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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)

**DISCLOSEABLE AND CONNECTED TRANSACTIONS**

**Financial adviser to Geely Automobile Holdings Limited**



**CIMB Securities (HK) Limited**

The Group entered into the following agreements:

(a) the Chengdu Gaoyuan Agreement

on 27 October 2009, an equity transfer agreement between Zhejiang Geely, Shanghai Maple Guorun, Shanghai Maple and Geely Holding pursuant to which (i) Shanghai Maple agrees to transfer 90% interest in the registered capital of Chengdu Gaoyuan to Zhejiang Geely; and (ii) Geely Holding agrees to transfer 10% interest in the registered capital of Chengdu Gaoyuan to Shanghai Maple Guorun.

(b) the Jinan Geely Agreement

on 27 October 2009, an equity transfer agreement between Zhejiang Geely, Shanghai Maple Guorun, Geely Holding and Zhejiang Haoqing pursuant to which (i) Geely Holding agrees to transfer 90% interest in the registered capital of Jinan Geely to Zhejiang Geely; and (ii) Zhejiang Haoqing agrees to transfer 10% interest in the registered capital of Jinan Geely to Shanghai Maple Guorun.

(c) the Lanzhou Geely Agreement

on 27 October 2009, an equity transfer agreement between Zhejiang Geely, Shanghai Maple Guorun, Zhejiang Haoqing and Geely Merrie pursuant to which (i) Zhejiang Haoqing agrees to transfer 90% interest in the registered capital of Lanzhou Geely to Zhejiang Geely; and (ii) Geely Merrie agrees to transfer 10% interest in the registered capital of Lanzhou Geely to Shanghai Maple Guorun.

Each of Zhejiang Geely and Shanghai Maple Guorun is an indirect 91%-owned subsidiary of the Company. Therefore, upon completion of the Agreements, each of the Chengdu Gaoyuan, the Jinan Geely and the Lanzhou Geely will be indirectly owned as to 91% by the Group, and hence will be accounted for as an indirect non wholly-owned subsidiary of the Company.

Each of Shanghai Maple, Geely Holding, Zhejiang Haoqing and Geely Merrie is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is an associate of Mr. Li, an executive Director and a substantial shareholder holding approximately 51.47% interest in the issued share capital of the Company. Accordingly, the Chengdu Gaoyuan Agreement, the Jinan Geely Agreement, the Lanzhou Geely Agreement and the transactions contemplated thereunder constitute connected transactions of the Company pursuant to Rule 14A.13 of the Listing Rules. There is no previous transaction that requires to be aggregated with the Transfers pursuant to Rule 14.22 or Rule 14A.25 of the Listing Rules. As the applicable percentage ratios of each of the Agreements are more than 2.5% but less than 25%, the Connected Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.32 of the Listing Rules. The Connected Transactions also constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

Mr. Li and his associates together hold 3,751,159,000 Shares (representing approximately 51.47% of the issued share capital of the Company) as at the date of this announcement, will abstain from voting for the resolutions to approve the Connected Transactions to be put forward at the EGM.

An Independent Board Committee has been established to advise the Independent Shareholders on whether or not the Connected Transactions are fair and reasonable and in the interest of the Company and the Independent Shareholders. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders regarding the terms and conditions of the Connected Transactions.

A circular containing, inter alia, (a) further information about the Connected Transactions; (b) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (c) the recommendation from the Independent Board Committee; and (d) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

## CONNECTED TRANSACTIONS

The following Connected Transactions are subject to reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.32 of the Listing Rules.

### (I) The Chengdu Gaoyuan Agreement

**Date:** 27 October 2009

**Parties:** Zhejiang Geely and Shanghai Maple Guorun, as the purchasers;  
Shanghai Maple and Geely Holding, as the vendors

Each of Zhejiang Geely and Shanghai Maple Guorun is an indirect 91%-owned subsidiary of the Company.

Each of Shanghai Maple and Geely Holding is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is an associate of Mr. Li, an executive Director and a substantial shareholder holding approximately 51.47% interest in the issued share capital of the Company.

**Subject matter:** Shanghai Maple and Geely Holding will transfer 90% and 10% interests in the registered capital of Chengdu Gaoyuan to Zhejiang Geely and Shanghai Maple Guorun, respectively.

Chengdu Gaoyuan was set up in 2007 with a registered capital of RMB50,000,000 (equivalent to approximately HK\$56,820,000) and was owned as to 90% by Shanghai Maple and as to 10% by Geely Holding respectively.

**Consideration:** RMB42,669,910 (equivalent to approximately HK\$48,490,086) to Shanghai Maple and RMB4,741,101 (equivalent to approximately HK\$5,387,787) to Geely Holding, representing an aggregated amount of RMB47,411,011 (equivalent to approximately HK\$53,877,873).

The consideration has been arrived at after arm's length negotiations between Zhejiang Geely, Shanghai Maple Guorun, Shanghai Maple and Geely Holding with reference to the net asset value of Chengdu Gaoyuan of RMB47,411,011 (representing approximately HK\$53,877,873) as at 30 June 2009. The Group intends to finance the acquisition out of its internal resources and the aggregated consideration is payable in cash within two months after the completion of the Chengdu Gaoyuan Agreement.

As the consideration for the acquisition of the interests in the registered capital of Chengdu Gaoyuan is based on the net asset value of Chengdu Gaoyuan as 30 June 2009, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) consider that the terms of the Chengdu Gaoyuan Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent for the Chengdu Gaoyuan Agreement**

Completion of the Chengdu Gaoyuan Agreement is conditional upon satisfaction of the following conditions precedent:

- (a) the PRC government or the appropriate authorised state agency having irrevocably or unconditionally approved or accepted for filing with the transaction contemplated under the Chengdu Gaoyuan Agreement pursuant to the applicable laws and regulations;
- (b) the change in shareholding arrangements in Chengdu Gaoyuan has been registered with the relevant State Administration for Industry and Commerce with jurisdiction over Chengdu Gaoyuan;
- (c) Chengdu Gaoyuan being issued the new corporate business license;
- (d) the approval of the transaction contemplated under the Chengdu Gaoyuan Agreement by all other relevant government authorities and third parties (such as the relevant commercial lender, etc.);
- (e) the approval of the independent shareholders of the Company in general meeting for the transaction contemplated under the Chengdu Gaoyuan Agreement; and
- (f) the representations and warranties remaining true and accurate in all material aspects.

Zhejiang Geely and Shanghai Maple Guorun may at any time waive condition (f) by written notice to Shanghai Maple or Geely Holding before completion of the Chengdu Gaoyuan Agreement.

If the above conditions are not satisfied or waived by 31 December 2009 (or such later date as the parties may agree in writing), the Chengdu Gaoyuan Agreement shall terminate and none of the parties to the Chengdu Gaoyuan Agreement shall have any claim or liability hereunder to the other party to the Chengdu Gaoyuan Agreement.

## (II) THE JINAN GEELY AGREEMENT

**Date:** 27 October 2009

**Parties:** Zhejiang Geely and Shanghai Maple Guorun, as the purchasers, Geely Holding and Zhejiang Haoqing, as the vendors

Each of Zhejiang Geely and Shanghai Maple Guorun is an indirect 91%-owned subsidiary of the Company.

Each of Geely Holding and Zhejiang Haoqing is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is an associate of Mr. Li, an executive Director and a substantial shareholder holding approximately 51.47% interest in the issued share capital of the Company.

**Subject matter:** Geely Holding and Zhejiang Haoqing will transfer 90% and 10% interests in the registered capital of Jinan Geely to Zhejiang Geely and Shanghai Maple Guorun, respectively.

Jinan Geely was set up in 2006 with a registered capital of RMB80,000,000 (equivalent to approximately HK\$90,912,000) and was owned as to 90% by Geely Holding and as to 10% by Zhejiang Haoqing, respectively.

**Consideration:** RMB162,000,000 (equivalent to approximately HK\$184,096,800) to Geely Holding and RMB18,000,000 (equivalent to approximately HK\$20,455,200) to Zhejiang Haoqing, representing an aggregated amount of RMB180,000,000 (equivalent to approximately HK\$204,552,000).

The consideration has been arrived at after arm's length negotiations between Zhejiang Geely, Shanghai Maple Guorun, Geely Holding and Zhejiang Haoqing with reference to the net asset value of Jinan Geely of RMB180,000,000 (representing approximately HK\$204,552,000) as at 30 June 2009. The Group intends to finance the acquisition out of its internal resources and the aggregated consideration is payable in cash within two months after the completion of the Jinan Geely Agreement.

As the consideration for the acquisition of the interests in the registered capital of Jinan Geely is based on the net asset value of Jinan Geely as at 30 June 2009, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) consider that the terms of the Jinan Geely Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent for the Jinan Geely Agreement**

Completion of the Jinan Geely Agreement is conditional upon satisfaction of the following conditions precedent:

- (a) the PRC government or the appropriate authorised state agency having irrevocably or unconditionally approved or accepted for filing with the transaction contemplated under the Jinan Geely Agreement pursuant to the applicable laws and regulations;
- (b) the change in shareholding arrangements in Jinan Geely has been registered with the relevant State Administration for Industry and Commerce with jurisdiction over Jinan Geely;
- (c) Jinan Geely being issued the new corporate business license;
- (d) the approval of the transaction contemplated under the Jinan Geely Agreement by all other relevant government authorities and third parties (such as the relevant commercial lender, etc.);
- (e) the approval of the independent shareholders of the Company in general meeting for the transaction contemplated under the Jinan Geely Agreement; and
- (f) the representations and warranties remaining true and accurate in all material aspects.

Zhejiang Geely and Shanghai Maple Guorun may at any time waive condition (f) by written notice to Geely Holding or Zhejiang Haoqing before completion of the Jinan Geely Agreement.

If the above conditions are not satisfied by 31 December 2009 (or such later date as the parties may agree in writing), the Jinan Geely Agreement shall terminate and none of the parties to the Jinan Geely Agreement shall have any claim or liability hereunder to the other party to the Jinan Geely Agreement.

### (III) LANZHOU GEELY AGREEMENT

**Date:** 27 October 2009

**Parties:** Zhejiang Geely and Shanghai Maple Guorun, as the purchasers;  
Zhejiang Haoqing and Geely Merrie, as the vendors

Each of Zhejiang Geely and Shanghai Maple Guorun is an indirect 91%-owned subsidiary of the Company.

Each of Zhejiang Haoqing and Geely Merrie is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is an associate of Mr. Li, an executive Director and a substantial shareholder holding approximately 51.47% interest in the issued share capital of the Company.

**Subject matter:** Zhejiang Haoqing and Geely Merrie will transfer 90% and 10% interests in the registered capital of Lanzhou Geely to Zhejiang Geely and Shanghai Maple Guorun, respectively.

Lanzhou Geely was set up in 2006 with a registered capital of RMB120,000,000 (equivalent to approximately HK\$136,368,000) and was owned as to 90% by Zhejiang Haoqing and as to 10% by Geely Merrie, respectively.

**Consideration:** RMB95,348,760 (equivalent to approximately HK\$108,354,331) to Zhejiang Haoqing and RMB10,594,306 (equivalent to approximately HK\$12,039,369) to Geely Merrie, representing an aggregated amount of RMB105,943,066 (equivalent to approximately HK\$120,393,700).

The consideration has been arrived at after arm's length negotiations between Zhejiang Geely, Shanghai Maple Guorun, Zhejiang Haoqing and Geely Merrie with reference to the net asset value of Lanzhou Geely of RMB105,943,066 (representing approximately HK\$120,393,700) as at 30 June 2009. The Group intends to finance the acquisition out of its internal resources and the aggregated consideration is payable in cash within two months after the completion of the Lanzhou Geely Agreement.

As the consideration for the acquisition of the interests in the registered capital of Lanzhou Geely is based on the net asset value of Lanzhou Geely as 30 June 2009, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) consider that the terms of the Lanzhou Geely Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent for the Lanzhou Geely Agreement**

Completion of the Lanzhou Geely Agreement is conditional upon satisfaction of the following conditions precedent:

- (a) the PRC government or the appropriate authorised state agency having irrevocably or unconditionally approved or accepted for filing with the transaction contemplated under the Lanzhou Geely Agreement pursuant to the applicable laws and regulations;
- (b) the change in shareholding arrangements in Lanzhou Geely has been registered with the relevant State Administration for Industry and Commerce with jurisdiction over Lanzhou Geely;
- (c) Lanzhou Geely being issued the new corporate business license;
- (d) the approval of the transaction contemplated under the Lanzhou Geely Agreement by all other relevant government authorities and third parties (such as the relevant commercial lender, etc.);
- (e) the approval of the independent shareholders of the Company in general meeting for the transaction contemplated under the Lanzhou Geely Agreement; and
- (f) the representations and warranties remaining true and accurate in all material aspects.

Zhejiang Geely and Shanghai Maple Guorun may at any time waive condition (f) by written notice to Zhejiang Haoqing or Geely Merrie before completion of the Lanzhou Geely Agreement.

If the above conditions are not satisfied by 31 December 2009 (or such later date as the parties may agree in writing), the Lanzhou Geely Agreement shall terminate and none of the parties to the Lanzhou Geely Agreement shall have any claim or liability hereunder to the other party to the Lanzhou Geely Agreement.

Each of Zhejiang Geely and Shanghai Maple Guorun is an indirect 91%-owned subsidiary of the Company. Therefore, upon completion of the Agreements, each of the Chengdu Gaoyuan, the Jinan Geely and the Lanzhou Geely will be indirectly owned as to 91% by the Group, and hence will be accounted for as an indirect non wholly-owned subsidiary of the Company.



## INFORMATION ON THE PARTIES

The Group is principally engaged in the research and development, manufacturing and trading of automobiles, automobile parts and related automobile components, and investment holding.

Geely Holding and its subsidiaries are principally engaged in the sales of automobiles and related parts and components wholesale and retail businesses.

Each of Shanghai Maple, Zhejiang Haoqing and Geely Merrie is principally engaged in the manufacturing and sales of automobiles and related components, and manufacturing of air-conditioning related parts.

Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely are principally engaging in production, marketing and sales of sedans and related automobile components in the PRC. The principal assets of Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely are their manufacturing facilities.

The audited financial information of Chengdu Gaoyuan for the two financial years ended 31 December 2008 prepared in accordance with the PRC Generally Accepted Accounting Principles (“PRC GAAPs”) is set out below:

|  | <b>For the year ended<br/>31 December 2008</b><br><i>(RMB)</i> | <b>For the year ended<br/>31 December 2007</b><br><i>(RMB)</i> |
|--|--|--|
| Loss before taxation and extraordinary items | 2,417,796<br>(Approximately<br>HK\$2,747,583)                  | Nil<br>(Approximately<br>HK\$Nil)                              |
| Loss after taxation and extraordinary items  | 2,417,796<br>(Approximately<br>HK\$2,747,583)                  | Nil<br>(Approximately<br>HK\$Nil)                              |
|  | <b>As at<br/>31 December 2008</b><br><i>(RMB)</i>              | <b>As at<br/>31 December 2007</b><br><i>(RMB)</i>              |
| Net asset value                              | 47,582,704<br>(Approximately<br>HK\$54,072,985)                | 10,000,000<br>(Approximately<br>HK\$11,364,000)                |

The audited financial information of Jinan Geely for the two financial years ended 31 December 2008 prepared in accordance with the PRC GAAPs is set out below:

|  | <b>For the year ended<br/>31 December 2008</b><br><i>(RMB)</i> | <b>For the year ended<br/>31 December 2007</b><br><i>(RMB)</i> |
|--|--|--|
| Profit before taxation and extraordinary items | Nil<br>(Approximately<br>HK\$Nil)                              | Nil<br>(Approximately<br>HK\$Nil)                              |
| Profit after taxation and extraordinary items  | Nil<br>(Approximately<br>HK\$Nil)                              | Nil<br>(Approximately<br>HK\$Nil)                              |
|  | <b>As at<br/>31 December 2008</b><br><i>(RMB)</i>              | <b>As at<br/>31 December 2007</b><br><i>(RMB)</i>              |
| Net asset value                                | 80,000,000<br>(Approximately<br>HK\$90,912,000)                | 30,000,000<br>(Approximately<br>HK\$34,092,000)                |

The audited financial information of Lanzhou Geely for the two financial years ended 31 December 2008 prepared in accordance with the PRC GAAPs is set out below:

|  | <b>For the year ended<br/>31 December 2008</b><br><i>(RMB)</i> | <b>For the year ended<br/>31 December 2007</b><br><i>(RMB)</i> |
|--|--|--|
| Profit/(Loss) before taxation and<br>extraordinary items | 634,457<br>(Approximately<br>HK\$720,997)                      | (13,460,621)<br>(Approximately<br>HK\$(15,296,650))            |
| Profit/(Loss) after taxation and extraordinary items     | 634,457<br>(Approximately<br>HK\$720,997)                      | (13,460,621)<br>(Approximately<br>HK\$(15,296,650))            |

|                 | <b>As at<br/>31 December 2008<br/>(RMB)</b>       | <b>As at<br/>31 December 2007<br/>(RMB)</b>     |
|-----------------|---|---|
| Net asset value | 107,173,835<br>(Approximately<br>HK\$121,792,346) | 16,539,379<br>(Approximately<br>HK\$18,795,350) |

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CONNECTED TRANSACTIONS**

The Group expects its current automobile manufacturing capacity to be saturated in a few years due to the Group's robust expansion of its automobile manufacturing and sales businesses. This results in a need for the Group to acquire new manufacturing facilities so as to meet its manufacturing and sales requirements in the future.

The Transfers are consistent with the Group's plans to acquire manufacturing facilities in various provinces in the PRC, as it not only increases its production capacity but also provides the Group with the flexibility and elasticity for its production. Consequently, this enables the Group's manufacturing facilities increasing its focus on respective product lines as well as the positioning of the Group's brand, which allows the Group to be more effective in implementing the "multi-brand" strategy that was introduced in 2008.

The manufacturing facilities of Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely are located in the North Eastern, North Western and Western parts of China, which are in more remote areas compared to the Group's existing manufacturing facilities located in Ningbo, Shanghai and Taizhou. The Transfers not only significantly reduce transportation time and costs required for completing the sales in the inland regions in mainland China, but also strengthen the Group's ability to develop new markets in neighbouring provinces in the inland regions in mainland China.

Given that the consideration for each of the Transfers is based on the net asset value of Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely, respectively, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) consider that the terms of the Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Each of Shanghai Maple, Geely Holding, Zhejiang Haoqing and Geely Merrie is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is an associate of Mr. Li, an executive Director and a substantial shareholder holding approximately 51.47% interest in the issued share capital of the Company. Accordingly, the Chengdu Gaoyuan Agreement, the Jinan Geely Agreement, the Lanzhou Geely Agreement and the transactions contemplated thereunder constitute connected transactions of the Company pursuant to Rule 14A.13 of the Listing Rules. There is no

previous transaction that requires to be aggregated with the Transfers pursuant to Rule 14.22 or Rule 14A.25 of the Listing Rules. As the applicable percentage ratios of each of the Agreements are more than 2.5% but less than 25%, the Connected Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.32 of the Listing Rules. The Connected Transactions also constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

Mr. Li and his associates together hold 3,751,159,000 Shares (representing approximately 51.47% of the issued share capital of the Company) as at the date of this announcement, will abstain from voting for the resolutions to approve the Connected Transactions to be put forward at the EGM.

An Independent Board Committee has been established to advise the Independent Shareholders on whether or not the Connected Transactions are fair and reasonable and in the interest of the Company and Independent Shareholders. An independent financial adviser to advise will be appointed the Independent Board Committee and the Independent Shareholders regarding the terms and conditions of the Connected Transactions.

## **GENERAL**

A circular containing, inter alia, (a) further information about the Connected Transactions; (b) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (c) the recommendation from the Independent Board Committee; and (d) a notice of the EGM will be dispatched to the Shareholders as soon as practicable.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

|                   |   |
|-------------------|---|
| “Agreements”      | together, the Chengdu Gaoyuan Agreement, Jinan Geely Agreement and the Lanzhou Geely Agreement                                |
| “associates”      | has the meaning ascribed to it in the Listing Rules   |
| “Board”           | the board of Directors  |
| “Chengdu Gaoyuan” | 成都高原汽車工業有限公司(Chengdu Gaoyuan Automobile Industries Company Limited), a company incorporated in the PRC with limited liability |

|                             |   |
|-----------------------------|---|
| “Chengdu Gaoyuan Agreement” | the equity transfer agreement dated 27 October 2009 entered into between Zhejiang Geely, Shanghai Maple Guorun, Shanghai Maple and Geely Holding pursuant to which (i) Shanghai Maple agrees to transfer 90% interest in the registered capital of Chengdu Gaoyuan to Zhejiang Geely; and (ii) Geely Holding agrees to transfer 10% interest in the registered capital of Chengdu Gaoyuan to Shanghai Maple Guorun  |
| “Company”                   | Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange  |
| “Connected Transactions”    | collectively, the transactions contemplated under the Chengdu Gaoyuan Agreement, the Jinan Geely Agreement and the Lanzhou Geely Agreement  |
| “Director(s)”               | the director(s) of the Company  |
| “EGM”                       | an extraordinary general meeting of the Company to be convened to approve the Connected Transactions  |
| “Geely Holding”             | 浙江吉利控股集團有限公司(Zhejiang Geely Holding Group Company Limited), a private limited liability company incorporated in Zhejiang Province, the PRC, and is owned as to 90% by Mr. Li and as to 10% by Mr. Li Xing Xing, the son of Mr. Li, respectively   |
| “Geely Merrie”              | 浙江吉利美日汽車有限公司(Zhejiang Geely Merrie Automobile Company Limited), a limited liability company incorporated in the PRC and is owned as to 90.00% by Geely Holding and as to 10.00% by浙江華普資產管理有限公司(Zhejiang Maple Assets Management Company Limited) respectively, which is in turn owned by the senior management of Geely Holding. It is principally engaged in the manufacturing and sales of automobile and related components, and manufacturing of air-conditioning related parts |
| “Group”                     | the Company and its subsidiaries  |
| “HK\$”                      | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”                 | the Hong Kong Special Administrative Region of the PRC  |

|                               |  |
|-------------------------------|--|
| “Independent Board Committee” | the independent committee of the Board comprising only the independent non-executive Directors, namely Mr. Song Lin, Mr. Lee Cheuk Yin, Dannis, and Mr. Yeung Sau Hung, Alex, established for the purpose of advising the Independent Shareholders on the Connected Transactions   |
| “Independent Shareholders”    | Shareholder(s) other than Mr. Li and his associates  |
| “Jinan Geely”                 | (濟南吉利汽車有限公司)(Jinan Geely Automobile Company Limited), a company incorporated in the PRC with limited liability   |
| “Jinan Geely Agreement”       | the equity transfer agreement dated 27 October 2009 entered into between Zhejiang Geely, Shanghai Maple Guorun, Geely Holding and Zhejiang Haoqing pursuant to which (i) Geely Holding agrees to transfer 90% interest in the registered capital of Jinan Geely to Zhejiang Geely; and (ii) Zhejiang Haoqing agrees to transfer 10% interest in the registered capital of Jinan Geely to Shanghai Maple Guorun       |
| “Lanzhou Geely”               | (蘭州吉利汽車工業有限公司)(Lanzhou Geely Automobile Industries Company Limited), a company incorporated in the PRC with limited liability  |
| “Lanzhou Geely Agreement”     | the equity transfer agreement dated 27 October 2009 entered into between Zhejiang Geely, Shanghai Maple Guorun, Zhejiang Haoqing and Geely Merrie and pursuant to which (i) Zhejiang Haoqing agrees to transfer 90% interest in the registered capital of Lanzhou Geely to Zhejiang Geely; and (ii) Geely Merrie agrees to transfer 10% interest in the registered capital of Lanzhou Geely to Shanghai Maple Guorun |
| “Listing Rules”               | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Mr. Li”                      | Mr. Li Shu Fu, an executive Director and a substantial shareholder holding 51.47% interest in the issued share capital of the Company as at the date of this announcement  |
| “PRC”                         | the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)   |
| “RMB”                         | Renminbi, the lawful currency of the PRC   |

|                         |   |
|-------------------------|---|
| “Shanghai Maple”        | 上海華普汽車有限公司(Shanghai Maple Automobile Company Limited), a limited liability company incorporated in the PRC and is owned as to 90.00% by Geely Holding and as to 10.00% by浙江華普資產管理有限公司(Zhejiang Maple Assets Management Company Limited) respectively, which is in turn owned by the senior management of Geely Holding. It is principally engaged in the manufacturing and sales of automobile and related components, and manufacturing of air conditioning related parts                    |
| “Shanghai Maple Guorun” | 上海華普國潤汽車有限公司 (Shanghai Maple Guorun Automobile Company Limited), a sino-foreign joint venture established in the PRC with limited liability and is an indirect 91%-owned subsidiary of the Company  |
| “Shareholders”          | holders of shares of the Company  |
| “Stock Exchange”        | The Stock Exchange of Hong Kong Limited   |
| “Transfers”             | the transfers of (i) 100% interest in the registered capital of Chengdu Gaoyuan pursuant to the terms and conditions of the Chengdu Gaoyuan Agreement; (ii) 100% interest in the registered capital of Jinan Geely pursuant to the terms and conditions of the Jinan Geely Agreement; and (iii) 100% interest in the registered capital of Lanzhou Geely pursuant to the terms and conditions of the Lanzhou Geely Agreement, to the Group  |
| “Zhejiang Geely”        | 浙江吉利汽車有限公司 (Zhejiang Geely Automobile Company Limited), a sino-foreign joint venture company established in the PRC with limited liability and is an indirect 91%-owned subsidiary of the Company   |
| “Zhejiang Haoqing”      | 浙江豪情汽車製造有限公司(Zhejiang Haoqing Automobile Manufacturing Company Limited), a limited liability company incorporated in the PRC and is owned as to 90.00% by Geely Holding and as to 10.00% by浙江華普資產管理有限公司(Zhejiang Maple Assets Management Company Limited) respectively, which is in turn owned by the senior management of Geely Holding. It is principally engaged in the manufacturing and sales of automobiles and related components, and manufacturing of air-conditioning related parts |
| “%”                     | per cent.   |

*Unless otherwise specified in this announcement, amounts denominated in RMB have been converted, for the purpose of illustration only, into HK\$ as follows:*

$$RMB1 = HK\$1.1364$$

*No representation is made that any amount in HK\$ could have been or could be converted at the above rate or at any other rates or at all.*

By order of the Board of  
**Geely Automobile Holdings Limited**  
**David C.Y. Cheung**  
*Company Secretary*

Hong Kong, 27 October 2009

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