

1/2 新空间的畅想

Management

Discussion & Analysis 管理層討論及分析



吉利汽车
GEELEY AUTOMOBILE
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豪情300A
精彩上市

超值空间，精彩纷呈

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整體表現

雖然二零零四年第二季起中國轎車市場銷量增長開始放緩，但集團兩間聯營公司－浙江吉利及上海華普，仍在二零零四年為集團帶來健康的回報，除了貢獻集團盈利的主要部份，更抵消了集團佔51%股權的浙江福林汽車零部件業務在年內所錄得的輕微營運虧損。二零零四年三月售出的資訊科技業務亦幫助減省了開支。加上兩間聯營公司提供全年利潤貢獻及新購入業務帶來的新收益，集團在二零零四年的溢利淨額為港幣84,000,000元，錄得47%的升幅。集團營業額為港幣41,000,000元，微升3%，主因為集團二零零三年底購入的浙江福林全年營業額抵消了二零零四年三月出售資訊科技業務所損失的九個月收入。

汽車製造－浙江吉利及上海華普

集團擁有浙江吉利及上海華普的46.81%股權，兩間公司於二零零四年錄得的總純利為港幣201,000,000元，較二零零三年上升38%，總銷量為66,057輛，上升139%，總銷售收入為港幣23億元，上升124%。每輛汽車的平均銷售收入下跌6%到港幣35,000元，這是由於中高價車款，包括優利歐、美人豹及華普的銷量上升，只抵消了二零零四年下半年以來包括較低售價豪情車款的部分影響。

OVERALL PERFORMANCE

Despite the slowdown in the growth of sedan sales volume in China since the second quarter of 2004, the group's two associates – Zhejiang Geely and Shanghai Maple – continued to generate healthy returns and accounted for the bulk of the company's earnings in 2004, more than offsetting the small operating loss recorded by the company's auto parts business under its 51%-owned Zhejiang Fulin. The withdrawal from information technology businesses in March 2004 also helped to reduce expenses. This, coupled with the full year contribution from the two associates and contribution from new acquisitions, had enabled the group to record a substantial 47% growth in net profit in 2004 to HK\$84m. The groups' turnover was up slightly by 3% to HK\$41m as the absence of turnover from IT businesses in the last 9 months of 2004 was more than offset by the inclusion of the full year turnover of Zhejiang Fulin, which was acquired by the group at the end of 2003.

VEHICLE MANUFACTURING - ZHEJIANG GEELY AND SHANGHAI MAPLE

Zhejiang Geely and Shanghai Maple, both are 46.81%-owned by the group, recorded total net profit of HK\$201m in 2004, up 38% over 2003, 139% increase in sales volume to 66,057 units and a 124% increase in total revenues to HK\$2.3 billion. Revenue per car declined 6% to HK\$35,000 as increased sales of higher-priced Ulion, Mybo and Maple models only partly offset the inclusion of low price Haoqing models since the second half of 2004.



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每輛汽車的平均純利為港幣3,046元，下跌42%，主要原因是二零零四年中浙江吉利購入臨海及路橋廠房90%股權。臨海廠房主要從事生產及售賣豪情系列經濟型轎車，此款轎車較集團其他的轎車的盈利較低。另外，路橋廠房於二零零四年底才完工，故於二零零四年未能為集團帶來任何收益。寧波廠房自二零零四年十月起暫時關閉以作生產設備提升及把美日及優利歐的生產搬往臨海，此舉影響了美日及優利歐車款於下半年的生產量和銷量。加上搬運廠房的額外開支，影響了寧波廠房的邊際純利。

雖然高價車款如美人豹及華普轎車二零零四年的銷量上升，但兩者的銷量均未達到經濟規模，故於二零零四年內未能見到其對兩間聯營公司的盈利帶來明顯的正面影響。於二零零四年內，兩間聯營公司節省了採購汽車零部件的開支平均約達15%，大大抵銷了年內某些車款售價下調10%以及鋼價上升約30%的負面影響。

Net profit per car, however, declined 42% to HK\$3,046, mainly due to the acquisition of 90% stakes in Linhai plant and Luqiao plants by Zhejiang Geely in mid-2004. Linhai plant was mainly engaged in the production and sales of Haoqing series of economy sedans which used to command lower margins than the group's other sedan models. The construction of Luqiao plant was only completed at the end of 2004 and therefore it had yet to contribute any profit in 2004. The temporary closure of Ningbo plant since October 2004 for the upgrading of its production facilities and the subsequent relocation of the production of Merrie and Ulion models from Ningbo plant to Linhai plant had also affected the production and sales volume of Merrie and Ulion in the second half of 2004. This, together with the additional expenses incurred by the relocation, had also affected the net profit margin of the Ningbo plant.

Despite the increased sales of higher-priced models like Mybo and Maple sedans in 2004, the sales volume of both models have yet to reach the minimum economy scales and therefore their positive impact on the profitability of the two associates have yet to become significant in 2004. During 2004, the two associates managed to reduce the cost of outsourced automobile parts by around 15%, largely offsetting the average 10% reduction in the prices of some of our models and the approximately 30% increase in steel prices during the year.



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架構重組

集團於年內繼續進行業務重組，轉型成為主要從事汽車及汽車零部件製造及銷售。二零零四年有關重組的主要事項為：

二零零四年一月：吉利控股之創辦人及主席李書福先生間接購入集團約19.4%有效股份，成為集團其中一位最大股東。

二零零四年三月：集團名稱由「國潤控股有限公司」改為「吉利汽車控股有限公司」，以反映公司之主要業務為吉利及華普轎車製造及銷售。

二零零四年七月：集團兩間聯營公司購入吉利大部份剩餘之汽車相關資產，包括臨海、路橋廠房的90%股份及吉利控股之汽車研究與開發（「研發」）業務及CK-1型號之累積開發投資，總代價為人民幣723,000,000元。至此，吉利控股旗下全部汽車資產，除出口代理業務外，均已進入與本集團建立的兩家聯營公司之內。本集團亦考慮，在法律及規則允許的前提下，增持合營公司權益至超過50%。

為與公眾股東保持良好聯系及確保資訊發放的準確性及有效性，集團於二零零四年七月開設公司網頁www.geelyauto.com.hk以發放公司新聞及公告。

REORGANISATION

During the year, the group continued its on-going restructuring to transform itself into a company focusing on manufacturing and sales of automobile and automobile parts. Key events related to reorganization of the group in 2004 included:

January 2004: Mr. Li Shufu, the founder and Chairman of Geely Holding became one of the largest shareholders of the group after indirect acquisition of an effective 19.4% stake in the group;

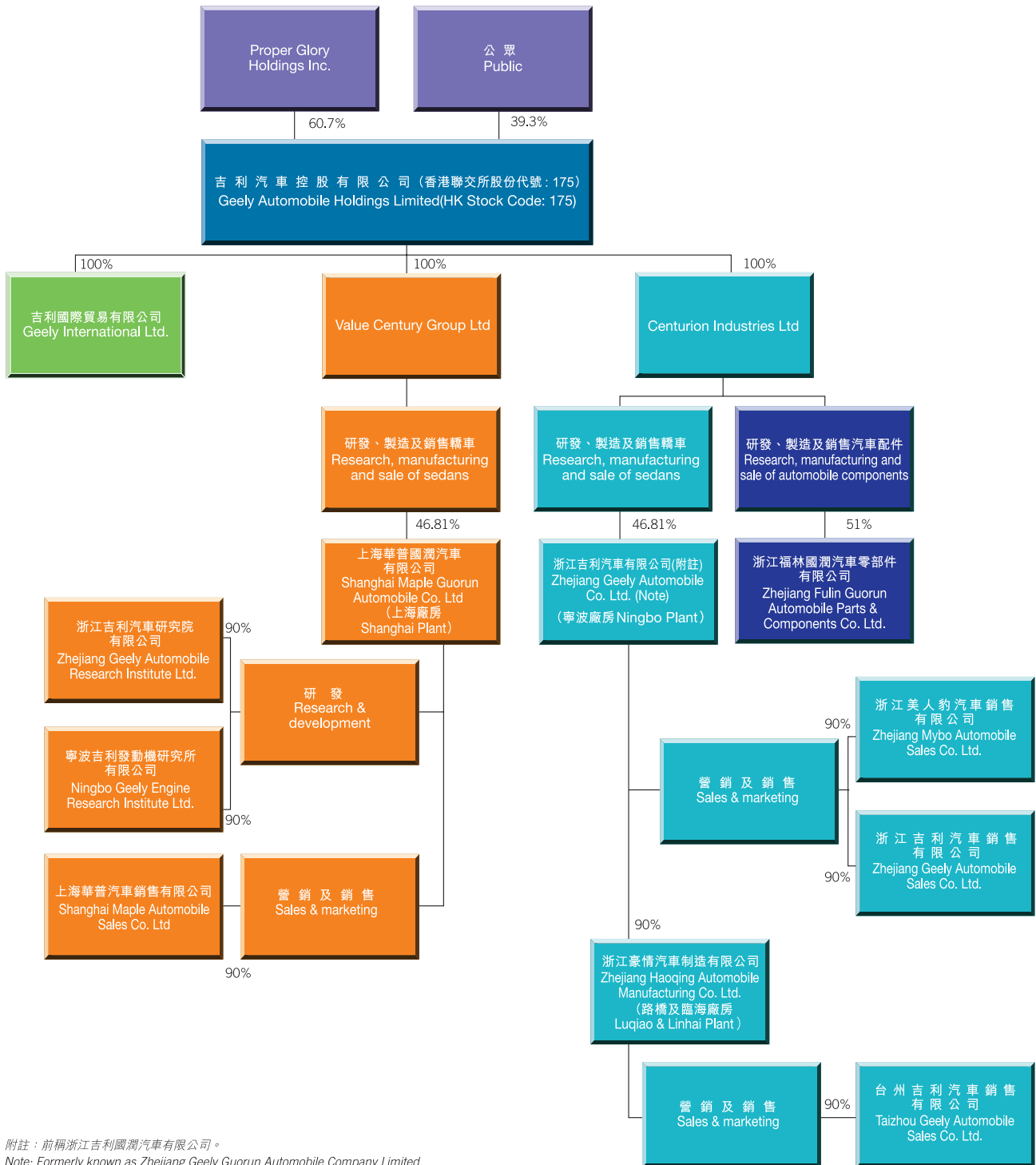
March 2004: The group's name was changed from "Guorun Holdings Limited" to "Geely Automobile Holdings Limited" to reflect the core business of the group in the manufacturing and sales of Geely and Maple sedans;

July 2004: The group's two associates acquired most of the remaining auto-related assets from Geely Holding, including 90% stakes in Linhai plant, Luqiao plant, Geely Holding's Research and Development ("R&D") operations and the development cost of CK-1 model for a total consideration of RMB723m. After the acquisitions, all the auto-related assets of Geely Holding with the exception of the export agency business had already been included in the two associates set up jointly by the group and Geely Holding. The group also considers to raised its shareholdings in the two associates to over 50% subject to government approval and compliance with relevant regulations.

To facilitate better communications with the investor public and to ensure an efficient and fair way to distribute information to the investment community, the group launched a corporate web site: www.geelyauto.com.hk in July 2004, for distribution of corporate news and announcements.



組織架構圖
ORGANISATION CHART



附註：前稱浙江吉利國潤汽車有限公司。
Note: Formerly known as Zhejiang Geely Guorun Automobile Company Limited.

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集團管理層

為應付日益複雜及競爭越趨激烈的中國轎車市場，以及為集團開拓中國以外的市場作準備，集團積極招攬專業人才加入集團之管理層。於二零零四年內，集團完成了多項重要職位任命：

二零零四年九月，宋林先生獲委任為集團獨立非執行董事及核數委員會成員。宋先生現為華潤(集團)有限公司及中國華潤總公司的總經理及常務董事，華潤創業有限公司(香港聯交所股份代號：291)的主席及董事總經理，華潤電力控股有限公司(香港聯交所股份代號：836)及華潤勵致有限公司(香港聯交所股份代號：1193)的主席。

二零零四年四月，沈奉燮先生獲委任為吉利控股副總裁及技術顧問，幫助進一步提高集團汽車研發能力。沈先生曾任韓國大宇汽車之副總裁及韓國汽車工程協會主席。沈先生在韓國汽車業擁有超過36年豐富的經驗，特別是在於新車型開發，汽車技術及品質保證及控制方面。

MANAGEMENT TEAM

To cope with an increasingly complicated and competitive sedan market in China and to prepare for the group's gradual expansion outside China, the group has embarked on an aggressive drive to recruit talented professionals to join the management team. During 2004, the group completed three important appointments including:

Mr. Song Lin was appointed an independent non-executive director and a member of the Audit Committee of the group in September 2004. Mr. Song is currently the president and executive director of both China Resources (Holdings) Limited and China Resources National Corporation, chairman and managing director of China Resources Enterprise Limited (HK Stock Code 291), chairman of both China Resources Power Holdings Company Limited (HK Stock Code 836) and China Resources Logic Limited (HK Stock Code 1193).

Mr. Shim Bong Sup was appointed vice president and technical consultant of Geely Holding in April 2004, helping the group to revamp its R&D functions. Mr. Shim was once the vice president of Daewoo Motor and the chairman of Korean Automobile Engineering Association. He has extensive experience in Korean automotive industry for more than 36 years, especially in new car development, automotive technology and quality assurance.



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二零零四年二月，洪少倫先生獲委任為執行董事，主要負責集團國際業務發展，資本市場及投資者關係。加入本集團前，洪先生曾任職於多間國際投資銀行，具有十七年證券研究、投資銀行及財務分析工作方面之經驗，主要負責有關於中國汽車業及投資銀行業務。

汽車零部件製造 – 浙江福林

集團擁有51%股權的浙江福林主要從事製造及銷售轎車用剎車片及電子助力轉向系統。雖然浙江福林產品銷售的很大部份仍來自集團之聯營公司如浙江吉利及上海華普，但浙江福林的管理層已開始尋找中國及海外的新顧客以減少其對集團旗下公司的依賴。

在二零零四年，公司錄得輕微虧損，原因是二零零四年第二季度中國轎車市場不景氣持續帶來的降價壓力。

為改善其盈利狀況，公司於二零零四年開始生產高增值的汽車零部件，並於二零零四年十月成功研制電動助力轉向系統(「EPS」)及推出市場。EPS電動助力轉向系統是一種全電子控制系統，以多個電子感應器監察並發出速度、扭力等輸出訊號，用以控制一個電動

Mr. Lawrence Ang was appointed an executive director of the group in February 2004, responsible for the international business development, capital market and investors' relationship of the Group. Prior to joining the Group, Mr. Ang worked in a number of major international investment banks for seventeen years with extensive experience in equity research, investment banking and financial analysis, focusing on China automobile industry and investment banking business

AUTOMOBILE PARTS MANUFACTURING – ZHEJIANG FULIN GUORUN AUTOMOBILE

51%-owned Zhejiang Fulin is principally engaged in the manufacturing and sales of brake slices and electric power steering for sedans. Although sales to other group companies like Zhejiang Geely and Shanghai Maple still accounted for the bulk of the revenues of Zhejiang Fulin, the management of Zhejiang Fulin has started to explore new customers in China and overseas markets to reduce its reliance on companies within the group.

The company suffered a small loss in 2004 due to continuous pressure on product prices as a result of the deterioration of market condition in China's sedan market since the second quarter 2004.

To improve its profitability, the company ventured into high value added automobile component market in 2004, through the successful development and launch of a new Electric Power Steering (“EPS”) system in October 2004. The EPS is a purely electronic control system, replacing the mechanical connection used in the convention hydraulic power steering with a number of electronic

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轉向系統，取代在傳統油壓助力轉向系內的機械式連接。與傳統的油壓助力轉向系統(俗稱風油軟)相比，電動助力轉向系統的優點是控制簡易、結構簡單、細小輕便、耗能量低、節省燃料、安裝及維修均十分簡易。本集團開發及生產的電動助力轉向系統已於早前推出市場的吉利豪情HQ203A技術領先型轎車及即將面世的「自由艦」家庭轎車中率先使用，我們相信浙江福林是目前國內能生產電動助力轉向系統的唯一製造商。隨着愈來愈多國際汽車製造商生產的新車均配備這系統，將為公司的未來業務發展帶來龐大商機。

sensors, which generate output signals about the speed of the vehicle and torque pressure of the steering column to control a motorized steering system. When compared with conventional hydraulic power steering, the EPS system has the advantages of easier control, simple structure, light weight, compact size, lower power and fuel wastage, high flexibility for installation and easy maintenance. The company's EPS system had already been installed in the group's newest models like the advanced version of Haoqing HQ203A and the soon to be launched "Free Cruiser" family sedans. As Zhejiang Fulin is currently the only local producer capable of producing EPS system in China and given the increasing popularity of EPS system amongst new models launched by other major international car makers, the board believes the new EPS system should help to enhance the company's profitability in the future.



福林生產的電動助力轉向器 Electric Power Steering made by Fulin



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生產廠房

二零零四年七月完成最後之收購行動後，集團兩間聯營公司擁有位於上海金山、寧波北倫、臺州臨海和路橋四個生產基地，佔地面積共計約1,876,681平方米，已完工廠房面積共計約582,681平方米，包括四條汽車沖壓、焊接、塗裝、總裝生產綫，一條美人豹跑車獨立總裝綫，以及相配套的發動機及變速箱生產綫。我們的目標是透過持續的技術改造和擴充，令四間廠房的年綜合生產能力於二零零五年底前達到至少300,000輛，及於二零零七年底前達到600,000輛。以下為集團四個生產廠房之詳情總覽：

PRODUCTION PLANTS

After the completion of the last acquisition in July 2004, the group's two associate companies own four production facilities in Shanghai, Ningbo, Linhai and Luqiao with total land area of 1,876,681 square metres and total floor area of 582,681 square metres, comprising four stamping, welding, painting and assembly production lines, an independent assembly line for Mybo sport sedans, and the supporting production lines for engines and gearboxes. The group's plan is to expand the combined annual production capacity of the four plants to at least 300,000 units by the end of 2005 and further to 600,000 units by the end of 2007, mainly through continuous technological upgrading and expansion at the four existing plants. Details about the group's four production plants are summarized below:

吉利汽車控股有限公司 — 生產廠房
Geely Automobile Holdings – Production Plants

名稱 Name	有效權益 Effective interests	年生產能力 Annual Production capacity (單班) (single shift)	型號 Models	價格 Prices (人民幣) (RMB)
臨海廠房 (經濟型轎車) Linhai Plant (economy cars)	42.1%	80,000	豪情 Haoqing (1.0-1.3L) 客貨車、皮卡 Delivery van, pickups (1.0L) – 為寧波廠合約生產： – contract manufacturing for Ningbo Plant: 美日/優利 Merrie/Ulion (1.3L-1.5L) 美人豹 Mybo (1.3L-1.5L) MR203 (1.3L-1.5L) (新款) (new) MR303 (1.3L-1.5L) (新款) (new) 美人豹 Mybo G2 (1.3L-1.8L) (新款) (new)	29,999 – 39,999 28,800 – 40,800 39,999 – 54,999 79,800 – 138,888 不適用 na 不適用 na 不適用 na
路橋廠房 (特別型號) Luqiao Plant (specialised models)	42.1%	60,000	豪情 Haoqing SRV303S (新款) (new)	不適用 na
寧波廠房 (經濟型家庭轎車) Ningbo Plant (economy family cars)	46.8%	50,000	自由艦 Free Cruiser (1.3L-1.6L) (新款) (new) MR479Q 1.3L 發動機 engines MR479QA 1.5L 發動機 engines JL16 1.6L、JL18 1.8L 發動機 engines (新款) (new)	60,000 – 80,000 不適用 na 不適用 na 不適用 na
上海華普廠房 (中檔轎車) Shanghai Maple plant (mid-end cars)	46.8%	40,000	海域 Marindo 303 (1.5L) M203 (1.5L) 華普颶風 Maple Galewind (1.3L) M205 (新款) (new) M305 (1.6L-1.8L) (新款) (new) M506 (CI-1,2.0L) (新款) (new) MR479Q 1.3L、MR479QA 1.5L 發動機 engines JL16 1.6L、JL18 1.8L 發動機 engines (新款) (new)	65,888 59,999 52,588 – 52,999 不適用 na 不適用 na 不適用 na 不適用 na 不適用 na

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兩間聯營公司二零零四年之總資本性支出約為人民幣600,000,000元，主要用於現有廠房之擴建及升級改造，路橋新廠房之建設及新產品之研究和開發。於二零零四年完成的主要投資項目包括：

1. 為寧波廠房增設一套2000噸沖壓生產線，塗漆、焊接、組裝線，發動機及變速箱生產線的技術升級，以及擴建車身及引擎生產線。為配合寧波廠的技術提升改造工程，原於寧波廠房生產的美日及優利歐車款已於二零零四年十月以合約方式生產安排下搬往臨海廠房。在技術改造后，寧波廠房已於二零零五年四月初重新投產並推出新型車款—「自由艦」。
2. 上海華普廠房亦進行擴建，生產線增設新沖壓、焊接及組裝機器，以及擴建現有的廠房面積。上海華普廠房於二零零四年十月成功批量生產新款中檔車款「海域303」，並計劃擴大生產量以應付預計於二零零五年推出的新車款。
3. 路橋廠房的建設工程已於二零零四年底正式完成。這集團最新的生產廠房位於浙江省台州路橋市，佔地共為484,533平方米，其中一個廠房佔面積46,996平方米，另一個廠房為68,314平方米，備有不同之生產線，包括沖壓、焊接、塗裝及最後組裝，年生產量預計為60,000輛。廠房將於二零零五年正式投產，初步計劃主要集中製造集團的特別車款，例如車款豪情系列的運動優閒式轎車（「SRV」）。

Total capital expenditures by the group's two associates amounted to approximately RMB600 million in 2004, mainly for the funding of expansion and upgrading of existing plants, construction of new plant in Luqiao and the development of new products. Major investment projects completed in 2004 included:

1. Upgrading of Ningbo plant by adding a new 2,000-tonne stamping production line, technological upgrading of painting, welding and assembly lines, engine and gearbox production lines and the expansion of body and gearbox production lines. To facilitate the upgrading, production of Merrie and Ulion models at Ningbo plant was relocated to Linhai plant under a contract manufacturing arrangement in October 2004. Ningbo plant has resumed the production of new model – “Free Cruiser” in April 2005.
2. Expansion of Shanghai Maple plant by adding new pressing, welding, painting and assembly equipment to the production lines, expansion of existing factory buildings. The Shanghai Maple plant had successfully started the mass production of a new mid-end car “Marindo 303” in October 2004 and plans to further expand capacity to support the scheduled launches of other new models in 2005.
3. The construction of Luqiao plant was officially completed at the end of 2004. The group's newest production plant is located in Luqiao of Taizhou, Zhejiang province, comprising land area of 484,533 square metres, a plant of 46,996 square meters and a second plant of 68,314 square metres, housing the production lines for stamping, welding, painting and final assembly with a designed annual production capacity of 60,000 units. The plant will start official production in 2005, initially focusing on specialized models of the group such as Haoqing's new sport recreation vehicle (“SRV”) models.



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4. 臨海廠房的擴建計劃已於二零零四年中開始並於二零零五年初完工，美日及優利歐車款的生產於二零零五年初由寧波廠產搬往臨海廠房，以助集團把所有同一平台的轎車集中於同一個廠房生產。通過一系列平台策略及零部件標準化工作的實施，預料能進一步減省廠房生產成本。「美人豹」跑車的獨立生產線完善工程亦於二零零四年完成。
4. A new expansion programme at Linhai plant was started in mid-2004 and completed at the beginning of 2005 to facilitate the relocation of the production of Merrie and Ulion models from Ningbo plant to Linhai plant in 2005, thus allowing the group to concentrate the production of all its sedan models under the Haoqing platform in a single plant. Through the subsequent implementation of platform strategy and parts standardization, the move should help to reduce the plant's production cost further. An independent production line for the "Mybo" sport cars was completed in 2004.
5. 上海華普於上海的新發動機廠房建設於二零零四年底完工。第一期廠房設施的汽油發動機年產量能達50,000台，並能生產集團研發的四種發動機，包括1.3升、1.5升、1.6升及1.8升的汽油發動機及配套的變速箱。
5. Construction of a new engine plant in Shanghai under Shanghai Maple was completed at the end of 2004. The phase I facilities have an annual production capacity of 50,000 units of petroleum engines and are capable to produce four different types of engines developed by the group with engine sizes of 1.3L, 1.5L, 1.6L and 1.8L.



新落成的路橋廠房 Newly completed Luqiao plant

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新產品

鑑於二零零四年第二季開始中國汽車銷量增長放緩，集團決定延遲推出某些原定於二零零四年推出的新車款以善用資源。二零零四年推出的主要新產品為：

1. 二零零四年一月推出華普M203 1.5升兩廂轎車；
2. 二零零四年四月推出豪情HQ203A 1.0升兩廂轎車；
3. 二零零四年四月推出華普颶風(第二代) 1.3升兩廂轎車；
4. 二零零四年七月推出吉利JL系列1.0升小型貨車及皮卡車；
5. 二零零四年十月推出吉利黑豹1.5升跑車；
6. 二零零四年十月推出配備新五速手動變速箱及EPS的豪情HQ203A (技術領先型)；
7. 二零零四年十月推出浙江福林電動助力轉向系統；
8. 二零零四年十月推出華普海域303 1.5升中檔三廂轎車。

大部份於二零零四年推出的產品均獲得不錯的市場反應，在二零零四年轎車業艱難的一年中，仍幫助集團取得市場份額增長。在二零零五年，集團的兩間聯營公司計劃至少推出七款新車型號，以支持並善用集團計劃於同年推出的新動力系統，包括全新開發的自

NEW PRODUCTS

In view of the slow down in car sales volume in China since the second quarter of 2004, the group had decided to postpone some new product launches originally scheduled in 2004 to ensure better utilization of resources. Major new product launches in 2004 are summarized below:

1. Maple M203 1.5L hatchback sedan in January 2004;
2. Haoqing HQ203A 1.0L hatchback sedan in April 2004;
3. Maple Galewind (2nd Generation) 1.3L hatchback sedan in April 2004;
4. Geely JL series 1.0L delivery van and pickups in July 2004;
5. Geely Mybo (black and powerful version) 1.5L sport car in October 2004;
6. Haoqing HQ203A (advanced version) equipped with new 5-speed manual gearbox and EPS in October 2004;
7. Zhejiang Fulin Electric Power Steering (EPS) in October 2004;
8. Maple Marindo 303 1.5L mid-end sedan in October 2004.

Most of the new products launched in 2004 have been well received by the market and helped to sustain the group's market share growth in 2004 despite a relatively difficult sedan market in China in 2004. In 2005, the group's two associates plan to launch at least seven new models, mainly to support and fully utilize the planned launch of the group's new power-train system, comprising a brand new



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動變速箱及新系列的1.6升及1.8升汽油發動機。二零零五年計劃推出的新產品為：

1. 自由艦 (或CK-1) 1.5升三廂轎車；
2. 美日203兩廂轎車；
3. 美日303家庭式三廂轎車；
4. 豪情HQ303S運動優閒式轎車；
5. 美人豹第二代 1.8升跑車；
6. 華普M203 1.5升兩廂運動版的M205轎車；
7. 華普M305 1.6至1.8升中檔三廂轎車；
8. JL16, JL18 (1.6升, 1.8升)汽油發動機；
9. 配合1.3升至1.8升發動機的新自動變速箱系列。

集團亦計劃推出某些現有車型的右軚款式以爭取銷售本集團的轎車到更多海外市場。

automatic transmission gearbox and a new series of 1.6L and 1.8L engines. Details of the planned new product launched in 2005 are as follow:

1. "Free Cruiser" (or CK-1) 1.5L sedans;
2. Merrie 203 hatchback sedans;
3. Merrie 303 family sedans;
4. Haoqing HQ303S Sport Recreation Vehicles;
5. Mybo 2 1.8L sport cars;
6. Maple M205 sport version of M203 1.5L hatchback sedans;
7. Maple M305 1.6L-1.8L mid-end sedans;
8. JL16, JL18 (1.6L, 1.8L) petroleum engines;
9. A new series of automatic gearboxes for 1.3-1.8L engines.

The group also plans to start to offer right-hand drive version for some of its existing models in a bid to facilitate the sales of these vehicles to more overseas markets.

豪情 203A
HQ 203A





海 域 303
Marindo 303

出口

二零零四年，集團兩間聯營公司出口約5,000輛吉利及華普轎車至29個海外國家及地區，佔聯營公司年內總銷量的5%，大部份位於中東、非洲及南美洲。出口的型號遍及集團所有主要型號包括最新研發的皮卡至美人豹跑車。根據二零零五年初海外經銷商的初步訂單來看，集團預期二零零五年出口總銷量可達8,000至10,000輛。

本集團非常重視出口業務，並投入大量資源開發海外市場，並也正計劃在香港設立專業外貿公司，為二零零五年進一步開拓國際市場打好基礎。

EXPORTS

In 2004, the company's two associates exported around 5,000 units of Geely and Maple sedans, or close to 5% of the associates' total sales volume during the period, to 29 overseas countries and regions, most of which are located in Middle East, Africa and Southern America. The models exported covered all the key models of the group from the newly developed pickup to Mybo sport cars. Based on the initial indicated orders from the overseas dealers at the beginning of 2005, the group expects total export sales volume to amount to 8,000 to 10,000 units in 2005.

The group considers exports a very important part of our businesses and is allocating substantial resources to explore the export markets. The group also plans to set up specialized trading companies in Hong Kong to strengthen and coordinate the group's export businesses.



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市場及推廣

為推廣「吉利」及「華普」品牌及增強市場對集團汽車及發動機設計及製造技術的認同，集團兩間聯營公司在二零零四年參加、贊助多個推廣活動：

MARKETING AND PROMOTION

To promote the “Geely” and “Maple” brands and enhance market recognition of the group’s automobile, engine design and manufacturing technologies, the group’s two associates participated and sponsored a number of promotional events during 2004, including:

正運裝船出口的吉利汽車
Geely car going on ship for exports



二零零四年全國公路汽車拉力賽：於二零零四年三月的全國公路汽車拉力賽上海站中，吉利及華普隊伍贏得S2組別的第一名、第二名、第四名及第五名。

2004 National Rally Race: Geely and Maple teams won Number 1, Number 2, Number 4 and 5 slots in the S2 section of the Shanghai race of the National Rally in March 2004.

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於海南島三亞舉行的第54屆二零零四年世界小姐選舉活動：30輛美人豹跑車連同其他國際頂級名車參加二零零四年十二月於三亞舉行的二零零四年度世界小姐巡遊儀式。

The 54th Miss World 2004 campaign in Sanya of Hainan Island: 30 Mybo sport cars, together with other luxury cars from major international brands participated in Miss World 2004 parade in Sanya in December 2004.



於海南島的世界小姐及美人豹跑車
Miss World in Hainan with Mybo cars

華普賽車隊參加二零零四年全國公路汽車
拉力賽，並取得好成績
Maple racing team in 2004
National Rally Race



集團於二零零四年十二月至二零零五年二月期間舉行一個名為「海域自由行」的推廣活動。華普賽車隊，包括上海華普的主要車款如海域M303、M203及華普颶風二代，駕駛超過20,000公里遊遍中國六個主要地區的30個城市。賽車隊並參加由上海華普各地經銷商籌辦的當地銷售推廣活動。

A promotional campaign called “Maple Marindo Free Drive” was held in December 2004 and ended in February 2005. The Maple racing team, comprising of Shanghai Maple’s key models like Marindo M303, M203 and Maple Galewind 2, travelled over 20,000 km to over 30 cities in China’s six major regions. The racing team participated in the local sales promotion events organized by Shanghai Maple’s local dealers.

為進一步改善為吉利和華普轎車買家提供的服務，以及減低吉利轎車的使用及維修成本，集團於二零零四年十二月調低208種吉利轎車常用零配件的價格，平均降價幅度為20%。在二零零五年三月，集團宣佈進一步調低300種華普轎車零部件的價格，平均降價幅度為37%。

To further improve the services to the buyers of Geely and Maple sedans and to reduce the maintenance costs of Geely sedans, the prices of 208 types of popular parts and components for Geely sedans were reduced by an average of 20% in December 2004. This was followed by the announcement by Shanghai Maple in March 2005 that the prices of over 300 parts and components for Maple sedans were reduced by an average of 37%.



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銷售及分銷

至二零零四年底，集團兩間聯營公司已於中國以及接近30個海外國家建立一個完善的分銷及服務網絡，包括250個吉利轎車國內甲級經銷商、103個華普轎車國內甲級經銷商以及超過50個海外經銷商。另外，國內共有接近500家吉利轎車服務及維修站及179家華普轎車服務站。

集團在二零零五年的銷售工作重點主要集中在進一步改善及重組現有經銷商體系以改進其效率及服務質數。集團亦會加強吉利及華普車在二、三級城市及鄉鎮地區銷售的覆蓋範圍。

研究及開發

雖然集團的兩間聯營公司於二零零四年已延遲一些涉及巨額資金的投資計劃，但集團仍把產品研發的投資放在首要位置。一所新建的研發中心將於二零零五年內完成。除了四間主要的實驗室(包括：基礎研究、電子、道路及多功能測試)外，新落成的研發中心將包括一個支持車身設計的快速成形中心，能大大縮短新車型研究的時間，令集團以後能更快更節省成本地推出的新車型。

為縮小集團與其他國際汽車公司研發技術的距離，集團兩間聯營公司在二零零四年四月成功邀請前大宇汽車副總裁及韓國汽車工程協會主席沈奉燮先生加入集團的研發隊伍成為吉利控股的副總裁及技術顧問。

SALES AND DISTRIBUTION

By the end of 2004, the group's two associates had established a comprehensive distribution and service networks in China as well as in close to 30 foreign countries, comprising 250 class one dealers for Geely sedans in China, 103 class one dealers for Maple sedans in China and over 50 dealers in overseas countries. In addition, there are close to 500 service and maintenance spots in China for Geely sedans and another 179 service spots for Maple sedans in China.

The group's sales and distribution focus in 2005 is to further enhance and restructure existing dealership to improve their efficiency and service quality, and to improve sales coverage of Geely and Maple sedans in second and third tier cities and in the rural market in China.

RESEARCH AND DEVELOPMENT

Although the group's two associates had postponed some capital expenditure projects in 2004, the group's investment in Research and Development is still given top priority. A new R&D centers will be completed in 2005. In addition to four major laboratories (Basic, Electronic, Street-Test and Multi-function), the new R&D centre will also include a high speed body design and formation workshop, which could significantly shorten the time required for new model development, thus allowing the group to release new models much faster and in a more cost effective manner.

To reduce the technology gaps between the group's R&D capabilities and those of the other international automobile companies, the group's two associates invited Mr. Shim Bong Sup, formerly vice president of Daewoo Motor and the chairman of Korean Automobile Engineering Association, to join the group's R&D Institute as vice president and technical consultant to the group in April 2004.

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前瞻

我們相信中國經濟將持續向好，令中國家庭入息提高，因此對汽車的需求亦會增大，特別是對省油及容易打理的經濟型轎車的需求。因為擁有汽車的一般中國家庭越來越普遍，故此此類型轎車將會是中國眾多轎車中增長最迅速的，現時擁有汽車的人口不足1%，預期中國對汽車需求的增長率非常龐大。

集團及其兩間聯營公司將集中在汽車業務的營運及擴展，積極尋找擴大集團收入來源的機會及進一步減低成本，為股東爭取更理想的回報。

二零零二及二零零三年連續兩年中國轎車銷量增長驚人，轎車銷量分別在這兩年上升56%及75%，故我們預期中國轎車二零零四年的銷量將進一步放緩，由二零零四年的16%下降至二零零五年的10%。我們預計二零零五年轎車的總銷量將達2,500,000輛。但由於對轎車的需求漸由公務需要發展到個人需要，故較低檔的轎車將會是年內眾多轎車中增長率最快的系列。

集團於過往數年已建立穩鞏的基礎，再加上在二零零四年採取及時的新業務措施以控制成本及改善效率，集團已為二零零五年作好準備以在中國轎車市場爭取更高的市場份額。我們的目標是在二零零五年把4.2%的市場份額提高至5%，以及計劃生產及售賣120,000輛汽車，較二零零四年提高超過80%。

OUTLOOK

We believe China's economy will continue to register healthy growth in the near future. This should bode well for the continuous improvement in household incomes and thus the demand for motor vehicles in China. In particular, demand for fuel-efficient and easy-to-maintain affordable economy sedans should be amongst the fastest growing categories in China's sedan market due to the increasing popularity of car ownership amongst general households in China. With less than 1% of the population owning a car at present, there should be substantial growth potential for car demand in China.

The group and the group's two associates will continue to focus in 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.

After two consecutive years of extraordinary growth in 2002 and 2003, when sales volume of sedans grew 56% and 75% respectively over previous year, we expect the growth of China's sedan sales volume to slow further to 10% in 2005 from 16% in 2004. We forecast total sedan sales volume to reach 2.5 million in 2005. However, sales of lower end sedans should continue to grow faster than other types of sedans during the year due to the continued migration of demand from corporates to individuals.

With the strong foundations established in the past few years and the timely implementation of new business strategies to control costs and improve efficiency in 2004, the group is well positioned to gain more market share in China's sedan market in 2005. We targeted to raise our market share from 4.2% to 5% in China in 2005, planning to produce and sell a total of 120,000 units of vehicles in 2005, up over 80% from 2004.



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我們在二零零五年將集中改善現有廠房的生產效率及保證促使資源的善用，以及加快新產品的推出。集團兩間聯營公司計劃於二零零五年推出至少七款新車型及一系列全新的動力系統，包括1.6升、1.8升發動機及新系列的自動變速箱。集團兩間聯營公司二零零五年的資本性支出預計約為人民幣700,000,000元，主要用於研發新產品及現有廠房的技術提升。

在二零零五年，原材料價格預期將有進一步的上升壓力，特別是鋼材價格。管理層將主力處理兩間聯營公司及浙江福林的生產成本控制，目的是把集團的邊際利潤率維持在二零零四年的水平。

財政資源

資金架構及財務政策

本集團的業務活動主要以股本及經營業務所產生的現金提供資金。於二零零四年十二月三十一日，集團股東之資金總數為港幣653,000,000元（二零零三年：港幣569,000,000元）。集團於年內並無發行額外的股份。

外幣買賣之風險

集團認為外幣兌換率的波動並不會為集團帶來重大的風險，原因是集團業務主要集中在中國大陸及香港營運，所有資產及負債均以人民幣或港幣計算。

In 2005, we would shift our focus to improve the utilization and the production efficiency of our existing plants, and to speed up new product launches. The Group's two associates plan to launch at least seven new car models and a brand new power-train system, comprising new 1.6L and 1.8L engines and a new series of automatic gearboxes in 2005. The Group's two associates have budget total capital expenditure at around RMB700m in 2005, mainly for the funding of development of new products and technological upgrading of existing plants.

We expect pressure on further increase in raw material prices, in particular steel prices, to continue in 2005. Major efforts and management resources will be allocated to control the production costs of the two associates and our parts subsidiary Zhejiang Fulin, aiming at maintain the group's profitability at last year's levels.

FINANCIAL RESOURCES

Capital structure and treasury policies

The business activities of the Group are mainly financed by the share capital and cash generated from the operating activities. As at 31 December 2004, the Group's shareholders' fund amounted to HK\$653 million (2003: HK\$569 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.



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流動資金及財政資源

於二零零四年十二月三十一日，集團流動比率（流動資產／流動負債）為1.17（二零零三年：1.70）。以集團總借貸比總股東資金來計算的資本負債比率為1.6%（二零零三年：3.7%）。於二零零四年十二月三十一日的總借貸為港幣10,000,000元（二零零三年：港幣21,000,000元），主要為結欠最終控股公司及少數股東的款項，且有關款項為無抵押、免息及應要求時償還。倘出現任何商機而須要籌集額外資金，董事相信本集團有能力取得有關資金。

重大之附屬公司及聯營公司收購及出售

於二零零四年三月三十日，集團出售Deep Treasure Investments Limited及其附屬公司的全部51%股權，為集團帶來港幣3,200,000元的收益。是次出售終止了集團資訊科技業務的經營。

僱員薪金政策

於二零零四年十二月三十一日，集團及其聯營公司的員工總數為6,941（二零零三年：2,864）。員工人數大增由於集團其中一間聯營公司浙江吉利汽車有限公司於年內收購浙江豪情汽車製造有限公司。

僱員的薪酬組合以個別員工的經驗、整體表現及當時的市場情況為基準，由管理層每年檢討一次。

Liquidity and financial resources

As at 31 December 2004, the Group's current ratio (current assets/current liabilities) was 1.17 (2003: 1.70) and the gearing ratio of the Group was 1.6% (2003: 3.7%) which was calculated based on the Group's total borrowings to total shareholders' equity. Total borrowings as at 31 December 2004 amounted to HK\$10 million (2003: HK\$21 million) were mainly advances due to ultimate holding company and minority shareholders and they were unsecured, interest-free and repayable on demand. Should other opportunities arise requiring additional funding, the Directors believe that the Group is in a good position to obtain such financing.

Material acquisition and disposal of subsidiaries and associated companies

On 30 March 2004, the entire 51% interest in Deep Treasure Investments Limited and its subsidiaries were disposed with a gain of HK\$3.2 million. The Group's operating division of information technology was discontinued following the disposal.

Employees' remuneration policy

As at 31st December 2004, the total number of employees of the Group, including the associated companies was 6,941 (2003: 2,864). The significant increase of number of employees was mainly due to the acquisition of Zhejiang Haoqing Automobile Manufacturing Company Limited during the year by one of the associated companies, Zhejiang Geely Automobile Company Limited.

Employees' remuneration packages are reviewed annually by management by taking into account the experience, overall performance of the staff as well as the prevailing market conditions.

