



Geely Automobile Holdings Limited Announced Interim Results for the First Half of 2014 Net Profit Down 20% to RMB1,113 Million

(HONG KONG, 20 August 2014) — Geely Automobile Holdings Limited ("Geely Automobile" / "The Group") (Stock code: 175) announced the interim results for the first half of 2014. During the period, total revenues decreased by 32% to RMB10,158 million and profit attributable to the equity holders of the Group was down 20% to RMB1,113 million, compared to the corresponding period in 2013. The benefits from lower automobile component costs more than offset the decrease in total revenues and sales volume, resulting in higher gross margin ratio. This, together with stable subsidy incomes and lower distribution and selling expenses, resulted in smaller decline in net profit. Fully diluted earnings per share (EPS) was down 22% to RMB12.65 cents.

The Spokesman of Geely Automobile said, "The Group was in the midst of a major product upgrading cycle and has embarked on a major reshuffle of its sales and marketing system. These also affected its sales performance during the period. The Group's sales volume in the China market was down 28% from the same period in 2013. The Group's export sales volume slid 32% to 34,440 units in the first half of 2014, amidst the political and social instability in some of the Group's major export markets in the Middle East and Eastern Europe. The Group sold a total of 187,296 units of vehicles in the first six months of 2014, down 29% from the same period in the previous year."

The Group plans to replace its old models with more sophisticated new models equipped with more advanced powertrain technologies and designs. Further, a new full size SUV model and a brand new large size sedan model are planned for launch by the Group within the year. These new powertrain technologies and new products are expected to help to revert the Group's overall sales performance in the remainder of 2014. Moreover, the shift of preference on vehicle procurement by the Chinese Government towards more indigenous brand products should provide additional opportunities for the Group to further expand its sales.

The Spokesman of Geely Automobile concluded, "Despite fierce competition in China's automobile market and sign of deteriorating market conditions in some of its major export markets in the first half of 2014, the Group's management team expected the overall sales performance should improve in the second half of 2014. However, in view of the less than satisfactory performance in the first half of 2014, the Group's management team decided to revise downward our full year sales volume target from 580,000 units to 430,000 units, which represent around 22% decline over 2013."

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