



NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

1. Corporate Information

The registered office of Great Wall Motor Company Limited (the “Company”) is located at No. 2266 ChaoYang Road South, Baoding, Hebei Province, the People’s Republic of China (the “PRC”). The H shares (RMB1 per share) of the Company amounting to 131,100,000 shares are listed on The Stock Exchange of Hong Kong Limited. On 26 October 2004, the Company’s shareholders approved the capitalisation of RMB472,100,000 in the share premium account of the Company into share capital by issuing new shares at no consideration to all shareholders registered on the Company’s register of members on 25 October 2004 on the basis of 10 new shares for every 10 existing shares held at the extraordinary general meeting (the “EGM”) and the increase of the registered capital to RMB944,200,000 upon completion of the capitalisation issue. On 24 January 2005, the capitalisation issue was approved by the Ministry of Commerce of the PRC. The new shares were issued and allotted on 1 February 2005.

On 7 July 2006, approval in respect of the change of business scope and registered address of the Company was granted by the Ministry of Commerce of the PRC. The Company changed its registered address from “No. 115 Gongnong Road South, Nanshi District, Baoding, Hebei Province, the PRC” to “No. 2266 ChaoYang Road South, Baoding, Hebei Province, the PRC”. The Company changed its scope of business to “production and manufacturing, development, design, consignment processing and sales of vehicles and parts, components and accessories, and related after-sales services and consulting services; manufacturing of electronic equipment and machinery; mould making and manufacturing; vehicle repair; warehousing and logistics; the export of automotive parts, components and accessories manufactured and purchased by the Company; import and export of goods and technologies (unless otherwise restricted by the State)”.

During the period, the Company and its subsidiaries (collectively the “Group”) were principally engaged in the manufacture and sale of automobiles and automotive parts and components.

2. Accounting Policies

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2005, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that affect the Group and are adopted the first time for the current period’s financial statements:

HKAS 19 Amendment	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKFRSs 1 & 6 Amendments	First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK(IFRIC)-Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Special Market — Waste Electrical and Electrical Equipment

The adoption of the above new and revised HKFRSs has no material impact on the accounting policies of the Group and the methods of computation in the Group’s condensed consolidated financial statements.



3. Segment Information

During the period, over 90% of the Group's revenue and results were derived from the manufacture and sale of automobiles, therefore, no business segmental analysis is presented.

Geographical segmental analysis is presented based on the geographical location of customers. The Group's assets and liabilities are almost entirely situated in the PRC and accordingly, no information on segment assets, liabilities and capital expenditure is provided.

	Six months ended 30 June 2006			Six months ended 30 June 2005		
	PRC unaudited RMB'000	Overseas unaudited RMB'000	Combined unaudited RMB'000	PRC unaudited RMB'000	Overseas unaudited RMB'000	Combined unaudited RMB'000
Segment revenue	1,795,764	723,224	2,518,988	1,346,344	250,782	1,597,126
Segment result	450,370	204,598	654,968	361,818	73,797	435,615
Unallocated expenses			(237,542)			(189,559)
Finance costs			(821)			(259)
Income tax			(33,286)			(15,035)
Profit after tax			383,319			230,762
Attributable to:						
Equity holders of the parent			367,452			202,916
Minority interests			15,867			27,846

4. Revenue, other Income and Gains

Revenue represents the net invoiced value of goods sold, after allowances for trade discounts and returns, and excludes sales taxes and intra-group transactions.

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

	Six months ended 30 June	
	2006 Unaudited RMB'000	2005 Unaudited RMB'000
Revenue		
Sale of automobiles	2,414,812	1,496,204
Sale of automotive parts and components	104,176	100,922
	2,518,988	1,597,126
Other income and gains		
Bank interest income	17,578	10,560
Government grants:		
Recognition of deferred income	974	—
Others*	9,391	3,749
	27,943	14,309

* It represents government subsidies and value-added tax refunds. The government grants are unconditional, except for the grants which must be utilised for the development of the Company and its subsidiaries.



5. Profit before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2006 Unaudited RMB'000	2005 Unaudited RMB'000
Cost of inventories sold (including depreciation)	1,864,020	1,161,511
Depreciation	69,564	47,937
Recognition of prepaid land premium	1,341	791
Loss on disposal of items of property, plant and equipment	283	834
Research and development costs included in other expenses	65,946	30,234
Minimum lease payments under operating lease:		
Land and buildings	—	75
Auditor's remuneration	600	600
Employee benefits expenses:		
Wages and salaries	102,765	66,927
Retirement benefits contributions	5,911	4,636
	108,676	71,563
Foreign exchange differences, net	(198)	1,724
Provision for doubtful receivables	3,675	7,835
Write-down of inventories to net realisable value	9,508	9,079
Product warranty provisions	13,479	9,452
Bank interest income	(17,578)	(10,560)
Government grants included in other income and gains	(10,365)	(3,749)
Unrealised (gain)/loss on revaluation of short term listed investments	(215)	171



6. Finance Costs

	Six months ended 30 June	
	2006 Unaudited RMB'000	2005 Unaudited RMB'000
Interest on bank loans wholly repayable within five years	—	—
Other finance costs	821	259
	821	259

7. Tax

Income tax

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

	Six months ended 30 June	
	2006 Unaudited RMB'000	2005 Unaudited RMB'000
Hong Kong profits tax	—	—
PRC corporate income tax:		
Current corporate income tax	37,385	7,081
Deferred income tax	(4,099)	7,954
	33,286	15,035

Hong Kong profits tax has not been provided as the Group had no assessable profits arising in Hong Kong during the period. Under PRC income tax law, except for certain preferential treatment available to the Company and certain of its subsidiaries, the entities within the Group are subject to corporate income tax at a rate of 33%, on their taxable income.



7. Tax (continued)

Pursuant to the Income Tax Law of the PRC for Enterprises with Foreign Investment and Foreign Enterprises and applicable local tax regulations, the Company was exempted from corporate income tax for the two years ending 31 December 2006, and will be entitled to a 50% reduction in tax rate for corporate income tax for the three years ending 31 December 2009. Macs (Baoding) Auto A/C System Company Limited was exempted from corporate income tax for the two years ending 31 December 2006, and will be entitled to a 50% reduction in tax rate for corporate income tax for the three years ending 31 December 2009. Baoding Changcheng Vehicle Axles Industries Company Limited was exempted from corporate income tax for the two years ended 31 December 2002, and was entitled to a 50% reduction in tax rate for corporate income tax for the three years ended 31 December 2005. Beijing Great Automotive Components Company Limited was exempted from corporate income tax for the two years ended 31 December 2003, and is subject to a preferential corporate income tax rate of 12% for the three years ending 31 December 2006. Baoding Changfu Pressings Company Limited was exempted from corporate income tax for the two years ended 31 December 2004 and is entitled to a 50% reduction in tax rate for corporate income tax for the three years ending 31 December 2007.

Pursuant to applicable laws and regulations on welfare enterprises in the PRC, Baoding Great Wall Automobile Accessories Company Limited, Baoding Xincheng Automobile Development Company Limited, Baoding Great Machinery Company Limited, Baoding Riwa Automobile System Accessories Company Limited, Baoding Deer Automobile System Company Limited and Baoding Huanqiu Auto Spare Parts Company Limited, all being recognised as welfare enterprises by the relevant authorities, are entitled to apply for exemption in corporate income tax on a year-by-year basis. For the six months ended 30 June 2006, corporate income tax exemption recognized in the period by these welfare enterprises amounted to approximately RMB20,650,000 (six months ended 30 June 2005: RMB13,915,000).

A reconciliation of income tax expenses applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expenses at the Group's effective income tax rate for the period ended 30 June 2006 is as follows:

	Six months ended 30 June	
	2006 Unaudited RMB'000	2005 Unaudited RMB'000
Profit before tax	416,605	245,797
At PRC corporate income tax rate of 33%	137,480	81,113
Tax effect of expenses not deductible for tax purposes	15,971	14,539
Tax holiday	(120,165)	(80,617)
Tax expense	33,286	15,035



7. Tax (continued)

Value Added Tax ("VAT") and Consumption Tax

The general VAT rate applicable to the Company and its subsidiaries in the PRC is 17%. Certain automobiles of the Company are also subject to consumption tax at standard rates of 3% or 5%. On 5 July 2004, the State Tax Bureau approved a 30% reduction in the consumption tax previously paid by the Company for certain products. The amount exempted for the six months ended 30 June 2006, amounting to approximately RMB10,152,000 (six months ended 30 June 2005: RMB16,944,000), was recorded as income. On 20 March 2006, the State Tax Bureau issued a new regulation regarding consumption tax. In accordance with the regulation, certain automobiles of the Company are subject to consumption tax at standard rates of 5%, 9% and 12% since 1 April 2006.

8. Dividend per share

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2006 (six months ended 30 June 2005: Nil).

9. Earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the parent for the six months ended 30 June 2006 of RMB367,452,000 (six months ended 30 June 2005: RMB202,916,000), and the weighted average of 944,200,000 shares in issue during the period.

No diluting events existed during the current and prior periods and therefore no diluted earnings per share amount has been disclosed.



10. Property, Plant and Equipment

	Buildings Unaudited RMB'000	Plant and machinery Unaudited RMB'000	Motor vehicles Unaudited RMB'000	Furniture, fixtures and office equipment Unaudited RMB'000	Total Unaudited RMB'000
Cost:					
At 1 January 2006	602,868	809,410	27,292	124,506	1,564,076
Additions	928	2,309	2,035	5,992	11,264
Transfer from construction in progress	10,661	43,889	533	21,265	76,348
Disposals	(31)	(1,738)	(749)	(130)	(2,648)
At 30 June 2006	614,426	853,870	29,111	151,633	1,649,040
Accumulated depreciation:					
At 1 January 2006	59,183	256,163	10,014	18,115	343,475
Provided for the period	11,185	45,001	1,781	11,597	69,564
Disposals	(7)	(1,091)	(190)	(87)	(1,375)
At 30 June 2006	70,361	300,073	11,605	29,625	411,664
Net book value:					
At 30 June 2006	544,065	553,797	17,506	122,008	1,237,376
At 1 January 2006	543,685	553,247	17,278	106,391	1,220,601

11. Construction in Progress

	Unaudited RMB'000
At 1 January 2006	301,064
Additions	425,140
Transfer to property, plant and equipment	(76,348)
At 30 June 2006	649,856

The major additions to the construction in progress during the period mainly include plant, machinery and construction costs incurred for the construction of the new car manufacturing facilities of approximately RMB310 million.



12. Inventories

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Raw materials	228,572	215,673
Semi-finished goods	83,127	108,914
Work in progress	65,958	62,878
Finished goods	345,390	327,116
Spare parts and consumables	8,579	8,752
	731,626	723,333
Provision for inventory impairment	(41,004)	(31,496)
	690,622	691,837

13. Trade Receivables

The Group normally receives payments or bills in advance for the sale of automobiles. For other customers, the Group normally allows a credit period of not more than 90 days. The Group closely monitors overdue balances and a provision for doubtful debts is made when it is considered that the amounts due may not be recovered.

An aged analysis of the trade receivables of the Group is as follows:

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Outstanding balances aged:		
Within 6 months	66,660	56,957
7 to 12 months	11,093	1,701
Over 1 year	13,835	15,526
	91,588	74,184
Less: Provision for doubtful debts	(22,704)	(19,203)
	68,884	54,981



14. Bills Receivable

The balance represents bank acceptance notes with maturity dates within six months.

The maturity profile of the bills receivable of the Group is as follows:

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Falling due:		
Within 3 months	281,287	243,305
4 to 6 months	228,278	252,962
	509,565	496,267

As at 30 June 2006, the Group's bills receivable, amounting to RMB143,510,000 (31 December 2005: RMB165,600,000), are pledged to banks for issuing an equivalent amount of bills payable.

15. Other Receivables

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Prepayments	107,306	103,355
Export VAT refund	55,402	69,423
Others	27,414	7,526
	190,122	180,304

16. Cash and Cash Equivalents and Pledged Deposit

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Cash and bank balances	2,570,548	2,556,676
Less: Pledged to bank for issuing bills payable	(71,618)	(118,240)
Cash and cash equivalents	2,498,930	2,438,436



17. Trade Payables

An aged analysis of the trade payables of the Group is analysed as follows:

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Outstanding balances aged:		
Within 6 months	888,624	893,526
7 to 12 months	66,545	33,097
1 to 2 years	41,996	17,511
Over 2 years	27,098	22,580
	1,024,263	966,714

18. Other Payables

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Advances from customers	377,100	321,019
Accruals	26,821	22,223
Others	165,853	154,710
	569,774	497,952

19. Provision for Product Warranties

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
At beginning of period/year	23,820	25,335
Additional provision	13,479	22,874
Amounts utilised during the period/year	(7,197)	(24,389)
At end of period/year	30,102	23,820



20. Deferred Tax

The movements in the deferred tax accounts are as follows:

Deferred tax assets:

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
At beginning of period/year	28,125	49,191
Increase during the period/year	4,099	8,498
Effect on opening deferred taxes of reduction in tax rate	—	(29,564)
At end of period/year	32,224	28,125
Provisions in respect of:		
Provision for doubtful receivables	5,415	5,847
Provision for inventory impairment	13,400	10,041
Liabilities for accrued expenses that are deductible for tax purpose only when paid	4,739	3,406
Provision for impairment of property, machinery and equipment	2,036	2,036
Revenue in nature received in advance that was not taxable when settled	1,320	793
Temporary differences arising from transfer of intangible assets among group companies	5,314	6,002
	32,224	28,125

Deferred tax liabilities:

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
At beginning of period/year	—	1,109
Decrease during the period/year	—	(1,109)
At end of period/year	—	—



21. Share Capital

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Issued and fully paid:		
Domestic shares of RMB1 each	682,000	682,000
H shares of RMB1 each	262,200	262,200
	944,200	944,200

On 3 March 2006, Nandayuan Management Centre reached a share transfer agreement with Baoding Ants Logistic Company Limited, a related company controlled by Mr. Wei Jianjun, a director of the Company. In accordance with the agreement, Nandayuan Management Centre will transfer a 2% equity interest in the Company to Baoding Ants Logistic Company Limited. The cash consideration of the acquisition was RMB70,585,000. On 7 July 2006, the agreement has been approved by the Ministry of Commerce of the PRC.

22. Reserves

The amounts of the Group's reserves and the movements therein for the period are presented in the condensed consolidated statement of changes in equity.

In accordance with the Company Law of the PRC and the articles of associations of the Company and certain of its subsidiaries, they are required to allocate 10% of their profit after tax, as determined in accordance with PRC accounting standards and regulations applicable to these companies, to the statutory surplus reserve (the "SSR") until such reserves reach 50% of the registered capital of these companies. Part of the SSR may be capitalised as these company's share capital, provided that the remaining balances after the capitalisation are not less than 25% of the registered capital of these companies.

In previous years, the Company and certain of its subsidiaries are required to transfer 5% to 10% of their profit after tax, as determined in accordance with PRC accounting standards and regulations applicable to these companies, to statutory public welfare fund (the "PWF"). According to the "Company Law of the PRC (2005 revised)" that become effective on 1 January 2006 and the revised articles of associations of the Company and its subsidiaries, they do not make appropriation to the PWF commencing from 2006. The balance of PWF as at 31 December 2005 was transferred to the SSR for future use.

Certain of the Company's subsidiaries are Chinese-foreign equity joint ventures. In accordance with the "Law of the PRC on Chinese-Foreign Equity Joint Ventures" and their respective articles of associations, these subsidiaries are required to allocate certain of their profit after tax as determined in accordance with PRC accounting standards and related regulations to enterprise expansion fund, reserve fund and employee bonus and welfare fund. The allocation rates are determined by their respective board of directors.



23. Contingent Liabilities

The Group did not have any significant contingent liabilities at the balance sheet date.

24. Capital Commitments

The Group had the following capital commitments at the end of the period/year:

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Contracted, but not provided for	610,252	329,370
Authorised but not contracted for	1,055,297	1,581,340
	1,665,549	1,910,710

An analysis of the above capital commitments by nature is as follows:

	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Acquisition of plant and machinery	1,032,099	1,377,936
Construction commitment	342,454	429,563
Others	290,996	103,211
	1,665,549	1,910,710

25. Changes in Composition of the Group

On 29 March 2006, the Company and Baoding Ants Logistic Company Limited, a related party of the Company, entered into an equity transfer agreement. In accordance with the agreement, the Company acquired a 75% equity interest in Baoding Mind Auto Component Co., Ltd. for a cash consideration of RMB450,000 from Baoding Ants Logistics Company Limited. No goodwill arose from the acquisition. As at 30 June 2006, Baoding Mind Auto Component Co., Ltd. has not commenced its operation yet.



26. Related Party Transactions

(1) The Group had the following material transactions with related parties during the period:

Name of related parties	Notes	Nature of transactions	Pricing Policy	Six months ended	
				30 June 2006 Unaudited RMB'000	2005 Unaudited RMB'000
Wenzhou Huanqiu Automobile Gasket Company Limited (溫州環球汽車襯墊有限公司)	(i)	Purchases of automotive parts and components	(a)	12	271
Gaobeidian Zhongke Huabei Automobile Company Limited (高碑店市中客華北汽車有限責任公司)	(ii)	Sales of automotive parts and components	(a)	60	—
		Purchases of automotive parts and components	(b)	—	9
		Utilities fee received	(b)	—	92
		Processing service fee paid	(b)	—	457
Hebei Baoding Tai Hang Group Company Limited (河北保定太行集團有限責任公司)	(iii)	Purchases of automotive parts and components	(b)	23	30
		Construction services fee paid	(a)	325	128
Baoding Taihang Pump Manufacturing Company Limited (保定市太行製泵有限公司)	(iv)	Purchases of automotive parts and components	(a)	425	494
		Purchases of property, plant and equipment	(a)	27	257
Baoding Tai Hang Steel Structure Construction Company Limited (保定太行鋼結構工程有限公司)	(v)	Construction services fee paid	(a)	35,266	8,181



26. Related Party Transactions (continued)

Name of related parties	Notes	Nature of transactions	Pricing Policy	Six months ended	
				30 June	2005
				2006	2005
				Unaudited	Unaudited
				RMB'000	RMB'000
Beijing Beiqi Momeiya Automobile Manufacturing Company Limited & Tianjin Tianqi Group Meiya Automobile Manufacturing Company Limited (北京北汽摩美亞汽車製造有限公司及天津天汽集團美亞汽車製造有限公司)	(vi)	Sales of automotive parts and components	(a)	6,804	13,330
Beijing Jiayou Trading Company Limited (北京佳友興業商貿有限公司)	(vii)	Sales of automotive parts and components	(a)	1	102
Baoding Tai Hang Rosemex Industrial Company Limited (保定太行熱士美工業有限公司)	(viii)	Construction services fee paid	(a)	54	107
Baoding Ants Logistics Company Limited ("Ants Logistics") (保定市螞蟻物流網絡有限公司)	(ix)	Transportation fee paid	(a)	38,903	31,377
		Equity transfer	(b)	450	—
Shunping Ante Transport Company Limited (順平安特運輸有限公司)	(ix)	Transportation fee paid	(a)	944	924



26. Related Party Transactions (continued)

(2) The outstanding balances with related parties at the end of period are as follows:

Trade receivables	Notes	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Tianjin Tianqi Group Meiya Automobile Manufacturing Company Limited (天津天汽集團美亞汽車製造有限公司)	(vi)	144	351
Gaobeidian Zhongke Huabei Automobile Company Limited (高碑店市中客華北汽車有限責任公司)	(ii)	—	1,686
Beijing Jiayou Trading Company Limited (北京佳友興業商貿有限公司)	(vii)	6	5
Baoding Tai Hang Rosemex Industrial Company Limited (保定太行熱士美工業有限公司)	(viii)	6	6
Hebei Baoding Tai Hang Group Company Limited (河北保定太行集團有限責任公司)	(iii)	—	15
Baoding Ants Logistics Company Limited (保定市螞蟻物流網絡有限公司)	(ix)	2	3
		158	2,066
Other receivables			
Hebei Baoding Tai Hang Group Company Limited (河北保定太行集團有限責任公司)	(iii)	149	99
Baoding Tai Hang Steel Structure Construction Company Limited (保定太行鋼結構工程有限公司)	(v)	9	67
		158	166

**26. Related Party Transactions (continued)**

Trade payables	Notes	30 June 2006 Unaudited RMB'000	31 December 2005 Audited RMB'000
Beijing Oriental Riwa Technology and Trading Company Limited (北京東方日瓦科貿有限公司)	(x)	796	628
Beijing Weide Automobile System Accessories Company Limited (北京威德汽車系統配套有限公司)	(xi)	2,599	2,656
Baoding Ants Logistics Company Limited (保定市螞蟻物流網絡有限公司)	(ix)	10,482	7,213
Wenzhou Huanqiu Automobile Gasket Company Limited (溫州環球汽車襯墊有限公司)	(i)	47	107
Baoding Tai Hang Steel Structure Construction Company Limited (保定太行鋼結構工程有限公司)	(v)	2,405	2,254
Baoding Tai Hang Rosemex Industrial Company Limited (保定太行熱士美工業有限公司)	(viii)	73	126
Baoding Taihang Pump Manufacturing Company Limited (保定市太行製泵有限公司)	(iv)	370	374
Shunping Ante Transport Company Limited (順平安特運輸有限公司)	(ix)	169	1,787
Hebei Baoding Tai Hang Group Company Limited (河北保定太行集團有限責任公司)	(iii)	141	270
		17,082	15,415



26. Related Party Transactions (continued)

(3) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2006 Unaudited RMB'000	2005 Unaudited RMB'000
Short term employee benefits	601	508
Post-employment benefits	6	9
Share-based payments	—	—
Total compensation paid to key management personnel	607	517

Notes:

- (a) The price was determined with reference to the then prevailing market prices/rates and the prices/rates charged to third parties.
- (b) The consideration was in accordance with the terms of the underlying agreement.
- (i) Wenzhou Huanqiu Automobile Gasket Company Limited is a minority shareholder of Baoding Huanqiu Auto Spare Parts Company Limited.
- (ii) Gaobeidian Zhongke Huabei Automobile Company Limited is controlled by a shareholder of Great Wall Huabei Company.
- (iii) Hebei Baoding Tai Hang Group Company Limited is controlled by the associate of a director of the Company.
- (iv) Baoding Tai Hang Pump Manufacturing Company Limited is beneficially owned by a director of the Company.
- (v) Baoding Tai hang Steel Structure Construction Company Limited is controlled by the associate of a director of the Company.
- (vi) Beijing Beiqi Momeiya Automobile Manufacturing Company Limited and Tianjin Tianqi Group Meiya Automobile Manufacturing Company Limited are controlled by a director of Great Wall Internal Combustion Engine Company.
- (vii) Beijing Jiayou Trading Company Limited is beneficially owned by a director of Great Wall Internal Combustion Engine Company.
- (viii) Baoding Tai Hang Rosemex Industrial Company Limited is controlled by an associate of a director of the Company.
- (ix) Baoding Ants Logistics Company Limited and Shunping Ante Transport Company Limited are controlled and beneficially owned by a director of the Company.
- (x) Beijing Oriental Riwa Technology and Trading Company Limited is controlled and beneficially owned by a director of the Company.
- (xi) Beijing Weide Automobile System Accessories Company Limited is controlled by a director of the Company.



27. Approval of the Interim Financial Report

The unaudited interim financial report for the six months ended 30 June 2006 was approved and authorised for issue by the board of directors on 22 August 2006.