慶鈴汽車股份有限公司

QINGLING MOTORS CO. LTD.

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

(Stock Code: 1122)

Announcement of 2013 Results

The board of directors of the Company (the "**Board**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	**Year ended 31/12/2013** *RMB'000*	Year ended 31/12/2012 *RMB'000* (restated)
Revenue	*2, 3*	**5,782,887**	6,145,756
Cost of sales		**(4,905,392)**	(5,391,930)
Gross profit		**877,495**	753,826
Other income		**127,364**	149,067
Other gains and losses		**9,630**	6,086
Distribution and selling expenses		**(383,953)**	(398,352)
Administrative expenses		**(165,439)**	(151,589)
Research expenses		**(30,406)**	(20,708)
Share of profit (loss) of an associate		**313**	(349)
Share of profits less losses of joint ventures		**7,249**	8,070
Profit before tax	*5*	**442,253**	346,051
Income tax expense	*4*	**(64,632)**	(50,378)
Profit and total comprehensive income for the year		**377,621**	295,673
Profit and total comprehensive income attributable to:			
Owners of the Company		**371,681**	290,701
Non-controlling interests		**5,940**	4,972
		377,621	295,673
Basic earnings per share	*6*	**RMB0.15**	RMB0.12

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2013

	NOTES	31/12/2013 RMB'000	31/12/2012 RMB'000 (restated)
Non-current assets			
Property, plant and equipment		**1,144,232**	1,354,388
Prepaid lease payments		**43,426**	44,809
Investment properties		**39,022**	49,967
Intangible assets		**43,641**	20,961
Interest in an associate		**6,297**	5,984
Interests in joint ventures		**399,334**	392,085
Deferred tax assets		**2,299**	2,330
Prepayments for acquisition of non-current assets		**50,681**	20,294
		1,728,932	1,890,818
Current assets			
Inventories		**795,068**	696,594
Trade and other receivables	*8*	**824,276**	868,273
Bills receivable	*9*	**2,648,726**	2,564,434
Prepaid lease payments		**1,383**	1,383
Bank deposits with original maturity more than three months		**2,625,304**	2,560,318
Bank balances and cash		**1,206,765**	1,042,836
		8,101,522	7,733,838
Current liabilities			
Trade, bills and other payables	*10*	**2,136,133**	2,063,261
Tax liabilities		**27,446**	20,018
		2,163,579	2,083,279
Net current assets		**5,937,943**	5,650,559
Total assets less current liabilities		**7,666,875**	7,541,377
Capital and reserves			
Share capital	*11*	**2,482,268**	2,482,268
Share premium and reserves		**4,887,569**	4,764,115
Equity attributable to owners of the Company		**7,369,837**	7,246,383
Non-controlling interests		**297,038**	294,994
Total equity		**7,666,875**	7,541,377

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of new and revised HKFRSs

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRSs	*Annual Improvements to HKFRSs 2009–2011 Cycle*
Amendments to HKFRS 7	*Disclosures — Offsetting Financial Assets and Financial Liabilities*
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12,	*Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance;*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 13	*Fair Value Measurement*
HKAS 19 (as revised in 2011)	*Employee Benefits*
HKAS 27 (as revised in 2011)	*Separate Financial Statements*
HKAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*
Amendments to HKAS 1	*Presentation of Items of Other Comprehensive Income*
HK (IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance. HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*, and the guidance contained in a related interpretation, HK(SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements — joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements — jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11. The directors of the Company concluded that the Group's investments in 慶鈴五十鈴(重慶)發動機有限公司 ("Qingling Isuzu Engine") and 慶鈴五十鈴(重慶)汽車銷售服務有限公司 ("Qingling Isuzu Sales") which were classified as jointly controlled entities under HKAS 31 and were accounted for using the proportionate consolidation method, should be classified as joint ventures under HKFRS 11 and accounted for using the equity method. The change in accounting of the Group's investment in Qingling Isuzu Engine and Qingling Isuzu Sales has been applied in accordance with the relevant transitional provisions set out in HKFRS 11. The initial investments as at 1 January 2012 for the purposes of applying the equity method are measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated (see the tables below for details), which is regarded as its deemed cost at initial recognition. Also, the directors of the Company performed an impairment assessment on the initial investments as at 1 January 2012 and concluded that no impairment loss is required. Comparative amounts for 2012 have been restated to reflect the change in accounting for the Group's investments in Qingling Isuzu Engine and Qingling Isuzu Sales.

Summary of the effect of the above changes in accounting policy

The effects of changes in accounting policies described above on the results for the current and prior year by line items are as follows:

Impact on profit or loss for the year

	Year ended	
	31/12/2013	31/12/2012
	RMB'000	*RMB'000*
Decrease in revenue	**(28,878)**	(40,054)
Decrease in cost of sales	**9,739**	22,630
Decrease in other income	**(6,379)**	(6,571)
Increase in other gains and losses	**1,047**	1,616
Decrease in distribution and selling expenses	**922**	1,200
Decrease in administrative expenses	**10,407**	10,871
Decrease in research expenses	**3,951**	646
Increase in share of profits less losses of joint ventures	**7,249**	8,070
Decrease in income tax expense	**1,942**	1,592
Net change in profit for the year	**—**	—
Owners of the Company	**—**	—
Non-controlling interests	**—**	—
	—	—

There is no impact on basic and diluted earnings per share amounts.

Impact on assets, liabilities and equity

The effect of the change in accounting policy described above on the financial position of the Group as at the end of the immediately preceding financial year, i.e. 31 December 2012 and 1 January 2012, is as follows:

	As at 31/12/2012 as previously reported *RMB'000*	HKFRS 11 Adjustments *RMB'000*	As at 31/12/2012 as restated *RMB'000*
Property, plant and equipment	1,455,686	(101,298)	1,354,388
Prepaid lease payments (non-current)	44,809	—	44,809
Investment properties	49,967	—	49,967
Intangible assets	25,570	(4,609)	20,961
Interest in an associate	5,984	—	5,984
Interests in joint ventures	—	392,085	392,085
Deferred tax assets	2,330	—	2,330
Prepayments for acquisition of non-current assets	20,294	—	20,294
Inventories	827,546	(130,952)	696,594
Trade and other receivables	813,207	55,066	868,273
Bills receivable	2,565,038	(604)	2,564,434
Prepaid lease payments (current)	1,383	—	1,383
Bank deposits with original maturity more than three months	2,749,331	(189,013)	2,560,318
Bank balances and cash	1,097,921	(55,085)	1,042,836
Trade, bills and other payables	(2,096,599)	33,338	(2,063,261)
Tax liabilities	(21,090)	1,072	(20,018)
Total effects on net assets	7,541,377	—	7,541,377
Equity attributable to owners of the Company	7,246,383	—	7,246,383
Non-controlling interests	294,994	—	294,994
Total effects on equity	7,541,377	—	7,541,377

Impact on assets, liabilities and equity

	As at 01/01/2012 as previously reported *RMB'000*	HKFRS 11 Adjustments *RMB'000*	As at 01/01/2012 as restated *RMB'000*
Property, plant and equipment	1,607,576	(121,277)	1,486,299
Prepaid lease payments (non-current)	46,192	—	46,192
Investment properties	40,654	—	40,654
Intangible assets	34,675	(5,304)	29,371
Interests in joint ventures	—	384,015	384,015
Deferred tax assets	2,330	—	2,330
Inventories	904,881	(21,458)	883,423
Trade and other receivables	910,332	(7,196)	903,136
Bills receivable	2,415,438	—	2,415,438
Prepaid lease payments (current)	1,383	—	1,383
Bank deposits with original maturity more than three months	3,326,687	(176,032)	3,150,655
Bank balances and cash	848,928	(48,118)	800,810
Trade, bills and other payables	(2,559,957)	(6,694)	(2,566,651)
Tax liabilities	(33,624)	2,064	(31,560)
Total effects on net assets	7,545,495	—	7,545,495
Equity attributable to owners of the Company	7,253,553	—	7,253,553
Non-controlling interests	291,942	—	291,942
Total effects on equity	7,545,495	—	7,545,495

Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax.

The title of consolidated statement of comprehensive income has been changed to consolidated statement of profit or loss and other comprehensive income.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	*Investment Entities*[1]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*[2]
Amendments to HKFRS 9 and HKFRS 7	*Mandatory Effective Date of HKFRS 9 and Transition Disclosures*[3]
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*[1]
Amendments to HKAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*[1]
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*[1]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2010–2012 Cycle*[4]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2011–2013 Cycle*[2]
HKFRS 9	*Financial Instruments*[3]
HKFRS 14	*Regulatory Deferral Accounts*[5]
HK (IFRIC)-Int 21	*Levies*[1]

1 Effective for annual periods beginning on or after 1 January 2014

2 Effective for annual periods beginning on or after 1 July 2014

3 Available for application — the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

The directors of the Company anticipate that the application of the new standard, amendments to standards and interpretation will have no material impact on these consolidated financial statements of the Group.

2. REVENUE

Revenue represents revenue arising on goods sold by the Group to external customers, net of discounts and sales related tax. The following is an analysis of the Group's revenue from its major products:

	Year ended 31/12/2013 *RMB'000*	Year ended 31/12/2012 *RMB'000* (restated)
Sales of trucks and vehicles	**5,345,819**	5,549,579
Sales of automobile parts and accessories	**437,068**	596,177
	5,782,887	6,145,756

3. SEGMENT INFORMATION

The Group is engaged in the manufacture and sales of five categories of products — light-duty trucks, multi-purposes vehicles, pick-up trucks, medium and heavy-duty trucks and automobile parts and accessories and the chief operating decision makers (e.g. the Company's executive directors) also review the segment information by these categories to allocate resources to segments and to assess their performance.

Principal business segments are as follows:

Light-duty trucks	—	manufacture and sales of light-duty trucks
Multi-purposes vehicles	—	manufacture and sales of multi-purposes vehicles
Pick-up trucks	—	manufacture and sales of pick-up trucks
Medium and heavy-duty trucks	—	manufacture and sales of medium and heavy-duty trucks
Automobile parts and accessories	—	manufacture and sales of automobile parts and accessories

(i) *Segment revenue and results*

The following is an analysis of the Group's revenue and results by operating segment:

For the year ended 31 December 2013

	Light-duty trucks *RMB'000*	Multi-purposes vehicles *RMB'000*	Pick-up trucks *RMB'000*	Medium and heavy-duty trucks *RMB'000*	Automobile parts and accessories *RMB'000*	Consolidated *RMB'000*
Segment revenue	**2,566,640**	**14,343**	**1,766,417**	**998,419**	**437,068**	**5,782,887**
Segment result	**147,068**	**620**	**167,848**	**66,449**	**2,241**	**384,226**
Central administration costs						**(86,529)**
Interest income						**92,592**
Other income						**44,402**
Share of profit of an associate						**313**
Share of profits less losses of joint ventures						**7,249**
Profit before tax						**442,253**

For the year ended 31 December 2012 (restated)

	Light-duty trucks *RMB'000*	Multi-purposes vehicles *RMB'000*	Pick-up trucks *RMB'000*	Medium and heavy-duty trucks *RMB'000*	Automobile parts and accessories *RMB'000*	Consolidated *RMB'000*
Segment revenue	2,736,052	44,048	1,755,441	1,014,038	596,177	6,145,756
Segment result	77,917	2,138	153,169	16,091	1,084	250,399
Central administration costs						(67,222)
Interest income						95,930
Other income						59,223
Share of loss of an associate						(349)
Share of profits less losses of joint ventures						8,070
Profit before tax						346,051

(ii) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

As at 31 December 2013

	Light-duty trucks *RMB'000*	Multi-purposes vehicles *RMB'000*	Pick-up trucks *RMB'000*	Medium and heavy-duty trucks *RMB'000*	Automobile parts and accessories *RMB'000*	Consolidated *RMB'000*
Assets						
Segment assets	**2,188,835**	**14,203**	**979,601**	**1,274,282**	**155,541**	**4,612,462**
Interchangeably used assets between segments						
— property, plant and equipment						**592,534**
— prepaid lease payments						**44,809**
— inventories						**164,669**
Investment properties						**39,022**
Prepayments for acquisition of non-current assets						**50,681**
Interest in an associate						**6,297**
Interests in joint ventures						**399,334**
Bank deposits and bank balances						**3,832,069**
Other unallocated assets						**88,577**
Consolidated total assets						**9,830,454**
Liabilities						
Segment liabilities	**227,386**	**1,493**	**119,789**	**61,222**	**19,320**	**429,210**
Unallocated trade, bills and other payables						**1,706,923**
Other unallocated liabilities						**27,446**
Consolidated total liabilities						**2,163,579**

As at 31 December 2012 (restated)

	Light-duty trucks RMB'000	Multi-purposes vehicles RMB'000	Pick-up trucks RMB'000	Medium and heavy-duty trucks RMB'000	Automobile parts and accessories RMB'000	Consolidated RMB'000
Assets						
Segment assets	2,149,998	10,895	901,909	1,261,668	247,012	4,571,482
Interchangeably used assets between segments						
— property, plant and equipment						687,425
— prepaid lease payments						46,192
— inventories						183,223
Investment properties						49,967
Prepayments for acquisition of non-current assets						20,294
Interest in an associate						5,984
Interests in joint ventures						392,085
Bank deposits and bank balances						3,603,154
Other unallocated assets						64,850
Consolidated total assets						9,624,656
Liabilities						
Segment liabilities	251,636	3,767	131,305	71,593	21,694	479,995
Unallocated trade, bills and other payables						1,583,266
Other unallocated liabilities						20,018
Consolidated total liabilities						2,083,279

(iii) Other segment information

For the year ended 31 December 2013

	Light-duty trucks	**Multi-purposes vehicles**	**Pick-up trucks**	**Medium and Heavy-duty trucks**	**Automobile parts and accessories**	**Unallocated**	**Consolidated**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
OTHER INFORMATION							
Amount included in the measure of segment profit or loss or segment assets:							
Additions of property, plant and equipment	**20,623**	**—**	**8,695**	**13,690**	**—**	**31,943**	**74,951**
Prepayments for acquisition of non-current assets	**—**	**—**	**—**	**—**	**—**	**50,681**	**50,681**
Amortisation of intangible assets	**2,670**	**—**	**—**	**5,740**	**—**	**—**	**8,410**
Depreciation of property, plant and equipment	**139,010**	**—**	**57,472**	**81,573**	**—**	**3,433**	**281,488**
Depreciation of investment properties	**—**	**—**	**—**	**—**	**—**	**13,969**	**13,969**
Release of prepaid lease payments	**—**	**—**	**—**	**—**	**—**	**1,383**	**1,383**

For the year ended 31 December 2012 (restated)

	Light-duty trucks	Multi-purposes vehicles	Pick-up trucks	Medium and Heavy-duty trucks	Automobile parts and accessories	Unallocated	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
OTHER INFORMATION							
Amount included in the measure of segment profit or loss or segment assets:							
Additions of property, plant and equipment	61,436	—	5,836	8,185	—	87,436	162,893
Prepayments for acquisition of non-current assets	—	—	—	—	—	20,924	20,924
Amortisation of intangible assets	2,669	—	—	5,740	—	—	8,409
Depreciation of property, plant and equipment	131,170	—	58,843	84,420	—	3,556	277,989
Depreciation of investment properties	—	—	—	—	—	7,495	7,495
Release of prepaid lease payments	—	—	—	—	—	1,383	1,383

(iv) Geographical information

Non-current assets (excluding deferred tax assets) of the Group amounting to RMB1,726,633,000 (2012: RMB1,888,488,000) are located in the PRC and substantially all of the sales of the Group are also made to customers located in the PRC. The Group has made limited export sales to countries outside the PRC which accounted for approximately 0.36% (2012: 0.71%) of the Group's revenue.

All of the carrying amount of segment assets and additions to property, plant and equipment are located in the PRC for both years presented.

(v) Information about major customers

No revenue from a single external customer other than Qingling Group and its subsidiaries contributed 10% or more of the Group's revenue. For the year ended 31 December 2013, revenue from Qingling Group and its subsidiaries amounted to RMB1,614,761,000 (2012: RMB1,721,009,000).

4. INCOME TAX EXPENSE

	Year ended 31/12/2013 ***RMB'000***	Year ended 31/12/2012 *RMB'000* (restated)
Current tax charge	**63,831**	50,378
Under-provision in prior years	**770**	—
Deferred tax charge	**31**	—
	64,632	50,378

According to the Notice of Certain Tax Policies for Implementation of Exploration and Development of Western Region (Cai Shui [2011] No. 58), a company located in the western region of the PRC and engaged in the business encouraged by the PRC government is entitled to a preferential Enterprise Income Tax ("EIT") rate of 15%. According to the Notice of the Enterprise Income Tax for Implementation of Exploration and Development of Western Region (Guo Shui [2012] No. 12), a company located in the western region of the PRC is entitled to apply to the tax authority for the preferential EIT rate of 15% if certain conditions set out in the notice are satisfied. The Company and 重慶慶鈴模具有限公司 ("Qingling Moulds"), a subsidiary of the Group have applied and obtained the approval from the relevant authority in respect of the application of the preferential EIT rate for years ended 31 December 2012 and 2013. Although the Encouraged Industries Catalogue in the Western Region is not yet issued by the government authorities as of the date of issuance of the consolidated financial statements, in the opinion of the directors, the Company and Qingling Moulds are able to satisfy the conditions set out in relevant notices and the requirement of the Encouraged Industries Catalogue and therefore continue to apply the preferential EIT rate of 15% in the current period.

重慶慶鈴技術中心 ("Qingling Technical Center"), a subsidiary of the Group is subject to 25% (2012: 25%) EIT rate for the years ended 31 December 2013.

The tax charge for the year can be reconciled to the profit per consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31/12/2013 *RMB'000*	Year ended 31/12/2012 *RMB'000* (restated)
Profit before tax	**442,253**	346,051
Tax at the applicable income tax rate of 15% (2012: 15%)	**66,338**	51,908
Tax effect of expenses not deductible for tax purpose	**785**	601
Under-provision in respect of prior years	**770**	—
Additional tax benefit and refund applicable to the Group *(note)*	**(2,280)**	(1,139)
Effect of different tax rate of a subsidiary	**153**	167
Effect of share of (profit) loss of an associate	**(47)**	52
Effect of share of profits less losses of joint ventures	**(1,087)**	(1,211)
Tax charge for the year	**64,632**	50,378

Note:

Pursuant to the relevant tax rules and regulation, expenses in research nature are deductible at 50% of the cost incurred additionally. The related tax benefit amounted to RMB2,280,000 (2012: RMB1,139,000) for the year ended 31 December 2013.

5. PROFIT BEFORE TAX

	Year ended 31/12/2013 *RMB'000*	Year ended 31/12/2012 *RMB'000* (restated)
Profit before tax has been arrived at after charging:		
Salaries and other payments and benefits	**122,452**	124,931
Retirement benefits scheme contributions	**19,026**	21,006
Total staff costs (including directors' and supervisors' remuneration)	**141,478**	145,937
Loss on disposal of property, plant and equipment	**357**	1
Amortisation of intangible assets (included in cost of sales)	**8,410**	8,409
Depreciation of property, plant and equipment	**281,488**	277,989
Depreciation of investment properties	**13,969**	7,495
Release of prepaid lease payments	**1,383**	1,383
Minimum lease payments under operating leases in respect of rented premises and production facilities	**37,941**	33,426
Cost of inventories recognised as an expense	**4,896,982**	5,383,521
Interests in relation to discounted bills receivable	**—**	129
Auditor's remuneration	**3,468**	3,468
and after crediting:		
Sales of scrap materials	**334**	1,519
Compensation from suppliers	**—**	17,130
Interest income from bank deposits and balances	**92,592**	95,930
Income from renting of investment properties	**10,244**	13,824
Less: direct operating expenses from investment properties that generated rental income during the year	**(1,803)**	(2,478)
Income from renting of moulds and tooling equipment	**25,104**	25,104
Government grant	**25**	53
Net foreign exchange gain	**9,987**	6,087

6. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

Earnings

	Year ended 31/12/2013 *RMB'000*	Year ended 31/12/2012 *RMB'000*
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**371,681**	290,701

Number of shares

	Year ended 31/12/2013 *'000*	Year ended 31/12/2012 *'000*
Number of shares for the purpose of basic earnings per share	**2,482,268**	2,482,268

There were no potential ordinary shares outstanding in both years presented.

7. DIVIDEND

	Year ended 31/12/2013 *RMB'000*	Year ended 31/12/2012 *RMB'000*
Dividend recognised as distribution during the year:		
2012 Final, paid – RMB0.10 (2012: 2011 Final, paid — RMB0.12) per share	**248,227**	297,872

A final dividend of RMB322,695,000 or RMB0.13 per share in respect of the year ended 31 December 2013 (2012: final dividend of RMB248,227,000 or RMB0.10 per share in respect of the year ended 31 December 2012) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

8. TRADE AND OTHER RECEIVABLES

At the end of the reporting period, the aged analysis of trade receivables net of allowance for doubtful debts presented based on invoice date of the Group at the end of the reporting period, which approximated the respective revenue recognition dates is as follows:

	31/12/2013	31/12/2012
	RMB'000	*RMB'000*
		(restated)
Within 3 months	**459,059**	749,949
Between 3 to 6 months	**261,816**	29,410
Between 7 to 12 months	**5,209**	1,427
Between 1 to 2 years	**35,517**	27,620
Over 2 years	**11,552**	1,400
Trade receivables less allowance for doubtful debts	**773,153**	809,806
Other receivables	**6,819**	6,431
Prepayments	**44,304**	52,036
	824,276	868,273

9. BILLS RECEIVABLE

At the end of the reporting period, the aged analysis of bills receivable of the Group is as follows:

	31/12/2013	31/12/2012
	RMB'000	*RMB'000*
		(restated)
Within 1 month	**878,650**	887,709
Between 1 to 2 months	**419,595**	450,380
Between 2 to 3 months	**214,663**	370,191
Between 3 to 6 months	**1,135,818**	856,154
	2,648,726	2,564,434

All the above bills receivable are guaranteed by banks and their maturity periods ranged from 30 to 180 days.

10. TRADE, BILLS AND OTHER PAYABLES

At the end of the reporting period, the aged analysis of trade, bills and other payables of the Group is as follows:

	31/12/2013	31/12/2012
	RMB'000	*RMB'000*
		(restated)
Within 3 months	**1,446,427**	1,095,178
Between 3 to 6 months	**131,591**	362,658
Between 7 to 12 months	**26,909**	38,755
Over 12 months	**17,439**	31,501
Trade and bills payables	**1,622,366**	1,528,092
Selling expenses payables	**264,780**	233,307
Value added tax payables	**76,532**	76,271
Discounted bill financing	**—**	5,760
Other payables	**55,482**	51,874
Advance from customers	**116,973**	167,957
	2,136,133	2,063,261

11. SHARE CAPITAL

	01/01/2012, 31/12/2012 and 31/12/2013
	RMB'000
Registered, issued and fully paid	2,482,268

	Number of shares 01/01/2012, 31/12/2012 and 31/12/2013
	'000
Shares of RMB1 each	
— Domestic shares	1,243,616
— H shares	1,238,652
	2,482,268

Domestic shares are ordinary shares subscribed for and credited as fully paid up in Renminbi by the PRC government and/or entities established in the PRC. H shares are ordinary shares subscribed for in Hong Kong Dollar and credited as fully paid up in Renminbi by persons other than the PRC government and/or entities established in the PRC.

Domestic shares and H shares rank pari passu in all respects with each other. Domestic shares are not freely traded in The Stock Exchange of Hong Kong Limited.

There were no changes in the registered, issued and fully paid share capital of the Company during both years.

2013 RESULTS

For the year ended 31 December 2013, the Group sold 56,173 vehicles, a decrease of 6.5% over the 60,084 vehicles sold last year. Turnover was RMB5.78 billion, a decrease of 5.9% over RMB6.15 billion as recorded last year. Profit after tax for the year was RMB380 million, an increase of 27.7% over RMB300 million as recorded last year.

REVIEW OF OPERATION

In 2013, manufacturing operation in the PRC is much more difficult under an intricate and complex economic environment. Facing the generally sluggish demand for trucks, competition among enterprises was much intensive. All our tenacious staff worked hard to survive in such adverse condition. The Group not only maintained stability with an upward momentum in its operation quality and effectiveness in times of adversity, it also constructed a solid foundation for achieving development under the "12th Five-Year Plan".

1. Strived to develop market according to and focusing on network and customers, our two core factors. In counties and towns, we continuously developed and nurtured top class distributors, motivated new distributors and those with long history to set up branches in close proximity to customer for purpose of sales and provision of services, and facilitated customers' access to high quality and middle price products. On-going development of hair styling cream industry and products with inelastic demand, such as medicine, seafood and fruits, provided us with support, and we continued to explore opportunities in livelihood-related operations which were least affected by macro-economic volatility. In the second half of the year, we captured the opportunities arising from the accelerated implementation of emission standards for National IV across the country, gave full play to the comparative advantages of technology and performance-to-price ratio of Qingling's products, which met emission levels stipulated in National IV, and intensified efforts in securing customers wishing to meet environmental requirements among competitors. Having made every effort, there was an upward trend for our sales in 2013, an increase of approximately 20% in sales in the fourth quarter as compared to the third quarter. Such increase exceeded that of the commercial trucks industry in the same period. In addition, this momentum kept going in January this year.

2. Advancement in technology for extension of market presence by on-going development. Under the change in emission level from National III to National IV, we enhanced the performance and broadened specifications of all our products in order to strengthen related competitiveness further. To satisfy customer demand, we gave a full play to the expertise possessed by group companies and reconstruction factories of the society, provided wider variety of refrigeration trucks and composite board vehicles which satisfied the specification, and sped up the development of numerous high value-added modified vehicles which met market needs, including stake trucks, vending trucks, fire service command vehicles, vehicles with semi-wingspan and chassis for wreckers. In addition, the technological reform for our coating line system has been completed and we pushed forward our newly-established testing and checking centre for commencement of operation. We encouraged frontline operators and technicians to exert effort in making reasonable proposals and mild reform in respect of manpower, machineries, materials and approaches utilized on-site. All these helped improving the quality of our products, reducing costs, enhancing efficiency and boosting market expansion.

3. Continuous adjustment in our organization and functional design while grasping knowledge of professional management. We grasped knowledge in basis management and facilitated the organization and functions of our procurement department by provision of updated design and adjustment. Following promotion of management standardization for our equipment, we began monitoring the operation of our key equipment and reinforced the management of spare parts. Further, we imposed strict accountability for any economic loss caused by sub-standard quality and delay in delivery, and continuously conduct effective quality control campaigns. We have introduced the delivery management system of Isuzu, which is up to standard and up to date, and improved the management ability of our production units. All these helped upgrading our standard in respect of basic management.

4. Continuous and in-depth building of our cadres and workers. To our cadres, we kept training to encourage openness to ideas, style and ability. To our professional technicians, we intensified on-site training with focus on key initiatives, arranged discussions on specific technical issues, improved training on-the-spot, and initiated training for deepening of professional and basic knowledge. We introduced special training and examination for our high-tech staff and set examination and promotion assessment for them. With reference to the standard of national occupational skill and having considered the Company's actual condition, we formulated new standard for classification of workers into intermediate grade workers and senior workers, and technicians into certified technicians and senior technicians, and organized training courses, with examination held, to be conducted by lecturers specialized in our area and our in-house experts. After our on-going provision of training over a period of no less than one year, a normalization mechanism for encouraging development among senior technicians has been established. In the first round of promotion and employment, 340 employees have been promoted to senior technician trainees or senior technician trainees, and 124 employees have been engaged as technicians or senior technicians. This mechanism stimulated our technicians' eagerness to knowledge and willingness to give full play to their talents and passion in the performance of duties.

In addition, our projects of heavy-duty vehicles and engines for heavy-duty vehicles have entered into a development phrase full of difficulties and challenges in 2013. Through our close coordination with Isuzu Motors Ltd. in respect of accelerating the implementation of product development, domestic production and marketing, our comprehensive development in operation has been gradually formed. It is expected we will supply a few of our first and newly developed heavy-truck in the second half of 2014.

Outlook and Prospectus

Facing the continuously tough external condition in 2014, it is expected growth in the aggregate demand for trucks will be insignificant and market players will compete among themselves for the purpose of reducing inventory. The stringent implementation of emission standard across the country brings to us an opportunity for our high quality trucks. To achieve the goal of "12th Five-Year Plan", the Company will be persistent in putting great effort to manufacture light and medium-duty trucks, and increase the production of heavy-duty trucks and engines for heavy-duty vehicles. Our focus is as follows:

1. Construction and development of new distributors and branches in counties and towns for direct distribution of our products with satisfactory performance and specifications at reasonable price and provision of sales service.

2. Independent development and seeking proactively for customers who are interested in environmental products. We will focus on the development of "sales and transportation" operation for our products, including cold milk, medicines and marine products.

3. Close cooperation with Isuzu Motors Ltd.. We will work with Isuzu to efficiently manufacture high quality heavy-duty trucks and engines for heavy-duty trucks according to designated schedule.

4. Further enhance our capability on software, such as technology, basic management and team quality, through expansion of market and development of heavy-duty trucks.

Looking ahead, the Company will strive to manage actively its production and operation in all major aspects. We will put every effort to achieve a sound operation with significant growth for the purpose of bringing satisfactory return to our investors.

FINANCIAL REVIEW

Comprehensive Income

For the year ended 31 December 2013, the revenue of the Group was RMB5,782,887,000, representing a decrease of 5.9% as compared to the last year, and it was caused by the sluggish market as a result of the macroeconomic environment. The gross profit during the period was RMB877,495,000, representing an increase of 16.4% as the decrease in income was more than offset by the decrease in cost of sales given that the unfavorable impact attributable to the decrease in the sales of the Group's products during the period was mitigated by the decrease of the price of major raw materials and the depreciation of Japanese Yen. During the period, the gross profit margin of the Group improved to 15.2% as compared to 12.3% of the last year. The net profit of the Group was RMB377,621,000, representing an increase of 27.7% as compared to the last year.

For the year ended 31 December 2013, other income mainly included bank interest income and rental income, totaling RMB127,364,000, representing a decrease of 14.6% as compared to the last year, which was due to the fact that we received no compensation from suppliers and there was a decrease in bank interest income during the period.

For the year ended 31 December 2013, the total distribution and selling expenses of the Group, including transportation costs, maintenance fees and other market promotion expenses, was RMB383,953,000, representing a decline of 3.6% as compared to the last year. The decline was in line with the decrease of revenue during the period.

For the year ended 31 December 2013, the administrative expenses of the Group, including staff's salaries and allowance, insurance premium, maintenance fees and other administrative expenses, was RMB165,439,000, representing an increase of 9.1% as compared to the last year. The increase was mainly due to the increase of maintenance fees, taxes and other administrative expenses during the period.

For the year ended 31 December 2013, the research expenses of the Group was RMB30,406,000, representing an increase of 46.8% as compared to the last year. The increase was mainly due to an increase in development and research expenses for new products by the Group during the period.

For the year ended 31 December 2013, the share to profits less losses of joint ventures to the Group was RMB7,249,000, representing a decrease of 10.2% as compared to the last year. The decrease was mainly due to the fall of profits of joint ventures during the period.

For the year ended 31 December 2013, both the basic earnings per share and the fully diluted earnings per share were RMB0.15, representing an increase of 25% as compared to the last year. The Company did not issue any new shares during the period and the increase in earnings per share was a result of an increase in net profit.

Financial Position

As at 31 December 2013, the total assets and total liabilities of the Group were RMB9,830,454,000 and RMB2,163,579,000 respectively.

The non-current assets were RMB1,728,932,000, mainly including property, plant and equipment, and prepaid lease payments, investment properties, intangible assets, interests in joint ventures and prepayments for acquisition of non-current assets.

The total current assets were RMB8,101,522,000, mainly including, inventories of RMB795,068,000, trade and other receivables of RMB824,276,000, bills receivables of RMB2,648,726,000, fixed deposits with maturity over 3 months of RMB2,625,304,000 and cash and cash equivalents of RMB1,206,765,000. Trade and other receivables included RMB727,112,000 receivable from related parties and RMB97,164,000 receivable from non-related parties.

The total current liabilities were RMB2,163,579,000, mainly including trade, bills and other payables of RMB2,136,133,000 and tax liabilities of RMB27,446,000.

Liquidity and capital structure

For the year ended 31 December 2013, the Group was operated under net cash inflow in which RMB513,154,000 was net cash generated from operating activities. As at 31 December 2013, cash and cash equivalents retained by the Group were RMB1,206,765,000, representing an increase of RMB163,929,000 as compared to the balances reported on 31 December 2012. The Group's working capital requirement was financed by its own cash flow.

Gearing ratio represented the percentage of total liabilities over total equity as per consolidated statement of financial position. The gearing ratio of the Group as at 31 December 2013 was 28.2% (as at 31 December 2012: 27.6%).

Issued share capital as at 31 December 2013 was maintained at the level of RMB2,482,268,000. This was due to the fact that no share has been issued during this year.

For the year ended 31 December 2013, there was no material change in the financing strategies of the Group and the Group incurred neither bank borrowings nor non-current liabilities. The Group would closely monitor the financial and liquidity position of the Group, and the condition of financial market from time to time in order to formulate financing strategies appropriate to the Group.

The total equity attributable to owners of the Company as at 31 December 2013 was RMB7,369,837,000. The net asset per share as at 31 December 2013 was RMB2.97.

Significant Investment

As at 31 December 2013, the Group's investment in joint ventures was RMB399,334,000 and investment in an associate was RMB6,297,000, which mainly included the investment in Qingling Isuzu Engine, a joint venture, of RMB386,048,000.

For the year ended 31 December 2013, both the joint ventures and associates of the Group were under normal operation. Qingling Isuzu Engine and Qingling Isuzu Sales, respectively, recorded a decrease in income, which was mainly attributable to the decline in market demand.

During the year ended 31 December 2013, there were no significant acquisition and disposal of the Group.

Segment Information

The revenue contributed by light-duty trucks and pick-up trucks was RMB4,333,057,000, representing 74.9% of the total revenue; operation profit attributable to these trucks was RMB314,916,000, representing 82% of our operation profit. These trucks are currently our major products with the greatest contribution to the Group's revenue and profit.

The revenue contributed by medium trucks and heavy-duty trucks was RMB998,419,000, representing 17.3% of the total revenue; operation profit attributable to these trucks was RMB66,449,000, representing 17.3% of our operation profit.

The Group planned to enlarge the share of sales revenue and operation profit attributable to medium and heavy-duty trucks to 30% to establish a strategic layout which light-duty, medium and heavy-duty trucks are equally important.

PLEDGE OF ASSETS

During the year ended 31 December 2013, no asset of the Group was pledged for financial facilities (For the year ended year ended 31 December 2012: Nil).

EFFECTS OF FOREIGN EXCHANGE RATE CHANGES

As at 31 December 2013, our Group had bank balances of foreign currency, and receivables in aggregate of RMB30,576,000, and foreign currency payables and other payables in aggregate of RMB70,267,000.

The major foreign currency transactions of the Group represented purchase businesses of automobile parts denominated in Japanese Yen. During the year, the business operating cost of the Group decreased substantially as a result of the depreciation of Japanese Yen. The Group did not encounter any difficulty or suffer any significant impact in its operations or liquidity as a result of exchange rate fluctuation.

COMMITMENTS

As at 31 December 2013, the Group had capital commitments of RMB95,636,000 that had been contracted for but not provided in the consolidated financial statements and capital commitments of RMB17,583,000 that had been approved by the Board but not contracted for, mainly including the outstanding consideration payable in connection with the heavy-duty trucks technology license fees. The Group expects to finance the above capital requirement by its own cash flows.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB0.13 per share (2012: RMB0.10 per share) in respect of the year ended 31 December 2013 to those shareholders whose names appear on the register of shareholders on 24 June 2014. Subject to the approval at the annual general meeting of the Company to be held on 11 June 2014, the final dividend will be payable on or before 8 July 2014.

According to the regulations of the Enterprise Income Tax Law of the People's Republic of China, Implementation Regulations on Enterprise Income Tax Law of the People's Republic of China and the Notice of Withholding and Payment of Enterprise Income Tax Regarding China Resident Enterprise Paying Dividend to Non-Resident Enterprise Holders of Overseas H Shares issued by

China's State Administration of Taxation (Guo Shui Han [2008] No. 897 on 6 November 2008), any China resident enterprise which pays dividend to non-resident enterprise holders of overseas H shares for the year of 2008 and subsequent years shall withhold and pay enterprise income tax at a unified tax rate of 10%. Any shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees or trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore the dividend payable therein will be subject to the withholding of the enterprise income tax.

According to the Notice of Certain Preferential Policies for the Enterprise Income Tax issued by the Ministry of Finance and the State of Administration of Taxation (Cai Shui [2008] No.1 promulgated on 22 February 2008), accumulated undistributed profit of foreign-invested enterprises generated before 1 January 2008 and distributed to foreign investors after 2008 are exempt from enterprise income tax.

Having consulted the relevant tax regulatory authority by the Company, such policy is effective. As part of the Company's 2013 final dividend will be paid out of the Company's accumulated undistributed profit generated before 1 January 2008, and the remaining be paid out of accumulated undistributed profit generated after 1 January 2008, the Company is required, before any payment of dividend, to withhold and pay enterprise income tax at the standard rate of 10% in respect of the accumulated undistributed profit generated after 1 January 2008.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Conference Hall, 1st Floor of the Company's Office Building, 1 Xiexing Cun, Zhongliangshan, Jiulongpo District, Chongqing, the People's Republic of China on Wednesday, 11 June 2014 at 10:00 a.m. (the "AGM").

CLOSURE OF REGISTER OF SHAREHOLDERS

To ascertain the shareholders' entitlement to attend and vote at the AGM, the register of shareholders of the Company will be closed from Monday, 12 May 2014 to Wednesday, 11 June 2014 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all duly completed transfer forms relating to H shares accompanied by the relevant share certificates must be lodged with the Company's H Share Registrars, Hong Kong Registrars Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 9 May 2014.

Subject to the approval of the shareholders at the AGM, the proposal final dividend will be payable to the shareholders whose names appear on the register of shareholders on Tuesday, 24 June 2014. To ascertain the shareholders' entitlement to the proposed final dividend, the register of shareholders of the Company will be closed from Tuesday, 17 June 2014 to Tuesday, 24 June 2014 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all duly completed transfer forms relating to H shares accompanied by the relevant share certificates must be lodged with the Company's H Share Registrars, Hong Kong Registrars Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 16 June 2014.

PREFERENTIAL TREATMENTS FOR CONSOLIDATED INCOME TAX AND LOCAL TAX

According to the Notice of Certain Tax Policies for Implementation of Exploration and Development of Western Region (Cai Shui [2011] No. 58), a company located in the western region of the PRC and engaged in the business encouraged by the PRC government is entitled to a preferential Enterprise Income Tax ("EIT") rate of 15%. According to the Notice of the Enterprise Income Tax for Implementation of Exploration and Development of Western Region (Guo Shui [2012] No. 12), a company located in the western region of the PRC is entitled to apply to the tax authority for the preferential EIT rate of 15% if certain conditions set out in the notice are satisfied. The Company, and Qingling Moulds, a subsidiary of the Group have applied and obtained the approval from the relevant authority in respect of the application of the preferential EIT rate for the years ended 2011 and 2012. Although the Encouraged Industries Catalogue in the Western Region is not yet issued by the government authorities as of the date of issuance of the consolidated financial statements, it is in the opinion of our directors that the Company, and Qingling Moulds are able to satisfy the conditions set out in relevant notices and the requirement of the Encouraged Industries Catalogue; hence the preferential EIT rate of 15% continues to be applied in this period.

DESIGNATED DEPOSITS

As at 31 December 2013, the Group did not hold any designated deposit or any time deposits that were overdue but could not be collected upon maturity.

EMPLOYEES

As at 31 December 2013, the Group has 2,508 employees (2012: 2,633 employees). For the year ended 31 December 2013, labor cost was RMB141,478,000 (2012: RMB145,937,000). For the year ended 31 December 2013, there are no major changes in the remuneration policy of employees. The Group actively provides various training to its staff or all levels.

DISPOSAL OF STAFF QUARTERS

For the year ended 31 December 2013, the Group has no sold any of its staff quarters to its employees.

STRUCTURE OF SHAREHOLDING

(1) As at 31 December 2013, the entire share capital of the Company comprised 2,482,268,268 shares, including:

	Number of shares	Percentage of total number of issued shares
Domestic shares	1,243,616,403 shares	about 50.10%
Foreign shares (H shares)	1,238,651,865 shares	about 49.90%

(2) Substantial shareholders

As at 31 December 2013, shareholders other than director, supervisor and chief executive of the Company having an interest and short positions in 5% or more of the relevant class of the issued share capital of the Company as recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance (the "SFO") were as follows:

Long positions in the shares of the Company:

Name of shareholder	Class of shares	Number of shares held	Capacity	Percentage of the relevant class of share capital	Percentage of entire share capital
Qingling Motors (Group) Company Limited	Domestic shares	1,243,616,403 shares	Beneficial Owner	100.00%	50.10%
Isuzu Motors Ltd.	H shares	496,453,654 shares	Beneficial Owner	40.08%	20.00%
Allianz SE	H shares	102,122,000 shares *(Note)*	Interest of controlled corporation	8.24%	4.11%

Note:

The following is a breakdown of the interests in shares of the Company held by Allianz SE:

Name of controlled corporation	Name of controlling shareholder	Percentage of control	Total interest in shares Direct interest	Indirect interest
Allianz Asset Management AG	Allianz SE	100%	—	102,122,000
Allianz Global Investors GmbH	Allianz Asset Management AG	100%	—	101,600,000
RCM Asia Pacific Ltd.	Allianz Global Investors GmbH	100%	98,240,000	—
Allianz Global Investors Taiwan Ltd.	Allianz Global Investors GmbH	100%	3,360,000	—
Allianz Asset Management of America Holdings Inc.	Allianz Asset Management AG	100%	—	522,000
Allianz Asset Management of America L.P.	Allianz Asset Management of America Holdings Inc.	100%	—	522,000
Allianz Global Investors U.S. Holdings LLC	Allianz Asset Management of America L.P.	100%	—	522,000
Allianz Global Investors Fund Management LLC	Allianz Global Investors U.S. Holdings LLC	100%	522,000	—

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2013.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 2013, none of the directors, supervisors and chief executives of the Company has any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined under the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"). For the year ended 31 December 2013, none of directors, supervisors and chief executives of the Company, or their spouse or children under 18 had any rights to subscribe for equity or debt securities of the Company, nor has any of them exercised such rights.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There were no purchase, sale, redemption or cancellation of the Company's listed securities by the Company and its subsidiaries during the year ended 31 December 2013.

CORPORATE GOVERNANCE

The Company attaches great importance to and endeavors to maintain high standards of corporate governance. The Board believes that good corporate governance practices are of paramount importance to enhancing investors' confidence and protecting shareholders' interest. The Company pays much attention to its employees, discipline codes, policies and rules, and have taken all these as the basis of corporate governance practices. The Board has adopted sound governance and disclosure practices, and is committed to continuously improve those practices and cultivate an ethical corporate structure.

During the year ended 31 December 2013, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules without deviation.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors and supervisors. Having made specific enquiry of all directors and supervisors, the Company confirmed all directors and supervisors have complied with the required standard set out in the Model Code during the year ended 31 December 2013.

REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed, with the management and auditor of the Company, the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the audited consolidated financial statements for the year ended 31 December 2013 and the 2013 annual results.

DIRECTORS

As at the date of this announcement, the Board comprises the following directors:

Executive Directors
Mr. DU Weidong
Mr. Naotoshi TSUTSUMI
Mr. GAO Jianmin
Mr. Makoto TANAKA
Mr. Ryozo TSUKIOKA
Mr. PAN Yong
Mr. ZENG Jianjiang

Independent Non-Executive Directors
Mr. LONG Tao
Mr. SONG Xiaojiang
Mr. XU Bingjin
Mr. LIU Tianni

By Order of the Board
Qingling Motors Co. Ltd
WU Nianqing
Company Secretary

Chongqing, the PRC, 20 March 2014