
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Geely Automobile Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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
RELATING TO
THE ESTABLISHMENT OF
HUNAN GEELY AUTOMOBILE COMPONENTS COMPANY LIMITED
AND
LANZHOU GEELY AUTOMOBILE COMPONENTS COMPANY LIMITED**

Financial adviser to Geely Automobile Holdings Limited



CIMB-GK Securities (HK) Limited

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**



Quam Capital Limited

A letter from the Board is set out on pages 5 to 12 of this circular. A letter from the Independent Board Committee is set out on page 13 of this circular. A letter from Quam Capital, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 19 of this circular.

A notice convening the EGM of Geely Automobile Holdings Limited to be held at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Monday, 30 April 2007 at 10:00 a.m. is set out on pages 27 to 28 of this circular. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	5
Hunan Geely JV Agreement	6
Lanzhou Geely JV Agreement	8
Reasons for the entering into the JV Agreements	10
Requirements of the Listing Rules	11
Independent Board Committee/independent financial adviser	11
EGM	11
Procedure for demanding a poll by Shareholders	11
General	12
Additional information	12
Letter from the Independent Board Committee	13
Letter from Quam Capital	14
Appendix – General information	20
Notice of EGM	27

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Centurion”	Centurion Industries Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company and is principally engaged in investment holding
“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 person(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to approve the JV Agreements
“Geely Group”	Geely Group Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Li
“Geely Holding”	浙江吉利控股集團有限公司 (Geely Holding Group Company Limited), a private limited liability company incorporated in Zhejiang Province, the PRC, and is owned as to 72.7% by Mr. Li and as to 27.3% by Mr. Li Xu Bing, brother of Mr. Li, respectively
“Geely Holding Limited”	吉利集團有限公司 (Geely Holding Limited), a private limited liability company incorporated in Zhejiang Province, the PRC, and is owned as to 55% by Mr. Li and as to 45% by Mr. Li Xu Bing, the brother of Mr. Li, respectively. It is principally engaged in investment holding
“Group”	the Company and its subsidiaries
“Hunan Geely JV”	湖南吉利汽車部件有限公司 (Hunan Geely Automobile Components Company Limited), a sino-foreign joint venture to be established in the PRC with limited liability which will be owned as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion, respectively

DEFINITIONS

“Hunan Geely JV Agreement”	the joint venture agreement dated 26 March 2007 entered into between Zhejiang Haoqing and Centurion which sets out the principal terms for the establishment of the Hunan Geely JV
“Independent Board Committee”	the independent committee of the Board comprising only the independent non-executive Directors established for the purpose of advising the Independent Shareholders on the JV Agreements
“Independent Shareholders”	Shareholders other than Mr. Li and his associates
“JV Agreements”	collectively the Hunan Geely JV Agreement and the Lanzhou Geely JV Agreement
“Lanzhou Geely JV”	蘭州吉利汽車部件有限公司 (Lanzhou Geely Automobile Components Company Limited), a sino-foreign joint venture to be established in the PRC with limited liability which will be owned as to 53.19% by Zhejiang Geely Merrie and as to 46.81% by Centurion, respectively
“Lanzhou Geely JV Agreement”	the joint venture agreement dated 26 March 2007 entered into between Zhejiang Geely Merrie and Centurion which sets out the principal terms for the establishment of the Lanzhou Geely JV
“Latest Practicable Date”	12 April 2007, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	Mr. Li Shu Fu, a Director holding 52.33% beneficial interest in the issued share capital of the Company
“PRC”	The People’s Republic of China
“Proper Glory”	Proper Glory Holding Inc., a company incorporated in the British Virgin Islands and is wholly-owned by the Geely Group
“Quam Capital”	Quam Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the JV Agreements

DEFINITIONS

“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“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 manufacturing and sales of automobile and related components, and manufacturing of air conditioning related parts
“Shanghai Maple JV”	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 owned as to 53.19% by Shanghai Maple and as to 46.81% by Value Century Group Limited, a wholly-owned subsidiary of the Company, respectively. It has a production facility in Shanghai. The Shanghai production plant is a fully-integrated plant, comprising stamping, welding, painting and assembly facilities and supporting production and testing lines for engines and gearboxes
“Share(s)”	share(s) of HK\$0.02 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhejiang 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 90.0% by Geely Holding and as to 10.0% 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 manufacturing and managing of automobile, automobile power generators and related components. It also engaged in exporting of products it produces and importing machineries, accessories and raw materials required in its business

DEFINITIONS

“Zhejiang Haoqing”	浙江豪情汽車製造有限公司 (Zhejiang Haoqing Automobile Manufacturing Company Limited), a company incorporated in the PRC with limited liability, and is beneficially owned as to 90% by Geely Holding and 10% by 浙江華普資產管理有限公司 (Zhejiang Maple Assets Management Co. Ltd) respectively, which is in turn owned by the senior management of Geely Holding. It is principally engaged in manufacturing and distribution of Haoqing’s series models
“Zhejiang JV”	浙江吉利汽車有限公司，前稱浙江吉利國潤汽車有限公司 (Zhejiang Geely Automobile Company Limited, formerly known as Zhejiang Geely Guorun Automobile Company Limited), a sino-foreign joint venture company incorporated in the PRC, and owned as to 53.19% by Zhejiang Geely Merrie and 46.81% by Centurion, respectively
“Zhejiang Kingkong JV”	浙江金剛汽車有限公司 (Zhejiang Kingkong Automobile Company Limited), a sino-foreign joint venture established in the PRC with limited liability which is owned as to 53.19% by Geely Holding Limited and as to 46.81% by Centurion, respectively
“Zhejiang Ruhoo JV”	浙江陸虎汽車有限公司 (Zhejiang Ruhoo Automobile Company Limited), a sino-foreign joint venture established in the PRC with limited liability which is owned as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion, respectively
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

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

$$US\$1 = HK\$7.8124$$

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.

Certain English translation of Chinese names or words in this circular are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Li Shu Fu
Mr. Gui Sheng Yue
Mr. Xu Gang
Mr. Yang Jian
Mr. Ang Siu Lun, Lawrence
Mr. Liu Jin Liang
Mr. Yin Da Qing, Richard
Mr. Zhao Jie
Dr. Zhao Fuquan

Independent non-executive Directors:

Mr. Lee Cheuk Yin, Dannis
Mr. Song Lin
Mr. Yeung Sau Hung, Alex

Registered office:

P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

*Principal place of business
in Hong Kong:*

Room 2301, 23rd Floor
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

13 April 2007

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
RELATING TO
THE ESTABLISHMENT OF
HUNAN GEELY AUTOMOBILE COMPONENTS COMPANY LIMITED
AND
LANZHOU GEELY AUTOMOBILE COMPONENTS COMPANY LIMITED**

INTRODUCTION

On 26 March 2007, the Board announced that the Group entered into the JV Agreements to jointly establish two joint venture companies, namely the Hunan Geely JV and the Lanzhou Geely JV, with Zhejiang Haoqing in Hunan Province and Zhejiang Geely Merrie in Gansu Province respectively, to engage in the research and development, production, marketing and sales of sedan related components in the PRC.

LETTER FROM THE BOARD

Zhejiang Haoqing and Zhejiang Geely Merrie are connected persons of the Company for the purpose of the Listing Rules by virtue of the fact that both Zhejiang Haoqing and Zhejiang Geely Merrie are beneficially owned by Mr. Li and his associates. As the aggregate consideration under the JV Agreements exceeds 5% but is below 25% of the applicable percentage ratio as defined under Rule 14.07 of the Listing Rules, the entering into of the Hunan Geely JV Agreement and the Lanzhou Geely JV Agreement constitutes discloseable and connected transactions of the Company under Chapters 14 and 14A of the Listing Rules and is subject to the requirements of reporting, announcement, and the approval by the Independent Shareholders (by way of poll) as set out in Chapter 14A of the Listing Rules.

Proper Glory and Geely Group (both wholly-owned by Mr. Li, and holding in aggregate, 52.33% in the issued share capital of the Company) and their associates will abstain from voting for the resolutions to approve the JV Agreements to be put forward at the EGM.

The purpose of this circular is to provide you with further information on, among other things, details of the JV Agreements, the letter from the Independent Board Committee, the letter from Quam Capital to advise the Independent Board Committee and the Independent Shareholders and the notice to convene the EGM.

HUNAN GEELY JV AGREEMENT

Date:	26 March 2007
Parties:	(1) Zhejiang Haoqing (2) Centurion
Subject matter:	Establishment of a sino-foreign equity joint venture, the Hunan Geely JV, to be owned as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion, respectively.
Scope of business:	To engage in the research, production, marketing and sales of sedan related components in the PRC.
Term:	50 years from the date of issue of the business licence of the Hunan Geely JV. The Hunan Geely JV will be established on the date that the relevant PRC authority issues the Hunan Geely JV with its business licence.
Capital Structure:	Total investment: US\$75,000,000.00 (equivalent to approximately HK\$585,930,000.00), determined mainly with reference to the estimated working capital requirements of the Hunan Geely JV.

LETTER FROM THE BOARD

Registered capital:

US\$25,000,000.00 (equivalent to approximately HK\$195,310,000.00), which will be contributed as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion, respectively. 20% of the registered capital will be contributed within three months with the balance 80% of the registered capital to be contributed within 24 months following the establishment of the Hunan Geely JV in the following manners:

- (i) Centurion will contribute its 46.81% capital contribution amount of US\$11,702,500.00 (equivalent to approximately HK\$91,424,611.00) payable in cash, which will be financed by internal resources of the Group; and
- (ii) Zhejiang Haoqing will contribute its 53.19% capital contribution amount of US\$13,297,500.00 (equivalent to approximately HK\$103,885,389.00) in cash.

Profit distribution: Profits of the Hunan Geely JV will be distributed in accordance with the proportion of the registered capital to be held by Zhejiang Haoqing and Centurion, respectively.

Additional financing: To finance its further investment, the Hunan Geely JV may obtain additional funds through external financing and/or equity contribution on terms and conditions to be approved by its board of directors. Nevertheless, neither Centurion nor Zhejiang Haoqing has any obligation in the contribution of additional funding to the Hunan Geely JV or to provide guarantee to a third party or financial institutions for any loan to be granted to the Hunan Geely JV. The directors of Centurion confirm that Centurion will not contribute additional funding to the Hunan Geely JV or to provide guarantee to a third party or financial institutions for any loan to be granted to the Hunan Geely JV for the difference between the total investment and the registered capital amounts.

Board composition: The board of the Hunan Geely JV will comprise four members. Zhejiang Haoqing will have the right to nominate two members and Centurion will have the right to nominate two members, including the chairman, to the board of the Hunan Geely JV. Mr. Yang Jian, an executive director of the Company, will be the chairman of the board of the Hunan Geely JV. The quorum of board meeting will be two thirds or more of the then total number of directors and must consist of directors nominated by both Zhejiang Haoqing and Centurion.

LETTER FROM THE BOARD

Conditions precedent

Completion of the Hunan Geely JV Agreement is conditional upon, among other things, the following conditions precedent being satisfied on or before 31 May 2007 (or such later date as may be agreed by the parties):

- (a) the Independent Shareholders approving the establishment of the Hunan Geely JV in the extraordinary general meeting to be convened to approve the transaction; and
- (b) the relevant PRC government authority responsible for the examination and approval of sino-foreign equity joint venture enterprises having issued their approvals for the Hunan Geely JV Agreement.

If the above conditions have not been fulfilled on or before 31 May 2007 (or such later date as the parties will agree), the Hunan Geely JV Agreement will lapse and all the obligations and liabilities of the parties to the Hunan Geely JV Agreement will cease and terminate.

Upon completion of the Hunan Geely JV Agreement, the Hunan Geely JV will be owned as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion, respectively and it will be accounted for as an associated company of the Group.

LANZHOU GEELY JV AGREEMENT

Date:	26 March 2007
Parties:	(1) Zhejiang Geely Merrie (2) Centurion
Subject matter:	Establishment of a sino-foreign equity joint venture, the Lanzhou Geely JV, to be owned as to 53.19% by Zhejiang Geely Merrie and as to 46.81% by Centurion, respectively.
Scope of business:	To engage in the research, production, marketing and sales of sedan related components in the PRC.
Term:	50 years from the date of issue of the business licence of the Lanzhou Geely JV. The Lanzhou Geely JV will be established on the date that the relevant PRC authority issues the Lanzhou Geely JV with its business licence.
Capital Structure:	Total investment: US\$75,000,000.00 (equivalent to approximately HK\$585,930,000.00), determined mainly with reference to the estimated working capital requirements of the Lanzhou Geely JV.

LETTER FROM THE BOARD

Registered capital:

US\$25,000,000.00 (equivalent to approximately HK\$195,310,000.00), which will be contributed as to 53.19% by Zhejiang Geely Merrie and as to 46.81% by Centurion, respectively. 20% of the registered capital will be contributed within three months with the balance 80% of the registered capital to be contributed within 24 months following the establishment of the Lanzhou Geely JV in the following manners:

- (i) Centurion will contribute its 46.81% capital contribution amount of US\$11,702,500.00 (equivalent to approximately HK\$91,424,611.00) payable in cash, which will be financed by internal resources of the Group; and
- (ii) Zhejiang Geely Merrie will contribute its 53.19% capital contribution amount of US\$13,297,500.00 (equivalent to approximately HK\$103,885,389.00) in cash.

Profit distribution: Profits of the Lanzhou Geely JV will be distributed in accordance with the proportion of the registered capital to be held by Zhejiang Geely Merrie and Centurion, respectively.

Additional financing: To finance its further investment, the Lanzhou Geely JV may obtain additional funds through external financing and/or equity contribution on terms and conditions to be approved by its board of directors. Nevertheless, neither Centurion nor Zhejiang Geely Merrie has any obligation in the contribution of additional funding to the Lanzhou Geely JV or to provide guarantee to a third party or financial institutions for any loan to be granted to the Lanzhou Geely JV. The directors of Centurion confirm that Centurion will not contribute additional funding to the Lanzhou Geely JV or to provide guarantee to a third party or financial institutions for any loan to be granted to the Lanzhou Geely JV for the difference between the total investment and the registered capital amounts.

Board composition: The board of the Lanzhou Geely JV will comprise four members. Zhejiang Geely Merrie will have the right to nominate two members and Centurion will have the right to nominate two members, including the chairman, to the board of the Lanzhou Geely JV. Mr. Yang Jian, an executive director of the Company, will be the chairman of the board of the Lanzhou Geely JV. The quorum of board meeting will be two thirds or more of the then total number of directors and must consist of directors nominated by both Zhejiang Geely Merrie and Centurion.

LETTER FROM THE BOARD

Conditions precedent

Completion of the Lanzhou Geely JV Agreement is conditional upon, among other things, the following conditions precedent being satisfied on or before 31 May 2007 (or such later date as may be agreed by the parties):

- (a) the Independent Shareholders approving the establishment of the Lanzhou Geely JV in the extraordinary general meeting to be convened to approve the transaction; and
- (b) the relevant PRC government authority responsible for the examination and approval of sino-foreign equity joint venture enterprises having issued their approvals for the Lanzhou Geely JV Agreement.

If the above conditions have not been fulfilled on or before 31 May 2007 (or such later date as the parties will agree), the Lanzhou Geely JV Agreement will lapse and all the obligations and liabilities of the parties to the Lanzhou Geely JV Agreement will cease and terminate.

Upon completion of the Lanzhou Geely JV Agreement, the Lanzhou Geely JV will be owned as to 53.19% by Zhejiang Geely Merrie and as to 46.81% by Centurion, respectively and it will be accounted for as an associated company of the Group.

REASONS FOR THE ENTERING INTO THE JV AGREEMENTS

The Group is principally engaged in the manufacture and trading of automobile parts and related automobiles in the PRC. As noted in the Company's 2006 interim report, the Group's medium to long term target is to upgrade and expand its production facilities. The Directors believe that the strong growth in the demand for fuel-efficient and easy-to-maintain economy sedans in the PRC is sustainable given the continued growth in the PRC economy. At present, most sedans manufactured by the Group's associates are principally geographically sold in the coastal cities of the PRC. The formation of the Hunan Geely JV and the Lanzhou Geely JV in the inner provinces of Hunan Province and Gansu Province, respectively aims to tap into the increasing demand for Geely's and Maple's sedans in the inner cities of the PRC at a relatively lower transportation costs. Upon completion of the JV Agreements, the Hunan Geely JV and the Lanzhou Geely JV will be accounted for as associated companies of the Group, the Directors expect that there will be no material adverse impact on the earnings and the asset base of the Group. The Directors consider that the terms of the JV Agreements, all of which have been negotiated on an arm's length basis and on normal commercial terms, are fair and reasonable so far as the Company and the Shareholders as a whole are concerned. Accordingly, the Directors (including the independent non-executive Directors) consider that the establishment of the Hunan Geely JV and the Lanzhou Geely JV is in the interests of the Company and the Shareholders as a whole. The Group will contribute its portion of capital contribution primarily by the dividend receivables from its associated companies.

LETTER FROM THE BOARD

REQUIREMENTS OF THE LISTING RULES

Zhejiang Haoqing and Zhejiang Geely Merrie are connected persons of the Company for the purpose of the Listing Rules by virtue of the fact that both Zhejiang Haoqing and Zhejiang Geely Merrie are beneficially owned by Mr. Li and his associates. As the aggregate consideration under the JV Agreements exceeds 5% but is below 25% of the applicable percentage ratio as defined under Rule 14.07 of the Listing Rules, the entering into of the Hunan Geely JV Agreement and the Lanzhou Geely JV Agreement constitutes discloseable and connected transactions for the Company under Chapters 14 and 14A of the Listing Rules and is subject to the requirements of reporting, announcement, and the approval by the Independent Shareholders (by way of poll) as set out in Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE/INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been appointed to advise the Independent Shareholders in respect of the terms of the JV Agreements. Quam Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The Company will convene the EGM at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Monday, 30 April 2007, at 10:00 a.m. at which ordinary resolutions will be proposed for the purpose of considering and, if thought fit, approving the JV Agreements in relation to the establishment of the Hunan Geely JV and the Lanzhou Geely JV. Proper Glory and Geely Group, (both wholly-owned by Mr. Li, and holding in aggregate, 52.33% in the issued share capital of the Company) and their associates will abstain from voting for the resolutions to approve the JV Agreements to be put forward at the EGM. The voting on the resolutions in respect of the JV Agreements will be conducted by way of poll in accordance with the requirements of the Listing Rules.

A form of proxy for use by the Independent Shareholders at the EGM and at any adjournment thereof is enclosed. Whether or not you propose to attend and vote at the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Branch Share Registrars in Hong Kong, Union Registrars Limited at Room 1803, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM, or any adjourned meeting, should you so wish.

PROCEDURE FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to Article 80, every resolution submitted to a general meeting shall be determined on a show of hands in the first instance by the Shareholders present in person, but a poll may be demanded (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) by the Chairman or by:

- (a) at least 5 Shareholders present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and entitled to vote at the meeting; or

LETTER FROM THE BOARD

- (b) any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (c) any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (d) any Director or any Directors who, individually or collectively, hold proxies in respect of shares representing five per cent (5%) or more of the total voting rights at such meeting.

GENERAL

You are advised to read carefully the letter from the Independent Board Committee, which contains its recommendation to the Independent Shareholders in respect of the JV Agreements and all transactions in connection therewith, set out on page 13 of this circular. Your attention is also drawn to the letter of advice from Quam Capital containing its advice to the Independent Board Committee and the Independent Shareholders set out on pages 14 to 19 of this circular.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

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



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)

13 April 2007

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
RELATING TO
THE ESTABLISHMENT OF
HUNAN GEELY AUTOMOBILE COMPONENTS COMPANY LIMITED
AND
LANZHOU GEELY AUTOMOBILE COMPONENTS COMPANY LIMITED**

We refer to the circular of the Company dated 13 April 2007 (the "Circular") to the Shareholders, of which this letter forms part. Capitalised terms used herein have the same meanings as defined in the Circular unless otherwise specified.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the terms of the JV Agreements, details of which are set out in the letter from the Board in the Circular.

Having taken into account of the advice of Quam Capital, the independent financial adviser, we consider that the entering into of the JV Agreements is in the interests of the Company and the Shareholders as a whole and the terms of the JV Agreements are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the JV Agreements.

Yours faithfully,

Mr. Lee Cheuk Yin, Dannis

Mr. Song Lin

Mr. Yeung Sau Hung, Alex

Independent Board Committee

LETTER FROM QUAM CAPITAL

The following is the full text of the letter of advice from Quam Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the JV Agreements.



Quam Capital Limited 華富嘉洛企業融資有限公司

A Member of The Quam Group

13 April 2007

To the Independent Board Committee and the Independent Shareholders
Geely Automobile Holdings Limited
Room 2301, 23rd Floor
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
RELATING TO
THE ESTABLISHMENT OF
HUNAN GEELY AUTOMOBILE COMPONENTS COMPANY LIMITED
AND
LANZHOU GEELY AUTOMOBILE COMPONENTS COMPANY LIMITED**

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the JV Agreements. Details of the terms of the JV Agreements are set out in the “Letter from the Board” contained in the circular issued by the Company to the Shareholders dated 13 April 2007 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

Messrs. Lee Cheuk Yin, Dannis, Song Lin and Yeung Sau Hung, Alex, the independent non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether the JV Agreements have been entered into by the Group within its ordinary and usual course of business based on normal commercial terms; and their respective terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and to advise the Independent Shareholders as to whether to vote in favour of the JV Agreements. As the independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders.

LETTER FROM QUAM CAPITAL

Quam Capital Limited is independent of and not connected with any members of the Group or any of their substantial shareholders, directors or chief executives, or any of their respective associates, and is accordingly qualified to give an independent advice in respect of the JV Agreements.

In formulating our recommendation, we have relied on the information, facts supplied by the Company and its advisers, and the opinions expressed by and the representations of the Directors and management of the Company. We have assumed that all the information and representations contained or referred to in the Circular were true and accurate in all respects at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time that they were made and continue to be true at the date thereof. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Directors have confirmed to us that no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement in the Circular misleading.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, Zhejiang Haoqing, Zhejiang Geely Merrie or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have taken into consideration the following principal factors and reasons:

1. Background to and reasons for entering into the JV Agreements

(a) Principal activities of the Hunan Geely JV and the Lanzhou Geely JV

Pursuant to the JV Agreements, the respective business scope of the Hunan Geely JV and the Lanzhou Geely JV (collectively, the “**Joint Ventures**”) is to engage in the research, production, marketing and sales of sedan related components in the PRC.

As the above is in line with the Group’s core business of manufacture and trading of automobile parts and related automobiles in the PRC, we are of the view that the entering into of the JV Agreements by the Group is within its usual and ordinary course of business.

LETTER FROM QUAM CAPITAL

(b) Background of and reasons for the JV Agreements

As stated in a news report dated 8 March 2007, China Association of Automobile Manufacturers predicted that the total automobile sales in the PRC for 2007 would increase by 15% to surpass 8 million units. In particular, the passenger vehicle sales is expected to expand at about 18% in 2007 and 2008 in tandem with steady economic conditions according to a research report published by an independent advisory house.

Furthermore, under the Eleventh Five-Year (2006-2010) Plan for National Economic and Social Development, the PRC government expects to achieve an average annual gross domestic product growth rate of 7.5% in the next five years. As the automobile industry is highly correlated to the national economic development, this will help to enhance the future development of the PRC automobile industry.

As disclosed in the Company's interim report for the six months ended 30 June 2006, one of its stated policy and objectives is to continue to upgrade and expand the Group's production facilities to improve quality and reduce costs. Hitherto, the sales of the sedans manufactured by the Group's associated companies have been geographically concentrated in the coastal cities of the PRC. It is noted that under the JV Agreements, the Joint Ventures are to be established in the Hunan Province and Gansu Province, the inland provinces in southern and north-western parts of the PRC.

In light of the foregoing, we concur with the Directors' view that the formation of the Joint Ventures will enable the Group (1) to capture the potential growth opportunities for its business in the PRC automobile industry given the expected continued growth in the demand for fuel-efficient economy passenger cars in the PRC; and (2) to tap into the increasing demand for Geely's and Maple's series sedans in the inner cities of the PRC at a relatively lower transportation costs. This also conforms to the stated medium to long term business strategy of the Group as discussed above.

As the formation of the Joint Ventures will enhance the geographical diversification and expansion of the Group's business and is in line with the stated business objectives and strategy of the Group, we are of the view that the entering into of the JV Agreements by the Group is in the interests of the Company and the Shareholders as a whole in this respect.

2. Principal terms of the JV Agreements

Set out below is the summary of the principal terms of the JV Agreements:

(a) Capital contribution

Both Joint Ventures will be incorporated in the PRC as sino-foreign joint ventures with limited liability. They will be owned as to 53.19% by Zhejiang Haoqing or Zhejiang Geely Merrie (as the case may be) and as to 46.81% by Centurion, respectively. As stipulated in the JV Agreements, the total investment amount and the registered capital of each of the Joint Ventures will be in the amount of US\$75 million (equivalent to about HK\$585,930,000) and US\$25 million (equivalent to about HK\$195,310,000), respectively.

LETTER FROM QUAM CAPITAL

Under the JV Agreements, Centurion is to contribute US\$11,702,500 (equivalent to about HK\$91,424,611) in cash to the registered capital of each of the Joint Ventures (together, the “**Total Capital Contributions**”), representing 46.81% of the total registered capital amount; while the balance of which will be contributed by Zhejiang Haoqing or Zhejiang Geely Merrie (as the case may be) in cash.

As the capital contribution by each of Centurion, Zhejiang Haoqing and Zhejiang Geely Merrie to the Joint Ventures will be in proportion to their respective equity interest in the Joint Ventures, we are of the opinion that the terms of the JV Agreements are fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole in this respect.

(b) Profit sharing

Under the JV Agreements, the profit from the operations of the Joint Ventures will be shared between the relevant Joint Ventures partners in accordance with their proportionate interest in the registered capital of the Joint Ventures. As such, we are of the view that the terms of the JV Agreements are on normal commercial terms, fair and reasonable and in the interests of both the Company and the Shareholders as a whole in this regard.

(c) Management of the Joint Ventures

The board of directors of each of the Joint Ventures will comprise four members, of which two (including Mr. Yang Jian, an executive Director, as the chairman) will be nominated by Centurion and the remaining two will be nominated by Zhejiang Haoqing or Zhejiang Geely Merrie (as the case may be). The quorum of board meeting will be two thirds or more of the then total number of directors and must consist of directors nominated by Centurion and Zhejiang Haoqing or Zhejiang Geely Merrie (as the case may be), respectively.

It is also noted that in either case, major issues including, but not limited to, any changes to the provisions of the articles and association of the Joint Ventures and the amount of their respective registered capital and the cessation or dismissal of the Joint Ventures will be subject to the unanimous approval of all the respective directors of the Joint Ventures.

The abovementioned provision will ensure there will be sufficient management control afforded to the Group in the operations of the Joint Ventures. In this regard, we consider the terms of the JV Agreements are fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole.

LETTER FROM QUAM CAPITAL

3. Funding commitment of the Group under the JV Agreements

(a) Total Capital Contributions

Under the JV Agreements, the Group is required to pay for 20% of the Total Capital Contributions within three months with the remaining balance to be settled within 24 months, following the establishment of the relevant Joint Ventures.

It is stated that the Group will finance the Total Capital Contributions by its internal resources. We are advised by the Directors that it is the Company's current intention that the Total Capital Contributions are to be primarily funded by dividend payments from its associated companies, and in particular, the distributions to be declared and paid by Shanghai Maple Guorun Automobile Company Limited and Zhejiang Geely Automobile Company Limited, for the two financial years ending 31 December 2007. Notwithstanding this, the Directors also confirmed that the Group has the alternative to deploy part of the net proceeds of the top-up placement of the Shares effected by the Company in February 2007, which have been earmarked for the general working capital of the Group, to fulfil its obligations in respect of the Total Capital Contributions for contingency purposes.

(b) Additional funding for the Joint Ventures

Pursuant to the JV Agreements, the Joint Ventures may obtain additional funds through external financing and/or equity contribution to finance their further investment. Nevertheless, it should be noted that none of Centurion, Zhejiang Haoqing and Zhejiang Geely Merrie has any obligation to contribute additional funds to the Joint Ventures or to provide any guarantee to a third party or financial institutions for any loan to be granted to the Joint Ventures.

Furthermore, the directors of Centurion confirmed that Centurion will not contribute additional funding to the Joint Ventures or to provide guarantee to a third party or financial institutions for any loan to be granted to the Joint Ventures for the difference between the total investment and the registered capital amounts.

4. Possible financial impacts of the entering into of the JV Agreements on the Group

As discussed above, (1) the Group will primarily satisfy the payment of the Total Capital Contributions by internal resources; and (2) the Group has no obligation to, and the Directors have also confirmed that the Group will not, finance any additional funding required by either of the Joint Ventures or to provide guarantee or other security to a third party or financial institutions for any loan to be granted to the Joint Ventures for the difference between the total investment and the registered capital amounts.

In view of the foregoing, there will not be any adverse impact on the financial position of the Group as a result of its entering into of the JV Agreements.

LETTER FROM QUAM CAPITAL

RECOMMENDATION

Having considered the principal factors and reasons discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

- the establishment of the Joint Ventures will help to enhance the Group's geographical diversification and expansion into the inland provinces of the PRC to tap the increasing demand thereof and is in line with the Group's medium to long term business strategy and objective of expanding its production capacity and reducing cost;
- the terms of the JV Agreements and in particular, those related to the financing commitment and profit sharing, which are in proportion to the respective equity interests of the Joint Ventures partners; and
- there will not be any adverse impact on the financial position of the Group as a result of its entering into of the JV Agreements,

we are of the view that the entering into of the JV Agreements by the Group is conducted within its ordinary and usual course of business based on normal commercial terms, and it is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the JV Agreements.

Yours faithfully,
For and on behalf of
Quam Capital Limited
Karen C. Wong
Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other matters the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors in the securities of the Company and its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, including interests and short positions which they were deemed or taken to have under such provisions of the SFO, or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules to be notified to the Company and the Stock Exchange are as follows:

(I) Interests and short positions in the securities of the Company

Name of Director	Capacity	Number of shares in the Company		Shareholding percentage (%)
		Long Position	Short Position	
Shares				
Mr. Li Shu Fu (Note 1)	Corporate	2,500,087,000	–	52.33%
Mr. Ang Siu Lun, Lawrence	Personal	2,270,000	–	0.05%
Share options				
Mr. Ang Siu Lun, Lawrence	Personal	35,000,000 (Note 2)	–	0.73%
Mr. Ang Siu Lun, Lawrence	Personal	10,000,000 (Note 3)	–	0.21%
Mr. Gui Sheng Yue	Personal	23,000,000 (Note 3)	–	0.48%
Mr. Xu Gang	Personal	23,000,000 (Note 3)	–	0.48%

Name of Director	Capacity	Number of shares in the Company		Shareholding percentage (%)
		Long Position	Short Position	
Mr. Yang Jian	Personal	23,000,000 (Note 3)	–	0.48%
Mr. Liu Jin Liang	Personal	18,000,000 (Note 3)	–	0.38%
Mr. Zhao Jie	Personal	18,000,000 (Note 3)	–	0.38%
Mr. Yin Da Qing, Richard	Personal	16,000,000 (Note 3)	–	0.33%
Mr. Song Lin	Personal	1,000,000 (Note 4)	–	0.02%
Mr. Yeung Sau Hung, Alex	Personal	1,000,000 (Note 4)	–	0.02%
Mr. Lee Cheuk Yin, Dannis	Personal	1,000,000 (Note 4)	–	0.02%
Dr. Zhao Fuquan	Personal	12,000,000 (Note 5)	–	0.25%

Notes:

- (1) Proper Glory is a private company incorporated in the British Virgin Islands and is wholly owned by Geely Group. Geely Group is a private company incorporated in the British Virgin Islands and is wholly owned by Mr. Li.
- (2) This interest relates to share options granted on 23 February 2004 by the Company to Mr. Ang Siu Lun, Lawrence. The share options are exercisable at a subscription price of HK\$0.95 for each share during the period from 23 February 2004 to 22 February 2009. The percentage of holding is calculated on the basis (i) that the options are fully exercised; and (ii) the number of issued share capital of the Company when the options are exercised is the same as that as at the Latest Practicable Date.
- (3) This interest relates to share options granted on 5 August 2005 by the Company to the executive Directors. The share options are exercisable at a subscription price of HK\$0.70 for each share during the period from 5 August 2005 to 4 August 2010. The percentage of holding is calculated on the basis (i) that the options are fully exercised; and (ii) the number of issued share capital of the Company when the options are exercised is the same as that as at the Latest Practicable Date.
- (4) This interest relates to share options granted on 23 May 2006 by the Company to the independent non-executive Directors. The share options are exercisable at a subscription price of HK\$0.93 for each share during the period from 10 July 2006 to 16 May 2011. The percentage of holding is calculated on the basis (i) that the options are fully exercised; and (ii) the number of issued share capital of the Company when the options are exercised is the same as that as at the Latest Practicable Date.

- (5) This interest relates to share options granted on 28 November 2006 by the Company to Dr. Zhao Fuquan. The share options are exercisable at a subscription price of HK\$0.89 for each share during the period from 28 November 2006 to 27 November 2011. The percentage of holding is calculated on the basis (i) that the options are fully exercised; and (ii) the number of issued share capital of the Company when the options are exercised is the same as that as at the Latest Practicable Date.

Save as disclosed above, none of the Directors, chief executives nor their associates had any interest on the short position in any shares or underlying shares of the Company as at the Latest Practicable Date.

(II) *Interests and short positions in the securities of the associated corporations of the Company*

Name of Director	Name of its associated corporations	Number of shares in its associated corporations		Shareholding percentage (%)
		Long Position	Short Position	
Mr. Li Shu Fu	Geely Group	50,000	–	100%
Mr. Li Shu Fu	Zhejiang JV	(Note 1)	–	(Note 1)
Mr. Li Shu Fu	Shanghai Maple JV	(Note 2)	–	(Note 2)
Mr. Li Shu Fu	Zhejiang Kingkong JV	(Note 3)	–	(Note 3)
Mr. Li Shu Fu	Zhejiang Ruhoo JV	(Note 4)	–	(Note 4)

Notes:

- (1) Zhejiang JV is incorporated in the PRC and is 53.19%-owned by Zhejiang Geely Merrie. Zhejiang Geely Merrie is incorporated in the PRC and is 90%-owned by Geely Holding. Geely Holding is incorporated in the PRC and is 72.7%-owned by Mr. Li.
- (2) Shanghai Maple JV is incorporated in the PRC and is 53.19%-owned by Shanghai Maple. Shanghai Maple is incorporated in the PRC and is 90%-owned by Geely Holding. Geely Holding is incorporated in the PRC and is 72.7%-owned by Mr. Li.
- (3) Zhejiang Kingkong JV is incorporated in the PRC and is 53.19%-owned by Geely Holding Limited. Geely Holding Limited is incorporated in the PRC and is 55%-owned by Mr. Li.
- (4) Zhejiang Ruhoo JV is incorporated in the PRC and is 53.19%-owned by Zhejiang Haoqing. Zhejiang Haoqing is incorporated in the PRC and is 90%-owned by Geely Holding. Geely Holding is incorporated in the PRC and is 72.7%-owned by Mr. Li.

Save as disclosed above, none of the Directors, chief executives nor their associates had any interest on the short position in any shares or underlying shares of the associated corporations of the Company as at the Latest Practicable Date.

(b) Substantial Shareholders

So far as is known to each Director or the chief executive of the Company, as at the Latest Practicable Date, the following persons or corporations (other than the Directors) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's/corporate's interest in such securities, together with particulars of any options in respect of such capital, were as follows:

Name of Shareholder	Capacity	Number of shares held		Shareholding percentage (%)
		Long Position	Short Position	
Proper Glory (<i>Note</i>)	Beneficial owner	2,500,000,000	–	52.33%
Geely Group (<i>Note</i>)	Beneficial owner	87,000	–	0.002%
	Corporate	2,500,000,000	–	52.33%
TOSCA	Corporate	335,000,000	–	7.01%

Note: Proper Glory is a private company incorporated in the British Virgin Islands and is wholly-owned by Geely Group. Geely Group is a private company incorporated in the British Virgin Islands and is wholly owned by Mr. Li.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any other person or corporation who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

3. SERVICE CONTRACTS

At the Latest Practicable Date, none of the Directors has entered, or proposed to enter, into a service contract with any member of the Group which does not expire or is not determinable by the relevant member of the Group within one year without compensation, other than statutory compensation.

4. COMPETING INTEREST

Geely Holding, which is ultimately owned by Mr. Li and his associates, has signed agreements or been in negotiations with local governments in the PRC to set up production plants for the manufacture and distribution of sedans in four locations, namely Lanzhou, Xiangtan, Ningbo and Jinan (“Potential Business”). To demonstrate Mr. Li’s continued commitment to the Group, Geely Holding has provided a written undertaking in favor of the Group (the “Undertaking”) that:

- (1) Geely Holding will undertake and warrant and cause its subsidiaries to undertake and warrant to refrain from research and development, production and sales of any products which are in competition with the products produced by the Group and/or its associated companies (“Geely Products”). The Geely Products include (i) new models produced by the Group and/or its associated companies in the future and (ii) improved versions of the existing models currently produced by the Group and/or its associated companies; and
- (2) upon being notified of any decision by the Company pursuant to a resolution approved by a majority of the independent non-executive Directors, Mr. Li will, and will procure his associates (other than the Group) to sell to the Group (a) all of the Potential Businesses and related assets, and (b) new projects that might constitute competing businesses to those currently engaged by the Group or the Company’s associates undertaken by Geely Holding subject to compliance with applicable requirements of the Listing Rules and other applicable laws and regulations upon terms to be mutually agreed as fair and reasonable.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their associates had any interests which competed or was likely to compete, either directly or indirectly, with the Company’s business.

5. LITIGATION

None of the members of the Group is engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

6. NO MATERIAL ADVERSE CHANGE

The Directors confirmed there is no material adverse change in the financial or trading prospect of the Group since 31 December 2006, the date to which the latest audited consolidated financial statements of the Group were made up and up to the Latest Practicable Date.

7. INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2006, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Company.

8. QUALIFICATION AND CONSENT

Name	Qualification
Quam Capital Limited	a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO

Quam Capital has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, Quam Capital was not interested in any Share or share in any member of the Group nor did it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Share or share in any member of the Group.

As at the Latest Practicable Date, Quam Capital did not have any direct or indirect interest in any asset which had been, since 31 December 2006, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. GENERAL

- (a) The registered office of the Company is situated at P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies. The head office and principal place of business of the Company in Hong Kong is situated at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
- (b) The company secretary and qualified accountant of the Company is Mr. Cheung Chung Yan, David, a fellow member of the Association of Chartered Certified Accountants.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited at Room 1803, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road Wanchai, Hong Kong during normal business hours between the period from 13 April 2007 to 30 April 2007 (both days inclusive):

- (a) the Hunan Geely JV Agreement;
- (b) the Lanzhou Geely JV Agreement;
- (c) the letter of recommendation from the Independent Board Committee of the Company to the Independent Shareholders as set out in this circular;
- (d) the letter from Quam Capital, the text of which is set out in this circular; and
- (e) the consent letter of Quam Capital referred to in the section headed “Qualification and Consent” in this appendix.

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of Geely Automobile Holdings Limited (the “**Company**”) will be held at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong, on Monday, 30 April 2007 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions of the Company:

ORDINARY RESOLUTIONS

(1) “**THAT:**

- (a) the conditional agreement (the “**Hunan Geely JV Agreement**”) dated 26 March 2007 entered into between Zhejiang Haoqing Automobile Manufacturing Company Limited (“**Zhejiang Haoqing**”) and Centurion Industries Limited (“**Centurion**”), a wholly-owned subsidiary of the Company, a copy of which is tabled at the meeting and marked “**A**” and initialed by the chairman of the meeting for identification purposes, pursuant to which Zhejiang Haoqing and Centurion will establish a Sino-foreign equity joint venture with a total investment of US\$75,000,000.00 and registered capital of US\$25,000,000.00 and to be owned as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion, together with the transactions contemplated under the Hunan Geely JV Agreement be and is hereby approved, confirmed and ratified; and
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal of the Company is necessary, be and is hereby authorised on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the transactions contemplated under the Hunan Geely JV Agreement.”

(2) “**THAT:**

- (a) the conditional agreement (the “**Lanzhou Geely JV Agreement**”) dated 26 March 2007 entered into between Zhejiang Geely Merrie Automobile Company Limited (“**Zhejiang Geely Merrie**”) and Centurion Industries Limited (“**Centurion**”), a wholly-owned subsidiary of the Company, a copy of which is tabled at the meeting and marked “**B**” and initialed by the chairman of the meeting for identification purposes, pursuant to which Zhejiang Geely Merrie and Centurion will establish a Sino-foreign equity joint venture with a total investment of US\$75,000,000.00 and registered capital of US\$25,000,000.00 and to be owned as to 53.19% by Zhejiang Geely Merrie and as to 46.81% by Centurion, together with the transactions contemplated under the Lanzhou Geely JV Agreement be and is hereby approved, confirmed and ratified; and

NOTICE OF EGM

- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal of the Company is necessary, be and is hereby authorised on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the transactions contemplated under the Lanzhou Geely JV Agreement.”

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

Hong Kong, 13 April 2007

Head office and principal place of business in Hong Kong:
Room 2301, 23rd Floor
Great Eagle Centre
23 Harbour Road, Wanchai
Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed with the circular of the Company dated 13 April 2007.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either executed under its common seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person (who must be an individual) as his/her proxy to attend and vote, in the event of a poll, instead of him/her. A proxy need not be a member of the Company but must attend the meeting in person to represent him/her.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited at Room 1803, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or any adjourned meeting thereof (as the case may be) should they so wish and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint holders of any share(s), any one of such joint holders may vote at the meeting, either in person or by proxy (in the case of a poll), in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy (in the case of a poll). For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.