

Chairman's Statement



新威利斯 SUV
XINGKE



赛拉奥
SAILOR



新赛拉奥
SPIKE



新威利斯 SUV
PRESTIGE

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TO ALL SHAREHOLDERS,

I am pleased to present the audited consolidated results of Great Wall Automobile Holding Company Limited (the "Company" or "Great Wall Automobile") and its subsidiaries (the "Group") for the year ended 31 December 2004 (the "Year").

During 2004, the Group gained better understanding of the international financial market through interactions with investors worldwide since the Group's listing a year ago. On top of that, proceeds raised from the Group's listing were allocated according to plan. The Group's financial strength had been further enhanced to facilitate its long-term development.

In mid 2004, the Group began to prepare for its A-share listing in mainland China. The Group aims at using the funds raised from the A-share issue to enhance its financial strength for expansion of its production scale as well as raising its competitiveness and ability to respond to potential risk in order to better adapt to the development of the automobile market in the People's Republic of China (the "PRC"). Given the Group's sound financial position, corporate governance and other well-established systems, preparations for the A-share listing are well under way.

The sports utility vehicle ("SUV") market displayed a trend for growth in 2004. However, the growth had been slowed down by factors including the State's implementation of macroeconomic policy and surges in fuel price. The introduction of tightened credit policy and continued downward adjustment in automobile market prices further aggravated consumer's wait-and-see attitude. Even so, Great Wall Automobile continued to see robust operating performance and further consolidated its leadership in pick-up truck and SUV markets in the PRC, thanks to its strong market position, flexible production approaches, and stringent product and cost control. According to 全國皮卡車市場數據信息聯合會 (National Pick-up Truck Market Information Association) and 全國乘用車市場信息聯席會 (National Passenger Vehicle Market Information Council), the sales volume of the Group's pick-up trucks and SUVs remained among the top sellers in the country during 2004.

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During the Year, the Group's performance continued to remain at a higher level in the industry. Turnover and net profit amounted to RMB3,184,614,000 and RMB402,917,000 respectively. The board of directors recommends a final dividend of RMB0.1 per share (H shares and domestic shares of the Company) for the year ended 31 December 2004.

Looking into 2005, the Group, while keeping on fine-tuning the quality of existing products, will enhance its research and development capability. The Group will launch a new *Hover* crossover utility vehicle ("CUV") model, which features smooth-running, comfort and low gas consumption. The new model is expected to attract attention of the SUV market and become the Group's new profit centre.

Creating value for shareholders has always been the top priority of Great Wall Automobile. Looking ahead, the healthy growth of the PRC economy will drive demand for pick-up trucks and SUVs. Great Wall Automobile is confident about the prospects of the pick-up truck and SUV markets in the PRC. Great Wall Automobile will strive to implement all the formulated strategies under the leadership of an experienced management team and with the support of its dedicated staff. The Group will avail itself of market opportunities to become the first mover and to grab opportunities in the fast-growing PRC automobile market.

Last but not least, on behalf of Great Wall Automobile, the management would like to thank the staff for their contribution to the Company and shareholders for their support and confidence. With the motto of "improving little by little every day", we will strive to bring the best returns to our shareholders.

Wei Jian Jun

Chairman

Baoding, Hebei Province, the PRC

15 March 2005