長城汽車股份有限公司

GREAT WALL MOTOR COMPANY LIMITED*

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

(Stock code: 2333)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June 2008 (unaudited)	For the six months ended 30 June 2007 (unaudited)	Change (%)
REVENUE (RMB Million)	**4,610**	3,345	37.8
Profit before tax (RMB Million)	**486**	478	1.7
Profit after tax attributable to equity holders of the parent (RMB Million)	**408**	406	0.5
Earnings per share	**RMB0.37**	RMB0.42	-11.9

The board of directors (the "Board") of Great Wall Motor Company Limited (the "Company") is pleased to announce the unaudited condensed consolidated income statement of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 (the "period") and the condensed consolidated balance sheet of the Group as at 30 June 2008 which have been reviewed by the Company's auditor, Ernst & Young, together with the comparative figures for the same period of 2007 as follows:

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Income Statement

		Six months ended 30 June	
		2008	2007
		Unaudited	Unaudited
	Notes	***RMB'000***	*RMB'000*
REVENUE	*(i)*	**4,609,688**	3,344,945
Cost of sales		**(3,663,992)**	(2,544,642)
Gross profit		**945,696**	800,303
Other income and gains	*(i)*	**42,133**	21,614
Selling and distribution costs		**(228,284)**	(167,668)
Administrative expenses		**(154,780)**	(100,116)
Other expenses		**(117,399)**	(83,451)
Finance costs	*(ii)*	**(7,161)**	(2,450)
Share of profits and losses of associates		**3,531**	3,231
Share of profits and losses of jointly-controlled entities		**2,244**	6,262
PROFIT BEFORE TAX	*(iii)*	**485,980**	477,725
Tax	*(iv)*	**(58,823)**	(37,983)
PROFIT FOR THE PERIOD		**427,157**	439,742
ATTRIBUTABLE TO:			
Equity holders of the parent		**408,327**	406,047
Minority interests		**18,830**	33,695
		427,157	439,742
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT-Basic	*(v)*	**RMB0.37**	RMB0.42
DIVIDEND	*(vi)*	**Nil**	Nil

Condensed Consolidated Balance Sheet

	30 June 2008 Unaudited *RMB'000*	31 December 2007 Audited *RMB'000*
Non-current assets		
Property, plant and equipment	**2,479,077**	1,597,425
Prepaid land premium	**274,385**	283,578
Construction in progress	**1,512,126**	2,173,680
Goodwill	**2,164**	2,164
Interests in jointly-controlled entities	**176,207**	154,226
Interests in associates	**16,987**	10,403
Available-for-sale financial assets	**1,200**	–
Deferred tax assets	**65,840**	67,680
Total non-current assets	**4,527,986**	4,289,156
Current assets		
Inventories	**1,095,182**	957,633
Trade receivables	**169,112**	152,210
Bills receivable	**564,431**	657,763
Available-for-sale financial assets	**190,000**	210,000
Prepayments and other receivables	**815,493**	506,314
Pledged bank balances	**456,809**	238,486
Cash and cash equivalents	**2,693,028**	3,073,577
Total current assets	**5,984,055**	5,795,983
Current liabilities		
Interest-bearing bank borrowings, secured	**3,594**	–
Trade payables	**1,888,743**	1,712,381
Bills payable	**619,074**	457,395
Tax payable	**(47,192)**	(44,019)
Other payables and accruals	**1,019,904**	984,919
Dividend payable to minority shareholders	**8,110**	7,384
Provision for product warranties	**39,979**	39,396
Total current liabilities	**3,532,212**	3,157,456

	30 June 2008 Unaudited	31 December 2007 Audited
	RMB'000	*RMB'000*
NET CURRENT ASSETS	**2,451,843**	2,638,527
TOTAL ASSETS LESS CURRENT LIABILITIES	**6,979,829**	6,927,683
NON-CURRENT LIABILITIES		
Deferred income	**68,031**	69,892
Total non-current liabilities	**68,031**	69,892
NET ASSETS	**6,911,798**	6,857,791
EQUITY		
Equity attributable to equity holders of the parent		
Issued share capital	**1,095,272**	1,095,272
Reserves	**5,535,934**	5,127,715
Proposed final dividend	**–**	219,054
	6,631,206	6,442,041
Minority interests	**280,592**	415,750
TOTAL EQUITY	**6,911,798**	6,857,791

Notes:

(i) 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	
	2008	2007
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Revenue		
Sale of automobiles	**4,333,380**	3,200,479
Sale of automotive parts and components	**276,308**	144,466
	4,609,688	3,344,945
Other income and gains		
Bank interest income	**16,094**	15,583
Government grants:		
Recognition of deferred income	**1,861**	974
Others*	**986**	4,477
Gain on disposal of held-for-trading financial assets	**–**	498
Unrealised gain on revaluation of held-for-trading financial assets	**–**	82
Gain on disposal of prepaid land premiums	**7,245**	–
Gain on acquisition of minority interests	**13,517**	–
Income from available-for-sale financial assets	**2,430**	–
	42,133	21,614

* Representing government grants and value added tax refunds. The grants must be utilised for the business development of the Company and certain of its subsidiaries.

(ii) FINANCE COSTS

The finance costs mainly represented the bank charges and interest on bank borrowings incurred during the period.

(iii) PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2008	2007
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Cost of inventories sold	**3,663,992**	2,544,642
Depreciation	**98,625**	80,136
Recognition of prepaid land premiums	**2,179**	2,625
Minimum lease payments under operating leases in respect of land and buildings	**101**	–
Auditors' remuneration	**1,343**	600
Employee benefits expenses (including directors' and supervisors' remuneration):		
Wages and salaries	**232,875**	142,917
Retirement benefits contributions	**18,544**	14,674
	251,419	157,591
Provision for product warranties	**10,349**	20,716
Research costs	**113,597**	75,072
Foreign exchange differences, net	**8,844**	7,679
Write-down of inventories to net realisable value	**11,031**	6,896
Loss/(Gain) on disposal of items of property, plant and equipment	**734**	(220)
Impairment/(Write-back of impairment) of receivables, net	**(5,776)**	920

(iv) TAX

Income tax

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

	Six months ended 30 June	
	2008	2007
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Hong Kong profits tax	**–**	–
PRC corporate income tax:		
Current corporate income tax	**56,983**	48,237
Deferred tax	**1,840**	(10,254)
	58,823	37,983

Hong Kong profits tax has not been provided as the Group had no assessable profits arising in Hong Kong during the period. The Company and its subsidiaries in the PRC are subject to corporate income tax at a rate of 25% on their taxable income for the six months ended 30 June 2008 (Six months ended 30 June 2007: 33%).

Pursuant to the original PRC Corporate 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 ended 31 December 2006, and is entitled to a 50% reduction in the tax rate for corporate income tax for the three years ended 31 December 2009. Macs (Baoding) Auto A/C System Company Limited was exempted from corporate income tax for the two years ended 31 December 2006, and is entitled to a 50% reduction in the tax rate for corporate income tax for the three years ended 31 December 2009. Baoding Changfu Processing Company Limited was exempted from corporate income tax for the two years ended 31 December 2004 and was entitled to a 50% reduction in the tax rate for corporate income tax for the three years ended 31 December 2007. Baoding Mind Auto Component Company Limited is exempted from corporate income tax for the two years ended 31 December 2008 and will be entitled to a 50% reduction in the tax rate for corporate income tax for the three years ended 31 December 2011. The Company and these subsidiaries will continue to enjoy the aforesaid tax concessions until their expiry.

Pursuant to the applicable laws and regulations on welfare enterprises in the PRC, Baoding Nuobo Rubber Manufacturing 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, were entitled to apply for exemption from corporate income tax on a year-by-year basis before 30 June 2007. For the six months ended 30 June 2007, corporate income tax exempted for these welfare enterprises amounted to approximately RMB53,467,000.

Pursuant to newly issued regulations on welfare enterprises in the PRC, the above mentioned welfare enterprises did not enjoy the exemption in corporate income tax since 1 July 2007. Instead, if satisfying the relevant conditions, double of the actual wages paid to disabled staff could be deducted from the taxable income commencing from 1 July 2007.

Pursuant to the Tentative Regulation Regarding Income Tax Benefit for Investment in the PRC Made Equipment Used in Technical Reform, Baoding Great Wall Internal Combustion Engine Manufacturing Company Limited and Baoding Changcheng Vehicle Axles Industries Company Limited were entitled to deduct corporate income tax in the amount of RMB15,056,520 for the six months ended 30 June 2008 (Six months ended 30 June 2007: RMB2,496,213).

A reconciliation of the income tax expenses applicable to profit before tax at the statutory income tax rates to income tax expenses at the Group's effective income tax rates is as follows:

	Six months ended 30 June			
	2008		2007	
	Unaudited		Unaudited	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**485,980**		477,725	
At the PRC corporate income tax rate	**121,495**	**25.0**	157,649	33.0
Profits and losses attributable to jointly-controlled entities and associates	**(1,444)**	**(0.3)**	(3,143)	(0.7)
Additional deduction of expenses	**(15,022)**	**(3.1)**	(11,411)	(2.4)
Staff welfare and bonus fund	**245**	**0.1**	2,565	0.6
Income not subject to tax	**(6,256)**	**(1.3)**	–	–
Expenses not deductible for tax purposes	**304**	**0.1**	14,943	3.1
Tax holiday and exemptions	**(40,499)**	**(8.4)**	(122,620)	(25.7)
Actual income tax expenses	**58,823**	**12.1**	37,983	7.9

Value Added Tax ("VAT") and Consumption Tax

The general VAT rate applicable to the Company and its subsidiaries in the PRC is 17% for domestic sales and nil for export sales.

The Company's automobiles are subject to consumption tax at standard rates of 3%, 5%, 9% or 12% in accordance with the regulations issued by the State of Tax Bureau on 20 March 2006.

(v) EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to ordinary equity holders of the parent for the six months ended 30 June 2008 of RMB408,327,000 (Six months ended 30 June 2007: RMB406,047,000) and the weighted average of 1,095,272,000 shares(Six months ended 30 June 2007: 970,909,000) 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.

(vi) DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2008 (Six months ended 30 June 2007: Nil).

2. MANAGEMENT DISCUSSION AND ANALYSIS

Operating Environment

Since the beginning of 2008, the production volume and sales volume of automobiles has performed moderately, due to increase in raw material and fuel price resulting from a tightened marco economy. According to the China Association of Automobile Manufacturers, both production volume and sales volume of automobiles in the PRC for the first half of 2008 exceeded 5,000,000 units, amounting to 5,199,600 units and 5,182,200 units respectively, representing increases of 16.71% and 18.52% from those in the same period of 2007 respectively. The export volume of the automobile remains strong. The total export volume of automobile reached 358,000 units, representing an increase of 62.00% when compared to the same period of 2007. Among the export of automobiles in the first half of this year, passenger vehicles and commercial vehicles amounted to 200,600 units and 157,400 units respectively, representing corresponding increases of 83.37% and 41.04% respectively.

China is currently one of the world's largest potential automobile markets and its potential is being gradually realised. Despite the slowing down in global economic growth this year, judging from the current economic development, increasing income level, changing consumption patterns and improving infrastructure development, we still believe that China would enter into an era of burgeoning demand for automobiles.

Financial Review

Revenue

During the period, the revenue of the Group was RMB4,609,688,000, representing an increase of 37.8% compared to that of the same period of 2007. The increase was mainly resulted from the increase in the sales volume of automobiles.

Sales analysis

	For the six months ended 30 June 2008			For the six months ended 30 June 2007		
	Sales volume ***(units)***	**Revenue** ***(RMB'000)***	**Percentage** ***(%)***	Sales volume *(units)*	Revenue *(RMB'000)*	Percentage *(%)*
Pick-up trucks	**33,461**	**1,831,639**	**39.7**	24,319	1,260,858	37.7
SUVs (CUVs included)	**28,026**	**2,319,689**	**50.3**	22,722	1,875,553	56.1
Sedan	**3,657**	**134,226**	**2.9**	–	–	–
Other vehicles	**531**	**47,825**	**1.0**	624	64,068	1.9
Automotive parts and components	**–**	**276,309**	**6.1**	–	144,466	4.3
Total	**65,675**	**4,609,688**	**100.0**	47,665	3,344,945	100.0

Gross profit and gross profit margin

During the period, the Group's gross profit was RMB945,696,000, representing an increase of 18.2% compared to RMB800,303,000 in the same period of last year. The increase in gross profit was mainly due to the increase in the sales volume of automobiles. The gross profit margin decreased from 23.9% in the same period last year to 20.5% in the first half of 2008, mainly due to (1) the increase of raw materials price such as steel which raise the cost of a vehicle and (2) clearance sales of old vehicle model.

Profit after tax attributable to equity holders of the parent and earnings per share

During the period, the Group's profit after tax attributable to equity holders of the parent was RMB408,327,000.

For the six months ended 30 June 2008, the basic earnings per share of the Company were RMB0.37.

Selling and distribution costs and administrative expenses

For the first half year of 2008, the selling and distribution costs and administrative expenses of the Group was RMB383,064,000, representing an increase of 43.0% from RMB267,784,000 in the first half of 2007. The percentage of selling and distribution costs and administrative expenses to total revenue was 8.3%. The main reasons for the increase in the selling and distribution costs and administrative expenses included: (1) an increase in transportation expenses as a result of the increase in sales volume of automobiles; (2) the increase in exhibition and advertising expenses; (3) an increase in port expenses resulting from increased export volume; and (4) an increase in staff costs and office expenses which was attributable to the increase in the number of staff to support its production and sales expansion.

Finance costs

During the first half of 2008, the Group's finance costs were approximately RMB7,161,000 as compared to approximately RMB2,450,000 for the first half of 2007. The increase in finance costs was due to an increase in handling charge arising from the letter of credit arrangement.

Liquidity and financial resources

As at 30 June 2008, the Group's current assets mainly included cash and cash equivalents of approximately RMB3,149,837,000, trade receivables of approximately RMB169,112,000, inventories of approximately RMB1,095,182,000, bills receivable of approximately RMB564,431,000, held-for-trading financial assets of approximately RMB190,000,000 and prepayments and other receivables of approximately RMB815,493,000. The Group's current liabilities mainly included dividend payable to minority shareholders of approximately RMB8,110,000, other payables and accruals of approximately RMB1,019,904,000, tax payable of approximately RMB47,192,000, bills payable of approximately RMB619,074,000, trade payables of approximately RMB1,888,743,000 and provision for product warranties of approximately RMB39,979,000.

Acquisitions

During the period, the Company and its subsidiaries did not have any material acquisitions.

Capital structure

The Group generally finances its operations with internally generated cash flows. As at 30 June 2008, the Group has interest-bearing bank borrowings amounting to approximately RMB3,594,000.

Exposure to foreign exchange risk

All the Group's domestic sales were settled in RMB while sales to overseas customers were settled in US dollars and Euro. During the period, the Group did not experience any material difficulties or negative effects on its operations or liquidity as a result of fluctuations in currency exchange rates. In light of the trend for the appreciation of RMB, the Group has taken measures such as accelerating the pace of settlement, raising selling prices (or pricing by RMB) and expanding settlement ratio of stable currencies to mitigate the impact of any increase in RMB exchange rates on the Group's exports.

As the raw materials and components used by the Group were purchased from the domestic market, the slight appreciation of RMB did not create any impact on the Group's business. With respect to the export business, the pricing of the Group's products is relatively competitive and hence its current sales have not been materially affected.

Employment, training and development

As at 30 June 2008, the Group employed a total of approximately 17,617 employees. Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed on a regular basis. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual performance evaluation. Total staff cost accounted for 5.5% of the Group's revenue for the six months ended 30 June 2008.

Taxation

Tax payable by the Group increased from RMB37,983,000 in the first half of 2007 to RMB58,823,000 in the first half of 2008, representing a rise of 54.9%.

Segment information

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

Geographical segmental analysis has been made according to 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. The geographical segment revenue of the Group is as follow:

	For the six months ended 30 June 2008			For the six months ended 30 June 2007		
	PRC	**Overseas**	**Consolidated**	PRC	Overseas	Consolidated
	Unaudited	**Unaudited**	**Unaudited**	Unaudited	Unaudited	Unaudited
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	**2,529,990**	**2,119,401**	**4,649,391**	2,230,377	1,136,182	3,366,559

Business Review

Automobile sales

During the period, the Group's total sales volume was 65,675 units, representing an increase of 37.8% as compared to that of the same period last year. During the period, the sales volume and revenue of pick-up trucks amounted to 33,461 units and RMB1,831,639,000, representing increases of 37.6% and approximately 45.3% as compared to those of the same period last year, respectively. The sales volume and revenue of SUV amounted to 28,026 units and RMB2,319,689,000, representing increases of 23.3% and approximately 23.7% respectively, as compared to those of the same period of 2007. The sales volume and revenue of sedan amounted to 3,657 units and RMB134,226,000 respectively and the sales volume and revenue of other vehicles amounted to 531 units and RMB47,825,000 respectively.

Sales of automotive parts and components

During the period, the revenue of automotive parts and components amounted to RMB276,309,000, representing an increase of approximately 91.3% as compared to that of the same period in 2007 and accounting for 6.0% of the total revenue. The increase in the sales of automotive parts and components was mainly due to the growth in export volume of automotive components and the increase of revenue from automotive parts and components after sales.

Domestic market

During the period, the Group's domestic sales volume and revenue amounted to 34,991 units and RMB2,291,577,000, representing increases of 16.5% and 11.0% respectively. Of the Group's domestic sales, 17,852 units, 14,031 units and 2,614 units of pick-up trucks, SUVs and sedan were sold respectively, with revenue amounting to RMB969,143,000, RMB1,185,039,000 and RMB93,758,000 respectively. The revenue from the two main groups of customers, namely (1) dealers; and (2) government entities and individual customers amounted to RMB2,225,777,000 and RMB65,800,000, respectively.

	For the six months ended 30 June 2008			For the six months ended 30 June 2007		
	Sales volume *(units)*	**Revenue** *(RMB'000)*	**Percentage share of domestic automobile sales** *(%)*	Sales volume *(units)*	Revenue *(RMB'000)*	Percentage share of domestic automobile sales *(%)*
Dealers	**33,945**	**2,225,777**	**97.1**	28,885	1,990,235	96.4
Government entities and individual customers	**1,046**	**65,800**	**2.9**	1,147	74,062	3.6
Total	**34,991**	**2,291,577**	**100.0**	30,032	2,064,297	100.0

Overseas markets

The Group's automobile export market continued to grow rapidly. The Group's export volume of automobiles reached new records for the six months ended 30 June 2008, with 30,684 units and a total automobile export value of RMB2,041,803,000, accounting for approximately 44.3% of the total revenue of the Group. Great Wall Motor exports to 121 countries, in which 81 countries are mature export markets where a solid international sales network has been established.

During the period, the export volume of pick-up trucks, SUVs and sedan amounted to 15,609 units, 13,995 units and 1,043 units respectively, with export value of RMB862,496,000, RMB1,134,650,000 and RMB40,468,000 respectively, in which the export value of pick-up trucks and SUV representing increases of 52.9% and 105.8% when compared to those of the same period of last year, respectively.

Launch of new products

The Group's products are designed to respond to changing market trends. During the period, the Group launched Hover 08 which was the modified version of the old Hover, for which its front grille, head lamps, rear fin, luggage rack and hub have been re-developed; the Group has also changed the fabric and inner layer material of the roof of Hover to improve its overall appearance, in order to make the vehicle more environmental friendly and attractive. DVD, TCS, electronic surveillances of engines, auto window closing and anti-trapping sensor are equipped to enhance the vehicle rating.

The Group has launched a model of Hover with 4G69 engine which meets the Euro IV emission standards. The vehicle can satisfy the market requirement of European Union and Australia, and further expedite the Hover series' going international process.

The market response of Great Wall Perey EV and the Cowry MPV which launched in March 2008 is not as good as expected. However, following the expansion of market and higher recognition from customers, the Group is expected that the sales volume of the two models will continue to grow in the second half of the year and early next year.

Technology development

During the period, the Group, with its own proprietary technology, developed two five-speed synchronization manual gearboxes, which are applicable to various model.

The Group will launch various gasoline engines with emission level from 0.8L to 1.5L and diesel engine with an emission level 2.0L.

The emission levels of newly developed engines of the Group are above the Euro IV standards. Among these new engines, some of them meet the Euro V standard.

Outlook

Research and Development of new products

In response to increasing oil prices and the growing environmental protection awareness in the PRC, the Group's research and development direction for the future is focusing on environmental friendly automobiles such as low emission gasoline powered (1.0L-2.0L) automobiles, 2.0L-2.8L diesel powered and mixed power as well as electricity powered vehicles.

The Group's product fix is fine-tuned with the launch of its sedan car. The Group will further develop the sedan car market, in addition to the development of pick-up trucks and SUV.

The Group will continue its research and development of low emission automobiles. The Group's research and development will also focus on global sedan market to support its globalization.

The Group has strengthened its research and development of core automotive parts and components. During the period, the Group has commenced the development of one model of auto gearbox.

During the period, the Group developed "Kullar" (「歐拉」), a two-seated fully electricity powered vehicle, "Great Wall Perey EV"「長城精靈」) and "Hover Hybird" (「哈弗混合動力車」), four-seated electricity powered vehicles.

Export markets

As a result of the Group's continued effort, the Group's automobiles are now exported to 121 countries throughout the world, with volume export to 81 of these countries. The Group's increasing in export sales have continued to enhance brand awareness of the Group's product in the international market and further improvement in its export growth.

Proposed issue of A shares

Issuance and Verification Committee of the China Securities Regulatory Commission did not approve the proposed A shares issue of the Company at the meeting held on 14 July 2008.

The Group will utilize its internal resources and other means to finance the projects intended to be funded by the issue of A shares. There will not be any material adverse impact on the Group's financial position and its operation.

3. INTERIM DIVIDEND

The directors did not recommend the payment of any interim dividend for the period.

4. MATERIAL LITIGATIONS

With regard to the legal proceedings instituted by Fiat Group Automobiles S.p.A ("Fiat") in The Court of Turin in Italy against the Company for the infringement of its rights in the exterior design of the Company's automobile model GWPeri ("GWPeri"), the Court of Turin delivered an order in summary proceedings before the formal proceedings on 16 July 2008, enjoining the automobile model GWPeri from advertising, promoting, offering for sale, importing and marketing in the European Union. The Company had made an appeal against the order on 31 July 2008.

Regarding the claims brought by Fiat in the Shijiazhuang Intermediate People's Court ("People's Court") of Hebei Province alleging the infringement of Fiat's patent by the Company's GWPeri, on 26 July 2008, the Company received the judgment delivered by the People's Court dated on 21 July 2008, the People's Court dismissed the claim by Fiat (which was referred to as "Fiat Auto S.P.A." in the said judgment) which alleged GWPeri was an infringement of Fiat's patent, and ordered that the court fees in the amount of RMB8,800 shall be paid by Fiat. The People's Court concluded that remarkable differences on the front view, left view and right view were shown between the GWPeri of the Company and the patented exterior design of Fiat based on the pictures exhibited as the patented exterior design of Fiat. In particular, there were significant differences in the front part and the rear part which the consumers most concerned about and such remarkable difference would not mislead the consumers to confuse between the two models. Any appeal against the judgment made by the High People's Court of Hebei Province may be lodged by Fiat within 30 days from the date of service of the judgment.

The Board accepted the judgment made by the People's Court and did not anticipate that the judgment would cause any effect on the Company. At the same time, as of the day of this announcement, the Company has not received any appeal notice made by Fiat.

The announcements relating to the abovementioned disputes of the Company were published on 25 July 2008 and 27 July 2008 respectively on the website of the Stock Exchange and the Company's website.

Save and except for the above intellectual rights disputes with Fiat, the Company is not involved in nor aware of any other significant proceedings instituted against the Company or its subsidiaries.

5. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There were no purchases, redemption or sale of the Company's listed securities by the Company or its subsidiaries during the period.

6. CORPORATE GOVERNANCE

To the knowledge of the Board, the Company has complied with all the provisions in the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Ltd (the "Stock Exchange") throughout the period.

7. AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") for the purposes of reviewing and providing supervision over financial reporting process and internal controls of the Group. The Audit Committee comprises four independent non-executive directors of the Company. The Audit Committee held a meeting on 4 September 2008 to consider and review the interim report and interim financial statements of the Group and to give their opinion and recommendations to the Board. The Audit Committee considers that the 2008 interim report and interim financial statements of the Company have complied with the applicable accounting standards and the Company has made appropriate disclosure thereof.

8. REMUNERATION COMMITTEE

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

9. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as code of conduct for securities transactions by all Directors. Upon specific enquiries made to the directors and in accordance with information provided, the Board confirmed that all directors have complied with the provision under the Model Code during the period.

10. PUBLICATION OF INTERIM REPORT ON THE STOCK EXCHANGE WEBSITE

The Company's 2008 interim report as of 30 June 2008 will be submitted to the Stock Exchange for uploading onto the Stock Exchange's website (www.hkex.com.hk) as well as the Company's website (www.gwm.com.cn) in due course.

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

Baoding, the PRC, 5 September 2008

* *For identification purposes only*

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

Executive Directors:	*Mr. Wei Jian Jun, Mr. Liu Ping Fu, Ms. Wang Feng Ying, Mr. Hu Ke Gang, Ms. Yang Zhi Juan*
Non-executive Directors:	*Mr. He Ping, Mr. Niu Jun*
Independent non-executive Directors:	*Mr. Wong Chi Keung, Ms. Wei Lin, Mr. Li Ke Qiang, Mr. He Bao Yin*