

**Geely Automobile Holdings Limited Announces
Placing of 600,000,000 Existing Shares
And
Subscription for 600,000,000 New Shares**

(HONG KONG, 15 February 2007) --- **Geely Automobile Holdings Limited** ("Geely Automobile")(Stock code: 175.HK) today is pleased to announce that the placing of 600,000,000 existing shares and subscription for 600,000,000 new shares at the price of HK\$1.06 per Share which represents a discount of approximately 6% to the closing price of HK\$1.13 per Share as quoted on the Stock Exchange on 15 February 2007.

The net proceeds from the Subscription are estimated to be approximately HK\$609 million.

The Spokesperson of Geely Automobile said, "The net proceeds from the Subscription will mainly be used to fund the capital contribution to our new JV with Manganese Bronze Holdings PLC in Shanghai." The Company entered into a JV agreement with Manganese Bronze in November 2006 to engage in the manufacturing, sales and distribution of automobile parts, components and sub-assemblies, design, research and development and provision of after sales services.

The Placing Shares represent approximately 14.45% of the existing issued shared capital of Geely Automobile of 4,151,388,496 shares and approximately 12.63% of Geely Automobile's issued share capital as enlarged by the Subscription of 600,000,000 Shares.

The Vendor, Proper Glory Holding Inc., and Concerted Parties currently have an approximately 60.22% interest in the Company. The shareholding of the Vendor and Concerted Parties will be reduced to approximately 45.77% upon completion of the Placing and will be increased to approximately 52.62% upon completion of the Subscription.

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“We are confident that the Shanghai JV will be a highly viable investment for our company.” the Spokesperson of Geely Automobile continued.

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.

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