GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 175)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER, 2005

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, 2005, together with the comparative figures for 2004 as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER, 2005

	NOTES	**2005** ***HK$'000***	2004 *HK$'000* (restated)
Continuing operations			
Revenue		**101,411**	31,903
Cost of sales		**(90,649)**	(30,378)
Gross profit		**10,762**	1,525
Other income		**681**	91
Distribution and selling expenses		**(379)**	(183)
Administrative expenses		**(18,378)**	(16,465)
Share of results of associates		**122,691**	93,471
Profit before taxation		**115,377**	78,439
Income tax expense	*4*	**–**	–
Profit for the year from continuing operations		**115,377**	78,439
Discontinued operations			
Profit for the year from discontinued operations		**–**	2,395
Profit for the year	5	**115,377**	80,834
Attributable to:			
Equity holders of the Company		**110,827**	81,305
Minority interests		**4,550**	(471)
		115,377	80,834
Dividends	*6*		
– Paid during the year		**41,203**	–
– Proposed final dividend		**41,203**	41,203
Earnings per share	*7*		
Basic			
– From continuing and discontinued operations		**HK 2.69 cents**	HK 1.97 cents
– From continuing operations		**HK 2.69 cents**	HK 1.91 cents

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER, 2005

	NOTES	2005 HK$'000	2004 HK$'000
Non-current assets			
Property, plant and equipment		**7,433**	5,831
Interests in associates	*8*	**786,996**	651,750
		794,429	657,581
Current assets			
Inventories		**5,703**	8,815
Trade and other receivables	9	**44,840**	11,921
Dividend receivable from an associate		**8,220**	–
Amount due from an associate		**–**	338
Amounts due from related companies		**–**	613
Bank balances and cash		**8,449**	1,499
		67,212	23,186
Current liabilities			
Trade and other payables	*10*	**34,817**	12,575
Amounts due to related companies		**923**	2,252
Amount due to a minority shareholder		**4,588**	5,027
Advance from immediate holding company		**14,220**	–
		54,548	19,854
Net current assets		**12,664**	3,332
		807,093	660,913
Capital and reserves			
Share capital		**82,405**	82,405
Reserves		**715,675**	571,042
Equity attributable to equity holders of the Company		**798,080**	653,447
Minority interests		**9,013**	4,466
		807,093	657,913
Non-current liability			
Advance from former ultimate holding company		**–**	3,000
		807,093	660,913

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards, Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRS(s)"), Hong Kong Accounting Standards ("HKAS(s)") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1 January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests and share of tax of associates and discontinued operation have been changed. The changes in presentation have been applied retrospectively.

The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results are prepared and presented.

Share-based Payments

HKFRS 2 "Share-based Payment" requires an expense to be recognised where an entity buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors and employees' share options of the Group determined at the date of grant of the share options, over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted on or after 1 January, 2005. In accordance with the relevant transitional provisions, the Group has not applied HKFRS 2 to share options granted on or before 7 November, 2002 and share options that were granted after 7 November, 2002 (but prior to 1 January, 2005) and has vested before 1 January, 2005. However, the Group is still required to apply HKFRS 2 retrospectively to share options that were granted after 7 November, 2002 and which were not yet vested on 1 January, 2005. The effect of adoption of this new standard is set out below.

The effects of the application of the new HKFRSs/changes in the accounting policies described above are as follows:

(i) On results

	Year ended 31 December,	
	2005	2004
	HK$'000	*HK$'000*
Non-amortisation of goodwill in an associate's consolidated financial statements	**1,122**	–
Recognition of share-based payments	**(5,538)**	(3,089)
Decrease in profit for the year	**(4,416)**	(3,089)

(ii) On income statement line items

	2005	2004
	HK$'000	*HK$'000*
Increase in administrative expenses	**(5,538)**	(3,089)
Decrease in share of profits of associates	**(27,474)**	(6,696)
Decrease in taxation	**28,596**	6,696
Decrease in profit for the year	**(4,416)**	(3,089)

(iii) On balance sheet items

	As at 31.12.2004 (originally stated)	**Retrospective adjustments HKAS 1**	**HKFRS 2**	**As at 31.12.2004 and 1.1.2005 (restated)**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Accumulated profits	35,899	–	(3,089)	32,810
Share options reserve	–	–	3,089	3,089
Minority interests	–	4,466	–	4,466
Total effects on equity	35,899	4,466	–	40,365
Minority interests	4,466	(4,466)	–	–

As a result of the application of the new HKAS 1, minority interests of HK$2,389,000 at 1 January, 2004 were included as part of the total equity.

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments and interpretations will have no material impact on the financial statements of the Group.

HKAS 1 (Amendment)	Capital disclosures[1]
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures[2]
HKAS 21 (Amendment)	Net investment in a foreign operation[2]
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions[2]
HKAS 39 (Amendment)	The fair value option[2]
HKAS 39 & HKFRS 4 (Amendments)	Financial guarantee contracts[2]
HKFRS 6	Exploration for and evaluation of mineral resources[2]
HKFRS 7	Financial instruments: Disclosures[1]
HK(IFRIC) – INT 4	Determining whether an arrangement contains a lease[2]
HK(IFRS) – INT 5	Rights to interests arising from decommissing, restoration and environmental rehabilitation funds[2]
HK(IFRIC) – INT 6	Liabilities arising from participating in a specific market, waste electrical and electronic equipment[3]
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[4]

1 *Effective for annual periods beginning on or after 1 January, 2007.*
2 *Effective for annual periods beginning on or after 1 January, 2006.*
3 *Effective for annual periods beginning on or after 1 December, 2005.*
4 *Effective for annual periods beginning on or after 1 March, 2006.*

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

No business segment information has been presented for the year ended 31 December, 2005 as the directors considered that the Group is principally engaged in manufacturing and trading of automobile and related automobile components which accounts for the total revenue and trading profits of the Group for the year.

For the year ended 31 December, 2004, for management purposes, the Group was organised into two operating divisions – (i) manufacturing and trading of automobile and related automobile components, (ii) information technology. These divisions were the basis on which the Group reported its primary segment information, for that year.

Principal activities are as follows:

Automobile – manufacturing and trading of automobile parts and related automobile components

Information technology – information technology and related business

Following the disposal of its interest in the 51% owned subsidiaries, the operations of information technology was discontinued on 30 March, 2004.

	Year ended 31 December, 2004		
	Continuing operations	**Discontinued operations**	
	Automobile	**Information technology**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000* (restated)
REVENUE			
External sales	31,903	9,220	41,123
RESULT			
Segment result	(256)	(787)	(1,043)
Unallocated corporate expenses	(14,776)	–	(14,776)
Finance costs	–	(53)	(53)
Share of results of associates	93,471	46	93,517
Gain on disposal of the discontinued subsidiaries	–	3,189	3,189
Profit before taxation			80,834
Income tax expense	–	–	–
Profit for the year			80,834

BALANCE SHEET

	At 31 December, 2004		
	Continuing operations	**Discontinued operations**	
	Automobile	**Information technology**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*
ASSETS			
Segment assets	680,767	–	680,767
LIABILITIES			
Segment liabilities	18,674	–	18,674
Unallocated liabilities			4,180
			22,854

OTHER INFORMATION

	Year ended 31 December, 2004		
	Continuing operations	**Discontinued operations**	
	Automobile	**Information technology**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*
Capital additions	2,568	60	2,628
Depreciation	528	183	711
Loss on disposal of property, plant and equipment	7	–	7

Geographical segments

The Group's activities and operations are based in the People's Republic of China (the "PRC"), including Hong Kong. Accordingly, a geographical analysis is not presented.

4. INCOME TAX EXPENSE

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 income tax for the two years starting from their first profit-making year, followed by a 50% reduction for the next three years.

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

	2005	2004
	HK$'000	*HK$'000* (restated)
Profit before taxation		
– Continuing operations	**115,377**	78,439
– Discontinued operations	**–**	2,395
	115,377	80,834
Less: Share of results of associates	**(122,691)**	(93,471)
	(7,314)	(12,637)
Tax at the domestic income tax rate of 33%	**(2,414)**	(4,170)
Tax effect of expenses not deductible in determining taxable profit	**–**	–
Tax effect of tax losses not recognised	**5,480**	5,222
Tax effect of income not taxable in determining taxable profit	**–**	(1,052)
Effect of tax exemption granted to PRC subsidiaries	**(3,066)**	–
Tax expense for the year	**–**	–

At the balance sheet date, the Group has unused tax losses of approximately HK$32,430,000 (2004: HK$15,824,000) available to offset against future profits. No deferred tax assets have been recognised in respect of the tax losses due to unpredictability of future profit streams. The tax losses can be carried forward indefinitely.

5. PROFIT FOR THE YEAR

	Continuing operations		Discontinued operations		Consolidated	
	2005	2004	**2005**	2004	**2005**	2004
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Profit for the year has been arrived at after charging (crediting):						
Staff costs, including directors' emoluments	**10,284**	7,706	**–**	748	**10,284**	8,454
Retirement benefit scheme contributions	**297**	299	**–**	228	**297**	527
Total staff costs	**10,581**	8,005	**–**	976	**10,581**	8,981
Auditors' remuneration	**580**	332	**–**	–	**580**	332
Depreciation	**811**	528	**–**	183	**811**	711
Recognition of share-based payments (included in administrative expenses)	**5,538**	3,089	**–**	–	**5,538**	3,089
Loss on disposal of property, plant and equipment	**–**	7	**–**	–	**–**	7
Interest income from bank deposits	**(57)**	(6)	**–**	–	**(57)**	(6)
Share of tax of associates	**28,596**	6,696	**–**	–	**28,596**	6,696
Cost of inventories recognised as expenses	**90,649**	30,378	**–**	8,090	**90,649**	38,468

6. DIVIDENDS

A final dividend for the year ended 31 December, 2004 of HK$0.01 per share amounting to HK$41,203,000 was paid to the shareholders during the year.

A final dividend of HK$0.01 per share have been proposed by the Directors and are subject to approval by the shareholders in the forthcoming annual general meeting.

7. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic earnings per share is based on the profit for the year attributable to equity holders of the Company of HK$110,827,000 (2004: HK$81,305,000 as restated) and on 4,120,264,902 (2004: 4,120,264,902) ordinary shares in issue during the year.

From continuing operations

The calculation of the basic earnings per share from continuing operations attributable to the equity holders of the Company is based on the following information:

	2005	2004
	HK$'000	*HK$'000*
		(restated)
Earnings for the year attributable to equity holders of the Company	**110,827**	81,305
Less: Earnings for the period from discontinued operations	**–**	(2,745)
Earnings for the purpose of basic earnings per share from continuing operations	**110,827**	78,560

The denominators used are the same as those detailed above for basic earnings per share from continuing and discontinued operations.

From discontinued operations
Basic earnings per share from discontinued operations for the year ended 31 December, 2004 was HK0.06 cents which was calculated based on the profit for that year from discontinued operations of HK$2,745,000. The denominators used are the same as those detailed above for basic earnings per share from continuing and discontinued operations.

No diluted earnings per share presented as the exercise price of the share options was higher than the average market price for the years ended 31 December, 2005 and 2004.

The following table summarises the impact of changes in accounting policies on basic earnings per share from continuing and discontinued operations as a result of:

	Impact on basic earnings per share	
	2005	2004
	Cents	*Cents*
Figures before adjustments	**2.80**	2.05
Adjustments arising from changes in accounting polices *(see note 2)*	**(0.11)**	(0.08)
	2.69	1.97

8. INTERESTS IN ASSOCIATES

	2005	2004
	HK$'000	*HK$'000*
Share of net assets (including goodwill of approximately HK$22 million)	**786,996**	651,750

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

	2005	2004
	HK$'000	*HK$'000*
Total assets	**6,064,557**	4,618,750
Total liabilities	**(4,382,943)**	(3,226,122)
Net assets	**1,681,614**	1,392,628
Group's share of net assets of associates	**786,996**	651,750
Revenue	**4,970,570**	2,311,016
Profit for the year	**262,161**	199,724
Group's share of result of associates for the year	**122,691**	93,471

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK$43,966,000 (2004: HK$11,420,000).

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:

	2005	2004
	HK$'000	*HK$'000*
0 – 60 days	**43,489**	7,874
61 – 90 days	**67**	2,948
Over 90 days	**410**	598
	43,996	11,420

The trade receivables comprise:

	2005	2004
	HK$'000	*HK$'000*
Trade receivables from associates	**24,925**	11,219
Trade receivables from a related company of an associate	**19,041**	201
	43,966	11,420

In the opinion of the directors, the fair value of the Group's trade and other receivables at 31 December, 2005 approximates their corresponding carrying amounts.

10. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$27,047,000 (2004: HK$11,143,000).

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

	2005	2004
	HK$'000	*HK$'000*
0 – 60 days	**24,576**	7,763
61 – 90 days	**1,989**	832
Over 90 days	**482**	2,548
	27,047	11,143

In the opinion of the directors, the fair value of the Group's trade and other payables at 31 December, 2005 approximates their corresponding carrying amounts.

11. POST BALANCE SHEET EVENT

On 9 March, 2006, the Company entered into a Subscription Agreement with the Co-Lead Managers (as defined in the Company's announcement dated 9 March, 2006), whereby the Co-Lead Managers have agreed to subscribe or procure subscribers for the Bond to be issued at par by the Company in an aggregate principal amount of HK$741,600,000.

The estimated net proceeds of the Bonds Issue, after deduction of commission and administrative expenses (amounting to approximately HK$15,000,000), are approximately HK$726.6 million. The proceeds are currently intended to be used by the Company for increasing its investments in its two 46.8%-owned associates, namely Zhejiang Geely Automobile Co., Ltd. and Shanghai Maple Guorun Automobile Company Limited and its 51%-owned subsidiary, namely Zhejiang Fulin Guorun Automobile Parts & Components Co., Ltd..

On 10 April, 2006, the Subscription Agreement was completed and the Bonds of an aggregate principal amount of HK$741,600,000 were issued.

Details of the Bonds are set out in the offering circular in respect of the proposed issue of HK$741,600,000 zero coupon convertible bonds due 2011 of the Company dated 6 April, 2006.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group's turnover amounted to HK$101m for the year ended 31 December 2005, representing an increase of 218% over previous year. Profit attributable to shareholders amounted to HK$111m, a significant increase of 36% over 2004. The big increase in net profit was attributable to the large increase in profit contributions from the Group's two associates – Zhejiang Geely Automobile Company Limited ("Zheijang Geely") and Shanghai Maple Guorun Automobile Company Limited ("Shanghai Maple") – mainly due to the strong sales and earnings recovery achieved by the two associates in the second half of 2005, more than offsetting the 23% decline in net profit in the first half of 2005.

Business Overview

Although the demand for sedans in the China market started to recover since the beginning of 2005, the early part of 2005 remained a difficult period for the automobile industry in China, featured by rapidly rising costs of raw materials and fierce competition. Despite the challenges and difficulties, and thus a less than exciting performance in the first half of 2005, the Group still managed to achieve respectable results for the full year period in 2005, helped by a more stable raw material prices since the second quarter of the year, and the encouraging response to new products like "Free Cruiser" – launched in mid 2005 – and the new 1.0L Ulion family sedans. The Group's proven track record in cost control and the timely response by the management to adjust business strategies and implement new measures to enhance product mix also help the Group to significantly improve profitability in the second half of 2005, reversing the downward margin trend started in mid 2004. In 2005, sales of higher priced models like "Free Cruiser", "Mybo" and "Maple" series accounted for 38% of the two associates' total sales volume, a significant improvement from 12% in 2004 and only 8% in 2003.

During 2005, the Group's two major associates – Zhejiang Geely and Shanghai Maple – sold 133,041 units of Geely and Maple sedans, up 101% over 2004, raising their combined market share in China's passenger car market to 4.8% in 2005. Zhejiang Geely and Shanghai Maple, which produce and sell Geely and Maple sedans, remained the key profit contributors of the Group in 2005.

The Group's 51% – owned parts subsidiary Zhejiang Fulin Guorun Automobile Parts and Components Company Limited ("Zhejiang Fulin") returned to profitability in 2005. Zhejiang Fulin recorded substantial growth in turnover during the year, helped by the launches of new products like Electric Power Steering ("EPS") at the end of 2004 and the continued good sales volume growth enjoyed by Geely and Maple sedans, which utilize Zhejiang Fulin's braking and steering products.

Although the withdrawal from information technology businesses in March 2004 helped to reduce expenses during 2005, the Group's administrative expenses in 2005 still increased by 12% to HK$18m due to the inclusion of an additional HK$5.5m expenses incurred by the grant of share options to key management team members for the subscription for a total of 239.5m shares of the Group in August 2005, following the adoption of revised Hong Kong Accounting Standards from 1 January 2005.

2005 was a milestone in the Group's expansion into the international market with the exports of over 7,000 sedans to over 30 countries, accounting for almost half of the total number of sedans exported from China in 2005. In June 2005, the Group's associate Shanghai Maple signed an agreement with Information Gateway Corporation Sdn Bhd ("IGC") to export and assembly Geely sedans in Malaysia, marking the Group's first step to manufacture Geely sedans in overseas location and the export and sales of car-manufacturing technologies to third parties. The Group also signed a Memorandum of Understanding with the Hong Kong Productivity Council ("HKPC") on 21 June 2005 to collaborate on the development of a high-end sedan and related components in Hong Kong, signifying the Group's first attempt to enter into the high-end sedan market. In addition, the first appearances of Geely sedans in the Frankfurt Motor Show held in September 2005 and the Detroit Auto Show in January 2006 had achieved tremendous success and had proved to be a very effective way to promote "Geely" brand and enhance the international market recognition of Geely sedans.

During 2005, the Group completed the restructuring of its management team to reflect its new shareholding structure and its gradual transformation into a company focusing on manufacturing and sales of automobiles and automobile parts. Seven new executive directors and an independent non-executive director were nominated to join the Board in June 2005.

Outlook

We believe the strong growth in the demand for fuel-efficient and easy-to-maintain economy sedans in China should be sustainable in the coming decade. This is due to China's consistent economy growth and rising household incomes, and its still low car ownership with less than 1% of the population owning a car at present.

The Group and the Group's two associates will continue to focus on the operation and expansion of its automobile business, to actively seek for ways and opportunities to expand the Group's revenues and to further reduce costs, thereby to enhance the returns to the Group's shareholders.

According to the figures released by the China Association of Automobile Manufacturers, total sales volume of passenger cars in China increased by 25% to 2.9 million units in 2005. Although fierce competition in China's sedan market should remain, we expect growth of China's sedan sales volume to be maintained at around 20% in the coming few years. However, sales of lower end economy sedans should continue to grow faster than other types of vehicles in the foreseeable future due to the continued migration of demand from corporations to individuals.

With the commencement of mass production of new facilities in Luqiao in 2006, the full year contribution from "Free Cruiser" model first offered in 2nd quarter of 2005 and the scheduled launches of a number of strategically important new models in 2006, the Group's two associates expect to further increase their combined market shares from 4.8% to 5% in 2006, thus translating into total sales volume of 180,000 units, representing an YoY growth of 35%.

CAPITAL STRUCTURE AND TREASURY POLICIES

The business activities of the Group are mainly financed by the share capital, dividend received from the Group's two major associates and cash generated from the operating activities. As at 31 December 2005, the Group's shareholders' fund amounted to HK$798 million (As at 31 December 2004: HK$653 million). No additional share was issued 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 all assets and liabilities are denominated either in Renminbi or Hong Kong dollars.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2005, the Group's current ratio (current assets/current liabilities) was 1.23 (As at 31 December 2004: 1.17) and the gearing ratio of the Group was 2.4% (As at 31 December 2004: 1.5%) which was calculated on the Group's total borrowings to total shareholders' equity. Total borrowings as at 31 December 2005 amounted to HK$19 million (2004: HK$10 million) were mainly advance from immediate holding company and amount due to a minority shareholder and they were unsecured, interest-free and repayable on demand. 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 2005, the total number of employees of the Group including associates was about 7,714 (As at 31 December 2004: 6,941). 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.

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 2005.

CLOSING OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 17 May 2006 to Friday, 19 May 2006, 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 311-312 Two Exchange Square, Central, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 16 May 2006.

CORPORATE GOVERNANCE

The Code of Best Practice set out in Appendix 14 to the Listing Rules was replaced by the Code on Corporate Governance Practices ("CG Code") which has come into effect for accounting periods commencing on or after 1 January 2005. In the opinion of the Directors, the Company has applied the principles and complied with the requirements as set out in the CG Code, with two major deviations from CG Code provisions during the year. One is CG Code provision A.2.1 in respect of the separation of roles of the Chairman and Chief Executive Officer. In order to address this CG Code deviation, the Board resolved that Mr. Gui Sheng Yue, an executive director, was appointed as the Chief Executive Officer of the Company with effect from 23 February 2006 and Mr. Li Shu Fu, the Company's Chairman, resigned from the Chief Executive Officer with effect from 23 February 2006. The other one is CG Code provision A.4.2 which stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Board considers that non-compliance with CG Code provision A.4.2 is acceptable this year. However, the Board considers securing its Board members to be a multiple of three at all times in future such that every director shall be subject to retirement by rotation at least once every three years.

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.

During the period from 7 March 2005 (the resignation date of Mr. Liu Ming Hui, a former independent non-executive director) to 6 June 2005 (the appointment date of Mr. Yeung Sau Hung, Alex as an independent non-executive director), the Company had been unable to strictly comply with the relevant rules 3.10 and 3.21 of the Listing Rules requiring the Company to retain at all times a minimum of three independent non-executive directors and audit committee members.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 December, 2005 included in this preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

PUBLICATION OF DETAILED ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

All the information required by paragraph 45 of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

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

Hong Kong, 21 April 2006

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

Please also refer to the published version of this announcement in The Standard.