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)

ANNNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

FINANCIAL HIGHLIGHTS

	For the year ended 31 December 2010	For the year ended 31 December 2009	Change (%)
REVENUE (RMB million)	**22,175**	12,396	78.9
Profit before tax *(RMB million)*	**3,039**	932	226.1
As % of revenue	**13.7%**	7.5%	82.7
Profit attributable to equity holders of the Company *(RMB million)*	**2,698**	1,023	163.7
Earnings per share *(calculated based on the number of shares outstanding prior to the capitalisation issue)*	**RMB2.46**	RMB0.93	164.5
Earnings per share *(calculated based on the number of shares outstanding after the capitalisation issue)*	**RMB0.99**	RMB0.37	167.6

The board of directors (the "Board") of Great Wall Motor Company Limited (the "Company" or "Great Wall Motor") is pleased to announce the audited consolidated income statement and consolidated statement of comprehensive income of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2010 (the "Year") and the consolidated statement of financial position of the Group as at 31 December 2010, together with the comparative figures of 2009 as follows:

1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

		Year ended	
		31/12/2010	31/12/2009
	Notes	***RMB'000***	*RMB'000*
Revenue	(i)	**22,174,985**	12,396,387
Cost of sales		**(17,314,199)**	(10,248,059)
Gross profit		**4,860,786**	2,148,328
Other income	(i)	**109,784**	112,302
Other gains and losses	(i)	**3,782**	20,872
Distribution and selling expenses		**(1,070,203)**	(704,830)
Administrative expenses		**(433,813)**	(296,340)
Other expenses		**(461,523)**	(342,644)
Finance costs	(ii)	**(12,287)**	(26,986)
Share of profit of jointly controlled entities		**33,082**	15,149
Share of profit of associates		**8,969**	6,410
Profit before tax	(iii)	**3,038,577**	932,261
Income tax expenses	(iv)	**(214,151)**	139,619
Profit for the year		**2,824,426**	1,071,880
Profit for the year attributable to:			
Owners of the Company	(v)	**2,698,077**	1,022,553
Non-controlling interests		**126,349**	49,327
		2,824,426	1,071,880
EARNINGS PER SHARE			
Basic	(vii)	**RMB0.99**	RMB0.37
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Profit for the year	**2,824,426**	1,071,880
Other comprehensive income		
Exchange differences arising on translation	**(1,775)**	—
Total comprehensive income for the year	**2,822,651**	1,071,880
Total comprehensive income attributable to:		
Owners of the Company	**2,696,302**	1,022,553
Non-controlling interests	**126,349**	49,327
	2,822,651	1,071,880

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31/12/2010 RMB'000	31/12/2009 RMB'000
Non-current Assets			
Property, plant and equipment		**5,380,460**	4,205,777
Prepaid lease payments		**1,069,327**	971,978
Investment property		**2,079**	—
Construction in progress		**1,952,520**	1,085,234
Goodwill		**2,164**	2,164
Interests in jointly controlled entities		**116,104**	213,163
Interests in associates		**26,459**	22,507
Available-for-sale investments		**4,200**	1,200
Deferred tax assets		**297,216**	290,699
		8,850,529	6,792,722
Current Assets			
Inventories		**2,103,680**	1,589,925
Trade receivables	(viii)	**326,996**	147,827
Bills receivable		**7,726,100**	3,237,728
Other receivables and prepayments		**1,596,353**	459,670
Prepaid tax		**71,853**	93,740
Available-for-sale investments		**—**	150,000
Pledged bank deposits		**1,020,989**	470,452
Cash and bank balances		**2,073,627**	2,121,333
		14,919,598	8,270,675
Current Liabilities			
Trade payables	(ix)	**4,903,564**	3,095,398
Bills payable		**3,375,710**	1,177,300
Other payables and accruals		**3,491,345**	2,116,105
Borrowings		**—**	75,596
Derivative financial instruments		**1,953**	—
Current tax liabilities		**48,812**	23,332
Dividends payable to non-controlling interests		**37,742**	11,342
Provision for product warranties		**100,219**	71,673
		11,959,345	6,570,746
Net Current Assets		**2,960,253**	1,699,929
Total Assets Less Current Liabilities		**11,810,782**	8,492,651

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — continue

	31/12/2010 RMB'000	31/12/2009 RMB'000
Capital and Reserves		
Share capital	**1,095,272**	1,095,272
Reserves	**8,919,876**	6,497,392
Equity attributable to owners of the Company	**10,015,148**	7,592,664
Non-controlling interests	**385,158**	245,497
Total Equity	**10,400,306**	7,838,161
Non-Current Liability		
Deferred income	**1,410,476**	654,490
	1,410,476	654,490
	11,810,782	8,492,651

Notes:

(i) REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, after allowances for trade discounts and returns and excluding sales taxes and intra-group transactions.

An analysis of revenue, other income, other gains and losses is as follows:

	Year ended 31/12/2010 RMB'000	Year ended 31/12/2009 RMB'000
Revenue		
Sale of automobiles	**20,921,401**	11,784,122
Sale of automotive parts and components, and others	**1,199,058**	567,078
Revenue from providing of services	**54,526**	45,187
	22,174,985	12,396,387
Other income		
Bank interest income	**34,242**	58,307
Government grants:		
Release of deferred income	**24,507**	28,116
Value-added tax refund	**24,836**	18,572
Other government grant*	**14,248**	7,307
Rental income	**950**	—
Others	**11,001**	—
	109,784	112,302
Other gains and losses		
Gain on disposal of a subsidiary	**8,003**	—
Discount on acquisition	**3,043**	—
Gain on acquisition of non-controlling interests	**—**	19,657
Loss from changes in fair value of derivative financial instruments	**(1,953)**	—
Gain on disposal of available-for-sale investments	**4,573**	1,215
Impairment loss of receivables, net	**(9,601)**	—
Others	**(283)**	
	3,782	20,872

* *Various government grants have been received by the Group as immediate financial support. There are no unfulfilled conditions relating to these grants.*

(ii) FINANCE COSTS

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Interest on a bank loan	**515**	92
Discount interests of bills receivable and others	**11,772**	26,894
	12,287	26,986

(iii) PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Cost of inventories recognised as an expense	**17,298,381**	10,225,785
Write-down of inventories, net	**15,818**	22,274
	17,314,199	10,248,059
Depreciation of property, plant and equipment	**528,165**	378,792
Depreciation of investment property	**28**	—
Total depreciation and amortisation	**528,193**	378,792
Release of prepaid lease payments	**21,229**	21,035
Employee benefit expenses (including directors' and supervisors' remuneration):		
Wages, salaries and bonus	**1,155,235**	636,293
Retirement benefit contributions	**85,570**	61,890
	1,240,805	698,183
Auditors' remuneration	**2,100**	2,830
Provision for product warranties	**124,958**	52,048
Research and development costs recognised as an expense (included in other expenses)	**447,388**	335,152
Net foreign exchange losses	**14,135**	7,741
Impairment loss recognised in respect of property, plant and equipment	**1,673**	—
Loss on disposal of items of property, plant and equipment	**297**	3,005
Impairment loss (reversal of impairment loss) of receivables, net	**9,601**	(4,818)

(IV) INCOME TAX EXPENSES

An analysis of the major components of income tax expenses of the Group is as follows:

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Current tax:		
PRC enterprise income tax	**219,039**	77,906
Deferred tax:		
Current year	**(58,152)**	(217,525)
Attributable to a change in tax rate	**53,264**	—
	(4,888)	(217,525)
	214,151	(139,619)

The tax charge for the year can be reconciled to the profit per the consolidated income statement as follows:

	2010		2009	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**3,038,577**		932,261	
Tax at the domestic income tax rate	**759,644**	**25.0**	233,065	25.0
Tax effect of share of profit of jointly controlled entities	**(8,271)**	**(0.4)**	(3,787)	(0.6)
Tax effect of share of profit of associates	**(2,242)**	**(0.1)**	(1,603)	—
Tax effect of income not taxable for tax purpose	**(1,001)**	**—**	(4,914)	(0.5)
Additional deduction of expenses	**(56,156)**	**(1.8)**	(40,520)	(4.4)
Effect on deferred taxes arising from changes in tax rate	**53,264**	**1.8**	—	—
Tax holidays and exemptions and concessionary rate	**(533,951)**	**(17.6)**	(326,635)	(35.0)
Tax effect of expenses not deductible for tax purposes	**2,864**	**0.1**	4,775	0.5
Tax changes and effective tax rate for the year	**214,151**	**7.0**	(139,619)	(15.0)

(v) PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the year of 2010, Group's profit for the year attributable to the owners of the Company approximates RMB2,698,077,000 (2009: RMB1,022,553,000) in the consolidated financial statement of the Group.

(vi) DIVIDENDS

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Dividends recognised as distribution during the year:		
2009 Final — RMB0.25 (2009: 2008 Final-RMB0.15) per share	**273,818**	164,291

The final dividend of RMB547,636,000 at RMB0.2 per share in respect of the year ended 31 December 2010 (2009: final dividend of RMB273,818,000 at RMB0.25 per share in respect of the year ended 31 December 2009) has been proposed by the directors and is subject to approval by the shareholders in general meeting.

(vii) EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the year attributable to the owners of the Company of RMB2,698,077,000 (2009: RMB1,022,553,000) and the number of ordinary shares of 2,738,180,000 (2009: 2,738,180,000) as adjusted for the share capitalisation subsequent to the end of the reporting period.

There were no potential ordinary shares existed during the years ended 31 December 2010 and 2009 and therefore diluted earnings per share have not been presented.

(viii) TRADE RECEIVABLES

	31/12/2010 *RMB'000*	31/12/2009 *RMB'000*
Trade receivables	**341,005**	152,016
Less: allowance for doubtful debts	**(14,009)**	(4,189)
	326,996	147,827

The Group normally receives payments or bills in advance for the sale of automobiles. For long-standing customers with bulk purchases and good repayment history, the Group may allow a credit period of not more than 90 days. The Group closely monitors overdue balances and the impairment of trade receivables is made when it is considered that amounts due may not be recovered. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables of the Group, as at the end of the reporting period, based on the invoice date, is as follows:

	31/12/2010 *RMB'000*	31/12/2009 *RMB'000*
Outstanding balances aged:		
Within 6 months	**326,950**	146,990
7 to 12 months	**24**	837
Over 1 year	**22**	—
	326,996	147,827

(IX) TRADE PAYABLES

An aged analysis of the trade payables of the Group, as at the end of the reporting period, based on the invoice date, is as follows:

	31/12/2010	31/12/2009
	RMB'000	*RMB'000*
Within 6 months	**4,789,207**	2,974,475
7 to 12 months	**51,155**	65,983
1 to 2 years	**30,802**	19,322
Over 2 years	**32,400**	35,618
	4,903,564	3,095,398

The trade payables except for payable to related parties as detailed below, are non-interest-bearing and are normally settled on 90-day terms.

2. MANAGEMENT DISCUSSION AND ANALYSIS

Operating Environment

In 2010, the recovery momentum of the global economy was stronger than expected. China had rapidly moved out of the recession, marked by a substantial growth in the production and sales volume of automobile industry. Driven by the effect of various policies, the production and sales volume of automobiles increased steadily and reached a record high.

According to the statistics of China Association of Automobile Manufacturers, the People's Republic of China (the "**PRC**") ranked first again in the world in terms of production and sales volume of automobiles in 2010, reaching 18,264,667 units and 18,061,936 units respectively, representing increases of 32.44% and 32.37% respectively when compared with those of the same period last year. Export of automobiles continued to show signs of recovery, with export volume in 2010 amounting to 544,900 units, representing a year-on-year increase of 63.94%. The Group also achieved satisfactory performance in export markets during the year under review. While continuing to consolidate its existing overseas markets, the Group had been actively exploring new markets in accordance with the changes in the international market.

During the year under review (the "**Year**"), the PRC government continued to implement relevant policies that were favourable to the sales of automobiles. The "Energy-saving Products Benefiting the People Project" jointly announced by the National Development and Reform Commission, Ministry of Industry and Information Technology, and Ministry of Finance not only promoted technological advancement, energy saving and emission reduction, but also effectively stimulated the demand for automobiles. According to the implementation details of the policy, gasoline-powered and diesel-powered passenger vehicles with engines of 1.6 litres displacement or below and those vehicles with an integrated fuel consumption which is approximately 20% less than the existing standards for fuel consumption in the PRC will be included in the "Energy-saving Products Benefiting the People Project". The specifications of the Group's car models such as "Florid", "Voleex C30" and "Haval M2" meet the relevant requirements. These car models had been included in the promotional catalogue on energy-saving vehicles and are entitled to the relevant government subsidies.

The extension of policies such as automobile subsidies in rural areas, subsidized trade-in of vehicles, and preferential purchase tax incentive for low displacement vehicles during the Year further boosted automobile consumption, which to a certain extent had boosted the sales of the Group's automobiles.

With the general improvement in the people's income, it is expected that automobile sales in the country will maintain a stable growth in 2011. Export sales volume will also gradually increase as the economies in various countries are gradually picking up.

Financial Review

Revenue

During the Year, the Group's revenue amounted to RMB22,174,985,000, representing an increase of 78.9% as compared to that of the previous year. The increase in revenue was mainly due to an increase in the sales volume of automobiles.

Sales analysis

	For the year ended 31 December 2010			For the year ended 31 December 2009		
	Sales volume *(units)*	**Revenue** *(RMB'000)*	**As a percentage of revenue** *(%)*	Sales volume *(units)*	Revenue *(RMB'000)*	As a percentage of revenue *(%)*
Pick-up trucks	**98,643**	**5,376,830**	**24.2**	75,341	4,114,379	33.2
SUVs	**136,982**	**9,431,513**	**42.5**	58,299	4,225,400	34.1
Sedans	**122,843**	**5,782,046**	**26.1**	69,790	3,008,813	24.3
Other vehicles	**5,014**	**331,012**	**1.5**	6,430	435,530	3.5
Automotive parts and components, and others	**—**	**1,199,058**	**5.4**	—	567,078	4.6
Revenue from providing services	**—**	**54,526**	**0.3**	—	45,187	0.3
Total	**363,482**	**22,174,985**	**100.0**	209,860	12,396,387	100.0

Automobile sales

During the Year, the Group sold 363,482 units of automobiles, representing an increase of 73.2% as compared to 209,860 units sold in 2009. Automobiles sold in 2010 included 98,643 units of pick-up trucks, representing an increase of 30.9% as compared to 75,341 units sold in 2009; 136,982 units of SUVs, representing an increase of 135.0% as compared to 58,299 units sold in 2009; 122,843 units of sedans, representing an increase of 76.0% as compared to 69,790 units sold in 2009; and 5,014 units of other vehicles, representing an decrease of 22.0% when compared with those of the previous year.

Sales of automotive parts and components

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 mainly include self-manufactured engines, front and rear axles, air-conditioning equipment, drag ball pins, lever assembly and other parts and components for the production of automobiles. Sales of automotive parts and components not only contribute to the Group's revenue but also enable the Group to secure the availability of parts and components for after-sales services. During the Year, the Group reported a 111.4% increase in the revenue generated from the sale of automotive parts and components and others from RMB567,078,000 in 2009 to RMB1,199,058,000 in 2010. The increase was mainly attributable to an increase in the revenue generated from parts and components for after-sales services, as a result of a significant growth in the sales volume of automobiles. During the Year, the revenue generated from the sale of engines accounted for 8.7% of the Group's revenue generated from the sale of automotive parts and components and others.

Gross profit and gross profit margin

During the Year, the Group's gross profit rose from RMB2,148,328,000 in 2009 to RMB4,860,786,000, representing an increase of approximately 126.3%. The increase in the Group's gross profit was mainly due to an increase in the sales revenue and the rise of gross profit margin. The Group's gross profit margin increased from 17.3% in the previous year to 21.9%, which was mainly due to (1) a substantial increase in the gross profit margin of sedans; (2) economies of scale as a result of enlarged sales volume; (3) the effective cost control and enhanced product quality.

Profit attributable to owners of the parent and earnings per share

The Group's profit attributable to owners of the parent for the Year increased from RMB1,022,553,000 in 2009 to RMB2,698,077,000, owing to an increase in the profit driven by the growth in the sales of automobiles and an increase in the gross profit margin.

For the year ended 31 December 2010, basic earnings per share of the Company were RMB0.99. During the Year, the Company did not present any diluted earnings per share as there was no ordinary share which may cause any dilution effect.

Selling and distribution costs and administrative expenses

The selling and distribution expenses and administrative expenses of the Group rose by 50.2% from RMB1,001,170,000 in 2009 to RMB1,504,016,000 in 2010. The percentage of distribution and selling costs and administrative expenses to the total revenue decreased from 8.1% in 2009 to 6.8% in 2010. The increase in the selling and distribution costs and administrative expenses was mainly due to (1) an increase in transportation expenses as a result of the rise in the sales volume of automobiles; (2) an increase in advertising expenses due to increased promotion of new car models such as sedans; (3) an increase in the provision for product warranties resulting from the rise in automobile sales volume; and (4) an increase in staff cost.

Finance costs

The Group's finance costs for 2010 were approximately RMB12,287,000, as compared with approximately RMB26,986,000 in 2009.

Liquidity and financial resources

As at 31 December 2010, the Group's current assets mainly included cash, cash equivalents and pledged bank deposits of approximately RMB3,094,616,000, trade receivables of approximately RMB326,996,000, inventories of approximately RMB2,103,680,000, bills receivables of approximately RMB7,726,100,000, other receivables and prepayments of approximately RMB1,596,353,000. The Group's current liabilities as at the same date mainly included dividends payable to non-controlling interests of approximately RMB37,742,000, other payables and accruals of approximately RMB3,491,345,000, current tax liabilities of approximately RMB48,812,000, bills payables of approximately RMB3,375,710,000, trade payables of approximately RMB4,903,564,000 and provision for product warranties of approximately RMB100,219,000.

Acquisitions

During the Year, the Group did not have any material acquisition.

Capital structure

The Group generally finances its operation with internal cash flows. As at 31 December 2010, the Group was in a debt-free position.

Exposure to foreign exchange risk

All of the Group's domestic sales were settled in RMB, while sales to overseas customers were settled in US dollars and Euros. With respect to the export business, the price-performance ratio of the Group's products is relatively competitive and hence its current sales have not been affected by fluctuations in currency exchange rates.

As the materials, parts and components used by the Group were purchased from the domestic market, the appreciation of RMB did not create any impact on the Group's business.

During the Year, the Group did not experience any material difficulties in or negative effects on its operations or liquidity as a result of fluctuations in currency exchange rates.

Employment, training and development

As at 31 December 2010, the Group employed a total of 38,268 employees. Employees were remunerated with reference to 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 based on individual performance evaluation results. Total staff cost accounted for 5.6% of the Group's revenue for the year ended 31 December 2010.

Taxation

Tax of the Group in 2010 was RMB214,151,000.

Segment information

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

Revenue from external customers based on the location of customers is analyzed as follows:

	For the year ended 31 December	
	2010	2009
	RMB'000	*RMB'000*
	Audited	Audited
Mainland China	**19,148,563**	10,585,655
Australia	**518,443**	236,265
Russia	**514,162**	48,759
South Africa	**277,931**	129,744
Chile	**275,578**	101,075
Italy	**257,712**	117,068
Iraq	**247,183**	386,684
Libya	**13,799**	146,010
Ukraine	**536**	—
Other countries	**921,078**	645,127
	22,174,985	12,396,387

Revenue from external customers for each group of similar products and services are set out in Note (i) of the consolidated financial statements.

The Group's non-current assets for segment information presentation purpose amounting to RMB8,849,980,000 (2009: 6,792,054,000) are situated in the PRC and the remaining non-current assets amounting to RMB549,000 (2009: 668,000) are situated in overseas countries.

The Group has not placed reliance on any single external customers amounting to 10% or more of the Group's revenue.

Business Review

Products

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

During the Year, the Group's total sales volume of automobiles was 363,482 units, representing an increase of 73.2% as compared to that of 2009. The continued growth in the Group's sales volume was attributable to the strong branding effect and constant launch of high quality products. The Group was able to maintain its leading position in the segmented markets with its premium product quality, comprehensive after-sales services and extensive sales network.

Great Wall Motor made a breakthrough in diesel engine technology during the Year. It launched "Green and Quiet 2.0", a self-developed diesel engine, which is more energy-saving and environmental-friendly.

(1) Sedan

During the Year, the Group launched "Voleex C30", the first three-box sedan model. The sales volume of "Voleex C30" reached 59,021 units within six months of its debut. In addition, the Group modified its existing models to diversify its range of sedans. During the year, the sales volume and revenue of the Group's sedans reached 122,843 units and RMB5,782,046,000, representing increases of 76.0% and 92.2% when compared with those of the previous year respectively. The sales volume of "Florid" and "Voleex C30" models reached 50,402 units and 59,021 units respectively during the Year. The sales volume of sedans evidenced that the Group's concept of stylish compact sedans was recognised by consumers. The Group will continue to focus on stylish compact vehicles, and step up its efforts to enhance the quality of its sedan series in order to establish the branding of Great Wall Motor's stylish compact car.

(2) Pick-up trucks

According to the statistics of 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 for 13 consecutive years. With a market share of almost 30%, the Company maintains its solid leading market position in this respect. During the Year, the sales volume of pick-up trucks was 98,643 units, representing an increase of 30.9% when compared with that of the previous year. The sales revenue reached RMB5,376,830,000, representing an increase of approximately 30.7% when compared with that of 2009. The Group will continue to launch new models in order to consolidate its leadership in the pick-up truck market.

(3) SUV

The launch of the brand new models — "Haval M2", "Haval H5 European style" and "Haval H5 Technology Style" — during the Year had been well received by the market. The Group's SUV models maintained a leading position in terms of sales volume in the PRC market. During the Year, the sales volume and revenue of SUVs rose by 135.0% and approximately 123.2% to 136,982 units and RMB9,431,513,000 respectively when compared with those of 2009.

(4) Automotive parts and components

During the Year, the revenue generated from automotive parts and components amounted to RMB1,199,058,000, representing an increase of approximately 111.4% as compared with that of 2009, and accounting for 5.4% of the Group's total revenue.

(5) Other vehicles

Revenue of the Group's other vehicles (such as special vehicles) amounted to RMB331,012,000 during the Year, representing an decrease of 24% when compared to that of 2009.

Domestic market

Clientele

During the Year, the Group's domestic sales volume and revenue amounted to 313,527 units and RMB17,977,775,000, representing increases of 77.0% and 79.4% respectively from those of 2009 respectively. Of the Group's domestic sales, 115,171 units, 73,763 units and 119,807 units of sedans, pick-up trucks and SUVs were sold respectively, with revenue amounting to RMB5,453,080,000, RMB4,045,796,000 and RMB8,163,066,000 respectively. The revenue from the two main groups of customers, namely (1) dealers; and (2) government entities and individual customers amounted to RMB17,770,387,000 and RMB207,388,000 respectively.

	For the year ended 31 December 2010			For the year ended 31 December 2009		
	Sales volume	**Revenue**	**As a percentage of revenue from domestic automobile sales**	Sales volume	Revenue	As a percentage of revenue from domestic automobile sales
	(units)	***(RMB'000)***	***(%)***	*(units)*	*(RMB'000)*	*(%)*
Dealers	**310,011**	**17,770,387**	**98.8**	172,909	9,775,601	97.6
Government entities and individual customers	**3,516**	**207,388**	**1.2**	4,268	244,046	2.4
Total	**313,527**	**17,977,775**	**100.0**	177,177	10,019,647	100.0

The Group's domestic sales by geographical distribution

The following table sets out the geographical breakdown of the Group's domestic sales in 2010 and 2009:

	2010		2009	
	Sales revenue	**As a percentage of domestic automobile sales**	Sales revenue	As a percentage of domestic automobile sales
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*
Northern region	**3,681,221**	**20.5**	1,978,410	19.7
Northeastern region	**1,396,493**	**7.8**	761,974	7.6
Northwestern region	**2,018,155**	**11.2**	1,160,923	11.6
Southwestern region	**2,799,311**	**15.6**	1,860,505	18.6
Eastern region	**4,659,593**	**25.9**	2,310,998	23.1
Central region	**3,423,002**	**19.0**	1,946,837	19.4
Total	**17,977,775**	**100.0**	10,019,647	100.0

Northern region:	Beijing city, Tianjin city, Hebei province, Shanxi province and the Inner Mongolia Autonomous Region
Northeastern region:	Liaoning province, Jilin province and Heilongjiang province
Northwestern region:	Shaanxi province, Gansu province, Qinghai province, the Ningxia Huizu Autonomous Region and the Xinjiang Uygur Autonomous Region
Southwestern region:	Chongqing city, Sichuan province, Guizhou province, Yunnan province and the Tibet Autonomous Region
Eastern region:	Shanghai city, Jiangsu province, Zhejiang province, Anhui province, Fujian province, Jiangxi province and Shandong province
Central region:	Henan province, Hubei province, Hunan province, Guangdong province, the Guangxi Zhuangzu Autonomous Region and Hainan province

Overseas Markets

The global economy continued to pick up in 2010, although the recovery rate had yet returned to the pre-financial crisis level. Against such a backdrop, the Group's export performance had not reached the level attained before the financial crisis. However, with the continuous recovery of the Group's established overseas markets and the development of new markets, the Group saw constant improvement in its export performance. Compared with that of 2009, the Group's export sales volume in 2010 had grown substantially.

As at 31 December 2010, the export volume of automobiles reached 49,955 units, representing an increase of 52.8% from that of the previous year. The total export value of automobiles amounted to RMB3,026,422,000, representing an increase of 67.1% from that of the previous year and accounting for approximately 13.6% of the total revenue of the Group.

The export volume of pick-up trucks, SUVs and sedans during the Year amounted to 24,880 units, 17,175 units and 7,672 units respectively, with export value amounting to RMB1,331,034,000, RMB1,268,447,000 and RMB328,966,000 respectively. The export value of pick-up trucks decreased by 3.9% as compared with that of last year, while the export value of SUVs and Sedans increased by 408.8% and 228.9% respectively as compared with those of last year. Pick-up trucks, SUVs and sedans accounted for 45.2%, 43.1% and 11.2% of the total export value respectively.

The Group's major export markets included the Middle East, Africa, Asia Pacific, South America and Europe, which formed a solid international sales network. In 2010, the Group exported its products to more than 100 countries and regions. Australia's share in the Group's export increased significantly from that of 2009, ranking among one of the top export countries of the Group. There was also a remarkable annual growth in the Russian market due to the commencement of operation of the CKD (complete knock-down) assembly plant.

In the face of competition both domestically and abroad, the Company outperformed for its stable and reliable product quality, high price performance, well-established sales network and effective after-sales service. At the same time, the Group joined hands with local dealers to launch promotion campaigns, actively participated in overseas large auto exhibitions and motor sports events. This continuously enhanced the international reputation of the Group's products as well as the global image of PRC-made automobile products.

In 2010, in response to the constant policy changes in the overseas markets, the Group adopted proactive strategies for various countries and regions. Not only had the Group expanded its vehicle export business, it also sustained growth in the export volume of SKD (semi-knocked down) and CKD kits. In view of the impacts on the Group's export of SKD which resulted from the import tariffs on car body levied by the Russian government, the Group began to develop its CKD operation. In March 2010 the CKD assembly plant in Russia commenced operation which resulted in a continuous growth in export in the Russia market.

Launch of new products

In respect of new product development, the Group launched various quality products with high price performance, with a view to continuously consolidate its leading positions in the domestic pick-up truck and SUV markets. Among the various new SUV models were the highly competitive Haval H5 European style and Haval M2, being the first family SUV in the PRC market. The cabin space of Haval H5 is on a par with that of mainstream B-class high-end sedans, meeting the various demands of domestic and overseas customers. Haval M2, which has a super large interior space and with emphasis on energy-saving, and driving and passenger comfort, all of which can satisfy the dual demand for family use and leisure. In addition, the Group introduced a people-oriented model — "Haval H5 Technology Style", providing extra safety for drivers with innovative design. As for pick-up trucks, in line with the consistent "excellent design, reasonable price" principle of Great Wall Motor, the Group launched the "Wingle 2010 series". Its large loading capacity, high performance and energy-saving as well as comfortable driving features satisfy commercial users' practical needs.

On the front of sedans, the Group focused on small displacement vehicles. During the year under review, the Group introduced high-quality sports sedan — Phenom, characterized by its stylish and sleek exterior design, strong power and low fuel consumption. The Group also launched a brand new three-box sedan — "Voleex C30", which has the competition edges of being economic, environmental-friendly and with low fuel consumption and a spacious interior.

Outlook

China's economy will continue to have stable growth in 2011. Although the policies on preferential purchase tax reduction, subsidized trade-in of vehicles and automobile subsidies in rural areas have ended, the government has promulgated the vehicle and vessel tax reform. Consumption in the automobile market in China is expected to continue to grow, driven by the enormous consumption potential in China.

In the coming year, Great Wall Motor will concentrate on its three major businesses, namely pick-up trucks, SUVs and sedans, and enhance its branding through continuous product upgrade and the launch of products with high price performance.

In addition, Great Wall Motor will inject more investment in the research and development of vehicles and automotive parts and components, in order to cope with the competition domestically and abroad.

New Products

To meet the market demand, the Group will optimize its product mix and launch various competitive products with high price performance in 2011. New models to be introduced include the 1.5L-2.0L Haval SUV series, the 1.5L sedan series and the Wingle pick-up truck of 2011.

On the front of SUV series, Great Wall Motor will not only introduce traditional small and medium sized SUVs such as “Haval M3” and “Haval M4”, but also high-end urban-style SUV, “Haval H6”, in an attempt to exploit the opportunities arising from domestic SUV market expansion. As for sedans, the Group will continue to develop energy-saving, environmental-friendly and economical sedans. It will launch medium-end sedan models — “new Voleex C30” and “Voleex C50” — to further solidify the Group’s market share in the sedan sector.

To achieve long-term and rapid growth in the vehicle business, the Group will expand the construction of its automobile production base, boost its production capacity of automotive parts and components and intensify its efforts in new product development, accelerate the development of engines and transmission. All these will further enhance the Group’s competitive edges in the industry.

As the State attaches more and more importance to energy-saving and environmental-friendly automobiles, the Group will intensify its efforts in the development of low-emission automobiles and fuel-saving engines.

Export markets

With the continuous improvement in the global economy, the Group expects that export markets will gradually pick up. As the scale of export continuously expands, the revenue generated from export is expected to grow and account for a higher percentage of the Group’s total revenue.

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

In order to intensify the penetration of the international market, the Group will not only continuously expand its export volume of automobiles, but also speed up construction of knocked down ("**KD**") assembly plant. At present, the Group has constructed its CKD assembly plants in Russia and Bulgaria to meet the demand from overseas markets.

New facilities

During the Year, construction of the automobile production base and its relevant auxiliary facilities in Tianjin has basically completed and the Company is fine-tuning its facilities. It is expected that production, primarily of new models of SUV and sedans, will commence in the Tianjin production base in the first half of 2011.

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 People's Republic of China" 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 will pay its income tax at the rate of 15% from 2010 to 2012.

Future objectives

With the guidance of the State's industry policy, Great Wall Motor will, focus on premium products which are energy-saving, environmental friendly, of a high quality and with excellent performance. To maintain its dominant market position in terms of sales in pick-up trucks, Great Wall Motor will rely on its integrated competitive edges of branding, technology and cost. The Group will highlight its market niche for affordable SUVs through high price performance, and make its sedan models stand out through its low-emission and energy-saving features.

As for sales distribution, the Group will gradually extend its market penetration to second and third-tier cities, and continue to increase its points of sale. The Group is also planning to gradually diversify its sales network in accordance with the product types and market demand. The Group aims at enhancing its overall brand image by boosting the competitive edge for each individual brand under the Group. The Group will also strengthen its support for distributors to enhance their quality of service, thereby boosting customer satisfaction and loyalty.

On the front of new product development, Great Wall Motor aims for long-term development. The Group's goal is to strengthen the competitive edge of its self-owned brands by enhancing the overall quality of its research team, and increasing its resources in the research and development in automobile and parts and components to enhance its research and development capacity.

Proposed A share issue and capitalisation issue

On 26 November 2010, shareholders of the Company ("**Shareholders**") at the extraordinary general meeting, the H shareholders class meeting and domestic shareholders class meeting of the Company approved the respective resolution regarding the proposed allotment and issue of not more than 121,697,000 A shares.

On 26 February 2011, shareholders at the extraordinary general meeting, H Shareholders class meeting and domestic shareholders class meeting of the Company approved the respective resolution regarding the proposed capitalisation issue by way of the conversion of the Company's capital reserve and the respective resolution regarding the proposed increase in the size of the proposed number of A shares to be issued from "not more than 121,697,000 A shares (not exceeding approximately 11.12% of the existing total issued share capital and not exceeding approximately 10.01% of the total issued share capital of the Company upon the issue of the A Shares)" to "not more than 304,243,000 A shares (not exceeding approximately 11.12% of the total issued share capital (taking into account the shares to be issued pursuant to the capitalisation issue) but not the issue of A shares and not exceeding approximately 10.01% of the total issued share capital of the Company (taking into account the shares to be issued pursuant to the capitalisation issue) upon the issue of the A shares". The Company has submitted an application to the China Securities Regulatory Commission for the proposed A share issue.

Pursuant to the capitalisation shares, up to 619,908,000 new H shares (the "**Capitalisation H Shares**") and 1,023,000,000 new domestic shares of the Company (the "**Capitalisation Domestic Shares**") have been issued to the respective holders of H shares and domestic shares of the Company standing in the register of members of the Company on 26 February 2011 (the "**Record Date**") in the proportion of 15 Capitalisation H Shares for every 10 H shares of the Company and 15 Capitalisation Domestic Shares for every 10 domestic shares of the Company held by them on the Record Date.

Under the proposed A share issue, not more than 304,243,000 A Shares are to be issued and proposed to be listed on the Shanghai Stock Exchange, and the proceeds from the issue of A shares will be applied to the following projects: annual production of 100,000 sets of diesel engines of model number GW4D20, annual production of 300,000 sets of EG engines, annual production of 200,000 sets of six-speed manual transmissions, annual production of 400,000 sets of aluminum alloy casting, annual production of 400,000 sets of axles and brakes, annual production of 400,000 sets of interior and exterior decorations and annual production of 400,000 sets of automotive lightings. The proposed A share issue, including the final number of A shares to be issued, is subject to the approval by the China Securities Regulatory Commission.

3. FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board recommends the payment of a final dividend of RMB0.2 (before withholding and paying enterprise income tax on behalf of shareholders) per share for the year ended 31 December 2010.

Upon obtaining approval at the forthcoming annual general meeting, the final dividends, which are payable to shareholders whose names appear on the register of members of the Company as at the close business on Tuesday, 29 March 2011, will be paid on or about 18 May 2011. The register of members of the Company will be closed from Wednesday, 30 March 2011 to Friday, 29 April 2011, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividends, all the share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H-Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 29 March 2011.

According to the "Enterprise Income Tax Law of the People's Republic of China", which took effect on 1 January 2008, and the rules of such implementation, when a company distributes the final dividends to non-resident enterprise shareholders whose names appear on the H-share register of the company, the company is required to withhold and pay on behalf of such shareholders an enterprise income tax at the rate of 10%. Any shares registered in the name of a non-person shareholder, including Hong Kong Securities Clearing Company Nominees Limited, other nominee or trustee, or other organisation and group, are deemed as shares held by non-resident enterprise shareholders. As such, the dividends that he or she is entitled to are subject to the enterprise income tax.

Any natural person investors whose H shares are registered under the name of any such non-individual shareholders and who do not wish to have any enterprise income tax to be withheld by the Company may consider transferring the legal title of the relevant H shares into his or her name and lodge all transfer documents together with the relevant H share certificates with the H share registrar of the Company for transfer.

For non-resident enterprise shareholders holding the Company's shares through overseas companies, please provide Computershare Hong Kong Investor Services Limited with the proof of qualification for being non-resident enterprise shareholders on or before Tuesday, 29 March 2011.

The Company will strictly comply with the laws and the requirements of relevant government departments, and will withhold and pay the enterprise income tax on behalf of its shareholders whose names appear on the H-share register of the Company on the record date. The Company will take no responsibility and will reject any requests from shareholders whose identity cannot be confirmed within the specified time or cannot be confirmed at all nor will the Company handle any disputes arising from the arrangement of withholding tax. However, the Company may provide assistance to the extent of its ability.

As at 31 December 2010, of the Company's 2009 final dividends, there were 69 cases of unclaimed final dividends, amounting to HK$16,256.4.

4. DIRECTORS AND SUPERVISORS

The Directors and Supervisors* who held office during the Year and up to the date of this report were 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	
He Bao Yin	
Li Ke Qiang	
Wong Chi Hung, Stanley	Appointed on 26 November 2010
Chan Yuk Tong	Appointed on 18 May 2010 and resigned on 26 November 2010
Kenneth Tseung Yuk Hei	Appointed on 5 June 2009 and resigned on 18 May 2010

Supervisor:
Zhu En Ze

Independent Supervisors:
Yuan Hong Li
Luo Jin Li

* *Except for Mr Kenneth Tseung Yuk Hei, Mr Chan Yuk Tong and Mr Wong Chi Hung, Stanley, all Directors and Supervisors were appointed or re-appointed on 10 May 2008. Mr Kenneth Tseung Yuk Hei resigned from the post on 18 May 2010; Mr Chan Yuk Tong resigned from the post on 26 November 2010.*

5. MATERIAL LITIGATION

During the Year, save for the litigation between the Company and the Fiat Group Automobiles SPA of Italy at the Court of Turin in Italy in respect of the patent of the frame design of the Company's Peri model, the Company was not involved in any other material litigation. The first hearing of the case was held at the Court of Turin on 14 July 2009 and the second hearing was held on 24 March 2010. No judgment has yet been made.

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 its subsidiaries during the Year.

7. CORPORATE GOVERNANCE

To the knowledge of the Board, the Company has complied with all the code provisions in the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for the year ended 31 December 2010.

8. AUDIT COMMITTEE

The Company has set up an audit committee (the "**Audit Committee**") for the purposes of reviewing and providing supervision 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 14 March 2011 to consider and review the annual report and the annual financial statements of the Group and to give their opinion and recommendations to the Board. The Audit Committee is of the opinion that the 2010 annual report and the annual financial statements of the Company have complied with the applicable accounting standards and the Company has made appropriate disclosure thereof.

9. REMUNERATION COMMITTEE

The Company has set up a remuneration committee for the purposes of making recommendations on and determining the remuneration packages of executive directors and senior management of the Group. The remuneration committee comprises two independent non-executive directors and one executive director.

10. PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE WEBSITE

The Company's 2010 annual report and results announcement containing the information required will be submitted to the Stock Exchange for publication on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.gwm.com.cn) in due course.

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

Baoding, the PRC, 15 March 2011

As at the date of this announcement, members of the Board are as follows:

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*