

 Chairman's Statement



TO ALL SHAREHOLDERS

I am pleased to present the audited consolidated results of Great Wall Motor Company Limited (the "Company" or "Great Wall Motor") and its subsidiaries (the "Group") for the year ended 31 December 2005 (the "Year").

The Group's revenue and profit after tax attributable to equity holders of the parent for the year ended 31 December 2005 were RMB3,809,958,000 and RMB441,007,000 respectively, representing increases of 19.6% and 9.4% respectively.

In 2005, the Group continued to enhance the quality of its existing products while strengthening its research and development. During the first half of the year, the Group launched Hover CUV (Crossover Utility Vehicle), which features easy maneuverability, comfort and low gas consumption. Hover CUV was well received in the market, and had become a profit centre of the Group.

With respect to sales, the Group had not only maintained its leading position in the markets of pick-up trucks and SUVs in the PRC, but had also actively explored overseas markets. Export performance in 2005 was satisfactory, with 14,326 units of vehicles exported during the year. The export volume in 2005 not only reached a record high, but also made Great Wall Motor one of the largest automobile exporters in the PRC. The export volume accounted for over 25% of the total volume of sales for the Year. Sales to Russia accounted for most of the export sales, with 4,535 units of vehicles sold.

In light of the tremendous potential in the Russian market, the Company set up Russia Great Wall Company Limited (俄羅斯長城股份有限公司) in Moscow in October 2005. Russia Great Wall Company Limited is principally engaged in the sale of the Group's automobiles and parts and components, as well as in the provision of after-sales services. The Company is actively preparing for the establishment of a factory in Russia, which is expected to commence full operation in mid 2006.

On the front of technical research and development, the research and development of the new pick-up trucks and SUVs, which are to be produced on the same production line of Hover CUV, is now at the final stage. In addition, the Group has commenced the development of five new models of vehicles, which is in line with the construction progress of Phase 3 of Great Wall Industrial Zone. The design of the body of these models is now underway.

Affected by factors such as the State policies and high oil prices, the Group will focus on the development of budget automobiles, featuring low gas consumption, energy-saving and low emission. The outstanding export performance for the Year has given great encouragement to us for tapping into the international market. Looking ahead, the Group gives high priority to increasing overseas sales and improving after-sales services. As to internal management, we will continue to take various measures to enhance product quality and operation efficiency.

Last but not the least, on behalf of Great Wall Motor, 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 highest returns to our shareholders.

Wei Jian Jun
Chairman

Baoding, Hebei Province, the PRC
27 March 2006

