



Geely Automobile Holdings Limited Announced Interim Results for the Six Month Ended 30 June 2010 Underlying Net Profit Up 60% to RMB967 Billion

(HONG KONG, 25 August 2010) — Geely Automobile Holdings Limited (“Geely Automobile” / “The Group”) (Stock code: 175) announced the interim results for the six month ended 30 June 2010. During the period, the profit attributable to shareholders for the first half of 2010 was RMB805 million, 35% higher than the same period in 2009. Excluding non-cash expenses related to the recognition of shared-based payments to employees, underlying profit attributable to shareholders increased by 60% to RMB967 million.

The Spokesmen of Geely Automobile said, “The Group experienced a strong set of results despite continued difficult markets conditions in the Group’s major export markets reflecting both strong growth in domestic sales volume and the improvement in product mix during the period.”

The Group sold a total of 195,734 units of sedans in the first half of 2010, up 42% over the same period in 2009, achieving 49% of the Group’s full year sales volume target of 400,000 units. The sales volume of “Free Cruiser” was down by 9% to 47,772 units in the first half of 2010, but it remained the Group’s best selling models during the period, accounting for 24% of the Group’s total sales volume. “Geely Vision”, Englon “SC7” and Emgrand “EC7” attracted good demand in the China market with a total sales volume of 83,378 units, accounting for 43% of the Group total sales volume in the first half year of 2010. Stronger sales of these higher price models also helped to lift the Group’s ex-factory average sales price by over 13% YoY to around RMB44,000 level. The number of vehicles sold under the three new brands (“GLEagle”, “Emgrand” and Englon”) accounted for 38% of total sales volume in the first half of 2010, compared with less than 12% in 2009.

The Group’s management team remains confident that their 2010 sales volume target of 22% growth to 400,000 units could still be achieved. Key focuses of the Group in the second half of 2010 also include further support to open up new markets for the Group’s vehicles, improve the Group’s cost and quality control capabilities, strengthen internal control and speed up the building of product reserves of alternate energy vehicles. The recent completion of our parent’s acquisition of the entire issued share capital of Volvo Car Corporation (“Volvo Car”) from Ford Motor Company may offer potential future technical cooperation opportunities between the Group and Volvo Car, and the potential of the Group gaining access to some of the sophisticated technologies of Volvo Car.



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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