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吉 利 汽 車 控 股 有 限 公 司
GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 175)

FINANCIAL HIGHLIGHTS:

Revenue of the Group for 2008 was approximately RMB4,289 million, representing an increase of approximately RMB4,157 million (around 31.6 times) over 2007.

Profit attributable to equity holders of the Company for 2008 was approximately RMB879 million, representing an increase of approximately RMB577 million (around 1.9 times) over 2007.

Basic earnings per share for 2008 was approximately RMB15.0 cents (2007: RMB6.14 cents).

The Board decides to recommend payment of a final dividend of HK$0.016 per share, and such proposal is subject to approval by shareholders of the Company at the annual general meeting to be held on Monday, 25 May 2009 at 10:00 a.m. (HK Time).

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

The Board of Directors (the "Board") of Geely Automobile Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008, together with the comparative figures for 2007 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	**2008**	2007
		RMB'000	*RMB'000*
Turnover/Revenue	*5*	**4,289,037**	131,720
Cost of sales		**(3,637,752)**	(116,401)
Gross profit		**651,285**	15,319
Other income	*6*	**357,512**	28,172
Distribution and selling expenses		**(219,807)**	(3,055)
Administrative expenses		**(282,536)**	(45,394)
Finance costs	*8*	**(60,952)**	(33,699)
Fair value gain on embedded derivative components of convertible bonds		**6,250**	5,428
Excess of fair value of identifiable net assets acquired over cost	*11*	**339,835**	2,843
Share of results of associates	*12*	**226,335**	337,759
Impairment loss on interest in an associate		**(100,000)**	–
Profit before taxation		**917,922**	307,373
Taxation	*7*	**(51,869)**	(1,606)
Profit for the year	*8*	**866,053**	305,767
Attributable to:			
Equity holders of the Company		**879,053**	302,527
Minority interests		**(13,000)**	3,240
		866,053	305,767
Dividends	*9*	**91,376**	59,500
Earnings per share			
Basic	*10*	**RMB15.0 cents**	RMB6.14 cents
Diluted	*10*	**RMB14.3 cents**	RMB6.04 cents

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2008

	Note	2008 *RMB'000*	2007 *RMB'000*
Non-current assets			
Property, plant and equipment		**3,289,276**	30,957
Intangible assets		**657,155**	–
Interest in associates	*12*	**42,241**	2,040,437
Prepaid land lease payments		**1,051,745**	–
		5,040,417	2,071,394
Current assets			
Prepaid land lease payments		**26,611**	–
Inventories		**486,664**	13,918
Trade and other receivables	*13*	**2,840,255**	65,443
Dividend receivables from associates		**–**	3,418
Financial assets at fair value through profit or loss		**10,461**	4,494
Tax recoverable		**3,205**	–
Pledged bank deposits		**853,948**	–
Bank balances and cash		**889,408**	761,684
		5,110,552	848,957
Current liabilities			
Trade and other payables	*14*	**4,229,631**	37,176
Amount due to an associate		**–**	122
Taxation		**57,551**	702
Convertible bonds – embedded derivatives	*15*	**12,432**	18,682
Bank borrowings, secured		**685,589**	19,696
Convertible bonds	*15*	**288,267**	–
		5,273,470	76,378
Net current (liabilities) assets		**(162,918)**	772,579
Total assets less current liabilities		**4,877,499**	2,843,973
CAPITAL AND RESERVES			
Share capital	*16*	**122,542**	108,291
Reserves		**4,075,320**	2,235,554
Equity attributable to equity holders of the Company		**4,197,862**	2,343,845
Minority interests		**584,619**	203,225
Total equity		**4,782,481**	2,547,070
Non-current liabilities			
Convertible bonds	*15*	**–**	296,903
Long-term bank borrowings, secured		**87,000**	–
Deferred taxation	*17*	**8,018**	–
		95,018	296,903
		4,877,499	2,843,973

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 RMB'000	2007 RMB'000
Cash flows from operating activities			
Profit for the year before taxation		**917,922**	307,373
Adjustments for:			
Depreciation and amortisation		**141,053**	2,191
Interest income		**(49,725)**	(19,521)
Finance costs		**60,952**	33,699
Share of results of associates		**(226,335)**	(337,759)
Impairment loss on interest in an associate		**100,000**	–
Loss on disposal of property, plant and equipment		**4,079**	150
Net exchange (gain) loss		**(26,938)**	1,558
Fair value gain on embedded derivative components of convertible bonds		**(6,250)**	(5,428)
Net gain on forward foreign exchange contracts not used for hedging		**(1,655)**	(4,494)
Net loss on investments held for trading		**110**	–
Share-based payment expense		**26,909**	5,241
Excess of fair value of identifiable net assets acquired over cost		**(339,835)**	(2,843)
Operating profit (loss) before working capital changes		**600,287**	(19,833)
Inventories		**235,933**	(4,008)
Trade and other receivables		**458,876**	(6,408)
Amount due to an associate		**(122)**	122
Trade and other payables		**(753,790)**	13,612
Cash from (used in) operations		**541,184**	(16,515)
Income taxes refunded (paid)		**9,793**	(1,197)
Net cash from (used in) operating activities		**550,977**	(17,712)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(459,763)**	(21,027)
Proceeds from disposal of property, plant and equipment		**20,197**	–
Purchase of prepaid land lease payments		**(11,567)**	–
Purchase of intangible assets		**(333,228)**	–
Change in pledged bank deposits		**(853,948)**	–
Acquisition of additional interests in a subsidiary		**–**	(22,645)
Acquisition of subsidiaries	*18*	**1,186,887**	–
Investment in associates		**(64,053)**	(17,975)
Dividends received from associates		**185,059**	279,966
Proceeds from settlement of derivatives in respect of forward foreign exchange contracts		**6,149**	–
Interest received		**49,725**	19,521
Net cash (used in) from investing activities		**(274,542)**	237,840

CONSOLIDATED CASH FLOW STATEMENT *(CONTINUED)*
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	**2008** *RMB'000*	2007 *RMB'000*
Cash flows from financing activities			
Dividends paid		**(59,500)**	(55,034)
Repayment to immediate holding company		**–**	(10,771)
Proceeds from issuance of shares		**–**	610,560
Cost of issuance of shares		**–**	(25,088)
Capital contribution from a minority shareholder		**10,000**	4,113
Short-term bank borrowings, net, in respect of bank borrowings arising from discounted bills		**(5,463)**	(2,496)
Proceeds from borrowings		**337,278**	–
Repayment of borrowings		**(386,180)**	–
Interest paid		**(44,846)**	–
Net cash (used in) from financing activities		**(148,711)**	521,284
Increase in cash and cash equivalents		**127,724**	741,412
Cash and cash equivalents at beginning of year		**761,684**	20,972
Effect of foreign exchange rate changes		**–**	(700)
Cash and cash equivalents at end of year, represented by			
Bank balances and cash		**889,408**	761,684

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company is a public listed limited liability company incorporated in the Cayman Islands as an exempted limited liability company and its shares are listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). At 31 December 2008, the directors consider the ultimate holding company of the Company to be Zhejiang Geely Holding Group Company Limited (浙江吉利控股集團有限公司), which is incorporated in the People's Republic of China.

The Company's functional currency was Hong Kong dollar. Following the completion of acquisition of additional interests in the associates, which have become subsidiaries with effect from 1 July 2008, (details as set out in the circular dated 31 October 2007 and the announcement dated 4 July 2008 (note 18)), the directors re-examined its functional currency and presentation currency. As a result of this examination, the directors determined to change the functional currency from Hong Kong dollar to Renminbi with effect from 1 July 2008 as a substantial part of the Group's businesses are now conducted in Renminbi. The effect of the change of the functional currency of the Company has been accounted for prospectively since 1 July 2008. The comparative figures for the year ended 31 December 2007 have also been restated to change the presentation currency to Renminbi accordingly.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs"), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules").

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA that are applicable to the Group, which are effective for the Group's financial year beginning on 1 January 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

3. EFFECTS OF APPLICATION OF HKFRSs NOT YET EFFECTIVE

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible Hedged Items[3]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 7 (Amendment)	Improving disclosures about Financial Instruments[2]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[6]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[5]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[3]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[7]

1 *Effective for annual period beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual period beginning on or after 1 July 2009*

2 *Effective for annual period beginning on or after 1 January 2009*

3 *Effective for annual period beginning on or after 1 July 2009*

4 *Effective for annual period beginning on or after 1 July 2008*

5 *Effective for annual period beginning on or after 1 October 2008*

6 *Effective for annual period beginning on or after 30 June 2009*

7 *Effective for transfers of assets from customers received on or after 1 July 2009*

Among these new standards and interpretations, HKAS 1 (Revised) "Presentation of Financial Statements" is expected to materially change the presentation of the Group's financial statements. The amendments affect the presentation of owner changes in equity and introduce a statement of comprehensive income. The Group will have the option of presenting items of income and expenses and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The amendment does not affect the financial position or results of the Group but will give rise to additional disclosures.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

No business segment information has been presented for the years ended 31 December 2008 and 31 December 2007 as the directors considered that the Group is principally engaged in manufacturing and trading of automobiles and automobile parts and related automobile components which accounts for the total turnover and trading profits of the Group for the years.

Geographical segments

The Group's activities, operations and assets are based in the People's Republic of China (the "PRC"). Accordingly, no geographical analysis is presented.

5. TURNOVER/REVENUE

Turnover/revenue represents the consideration received and receivable from sales, net of discounts, returns and related sales taxes, of automobiles and automobile parts and components.

6. OTHER INCOME

	2008	2007
	RMB'000	*RMB'000*
Bank interest income	**49,725**	19,521
Net gain on financial instruments at fair value through profit or loss that are classified as held for trading (forward foreign exchange contracts not used for hedging)	**1,655**	4,494
Rental income *(note 1)*	**6,245**	–
Net claims income on defected materials purchased	**17,517**	1,225
Gain on disposal of scrap materials	**40,435**	–
Net exchange gain	**10,133**	–
Subsidy income from government *(note 2)*	**203,119**	–
Sundry income	**28,683**	2,932
	357,512	28,172

Note:

1: Rental income net of outgoings for the year ended 31 December 2008 is RMB4,692,000 (2007: Nil).

2: Subsidy income mainly relates to cash subsidies in respect of research and development activities from government which are unconditional grants.

7. TAXATION

	2008	2007
	RMB'000	*RMB'000*
Current tax:		
PRC foreign enterprise income tax	**18,716**	1,606
Withholding tax	**25,135**	–
	43,851	1,606
Deferred taxation *(note 17)*	**8,018**	–
	51,869	1,606

Hong Kong profits tax has not been provided for the year as the companies within the Group had no estimated assessable profits in Hong Kong.

Pursuant to the relevant laws and regulations in the PRC, the Group's PRC subsidiary is entitled to an exemption from PRC foreign enterprise income tax for the two years starting from its first profit-making year, followed by a 50% reduction for the next three years. The income tax provision is calculated at the applicable tax rates on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

The tax charge for the year can be reconciled to the profit before taxation per consolidated income statement as follows:

	2008	2007
	RMB'000	*RMB'000*
Profit before taxation	**917,922**	307,373
Tax at the PRC enterprise income tax rate of 25% (2007: 33%)	**229,481**	101,433
Tax effect of expenses not deductible in determining taxable profit	**104,823**	9,834
Tax effect of non-taxable income	**(122,867)**	(113,368)
Tax effect of unrecognised temporary differences	**1,723**	–
Tax effect of unrecognised tax losses	**3,670**	–
Tax effect of different tax rates of entities operating in other jurisdictions	**5,397**	6,336
Withholding tax on retained earnings distributed	**25,135**	–
Deferred tax charge on distributable profits withholding tax *(note 17)*	**8,018**	–
Effect of tax exemption granted to PRC subsidiaries	**(203,511)**	(2,629)
Tax expense for the year	**51,869**	1,606

The applicable tax rate is the PRC's foreign enterprise income tax rate of 25% (2007: 33%). On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% from 1 January 2008. In respect of tax holidays, for those enterprises which have already started their tax holidays before 2008, they are able to enjoy the remaining tax holidays until expiry whereas for those enterprises which have not yet started their tax holidays before 2008, the tax holidays will be deemed to start from 1 January 2008 and they are able to enjoy the remaining tax holidays until expiry.

Pursuant to the New Law, the Group will be liable to withholding tax on dividends to be distributed from the Group's foreign-invested enterprises in the PRC in respect of its profits generated from 1 January 2008. Deferred tax liability of RMB8,018,000 and current income tax of RMB25,135,000 were recognised for the distributable profits not yet paid out as dividends and dividends paid out from distributable profits respectively that are generated by PRC subsidiaries and associates of the Company during the year.

8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2008	2007
	RMB'000	*RMB'000*
Finance costs		
Effective interest expense on convertible bonds	**16,106**	33,699
Interest on bank borrowings wholly repayable within five years	**44,846**	–
	60,952	33,699

	2008	2007
	RMB'000	*RMB'000*
Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	**200,817**	16,992
Retirement benefit scheme contributions	**20,291**	935
Recognition of share-based payments (included in administrative expenses)	**26,909**	5,241
	248,017	23,168

	2008	2007
	RMB'000	*RMB'000*
Other items		
Cost of inventories recognised as expense	**3,637,752**	116,401
Auditors' remuneration	**2,444**	1,532
Depreciation	**108,646**	2,191
Amortisation of prepaid land lease payments	**13,653**	–
Amortisation of intangible assets	**18,754**	–
Net exchange loss	**–**	9,486
Loss on disposal of property, plant and equipment	**4,079**	150
Operating leases charges on premises	**5,054**	1,237
Unrealised loss on financial instruments at fair value through profit or loss that are classified as held for trading (investments held for trading)	**110**	–

9. DIVIDENDS

A final dividend and a special dividend for the year ended 31 December 2006 of HK$0.01 per share and HK$0.002 per share respectively, amounting to approximately RMB55,034,000 were paid to the shareholders during the year ended 31 December 2007.

A final dividend for the year ended 31 December 2007 of HK$0.013 per share amounting to approximately RMB59,500,000 were paid to the shareholders during the year.

A final dividend for the year ended 31 December 2008 of HK$0.016 per share amounting to approximately RMB91,376,000 has been proposed by the Board of Directors after the balance sheet date. The proposed dividend will be accounted for as an appropriation of accumulated profits in the year ending 31 December 2009 if it is approved by the shareholders in the forthcoming annual general meeting.

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the profit attributable to equity holders of the Company of RMB879,053,000 (2007: RMB302,527,000) and weighted average number of ordinary shares of 5,845,419,450 shares (2007: 4,930,320,263 shares), calculated as follows:

(i) Weighted average number of ordinary shares

	2008	2007
Issued ordinary shares at 1 January	**5,201,083,450**	4,151,388,496
Effect of new shares issued	**644,336,000**	526,027,397
Effect of shares issued upon conversion of convertible bonds	**–**	252,904,370
Weighted average number of ordinary shares at 31 December	**5,845,419,450**	4,930,320,263

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2008 is based on the profit attributable to equity holders of the Company of RMB888,909,000 (2007: RMB302,527,000) and the weighted average number of ordinary shares of 6,225,339,910 shares (2007: 5,011,783,093 shares), calculated as follows:

(i) Profit attributable to equity holders of the Company (diluted)

	2008	2007
	RMB'000	*RMB'000*
Earnings for the purpose of basic earnings per share (Profit attributable to equity holders)	**879,053**	302,527
After tax effect of effective interest on the liability component of convertible bonds	**16,106**	–
After tax effect of fair value gain on the derivative embedded in convertible bonds	**(6,250)**	–
Earnings for the purpose of diluted earnings per share	**888,909**	302,527

(ii) Weighted average number of ordinary shares (diluted)

	2008	2007
Weighted average number of ordinary shares for the purpose of basic earnings per share	**5,845,419,450**	4,930,320,263
Effect of deemed conversion of convertible bonds	**365,413,793**	–
Effect of deemed issue of shares under the Company's share option scheme	**14,506,667**	81,462,830
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**6,225,339,910**	5,011,783,093

The effect of deemed conversion of convertible bonds was anti-dilutive for the year ended 31 December 2007.

11. EXCESS OF FAIR VALUE OF IDENTIFIABLE NET ASSETS ACQUIRED OVER COST

The amount represented excess of fair value of identifiable net assets acquired over cost in respect of acquisition of subsidiaries (note 18) and acquisition of additional interests in a subsidiary for the year ended 31 December 2008 and 31 December 2007 respectively.

12. INTEREST IN ASSOCIATES

	2008	2007
	RMB'000	*RMB'000*
Share of net assets	**124,059**	2,022,255
Goodwill	**18,182**	18,182
Impairment loss recognised	**(100,000)**	–
	42,241	2,040,437
Represented by:		
Cost of investments in associates		
Unlisted	**–**	812,776
Listed overseas	**189,710**	192,620
Share of post-acquisition (losses) profits and reserves	**(47,469)**	1,035,041
Impairment loss recognised	**(100,000)**	–
	42,241	2,040,437
Fair value of listed investments	**38,049**	475,563

Movement of interest in associates:

	2008	2007
Opening carrying amount	**2,040,437**	1,666,999
Dividends received	**(181,641)**	(204,941)
Share of results	**226,335**	337,759
Share of reserves	**–**	29,381
Investment in associates	**64,053**	207,445
Exchange difference	**(4,728)**	3,794
Acquisition of subsidiaries *(note 18)*	**(2,002,215)**	–
Impairment loss recognised	**(100,000)**	–
Closing carrying amount	**42,241**	2,040,437

During the year, the Company acquired additional interests of 44.19% in the PRC associated companies and therefore these PRC associated companies become subsidiaries of the Company. Details have been set out in note 18 to the consolidated financial statements.

At 31 December 2008, the Group had interest in the following associate:

Name of company	Place of establishments and operations	Paid-up capital	Attributable equity interest indirectly held by the Group	Principal activities
Manganese Bronze Holdings plc	United Kingdom	£6,281,000	22.69%	UK-based speciality automotive and taxi services group

Having considered the significant drop in the market value of the shares in Manganese Bronze Holdings plc ("MBH") and the projected future profitability and cash flows of MBH, the Company has recognised an impairment loss of RMB100,000,000 during the year.

The summarised financial information in respect of the Group's associates is set out below:

	2008	2007
	RMB'000	*RMB'000*
Total assets	**979,941**	9,897,636
Total liabilities	**(433,851)**	(5,186,841)
Net assets	**546,090**	4,710,795
Group's share of net assets of associates	**124,059**	2,022,255
Revenue	**1,051,573**	11,572,513
Profit for the year attributable to equity holders of the associates	**396,805**	727,499
Group's share of results of associates for the year	**226,335**	337,759

The above summarised financial information in respect of income statement items for the year ended 31 December 2008 included those PRC associates up to the date when they became subsidiaries during the year as set out in note 18 to the consolidated financial statements.

13. TRADE AND OTHER RECEIVABLES

	Note	2008 RMB'000	2007 RMB'000
Trade and notes receivables			
Trade receivables			
– From third parties		**263,681**	17,578
– From related companies controlled by the substantial shareholder of the Company		**391,839**	–
	(a)	**655,520**	17,578
Notes receivable	*(b)*	**1,196,694**	41,661
		1,852,214	59,239
Deposits, prepayments and other receivables			
Deposits, prepayments and other receivables		**483,616**	6,204
Amounts due from related parties	*(c)*	**504,425**	–
		2,840,255	65,443

(a) Trade receivables

The Group allows a credit period of 30 days to 90 days to its trade customers. The following is an aged analysis of the trade receivables at the balance sheet dates:

	2008 RMB'000	2007 RMB'000
0 – 60 days	**535,295**	17,578
61 – 90 days	**84,684**	–
Over 90 days	**35,541**	–
	655,520	17,578

Included in the Group's trade receivables balance are debtors with a carrying amount of RMB35,541,000 (2007: Nil) which are past due at the balance sheet date for which the Group has not provided for impairment loss. The age of these past due but not impaired debtors are between 90 days to 365 days. The Group does not hold any collateral over these balances. No material impairment has been made to the trade receivables balance. For those receivables that are neither past due nor impaired are mainly due from large corporations which the Group have long trading history and therefore these debtors are considered to have good credit quality.

(b) Notes receivable

All notes receivable are denominated in Renminbi and are primarily notes received from third parties and an associate for the year ended 31 December 2008 and 2007 respectively for settlement of trade receivable balances. At 31 December 2008 and 31 December 2007, all notes receivable were guaranteed by established banks in the PRC and have maturities of six months or less from 31 December.

During the year, the Group has discounted notes receivable to banks in exchange for cash with recourse in the ordinary course of business. The Group continues to recognise the full carrying amount of notes receivable and has recognised the cash received as secured short-term bank borrowings, which is wholly repayable within one year, as reported in the consolidated balance sheet. At the balance sheet date, the carrying amount of discounted notes receivable and the associated financial liabilities was RMB14,233,000 (2007: RMB19,696,000). The effective interest rate for the short-term bank borrowings on discounting notes receivable is approximately 2.5% (2007: 3.18%) per annum. In addition, the Group has pledged notes receivable of RMB101,217,000 (2007: Nil) to banks to secure the Group's notes payable.

(c) Amounts due from related parties

Amounts due from related parties namely represent deposits paid for purchases of raw materials from entities controlled by the substantial shareholder of the Company. The amounts due are unsecured and interest-free.

14. TRADE AND OTHER PAYABLES

	Note	**2008** *RMB'000*	2007 *RMB'000*
Trade and notes payables			
Trade payables			
– To third parties		**603,723**	29,805
– To related parties controlled by the substantial shareholder of the Company		**569,099**	–
	(a)	**1,172,822**	29,805
Notes payable			
– To third parties		**1,759,234**	–
– To related parties controlled by the substantial shareholder of the Company		**75,000**	–
	(b)	**1,834,234**	–
		3,007,056	29,805
Other payables			
Accrued charges and other creditors		**1,153,563**	7,371
Amounts due to related parties	*(c)*	**69,012**	–
		4,229,631	37,176

(a) The following is an aged analysis of trade payables at the balance sheet dates:

	2008	2007
	RMB'000	*RMB'000*
0 – 60 days	**1,113,253**	23,877
61 – 90 days	**16,419**	3,977
Over 90 days	**43,150**	1,951
	1,172,822	29,805

(b) Notes payable

At 31 December 2008 and 31 December 2007, all notes payable have maturities of six months or less from 31 December.

(c) Amounts due to related parties

The amounts due to related parties controlled by the substantial shareholder of the Company are unsecured, interest-free and have no fixed repayment terms.

15. CONVERTIBLE BONDS

On 10 April 2006, the Company issued HK$741.6 million zero coupon convertible bonds due 2011 ("CB 2011"). The CB 2011 are listed on the Singapore Stock Exchange.

The CB 2011 are convertible into fully paid ordinary shares of HK$0.02 each of the Company at an initial conversion price of HK$0.90 per share, subject to adjustment in certain events, at any time on or after 10 May 2006 and up to the close of business on 10 March 2011, unless previously redeemed, converted or purchased and cancelled.

The Company may, at its option, satisfy its obligation to deliver shares following the exercise of the right of conversion by a holder, in whole or in part, by paying to relevant holder a cash amount which equal to the number of shares deliverable upon exercise of the conversion right and average closing price of the shares.

Conversion price reset

If the average of the closing prices (the "Average Market Price") of the shares for the period of 20 consecutive trading days immediately prior to 10 April 2007 and 10 April 2008 (each a reset date) is less than the conversion price on the reset date (after taking into account any adjustments in certain events which may have occurred prior to the reset date), the conversion price shall be adjusted on the relevant reset date so that the Average Market Price will become the adjusted conversion price with effect from the relevant reset date, provided that:

(i) any such adjustment to the conversion price shall be limited such that the adjusted conversion price in no event shall be less than 80% of the conversion price prevailing on the relevant reset date (after taking into account any adjustments as in certain events which may have occurred prior to the reset date); and

(ii) the conversion price shall not be reduced below the then par value (currently HK$0.02 per share) of the shares unless under applicable law then in effect the CB 2011 could be converted at such reduced conversion price into legally issued, fully-paid and non-assessable shares.

The conversion price has not been reset for each reset date.

Redemption

On or at any time after 10 April 2008 and prior to 10 March 2011, the Company may redeem all, but not some only, of the bonds at the early redemption amount if:

(i) the closing price of the Company's shares on the SEHK shall have been at least 130% of the applicable early redemption amount divided by the conversion ratio for each of the 30 consecutive trading day period; or

(ii) at any time providing at least 90% of the principal amount of the CB 2011 has been converted, redeemed or purchased and cancelled.

On 10 April 2009, the holder of each bond will have the right at such holder's option, to require the Company to redeem all or some of the bonds at 115.123% of their principal amount.

Unless previously converted, redeemed or purchased and cancelled, the CB 2011 will be redeemed at 126.456% of their outstanding principal amount on 10 April 2011.

The convertible bonds contain a liability component and the embedded derivatives (comprising a put option, a call option and conversion option), which are required to be accounted for separately. The movements of the convertible bonds for the year are set out below:

	2008	2007
	RMB'000	*RMB'000*
Liability component		
Carrying amount brought forward	**296,903**	682,838
Exchange adjustments	**(24,742)**	(27,314)
Conversion during the year	**–**	(392,320)
Accrued effective interest charges	**16,106**	33,699
	288,267	296,903
Fair value of embedded derivative in respect of the put option and conversion option		
Carrying amount brought forward	**54,508**	169,782
Exchange adjustments	**(4,542)**	(6,791)
Conversion during the year	**–**	(87,032)
Changes in fair value	**(12,196)**	(21,451)
	37,770	54,508
Less: Fair value of embedded derivative in respect of the call option		
Carrying amount brought forward	**35,826**	115,894
Exchange adjustments	**(2,986)**	(4,636)
Conversion during the year	**–**	(59,409)
Changes in fair value	**(7,502)**	(16,023)
	25,338	35,826
	12,432	18,682

The principal amount of the convertible bonds converted during the year ended 31 December 2007 was HK$395,990,000 (approximately RMB380,150,000) and the principal amount outstanding at 31 December 2008 is HK$317,910,000 (2007: HK$317,910,000) or approximately RMB279,761,000 (2007: approximately RMB305,194,000).

At initial recognition the derivative component of the convertible notes is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Subsequently, interest on the liability component is calculated using the effective interest method by applying the effective interest rate of 6.76% per annum.

The derivatives embedded in the convertible bonds are measured at fair value at the balance sheet date by an independent professional valuer, BMI Appraisals Limited using the Black-Scholes-Merton option pricing model and the discounted cash flow method. It has been assumed that exchange rates and interest rates will not differ materially from those presently prevailing. The fair values are determined in whole directly by reference to published price quotations in an active market.

Subsequent to the balance sheet date, the Company received early redemption notices from the bondholders to redeem all the outstanding bonds. Accordingly, all the outstanding bonds were redeemed on 10 April 2009 at HK$365,988,000 (approximately RMB322,069,000).

16. SHARE CAPITAL

	Number of shares	**Nominal value** *RMB'000*
Authorised:		
Ordinary shares of HK$0.02 each		
At 1 January 2007	8,000,000,000	169,920
Creation of additional shares	4,000,000,000	76,800
At 31 December 2007 and 31 December 2008	12,000,000,000	246,720
Issued and fully paid:		
Ordinary shares of HK$0.02 each		
At 1 January 2007	4,151,388,496	88,137
Issue of shares for cash	600,000,000	11,520
Shares issued upon conversion of convertible bonds	449,694,954	8,634
At 31 December 2007 and 1 January 2008	5,201,083,450	108,291
Change in functional currency	–	(8,430)
Issue of shares for acquisition of subsidiaries	1,288,672,000	22,681
At 31 December 2008	6,489,755,450	122,542

On 1 July 2008, the Company issued 1,288,672,000 ordinary shares at an issue price of HK$0.89 per share (approximately RMB0.78), of which RMB22,681,000 was credited to share capital and the balance of RMB986,607,000 was credited to the share premium account, as consideration paid for the acquisition of additional interests in associates as set out in note 18 to the consolidated financial statements.

17. DEFERRED TAXATION

The following is the deferred tax liability recognised and movements thereon during the year:

	Undistributed profits of subsidiaries
	RMB'000
Charge to income statement during the year and at 31 December 2008 *(note 7)*	8,018

Under the New Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has been provided for in the consolidated financial statements in respect of temporary differences attributable to the profits earned by the PRC subsidiaries based on the expected dividends payout ratio of these PRC subsidiaries.

18. ACQUISITION OF SUBSIDIARIES

On 1 July 2008, the acquisition of additional interests in the associates of Zhejiang Geely Automobile Company Limited, Shanghai Maple Guorun Automobile Company Limited, Zhejiang Ruhoo Automobile Company Limited, Zhejiang Kingkong Automobile Company Limited and Hunan Geely Automobile Components Company Limited as set out in the circular dated 31 October 2007 and the announcement dated 4 July 2008 was completed. These PRC associates are incorporated in the PRC and engage in the manufacturing and sales of automobiles and related components in the PRC. The Company acquired additional 44.19% of the registered capital of these PRC associates. After the acquisition of additional interests, these PRC associates become 91% owned subsidiaries of the Company. The consideration paid is satisfied by the issuance of 1,288,672,000 ordinary shares of the Company. The net assets acquired in the transaction are as follows:

	Acquiree's carrying amount before combination *RMB'000*	**Fair value adjustment** *RMB'000*	**Fair value** *(note)* *RMB'000*
Net assets acquired:			
Property, plant and equipment	2,800,094	–	2,800,094
Prepaid land leases	1,066,382	–	1,066,382
Intangible assets	342,681	–	342,681
Long-term investment	1,800	–	1,800
Goodwill	204,842	(204,842)	–
Trade and other receivables	3,233,688	–	3,233,688
Investments held for trading	10,571	–	10,571
Inventories	708,679	–	708,679
Cash and cash equivalents	1,472,499	–	1,472,499
Trade and other payables	(4,800,801)	–	(4,800,801)
Bank borrowings	(807,258)	–	(807,258)
Minority interests	(31,687)	–	(31,687)
	4,201,490	(204,842)	3,996,648
Minority interests			(359,698)
Excess of fair value of identifiable net assets acquired over cost			(339,835)
			3,297,115
Total consideration satisfied by:			
Fair value of the Company's shares issued			1,009,288
Cash			285,612
Carrying value of interest in associates			2,002,215
			3,297,115
Net cash inflow arising on acquisition:			
Cash consideration paid			(285,612)
Bank balances and cash acquired			1,472,499
			1,186,887

Note: Other than the goodwill, the directors assessed that the differences between fair values and carrying amounts of other assets and liabilities are insignificant.

The fair value of the Company's ordinary shares issued was based on the quoted market price at the date of acquisition. Although the acquisition had been approved by the independent shareholders of the Company prior to 31 December 2007, the acquisition was only completed on 1 July 2008 when the government approvals were obtained.

The excess of fair value of identifiable net assets acquired over cost arose in the business combination because the quoted market price of the Company's shares decreased significantly from the date of entering into formal contracts on acquisition to the completion date and there was no adjustment clause to the number of shares issued.

In addition, the net asset values of the associates have increased in respect of the operating profits during the period since the entering of sales and purchase agreement. Therefore, the Company agreed to pay additional cash compensation to the vendor.

The above acquirees contributed approximately RMB385 million to the Group's profit for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1 January 2008, total group revenue for the year would have been approximately RMB8,409 million and profit for the year would have been approximately RMB1,166 million. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 January 2008, nor is it intended to be a projection of future results.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

2008 was a milestone year in the Group's history with its successful transformation into the ultimate holding vehicle of auto-related assets of Zhejiang Geely Holding Group Company Limited ("Geely Holding") and its subsidiaries (collectively, "Geely Holding Group"), following the completion of the acquisition of additional interests in the Group's five major operating associates on 1 July 2008, raising its equity interests in these operating associates to 91% ("the Acquisitions"). By virtue of the Acquisitions, the Group's five major operating associates – the key earnings contributors to the Group, comprising virtually all Geely Holding Group's operating auto-related businesses – have become subsidiaries of the Group, thus allowing the Group to fully consolidate their financial results into the Group's consolidated financial statements from July 2008 onwards.

Helped by the full consolidation of the financial results of the vehicle manufacturing businesses since July 2008, the Group's turnover increased substantially to RMB4,289 million for the year ended 31 December 2008. Profit attributable to the equity holders of the Company amounted to RMB879 million, representing a significant increase of 191% over 2007, due to the strong growth in profit contributions from the Group's five major operating subsidiaries – Zhejiang Geely Automobile Company Limited ("Zhejiang Geely"), Shanghai Maple Guorun Automobile Company Limited ("Shanghai Maple"), Zhejiang Kingkong Automobile Company Limited ("Zhejiang Kingkong"), Zhejiang Ruhoo Automobile Company Limited ("Zhejiang Ruhoo") and Hunan Geely Automobile Components Company Limited ("Hunan Geely") – (collectively, "operating subsidiaries"). The strong growth in their profit contribution was partly due to the higher shareholdings in these operating entities from 46.81% to 91% after the completion of the Acquisitions in mid 2008, and the continued success achieved by the operating subsidiaries' Strategic Transformation, resulted in improvement in product mix towards higher-end sedans, and product price stability during the period. Significant achievements by the operating subsidiaries in improving customer satisfactions, and product reliability and quality also contributed to the strong performance during the year.

Business Overview

The growth of sedan demand in the China market encountered a sharp slow down since the second quarter of 2008. This, coupled with the tremendous cost pressure, especially in the early part of the year, caused by high inflation in China and rapidly rising prices of raw materials during the first half of the year, followed by rapidly deteriorating consumer sentiment caused by the global financial market turmoil in the third quarter of 2008, have resulted in very difficult market condition for most Chinese sedan manufacturers during most of the time in 2008.

Despite the severe challenges and difficulties, and thus a sharp slow down in exports sales towards the end of the year, the Group still managed to achieve another record year in terms of sales volume and profitability in 2008, helped by the significant effort by the Group's operating subsidiaries to improve customer satisfactions, product quality and reliability and to further enhance their brand images during 2008.

To cope with the rapid changes in market environment, the Group has embarked on a major "Strategic Transformation" since May 2007, through expansion into higher-end and larger-sized vehicles and major investments to enhance the Group's technology competence and product branding, aiming at transforming its competitive advantages from price competitive to technology and performance competent. The "Strategic Transformation" started to yield obvious positive results in 2008, enabling the Group to achieve remarkable results despite a significant weaker sedan market in both China and abroad. Thanks to the initial success in the Group's "Strategic Transformation", the Group has successfully migrated from its old lower-priced models to the higher margin new models during the year.

The Group sold a total of 204,205 units of Geely and Maple sedans in 2008, up 12% over 2007. Of which, 19% or 37,940 units were sold abroad, up 80% over last year. In the Chinese market, the Group's sales volume was up 4% over last year to 166,265 units in 2008. Despite a relatively slower growth in domestic sales volume, the Group, however, achieved a sharp improvement in product mix towards higher-priced models during the period. The three higher-priced models including "Free Cruiser", "Geely Kingkong" and "Vision" accounted for 76% of the Group's total sales volume in 2008, compared with 63% in 2007 and less than 40% in 2006. During the year, the Group's profit margin was well protected by improved product mix, stability of product prices helped by enhanced brand image and better customer satisfaction, and stable production costs helped by strengthened relationship with major suppliers. Total net profit of the Group's five major operating subsidiaries, or its vehicles manufacturing division, was up over 47% to RMB1,063 million on 16% growth in sale revenues for motor vehicles, both are record highs in the Group's history.

Outlook

The year of 2009 should be full of challenges and opportunities for the Group. The global financial market crisis started in 2008 has adversely affected consumer confidence and caused severe shortage of funding in the global financial market. Motor vehicle sales have dropped significantly in most parts of the World market, putting tremendous pressure on our exports business. On the positive front, motor vehicle demand in China, especially those for fuel-efficient economy sedans, was only slightly affected so far, thus allowing us to offset slower exports sales by increased sales in the domestic market so far in 2009. The significant fall in raw material prices since mid 2008 also help us to enter 2009 with a lower cost base. This, coupled with the relatively stability of RMB exchange rates, should help to ease the pressure on our margins in 2009. On the macro front, recent Chinese Government policies including the reduction of sales tax for smaller size cars effective in September 2008, the introduction of fuel tax in January 2009 and the promulgation of "Stimulation Package for Automobile Industry" in early 2009, should all help to promote the demand for safe, energy-efficient and environmental friendly vehicles the Group produce. Further, the current problems faced by the global automobile market should lead to major consolidation of the global automobile industry, thus creating huge opportunities for the Group to penetrate new markets and to upgrade its manufacturing and product technologies through acquisitions.

The downturn in the global automobile market and the slow down in automobile demand in China has so far only limited impact on the Group's performance, thanks to the Group's well timed "Strategic Transformation", resulted in stronger brand image, improved product quality and customers' satisfaction, and enhanced profitability and thus stronger financial health. In addition, the implementation of "Multi-brand Strategy" in the area of product marketing and "Platform Strategy" in the development of new products has helped to build a strong foundation for the Group to sustain long-term earnings growth in the future.

New models developed under the Group's new "Platform Strategy" like "Geely Kingkong", "Vision" and "Geely Panda" have already been launched. With the considerable efforts spent in the past few years in promoting these models and improving their product reliability and quality, we are confident that these products are well prepared to make significant contribution to the Group in the coming few years, thus enabling the Group to deliver better profitability and thus shareholders' returns in the coming years. This, coupled with the planned launches of four brand new models and four upgraded models, and the introduction of a series of new automatic gearboxes and engines in 2009, have prompted us to budget a faster than average growth in sales volume in 2009, forecasting to sell a total of 250,000 units of vehicles during the year, up 22% from 2008.

In the medium to longer term, the Group will continue to upgrade and expand our production facilities to improve quality and reduce costs, to build new production facilities in less developed provinces to develop new markets and generate additional demand for our products, to invest in product and technology innovation in order to differentiate our products from the rest of the market, to establish close partnership relationship with major suppliers to reduce volatility of raw material and component costs, and to expand internationally through exports, mergers, acquisitions, and strategic alliances with an aim to develop the Group into an internationally competitive automobile manufacturer.

CAPITAL STRUCTURE AND TREASURY POLICIES

The Group funds its short-term working capital requirement mainly through its own operational cash flow, short-term bank loans from commercial banks in China and the credit from its suppliers. For its longer-term capital expenditures including product and technology development costs, investment in the construction, expansion and upgrading of production facilities, the Group's strategy is to fund these longer-term capital commitments by a combination of its operational cash flow, shareholders' loan from the its parent Geely Holding and fund raising exercises in the capital market. As at 31 December 2008, the Group's shareholders' funds amounted to approximately RMB4,198 million (As at 31 December 2007: approximately RMB2,344 million). No ordinary shares were issued by the Company during the year.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group considers that fluctuations in exchange rate do not impose a significant risk to the Group since the Group's operations are principally in the Mainland China and Hong Kong and the Group's assets and liabilities are mainly denominated either in Renminbi or Hong Kong dollars.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2008, the Group's current ratio (current assets/current liabilities) was 0.97 (As at 31 December 2007: 11.12) and the gearing ratio of the Group was 25% (As at 31 December 2007: 14%) which was calculated on the Group's total borrowings to total shareholders' equity. Total borrowings (excluding the embedded derivatives of the Company's convertible bonds and trade and other payables) as at 31 December 2008 amounted to approximately RMB1,061 million (As at 31 December 2007: approximately RMB317 million) were mainly the Company's convertible bonds and bank borrowings, secured. For the Company's convertible bonds, they were unsecured, interest-bearing and repaid on maturity or the put options being exercised. For the bank borrowings, they were secured, interest-bearing and repaid on maturity. Should other opportunities arise requiring additional funding, the Directors believe the Group is in a good position to obtain such financing.

EMPLOYEES' REMUNERATION POLICY

As at 31 December 2008, the total number of employees of the Group was about 9,945 (As at 31 December 2007: 8,813). Employees' remuneration packages are based on individual experience and work profile. The packages are reviewed annually by the management who takes into account the overall performance of the working staff and market conditions. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong and state-managed retirement benefit scheme in the PRC. In addition, employees are eligible for share options under the share option scheme adopted by the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2008.

PROPOSED FINAL DIVIDEND

The directors have recommended the payment of a final dividend of HK$0.016 per ordinary share for the year ended 31 December 2008. The proposed dividend payments are subject to approval by the shareholders of the Company at the annual general meeting to be held on Monday, 25 May 2009 at 10:00 a.m. (HK Time). Upon shareholders' approval, the proposed final dividend will be paid on or before 30 June 2009 to shareholders whose names shall appear on the register of members of the Company on 25 May 2009.

CLOSING OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 20 May 2009 to Monday, 25 May 2009, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Union Registrars Limited, at Rooms 1901-2, Fook Lee Commercial Centre Town Place, 33 Lockhart Road, Wan Chai, Hong Kong, for registration not later than 4:00 p.m. (HK Time) on Tuesday, 19 May 2009.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with the requirements as set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 14 of the Listing Rules on the Stock Exchange of Hong Kong Limited.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the year, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own Code for Securities Transactions by Officer (the "Code"). All directors of the Company have confirmed their compliance during the year with the required standards set out in the Model Code and the Code.

AUDIT COMMITTEE

The Listing Rules require every listed issuer to establish an Audit Committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Audit Committee is accountable to the Board and the primary duties of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls. The Audit Committee currently comprises Mr. Lee Cheuk Yin, Dannis, Mr. Song Lin and Mr. Yeung Sau Hung, Alex, who are the independent non-executive directors of the Company.

The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 December 2008.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held in Hong Kong on Monday, 25 May 2009 at 10:00 a.m. (HK Time). A notice of the annual general meeting will be issued and delivered to shareholders of the Company in due course.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2008 have been agreed by the Group's auditors, Grant Thornton (the ''Auditors''), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditors on the preliminary announcement.

ANNOUNCEMENT OF ANNUAL REPORT ON THE WEB SITES OF THE COMPANY AND THE STOCK EXCHANGE OF HONG KONG LIMITED

Pursuant to the requirements of the Listing Rules regarding the reporting period, the 2008 annual report will set out all information disclosed in the annual results announcement for 2008 and will be disclosed on the websites of the Company (http://www.geelyauto.com.hk) and the Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) on or before 30 April 2009.

By Order of the Board of
Geely Automobile Holdings Limited
Li Shu Fu
Chairman

Hong Kong, 16 April 2009

As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Yang Jian (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Mr. Ang Siu Lun, Lawrence, Mr. Yin Da Qing, Richard, Mr. Liu Jin Liang, Mr. Zhao Jie and Dr. Zhao Fuquan, the non-executive director of the Company is Mr. Xu Gang and the independent non-executive directors of the Company are Mr. Lee Cheuk Yin, Dannis, Mr. Song Lin and Mr. Yeung Sau Hung, Alex.