

Geely Automobile Holdings Limited
SALES VOLUME UP 34.6% YoY IN JULY 2007

(HONG KONG, 9 August 2007)--- Geely Automobile Holdings Limited ("Geely Automobile"/the "Group")(Stock code: 175) announced that total sales volume of the Group's four 46.8%-owned associates was 11,236 units in July 2007, up 34.6% over the same month last year. The Group also announced that total sales volume of the Group's operating associates in the first half of 2007 has been restated due to the unexpected delay in the delivery of part of the orders received in the first half of 2007 and the adoption of more stringent sales recognition policy since 2007. The restated total sales volume of the four associates in the first half of 2007 was 84,387 units, down 8.2% from the same period in 2006. For the first seven months of 2007, total sales volume of the four associates was therefore 95,623 units, down 4.7% from the same period last year.

The spokesman of Geely Automobile said, "Despite a record month in terms of orders received in June 2007, when confirmed orders for almost 30,000 units of sedans were received, actual sales volume in June 2007 was lower than expectations due to the delay in the delivery of some popular models like "Free Cruiser" and "Vision", where their production volumes have been restricted by capacity constraints at the Ningbo plant. Although the continued shift in product mix towards higher priced models had further enhanced average unit sales price and boosted sales revenues significantly in the first half of 2007, this had also resulted in less exciting growth in the total sales volume so far in 2007 due to the dramatic drop in the sales volumes of low-priced models like "Haoqing", "Merrie" and "Ulion". The management plans to make use of the low season in the summer to increase the production volume of "Free Cruiser" and "Vision" in an attempt to fulfill the excess orders received in June 2007 within the coming two months."

Although the four associates only achieved slightly over 40% of their combined annual sales volume target of 240,000 units in the first seven months of 2007, the management still believes that the four associates' sales volume growth should speed up in the remainder of the year in anticipation of the good demand for "Vision" model, the expansion and upgrading of production facilities in Ningbo and the expected strong pick up in the delivery of export orders towards the end of the year.

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Detailed sales volume data will be available upon request. Please contact Ms Tracey Tong at Jovian for further information. The sales volume figures released so far in 2007 are based on a more stringent recognition criterion, requiring all sales to be contracted, paid and delivered before it would be recognized. These figures, however, are still preliminary figures and would be subject to changes and final confirmation.

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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