

Geely Automobile Holdings Limited
ACQUISITIONS OF ADDITIONAL INTERESTS IN OPERATING ASSOCIATES AND PARTS SUBSIDIARY

(HONG KONG, 13 July 2007)--- Geely Automobile Holdings Limited ("Geely Automobile"/the "Group")(Stock code: 175) announced that the Group today signed an agreement with its controlling shareholder to acquire 44.19% stakes in each of the Group's five operating associates, raising its equity interests in these operating associates to 91%, for a total consideration of HK\$1,611 million to be satisfied by the issue of 1,289 million new shares of the Group at HK\$1.25 per share, which is the average price of the last 20 trading days. Upon completion of the acquisition, the Group's controlling shareholder, together with its concert parties, will increase their combined shareholdings in the Group from 48.86% to 59.15% of the enlarged issued ordinary share capital. The consideration of HK\$1,611 million has been determined with reference to the unaudited net asset value of the operating associates 30 June 2007.

The Group also entered into another agreement on the same day with a connected party for the acquisition of the remaining 49% stake in Zhejiang Fulin Guorun Automobile Parts & Components Co. Ltd., raising its equity interests in Zhejiang Fulin Guorun to 100%, for a total consideration of HK\$23.3 million, payable in cash. The consideration is based on the 49% attributable interest in the unaudited net asset value of Zhejiang Fulin Guorun on 30 June 2007.

The spokesman of Geely Automobile said, "The acquisitions reflect the management's continued effort to further rationalize and restructure the Group's structure, aiming at improving the Group's overall transparency and its effectiveness as the ultimate holding vehicle of Zhejiang Geely Holding Group Company Limited's auto-related businesses. The use of new share issue rather than cash to pay for the additional stakes in the operating associates would not only help to reduce the financial burden over the Group, but also help the Group to further expand its capital base to cope with the rapid development of Group in the future."

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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 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.

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