.28, salaries payable of RMB383,436,463.02, other payables of RMB1,558,958,212.68, taxes payable of RMB542,649,160.43, bills payable of RMB4,275,374,132.24, accounts payable of RMB8,864,123,786.19, and other current liabilities of RMB576,569,223.56.

Gearing Ratio

Gearing ratio refers to the proportion of total liabilities to the total equity in the consolidated balance sheet. As at 30 June 2013, the Group's total liabilities amounted to RMB20,983,374,911.57 (31 December 2012: RMB20,926,027,128.42) and the Group's total equity was RMB23,898,905,998.60 (31 December 2012: RMB21,643,369,408.36). As at 30 June 2013, the gearing ratio of the Group was 0.88 (31 December 2012: 0.97).

Acquisition and disposal of assets

On 21 January 2013, the Company entered into an equity transfer agreement with Hebei Lizhong Non-ferrous Metal Group Co., Ltd. (河北立中有色金屬集團有限公司), pursuant to which the Company transferred the 100% equity interest in Baoding Exquisite Auto Aluminium Alloy Manufacture Co., Ltd. (保定精工汽車鋁合金製造有限公司), a wholly owned subsidiary of the Company, to Hebei Lizhong Non-ferrous Metal Group Co., Ltd. According to the assets appraisal report "Northern Yashi Assets Appraisal Document (2013) No. 009" (北方亞事評報字 (2013) 第 009 號) from Beijing Northern Yashi Assets Appraisal Co., Ltd. (北京北方亞事資產評估有限責任公司), the consideration for the equity transfer was determined at RMB98,450,000. Baoding Exquisite Auto Aluminium Alloy Manufacture Co., Ltd (保定精工汽車鋁合金製造有限公司) completed the change of business license on 30 January 2013. Upon completion of the equity transfer, the Company will concentrate on enhancing its automobile business.

On 10 May 2013, the Company entered into an equity transfer agreement with its wholly owned subsidiary Baoding Xincheng Automobile Development Company Limited (保定市信誠汽車發展有限公司). According to the agreement, Baoding Xincheng Automobile Development Company Limited (保定市信誠汽車發展有限公司) agreed to transfer to the Company the 45% equity interest in Baoding Xinchang Auto Parts Company Limited (保定信昌汽車零部件有限公司) held by it. According to the assets appraisal report "Jian Assets Appraisal Document (2013) No. 022" (建評報字 (2013) 第 022 號) from Beijing Jian He Xin Assets Appraisal Company Limited (北京建和信資產評估有限責任公司), the consideration for the equity transfer was determined at RMB23,394,600. Following the completion of the change in business licence on 13 May 2013, Baoding Xinchang Auto Parts Company Limited (保定信昌汽車零部件有限公司) becomes a wholly owned subsidiary directly held by the Company. The completion of the equity transfer is conducive to optimising internal management structure and streamlining management.

As the aforementioned acquisition and disposal were neither connected transactions nor notifiable transactions as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"), it is therefore not required to publish any announcements under Chapters 14 and 14A of the Hong Kong Listing Rules.

Save as the aforementioned acquisition and disposal, the Company, its subsidiaries and associates did not have other material acquisitions or disposals of assets during the Reporting Period.

Capital structure

The Group generally finances its operations with its internal cash flows. As at 30 June 2013, the Group was in no borrowing position.

Exposure to foreign exchange risk

All the Group's domestic sales were settled in RMB, while sales to overseas customers were settled in US dollars or Euros. During the Reporting Period, the Group did not experience any material difficulties in or encounter any events which have material impacts on its operations or liquidity as a result of the fluctuations in currency exchange rates.

Since the Group's exported products had a relatively high price-performance and were very competitive, its export business was not affected by the pressure of RMB appreciation.

Employment, training and development

As at 30 June 2013, the Group employed a total of 58,207 employees (30 June 2012: 48,502 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 accounted for 6.78% of the Group's operating revenue as at 30 June 2013 (30 June 2012: 6.73%).

Taxation

During the Reporting Period, income tax of the Group was RMB839,694,409.12 (corresponding period of 2012: RMB478,584,495.98).

Segment information

For operational management purposes, the Group is organised as a single business unit focusing on the manufacture and sale of automobiles and automotive parts and components, and therefore, has no separable operating segment.

Operating revenue of the Group by geographical distribution of external customers is set out as follows:

	For the six months ended 30 June	
	2013	2012
	RMB	*RMB*
	(Unaudited)	*(Unaudited)*
China	**23,708,486,663.55**	15,235,337,994.11
Russia	**895,510,075.46**	800,351,060.71
Australia	**311,586,360.75**	485,501,765.06
Chile	**249,900,651.35**	279,686,832.04
Algeria	**234,084,249.65**	149,470,524.98
Iraq	**174,056,268.48**	222,316,425.06
Other countries	**843,214,300.48**	1,114,906,839.10
Total	**26,416,838,569.72**	18,287,571,441.06

The Group's major non-current assets for disclosure in the segment information (which consist of fixed assets, investment properties, construction in progress and investment in jointly controlled entities and associates) are primarily situated in the PRC.

The Group has not placed reliance on any single external customer which accounts for 10% or more of the Group's operating revenue.

Business Review

Products

The Group's principal products are pick-up trucks, SUVs, and sedans. The Group also engages in the production and sale of major automotive parts and components used in the production of pick-up trucks, SUVs, and sedans.

The Group has automobile production plants in Baoding, Tianjin and Xushui. Its total capacity is expected to reach approximately 800,000 units at the end of 2013.

During the Reporting Period, the Group's total sales volume of automobiles was 370,301 units, representing a 41.33 % increase from the corresponding period of 2012 (corresponding period of 2012: 262,018 units). The continued and steady growth in the Group's automobile sales volume was attributable to the strong branding effect and constant upgrade of product quality. Great Wall Motor was able to maintain its leading position in the markets of SUVs and pick-up trucks with its premium product quality, comprehensive after-sales services and sales network.

(1) Pick-up truck

According to the statistics of the China Association of Automobile Manufacturers, Great Wall Motor's pick-up trucks continued to rank first in the PRC market in terms of sales volume of pick-up trucks for 15 consecutive years, thereby consolidating the Company's leading market position in this respect. During the Reporting Period, the sales volume of pick-up trucks was 72,226 units, representing a 5.74% increase from the corresponding period of 2012 (corresponding period of 2012: 68,307units). The Group will continue to launch new models in order to further strengthen its leading position in the pick-up truck market.

(2) SUV

During the Reporting Period, the Group achieved outstanding performance in the domestic SUV market, with rapid growth in sales volume, which was higher than that of the entire SUV market. In March 2013, the Group established Haval SUV as an independent brand. Great Wall Motor's Haval M4, a small SUV model, was well received by the market after its launch last year, while Haval H6, benefiting from robust demand, achieved satisfactory growth in sales volume during the Reporting Period. All these enabled the Group's SUV models to maintain a leading position in the domestic SUV market. During the Reporting Period, the sales volume of SUVs amounted to 186,113 units, representing a 77.96% increase from the corresponding period of 2012 (corresponding period of 2012: 104,584 units).

(3) Sedan

During the Reporting Period, the sales volume of Great Wall Motor's sedans reached 107,561 units, representing a 23.01% increase from the corresponding period of 2012 (corresponding period of 2012: 87,443 units). The sales volume of Great Wall C30 model reached 69,670 units during the Reporting Period, while sales of Great Wall C50 gradually increased, with 32,246 units sold during the Reporting Period. Through specialization and with its professionalism and expertise, the Group will continue to step up its efforts to enhance the quality of its sedans, thereby further consolidating Great Wall Motor's stylish compact car brand image.

(4) Other vehicles

During the Reporting Period, the Group sold a total of 4,401 units of other vehicles (including MPVs, special vehicles), representing a 161.34% increase from the corresponding period of 2012 (corresponding period of 2012: 1,684 units).

(5) Automotive parts and components and others

During the Reporting Period, the revenue generated from the sale of automotive parts and components and others amounted to RMB1,396,883,657.98, representing a 15.57% increase from the corresponding period of 2012 (corresponding period of 2012: RMB1,208,658,110.09) and accounting for 5.29% of the Group's total operating revenue.

Domestic market

With the idea of "new form of urbanisation" first mentioned at the 18th National Congress of the Communist Party of China at the end of last year, it is expected that purchasing power in more domestic rural villages will unleash, thereby further fuelling domestic economic development and internal demand. The automobile industry, among others, will benefit from this. In fact, since the beginning of this year, the relevant policies have begun to stimulate the development of the domestic automobile industry; during the Reporting Period, the Group continued to expand its markets and improved the price-performance of its products to adapt to market environment and to meet consumers' demand.

During the Reporting Period, the Group's domestic sales volume and revenue generated from the sale of automobiles amounted to 328,387 units and RMB22,427,227,262.09 respectively, representing increases of 51.63% and 57.59% respectively from those of the corresponding period of 2012 (corresponding period of 2012: 216,575 units and RMB14,231,783,591.01 respectively). During the Reporting Period, 53,987 units, 169,706 units and 100,296 units of pick-up trucks, SUVs and sedans were sold domestically respectively.

In addition, according to market data, the Group had a higher growth rate in automobile sales than the national one during the Reporting Period, reflecting market's confidence in the Group's brand.

Overseas markets

In the first half of 2013, export of automobiles from the PRC was slightly under pressure amid severe competition in overseas markets. During the Reporting Period, the Group accelerated product technology innovation, and continued to develop new products while improving product quality to help drive overseas sales.

During the Reporting Period, the Group's export sales volume of automobiles was 41,914 units, representing a 7.77% decrease from the corresponding period of 2012 (corresponding period of 2012: 45,443 units). Of the total export volume, 18,239 units, 16,407 units and 7,265 units of pick-up trucks, SUVs and sedans were sold respectively. The total export value of automobiles amounted to RMB2,592,727,649.65, representing a 8.94% decrease from the corresponding period of 2012 (corresponding period of 2012: RMB2,847,129,739.96) and accounting for 9.81% of the Group's operating revenue.

The Group's export markets were located mainly in the Middle East, Africa, Asia Pacific, South America and Europe, forming a solid international sales network.

Launch of new products

The Group launched a 2013 Great Wall C30 during the Reporting Period, with exterior and accessories upgrades, which further boosted sedan sales. Meanwhile, the Group also upgraded its SUV and pickup truck models.

At the Shanghai International Automobile Industry Exhibition held in April 2013, the Group showcased its Haval H8, Haval H7, Haval H6 (sports version), Haval H5 (redesigned model), and Haval H2 etc.. The Haval H8, targeting the high-end consumer market, is equipped with simulated wood and electroplated trims, and advanced equipment such as anti-collision radar and engine start-button. Haval H2, on the other hand, is a compact SUV. On display, there was also a new zero-emission electric car model — Kulla.

Outlook

Despite market concerns over the PRC's economic growth prospects, it is expected that domestic consumption will continue to grow steadily due to the country's colossal potential purchasing power. Regarding export markets, as the second half of this year will be the peak season for overseas markets, the Group will concentrate more of its resources in developing key markets and upgrading quality and product technology.

In response to market beliefs that the PRC automobile market has reached a mild and steady development stage, Great Wall Motor will continue to bolster its brand recognition through constant improvement of product mix. With respect to product development, the Group will continue to put emphasis on three major categories, namely pick-up trucks, SUVs and sedans. For SUVs, the Group will further improve the brand visibility of this product category following the spin-off of Haval as a stand-alone brand, as well as continue to upgrade and replace existing products. Under the guidance of the PRC's industrial policy, the Group will step up its efforts to develop energy-saving and environmentally-friendly, high-quality and high-performance automobiles and relevant automotive parts and components.

The Group will increase investment in in-house research and development of products, and will constantly enhance the research capacity for automobiles and automotive parts and components, thereby making constant improvement of core parts and components as well as spare parts, with the aim to improve the performance of automobiles in all aspects. At the same time, the Group plans to increase the use of automation to improve overall production efficiency.

In addition, the Group will strengthen technical cooperation with world-renowned automotive parts and components manufacturing enterprises to ensure greater improvement in the quality of all of its car models. The Group will strive to become an automobile manufacturer with global recognition. During the Reporting Period, the Group and German Kostal entered into a strategic alliance agreement, pursuant to which both parties will collaborate strategically on areas including traditional mechanical and electrical products, comfortable and safe electronic products and innovative technology.

Meanwhile, the Group will continue to focus on strengthening the Company's technology innovation, building a world-leading talented workforce that enhances product innovation and price-performance. Through expanding the portfolio of high-growth products, further consolidation of after-sales services and strengthening the research and development unit, the Group's overall competitiveness will be heightened.

New products

With respect to new product development, Great Wall Motor will continue to focus on the research and development of energy-saving and environmental-friendly car models, as well as product quality and competitiveness enhancement. The Group expects to further improve its product lines in the second half of 2013, and within the next two years launch more car models under Haval brand including Haval H2, Haval H8, Haval H7, as well as a new model of Great Wall C50, 2014 year models M2, and M4. Haval 8 is installed with 2.0 L direct injection engine and six-speed auto transmission.

The Group is committed to further increase investment in the research and development of SUV, to facilitate further segmentation of the SUV market, by introducing off-road SUV, urban SUV, cross-over SUV and more high-end models that are in line with the PRC's policies. The Group expects that there is considerable room for SUV development in the domestic market, and will therefore continue to expand its market share and enhance its brand image. Moreover, since Haval has just been recently made as a stand-alone brand, the Group is still fine-tuning the sales network and scale of marketing for the brand. It will take two to three years to complete the establishment of a separate sales network for Haval, which will provide sales as well as after-sales services. It is the desire of the Group that Haval will be put on a par with other joint-venture brands of SUV.

With respect to sedans, the Group will continue to develop affordable models with energy-saving and environmental-friendly features under the guidance of the PRC's policy to promote energy-saving products. Moreover, the Group will gradually enlarge its market share in the sedan sector through upgrade and replacement of existing products.

Simultaneously, the Group will maintain its pick-up truck market share through constant new product development and product performance enhancement.

Export markets

The Group has made progress in its business in overseas markets, with products sold to a number of countries and regions around the world. The Group expects its export volume will rise gradually while income from export as a percentage of the operating revenue will increase gradually. With the continuous expansion of overseas markets, the Group is conducting a study on increasing overseas sales through the establishment of overseas assembly plants.

As for its export coverage, the Group will intensify its penetration of the markets in South Asia and Oceania, while maintaining its established position in the traditional markets in Middle East, Africa, Asia Pacific and South America.

The Group will continue to step up its efforts to develop the international market. In addition to continued expansion of the export volume of automobiles, the Group will also keep increasing the export volume of complete knock-down kits and semi-knocked down kits. The Group will further enhance its brand value and consolidate its position in overseas markets through a comprehensive after-sales service network.

New facilities

The second phase of the Group's production base for automobiles and automotive parts and components in the Tianjin Economic-Technological Development Area was under construction during the Reporting Period, and commenced operation in July this year, thereby increasing the Group's production capacity. The new facilities and advanced equipment lay a solid foundation for the Group's future research and development of new car models and production expansion.

In addition, the Group's new factory in Xushui, Baoding is under construction, and is expected to commence production at the end of this year. Except for certain testing grounds and the plants for producing parts and components, the construction of the factory has been completed basically and is ready for the production of automobiles. In future, Great Wall Motor's high-end car models will be produced and tested at the Xushui factory. It is expected that Haval H8, Haval H7 and subsequent products will be produced here. The commencement of the production of the Xushui factory will further lift the Group's production capacity.

Preferential enterprise income tax rate for high-tech enterprises

The Company obtained the High-Tech Enterprise Certificate jointly issued by the Hebei Provincial Department of Science and Technology, Department of Finance of Hebei Province, Hebei Provincial Office of the State Administration of Taxation and Hebei Local Taxation Bureau on 10 November 2010. The certificate is valid for three years. Article 28 of "Enterprise Income Tax Law of the PRC" stipulates that "the key high-tech enterprises which receive support from the State shall be entitled to a reduced enterprise income tax rate of 15%". Accordingly, the Company paid its income tax at the rate of 15% from 2010 to 2012. In accordance with the Administrative Measures for the Accreditation of High-Tech Enterprises (高新技術企業認定管理辦法), enterprises may submit applications for the renewal of their High-Tech Enterprise Certificates within three months before their expiration. An enterprise whose application is approved will be granted with the renewed High-Tech Enterprise Certificate and may enjoy the aforesaid tax preference. The Company's application for the renewal of its High-Tech Enterprise Certificate has been approved by the Hebei Provincial Department of Science and Technology.

3. INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

4. DIRECTORS AND SUPERVISORS

The directors and supervisors* who held office during the Reporting Period and up to the date of this announcement are as follows:

Executive Directors:
Wei Jian Jun *(Chairman)*
Liu Ping Fu
Wang Feng Ying
Hu Ke Gang
Yang Zhi Juan

Non-executive Directors:
He Ping
Niu Jun

Independent Non-executive Directors:
Wei Lin
Li Ke Qiang
He Bao Yin
Wong Chi Hung, Stanley

Supervisor:
Zhu En Ze

Independent Supervisors:
Yuan Hong Li
Luo Jin Li

* *All directors and supervisors were re-appointed on 10 May 2011.*

5. MATERIAL LITIGATIONS

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

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

There were no purchases, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Reporting Period.

7. CORPORATE GOVERNANCE

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

8. AUDIT COMMITTEE

The Company has set up the Audit Committee for the purposes of reviewing and supervising over financial reporting process and internal controls of the Group. The Audit Committee comprises four independent non-executive directors of the Company. The Audit Committee held a meeting on 21 August 2013, at which the Audit Committee reviewed the 2013 interim results announcement, interim report and interim financial statements of the Group and given their opinions and recommendations to the Board. The Audit Committee is of the opinion that the 2013 interim results announcement, interim report and interim financial statements of the Company comply with the applicable accounting standards and the Company has made appropriate disclosure thereof.

9. 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.

10. 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.

11. STRATEGY COMMITTEE

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

12. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Hong Kong Listing Rules 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 Reporting Period.

13. PUBLICATION OF INTERIM REPORT ON THE STOCK EXCHANGE OF HONG KONG LIMITED'S WEBSITE

The Company's 2013 interim report and results announcement containing the information required by the Hong Kong Listing Rules will be submitted to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for publication on the Hong Kong Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.gwm.com.cn).

By Order of the Board
GREAT WALL MOTOR COMPANY LIMITED
WEI JIAN JUN
Chairman

Baoding, the PRC, 22 August 2013

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

Executive Directors:	*Mr. Wei Jian Jun, Mr. Liu Ping Fu, Ms. Wang Feng Ying, Mr. Hu Ke Gang and Ms. Yang Zhi Juan.*
Non-executive Directors:	*Mr. He Ping and Mr. Niu Jun.*
Independent non-executive Directors:	*Ms. Wei Lin, Mr. He Bao Yin, Mr. Li Ke Qiang and Mr. Wong Chi Hung, Stanley*

* *For identification purpose only*