



**Geely Automobile Holdings Limited
Announced Annual Results for the Year Ended 31 December 2008
Net Profit Up 191% to RMB\$879 Million**

(HONG KONG, 16 April 2009)--- Geely Automobile Holdings Limited ("Geely Automobile"/the "Group")(Stock code: 175) announced the annual results for the year ended 31 December 2008. The Group recorded a record growth in revenues to RMB\$4,289 million in 2008, up 3,156% from 2007. Profit attributable to the equity holders of the group amounted to RMB\$879 million, representing a significant increase of 191% over 2007. Basic earnings per share for the year ended 31 December 2008 was approximately RMB\$15.04 cents (2007: RMB\$6.14 cents). The Board of Directors recommended the payment of final dividend of HK\$1.6 cent per share for 2008 (2007: HK\$1.3 cent). 2008 was the Group's best performing year in its history in terms of both sales and profitability. The strong performance was partly due to the higher shareholdings in these operating entities, the Group's five operating subsidiaries - Zhejiang Geely Automobile Company Limited ("Zhejiang Geely"), Shanghai Maple Guorun Automobile Company Limited ("Shanghai Maple"), Zhejiang Kingkong Automobile Company Limited ("Zhejiang Kingkong"), Zhejiang Ruhoo Automobile Company Limited ("Zhejiang Ruhoo") and Hunan Geely Automobile Components Company Limited ("Hunan Geely") - (collectively, "operating subsidiaries"), from 46.8% to 91% after the completion of the acquisitions in July 2008. Moreover, the continued success achieved by the operating subsidiaries' Strategic Transformation, also resulted in improvement in product mix towards higher-end sedans, and product price stability during the period. The "Strategic Transformation" has so far yielded very positive results, as evidenced by the tremendous success of a new economy car platform - the "Geely Panda" - launched in November 2008 and the significant improvement in brand recognition and customer satisfaction by Geely's products as indicated by the recent results of major industry surveys in China's sedan market.

Despite the severe challenges and difficulties, and thus a sharp slow down in exports sales towards the end of the year, the Group still managed to achieve another record year in terms of sales volume and profitability in 2008. The Group sold a total of 204,205 units of Geely and Maple sedans in 2008, up 12% over 2007. Of which, 19% or 37,940 units were sold abroad, up 80% over last year. In the Chinese market, the Group's sales volume was up 4% over last year to 166,265 units in 2008. The three higher-priced models including "Free Cruiser", "Geely Kingkong" and "Vision" accounted for 76% of the Group's total sales volume in 2008, compared with 63% in 2007 and less than 40% in 2006. During the year, the Group's profit margin was well protected by improved product mix, stability of product prices is helped by enhanced brand image and better customer satisfaction, and stable production costs are helped by strengthened relationship with major suppliers. Total net profit of the Group's five operating subsidiaries, or its vehicles manufacturing division, was up over 47% to RMB\$1,063 million on 16% growth in sales revenues for motor vehicles to RMB8,157 million, both are record highs in the Group's history.

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The spokesman of Geely Automobile said, "2009 would be a very challenging year for most of our automotive peers with a significant slowdown in motor vehicles sales in most parts of the World market. We have decided to take a more proactive approach to speed up the exploration of other new markets which are less affected by the current global financial market turmoil and have good potential demand for our products. We shall continue to proceed with the remaining steps under our "Strategic Transformation" to further improve the competence of our products. And we shall continue on our newly implemented "Platform Strategy" to enhance the Group's market competence. I believe the Group is well positioned to expand its market shares in the China market in 2009. The lower cost base into the 2009 should also help the Group to sustain its consistent earnings growth in the coming few years."

On the positive front, the demand for sedans in China has only been slightly affected so far. With the very low level of leverage in China's automobile market and amongst the major Chinese automobile manufacturers, and the country's still very low penetration rate for motor vehicles, China's motor vehicle market should remain the best performing market in the World in the coming year. Thanks much to an enactment of the "Stimulation Package for Automobile Industry" promulgated by the State Council recently and the continued strong demand for the Group's existing models, the total sales volume achieved by the Group's five operating subsidiaries in March 2009 set another record high in terms of monthly sales volume since the last record in January 2008. Total sales volume of the subsidiaries was 24,089 units in March 2009, up 15.9% over the same period last year and up 29.4% from February 2009. For the first quarter of 2009, the total sales volume of the Group's five operating subsidiaries was 61,226 units, up 8.3% over the same period last year.

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About Geely Automobile Holdings Limited (175)

The Group is principally engaged in automobile manufacturing. Geely Automobile entered into the Joint Venture Agreement to establish the JV Company with the subsidiary of Zhejiang Geely Holding Group Ltd., Zhejiang Geely Automobiles, on 30 March 2003. The JV Company is named "Zhejiang Geely Guorun Automobile Company Limited" and engages in the manufacture of economic class sedans in Beilun Economic and Technological Development Zone, Ningbo, Zhejiang Province. Geely Automobile owned 46.8% of the share capital of the JV Company. The group's name was subsequently changed to Zhejiang Geely Automobile Company Limited on 23 March 2004. In October 2003, the Group also entered into an agreement with Zhejiang Geely Holding Group Ltd. to establish "Shanghai Maple Guorun Automobile Company Limited". Geely Automobile was interested in 46.8% of the shareholdings. In May 2004, the Group's 46.8%-owned associate Zhejiang Geely Automobile Co. Limited agreed to acquire 90% shareholdings of the Zhejiang Haoqing Automobile Manufacturing Company Limited and the paid research and development cost of car model CK-1. At the same time, its another 46.8%-owned associate Shanghai Maple Guorun Automobile Co. Ltd. also agreed to acquire 90% shareholdings of Zhejiang Geely Automobile Research Institute Ltd. and 90% shareholdings of Ningbo Geely Engine Research Institute Ltd. In October 2006, the Group set up another two 46.8%-owned joint-venture with Geely Holding Limited through transferring the production facilities in Linhai and Luqiao from Zhejiang Geely to the two new associates called Zhejiang Kingkong Automobile Company Limited and Zhejiang Ruhoo Automobile Company Limited. The Group's interests in these JV Companies were raised to 91% on 1 July 2008.

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