



## [Press Release]

### **Geely Automobile Holdings Limited EARLY REDEMPTION OF 5-YEAR ZERO COUPON CONVERTIBLE BONDS DUE 2011**

(HONG KONG, 16 March 2009)--- Geely Automobile Holdings Limited ("Geely Automobile"/the "Group")(Stock code: 175) announced that it would redeem all outstanding 5-year zero coupon convertible bonds due 2011 ("CBs") for a total amount of approximately HK\$366 million on 10 April 2009.

The spokesman of Geely Automobile said, "Geely Automobile will satisfy the redemption payment of approximately HK\$366 million by means of internal cash reserve of the Group. Based on the latest available information, the Group had cash and bank balances of over HK\$2.0 billion as of 28 February 2009. As such, the Board is confident that the early redemption of the CBs would not have any adverse effect on the Group's financial position, which would remain sound following the early redemption process. Subsequent to the early redemption of all the outstanding CBs, the Group expects that it would not incur further finance costs in relation to the CBs."

#### **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 company'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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