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If you are in any doubt as to any aspect of this circular or as to the action to be taken, 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, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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GEELY

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)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO
THE ACQUISITION OF THE ENTIRE REGISTERED CAPITAL OF THE
CHUNXIAO TARGET
AND
(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

Financial Adviser to the Company



**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



REORIENT Financial Markets Limited

A letter from the Independent Board Committee is set out on page 12 of this circular. A letter from Reorient containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 27 of this circular.

A notice convening the EGM to be held at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong on Tuesday, 31 March 2015 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete the enclosed form of proxy and return it to the Company's Hong Kong share registrar and transfer office, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

16 March 2015

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DEFINITIONS

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

“Acquisition”	the acquisition of the entire registered capital of the Chunxiao Target by Jirun Automobile from Zhejiang Geely pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement entered into between Jirun Automobile and Zhejiang Geely on 6 February 2015 in relation to the Acquisition
“Announcement”	the Company’s announcement dated 6 February 2015 in relation to the Acquisition
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Business Day”	a day (excluding Saturdays and Sundays and public holidays) on which banks are open for business in Hong Kong and the PRC
“Board”	the board of Directors
“Chunxiao Manufacturing Plant”	the principal asset of the Chunxiao Target, which is a manufacturing plant situated at 188 Chunxiao Avenue, Beilun District, Ningbo City, Zhejiang Province, the PRC, with a designed production capacity of approximately 100,000 units of vehicle per annum, and primarily manufactures new high-end sedan and SUV models
“Chunxiao Target”	浙江吉潤春曉汽車部件有限公司(Zhejiang Jirun Chunxiao Automobile Components Company Limited), a limited liability company incorporated in Zhejiang Province, the PRC, and a wholly-owned subsidiary of Zhejiang Geely as at the Latest Practicable Date
“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 (Stock code: 175)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Acquisition, being RMB1,137,840,545 (equivalent to approximately HK\$1,440,278,562)
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Acquisition Agreement

DEFINITIONS

“GAAP”	generally accepted accounting principles
“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, as at the Latest Practicable Date
“Geely Holding Group”	Geely Holding and its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Acquisition
“Independent Shareholders”	shareholder(s) other than Mr. Li, Mr. Yang Jian and Mr. An Cong Hui and their respective associates
“Jirun Automobile”	浙江吉潤汽車有限公司 (Zhejiang Jirun Automobile Company Limited), a limited liability company incorporated in Zhejiang Province, the PRC, and is owned as to 99% by the Company and 1% by Zhejiang Geely as at the Latest Practicable Date
“Land”	property comprising 3 parcels of land located at No.188 Chunxiao Avenue, Beilun District, Ningbo City, Zhejiang Province, the PRC
“Latest Practicable Date”	11 March 2015, being the latest practicable date prior to the dispatch of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	60 calendar days from the date of the Acquisition Agreement
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial Shareholder holding a 42.81% interest in the issued share capital of the Company as at the Latest Practicable Date
“percentage ratio”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules

DEFINITIONS

“Purchase Shares”	the entire registered capital of the Chunxiao Target as at the Latest Practicable Date
“PRC”	the People’s Republic of China, and for the purposes of this circular excluding Hong Kong, the Macau Special Administrative Region, and Taiwan
“Reorient” or “Independent Financial Adviser”	REORIENT Financial Markets Limited, a licensed corporation to carry out, among other activities, Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“SAIC”	State Administration for Industry and Commerce and/or its principal department
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share 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”	浙江吉利汽車有限公司 (Zhejiang Geely Automobile Company Limited), a private limited liability company incorporated in Zhejiang Province, the PRC, and is beneficially wholly-owned by Mr. Li and his associates
“%”	per cent

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

$$RMB1 = HK\$1.2658$$

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.

LETTER FROM THE BOARD

GEELY

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 (*Chairman*)
Mr. Yang Jian (*Vice Chairman*)
Mr. Gui Sheng Yue (*CEO*)
Mr. An Cong Hui
Mr. Ang Siu Lun, Lawrence
Mr. Liu Jin Liang
Ms. Wei Mei

Non-Executive Directors:

Mr. Carl Peter Edmund Moriz Forster
Mr. Ran Zhang

Independent Non-executive Directors:

Mr. Lee Cheuk Yin, Dannis
Mr. Yeung Sau Hung, Alex
Mr. Fu Yu Wu
Mr. An Qing Heng
Mr. Wang Yang

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Place of Business

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

16 March 2015

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE
ACQUISITION OF THE ENTIRE REGISTERED CAPITAL OF THE
CHUNXIAO TARGET**

INTRODUCTION

Reference is made to the Announcement, in which the Company announced that Jirun Automobile (as the purchaser) entered into the Acquisition Agreement with Zhejiang Geely (as the vendor), pursuant to which, Jirun Automobile has conditionally agreed to acquire and Zhejiang Geely agreed to sell, the Purchase Shares, being the entire registered capital of the Chunxiao Target. The consideration for the Acquisition is RMB1,137,840,545 (equivalent to approximately HK\$1,440,278,562).

LETTER FROM THE BOARD

The Company has established the Independent Board Committee comprising Mr. Lee Cheuk Yin, Dannis, Mr. Yeung Sau Hung, Alex, Mr. Fu Yu Wu, Mr. An Qing Heng and Mr. Wang Yang (all of whom are independent non-executive Directors) to advise the Independent Shareholders in respect of the Acquisition. Reorient has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection therewith. The appointment of Reorient has been approved by the Independent Board Committee.

The purpose of this circular is to provide you with, inter alia, (i) further information on the Acquisition; (ii) the recommendation from the Independent Board Committee in respect of the Acquisition; (iii) the advice from Reorient to the Independent Board Committee and the Independent Shareholders regarding the Acquisition; (iv) the notice convening the EGM together with the proxy form for the purpose of considering and, if thought fit, approving, by way of poll the Acquisition; and (v) other information as required under Listing Rules.

THE ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are set out below:

Date

6 February 2015 (after trading hours)

Parties

Vendor: Zhejiang Geely

Purchaser: Jirun Automobile

Zhejiang Geely is principally engaged in the manufacturing and sale of automobiles and related components, and manufacturing of air-conditioning related parts. Jirun Automobile is principally engaged in the research, development, production, marketing and sale of sedans and related automobile components in the PRC. As at the Latest Practicable Date, Jirun Automobile was owned as to 99% by the Company and 1% by Zhejiang Geely. Reference is made to the Company's announcement dated 25 November 2011 and circular dated 12 December 2011. As disclosed in such announcement and circular, pursuant to a sale and purchase agreement entered into between the Group and Zhejiang Geely on 25 November 2011, the Group increased its equity interest in Jirun Automobile from 91% to 99% after an acquisition of 8% equity interest in Jirun Automobile from Zhejiang Geely at a consideration of RMB350,477,000. As a result of such transaction, Zhejiang Geely's equity interest in Jirun Automobile decreased to 1% and has remained at 1% since then. Zhejiang Geely has kept its 1% shareholding in Jirun Automobile for the purpose of maintaining strategic relationships with the Group.

LETTER FROM THE BOARD

Subject matter

Pursuant to the Acquisition Agreement, Jirun Automobile has conditionally agreed to acquire and Zhejiang Geely has conditionally agreed to sell, the Purchase Shares, being the entire registered capital of the Chunxiao Target. Details of the Chunxiao Target are set out in the section headed “Information on the Chunxiao Target” below.

Upon completion of the Acquisition, the Chunxiao Target will become a wholly-owned subsidiary of Jirun Automobile, and the financial statements of the Chunxiao Target will be consolidated into the financial statements of the Group.

Consideration

The Consideration is RMB1,137,840,545 (equivalent to approximately HK\$1,440,278,562), which will be payable in cash within 60 calendar days from completion of the Acquisition and fully financed by internal resources of Jirun Automobile, which is owned as to 99% by the Company and 1% by Zhejiang Geely. Taking into account primarily capital injections from the Group and Zhejiang Geely, and cashflows generated from operations, Jirun Automobile had sufficient internal resources to finance the Acquisition as at the Latest Practicable Date. The Company has no plans to inject additional capital into Jirun Automobile as at the Latest Practicable Date. The Company has not provided any capital commitments to Jirun Automobile and/or the Chunxiao Target.

The Consideration was determined after arm’s length negotiations between Jirun Automobile and Zhejiang Geely with reference to the unaudited net asset value of the Chunxiao Target as at 31 January 2015 of approximately RMB1,137,840,545 (equivalent to approximately HK\$1,440,278,562), which includes the appraised market value of the Land. The net assets of the Chunxiao Target as at 31 January 2015 mainly comprised fixed assets for manufacturing purposes (such as manufacturing plant, machinery and equipment) and land use rights relating to the Land, and accounts payable due from the Chunxiao Target to Zhejiang Geely relating to the purchase of manufacturing machinery and equipment from Zhejiang Geely.

Conditions precedent

Completion will be subject to and conditional upon the fulfillment or waiver of the following conditions:

- (a) all documents relating to the Acquisition having been duly signed by each of the relevant authorized signing party to such relevant documents;
- (b) the Company having complied with the requirements of the Listing Rules relating to the Acquisition, including where necessary, the obtaining of Independent Shareholders’ approval on the transactions contemplated under the Acquisition Agreement;
- (c) the completion of the Acquisition is not prohibited by applicable laws;

LETTER FROM THE BOARD

- (d) the receipt of all consents, waivers or approvals from any persons required for or in connection with the execution, delivery and performance of the Acquisition Agreement and the consummation of the transfer of the Purchase Shares from Zhejiang Geely to Jirun Automobile, if applicable; and
- (e) there being no material adverse change to factors potentially affecting the Acquisition.

As at the Latest Practicable Date, none of the above conditions had been fulfilled and Jirun Automobile and Zhejiang Geely have no intentions to waive any of the above conditions.

In the event the conditions set out above are not fulfilled or waived on or before the Long Stop Date, unless the Company consents to an extension in writing, any party to the Acquisition Agreement will have the right to terminate the Acquisition Agreement by prior written notice to the other party after the Long Stop Date. According to the Acquisition Agreement, there is no specified prescribed length of notice period. In the event of such termination, no party to the Acquisition Agreement may raise any claim against the other party or demand any other party to undertake any liability. All rights, obligations and liabilities under the Acquisition Agreement will become null and void upon such termination and of no further effect, save with respect to any antecedent breaches.

COMPLETION OF THE ACQUISITION

Completion of the Acquisition will take place on the second Business Day after the date on which all the conditions to the Acquisition Agreement have been fulfilled or waived or such other later date as the parties may agree in writing. Within 30 Business Days upon completion of the Acquisition, Zhejiang Geely will procure the Chunxiao Target to complete the alteration registration with the SAIC for the purpose of the issuance of a new business license for the Chunxiao Target.

INFORMATION ON THE CHUNXIAO TARGET

The Chunxiao Target is a limited liability company incorporated in the PRC on 30 June 2014. It is principally engaged in the research and development, production, marketing and sale of automobiles and related automobile components. The principal asset of the Chunxiao Target is the Chunxiao Manufacturing Plant, which is located at the Beilun District, Ningbo City, Zhejiang Province, the PRC and will have the capability to manufacture new high-end sedan and sport utility vehicle (“SUV”) models. Apart from the Chunxiao Manufacturing Plant, other assets of the Chunxiao Target include, among others, fixed assets (such as manufacturing machinery and equipment) and inventories. The Chunxiao Manufacturing Plant was established by Zhejiang Geely on the Land, and Zhejiang Geely commenced construction of the Chunxiao Manufacturing Plant in September 2011. Zhejiang Geely, instead of the Group, established the Chunxiao Manufacturing Plant because the establishment of the Chunxiao Manufacturing Plant is capital intensive and it would become a burden to the Group’s financial position as it would require the Group to invest significant capital and incur operating losses on the Chunxiao Manufacturing Plant for years before the commencement of commercial production. Hence, Zhejiang Geely was effectively taking on risks by establishing the Chunxiao Manufacturing Plant first, and then agreeing to transfer the Chunxiao Manufacturing Plant to the Group when the Chunxiao Manufacturing Plant was close to being ready for commercial production. Upon establishment of the Chunxiao Target, the Chunxiao Manufacturing Plant together with other related assets, such as the land use rights relating to the Land, and machinery and

LETTER FROM THE BOARD

equipment, were transferred to the Chunxiao Target through capital injection or sale and purchase transactions by Zhejiang Geely to Chunxiao Target at their book value or the appraised market value in the case of the land use rights relating to the Land. The appraisal of the Land was performed by a qualified appraisal company in the PRC for the purpose of determining the market transfer price of the Land as at 30 September 2014, which was used as a reference by the relevant tax authority in the PRC regarding the transfer of the Land. The Company has then appointed a qualified appraisal company in Hong Kong, namely Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**Jones Lang**”), to perform valuation of the Land as at 31 January 2015 to ensure the Consideration, which is based on the net asset value of the Chunxiao Target as at 31 January 2015, is fair and reasonable as the Land represents a key component of the net asset value of the Chunxiao Target. Please refer to Appendix I of this circular for Jones Lang’s valuation report on the Land. As at the Latest Practicable Date, the land use rights certificates relating to the Land are still under the name of Zhejiang Geely, and it is expected that after completion of the Acquisition, relevant procedures will be followed in order for the name change of such certificates to take effect, which is expected to take place before the end of 2015. Based on past acquisition experience and advice from the Company’s internal counsel, the Company does not expect any material encumbrance that might be attached to the Land, in particular relating to its right of use, before such name change takes effect.

The Chunxiao Manufacturing Plant has a designed production capacity of 100,000 units of vehicle per annum. The total area of the Chunxiao Target is approximately 1,000 mu (or approximately 666,700 square meters), including the plant area of approximately 375 mu (or approximately 250,000 square meters). The Chunxiao Manufacturing Plant includes four workshops on stamping, welding, painting and assembling. The Chunxiao Manufacturing Plant is currently undergoing standard operating procedures in preparation for the commercial launch of the new high-end sedan model. The Chunxiao Manufacturing Plant underwent small scale trial production in December 2014, and subject to completion of the Acquisition, it is expected that the commercial launch of the new high-end sedan model will commence by the end of the second quarter of 2015. The new high-end sedan model will be owned by the Group and become part of the Group’s product offerings, and as at the Latest Practicable Date, the Directors do not anticipate there will be any significant delays to the planned commercial launch of the new high-end sedan model.

FINANCIAL INFORMATION ON THE CHUNXIAO TARGET

The unaudited financial statements of the Chunxiao Target are prepared under the same accounting policies adopted by the Group. Set out below is the unaudited financial information of the Chunxiao Target prepared under the PRC GAAP from 30 June 2014 (its date of incorporation) to 31 December 2014:

From 30 June 2014 to 31 December 2014

Unaudited revenue	Nil
Unaudited net loss before and after taxation	RMB11,442,063 (equivalent to approximately HK\$14,483,363)

The unaudited net asset value of the Chunxiao Target as at 31 January 2015 amounted to approximately RMB1,137,840,545 (equivalent to approximately HK\$1,440,278,562). The net assets of the Chunxiao Target as at 31 January 2015 comprised total assets of approximately RMB2,124.2 million and total liabilities of approximately RMB986.4 million. Total assets mainly comprised fixed assets for manufacturing purposes (such as manufacturing plant, machinery and equipment) of approximately

LETTER FROM THE BOARD

RMB1,430.5 million, land use rights relating to the Land of approximately RMB380.6 million (such value is based on its appraised value prepared by an appraiser in the PRC as at 30 September 2014 minus subsequent amortisations), and inventory of approximately RMB90.3 million. Total liabilities mainly comprised accounts payable of approximately RMB964.4 million (approximately RMB892.3 million represented payables to Zhejiang Geely, which arose from the acquisition of machinery and equipment from Zhejiang Geely), and other payables of approximately RMB12.3 million.

REASONS FOR AND BENEFIT OF THE ACQUISITION

The Group is principally engaged in the research and development, manufacturing and trading of automobiles, automobile parts and related automobile components, and investment holding. Zhejiang Geely is principally engaged in the manufacturing and sale of automobiles and related components, and manufacturing of air-conditioning related parts. Jirun Automobile is principally engaged in the research, development, production, marketing and sale of sedans and related automobile components in the PRC.

The Directors consider that Acquisition will provide an opportunity to the Group to enhance its production capabilities for the manufacture of new high-end sedan and SUV models as the Group's existing manufacturing plants do not have the required production capabilities to manufacture these new high-end sedan and SUV models. Also it is expected that after completion of the Acquisition, the launch of new high-end sedan and SUV models will expand the Group's products offering and enhance the overall competitive strength of the Group's products in the market and become one of the key drivers for future profitability. The Directors expect the growth in the high-end models in the PRC market will continue to be driven by various factors including the expected upgrade of vehicles by consumers whose purchasing power have since expanded and the growth of families with more than one child. As set out in the annual report of the Company for the year ended 31 December 2013, "EC7", the Group's high-end more expensive mid-size sedan model and SUV models like "GX7" and "SX7" were the major contributors to the Group's sales volume growth in 2013. The above two SUV models achieved a combined sales volume of 64,298 units in 2013, up 109% from 2012 and that the Group's SUV market share in the PRC increased from 1.5% in 2012 to 1.8% in 2013. Furthermore, mid-size sedans and SUVs represent higher margin models, and through including more of these models in the Group's product offerings, this strategy will help improve the overall gross profit margins of the Group.

The Directors consider that the Acquisition is on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULE IMPLICATIONS

Zhejiang Geely is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that Zhejiang Geely is beneficially wholly owned by Mr. Li and his associates. As such, Zhejiang Geely is an associate of Mr. Li, an executive Director and a substantial Shareholder holding approximately 42.81% of the total issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5%, the Acquisition is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Also, as one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Mr. Li is considered to have a material interest in the Acquisition by virtue of his interests in Zhejiang Geely. Mr. Yang Jian and Mr. An Cong Hui, each an executive Director, are considered to be interested in the Acquisition by virtue of their directorships in Zhejiang Geely. As a result, Mr. Li, Mr. Yang Jian and Mr. An Cong Hui abstained from voting on the Board resolution for approving the Acquisition Agreement. Furthermore, pursuant to Rule 14A.59(5) of the Listing Rules, any connected person of the Company with a material interest in the Acquisition, and any Shareholder with a material interest in the Acquisition and its associates, will not vote in the EGM. As Mr. Li, Mr. Yang Jian, Mr. An Cong Hui and their respective associates are considered to have material interests in the Acquisition as at the Latest Practicable Date, they will abstain from voting on the resolution to approve the Acquisition Agreement to be put forward at the EGM. To the best of the Directors' knowledge and belief, Mr. Li Xing Xing, the son of Mr. Li, had no direct equity interests in the Company as at the Latest Practicable Date.

THE EGM

The EGM will be convened to approve the Acquisition Agreement. A notice to convene the EGM is set out on pages EGM-1 to EGM-2 of this circular. The EGM will be held at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong on Tuesday, 31 March 2015 at 10:00 a.m..

The form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the office of the Company's share registrar in Hong Kong, Union Registrar Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time schedules 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 in person at the EGM or any adjournment.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established to advise the Independent Shareholders on whether or not the Acquisition is fair and reasonable and in the interests of the Company and the Independent Shareholders and the letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders in respect of the Acquisition has been set out on page 12 of this circular. Reorient has been appointed to advise the Independent Board Committee and the Independent Shareholders regarding the terms and conditions of the Acquisition and the letter of advice from Reorient containing its advice in respect of the Acquisition has been set out on pages 13 to 27 of this circular.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Directors, including the independent non-executive Directors, consider that the Acquisition is in the ordinary and usual course of business of the Group, and the terms of the Acquisition Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Acquisition Agreement. You are advised to read the letter from the Independent Board Committee and the letter from Reorient mentioned above before deciding how to vote on the resolution to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the Letter from the Independent Board Committee to Independent Shareholders set out on page 12 of this circular and the letter from Reorient the on pages 13 to 27 of this circular regarding the Acquisition and the principal factors and reasons taken into consideration in arriving at its advice.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the Letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition prepared for the purpose of incorporation in this circular.

GEELY

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)

16 March 2015

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF ENTIRE REGISTERED CAPITAL OF THE CHUNXIAO TARGET

We refer to the circular dated 16 March 2015 issued by the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the terms of the Acquisition Agreement. Reorient has been appointed to advise you and us in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving such advice, are set out on pages 13 to 27 of this circular. Your attention is also drawn to the “Letter from the Board” in this circular and the additional information set out in the appendices thereto.

Having taken into account of the advice of Reorient in particular factors and recommendation as set out in its letter, we consider that: (i) the Acquisition is on normal commercial terms and in the ordinary and usual course of business of the Group; (ii) the terms of the Acquisition Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and (iii) the entering into of the Acquisition Agreement thereunder is in the interests of the Company and the Shareholders as a whole. We therefore recommend you to vote in favour of the ordinary resolution at the EGM.

Yours faithfully,

For and behalf of The Independent Board Committee of

Geely Automobile Holdings Limited

Mr. Lee Cheuk Yin, Dannis

Mr. Yeung Sau Hung, Alex

Mr. Fu Yu Wu

Mr. An Qing Heng

Mr. Wang Yang

Independent Non-executive Directors

LETTER FROM REORIENT

The following is the text of the letter of advice from REORIENT Financial Markets Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the purpose of incorporation into the Circular.



11/F, Far East Finance Centre
16 Harcourt Road, Admiralty
Hong Kong

16 March 2015

*The Independent Board Committee and the Independent Shareholders
Geely Automobile Holdings Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE REGISTERED CAPITAL OF THE CHUNXIAO TARGET

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the Acquisition Agreement and the transactions contemplated thereunder, details of which are set out in the circular of the Company dated 16 March 2015 (the "Circular") of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular, unless the context requires otherwise.

Zhejiang Geely is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that Zhejiang Geely is beneficially wholly owned by Mr. Li Shu Fu ("Mr. Li") and his associates. As such, Zhejiang Geely is an associate of Mr. Li, an executive Director and a substantial Shareholder holding approximately 42.81% of the total issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Acquisition is subject to approval by the Independent Shareholders at the EGM by way of poll. Mr. Li is considered to have a material interest in the Acquisition by virtue of his interests in Zhejiang Geely. Mr. Yang Jian and Mr. An Cong Hui, each an executive Director, are considered to be interested in the Acquisition by virtue of their directorships in Zhejiang Geely. As a result, Mr. Li, Mr. Yang Jian, Mr. An Cong Hui and their respective associates will abstain from voting on the resolution to be proposed at the EGM.

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The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lee Cheuk Yin, Dannis, Mr. Yeung Sau Hung, Alex, Mr. Fu Yu Wu, Mr. An Qing Heng and Mr. Wang Yang, has been established to give advice and recommendation to the Independent Shareholders in relation to the Acquisition Agreement and the transactions contemplated thereunder.

Reorient has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the Acquisition Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) whether to vote for or against the resolution regarding the Acquisition.

For the purpose of formulating our opinion and advice in respect of the Acquisition in this letter, we have talked and discussed with the management of the Company the background of and reasons for the Acquisition, the basis of determining the Consideration and the business plan of the Group in respect of the Chunxiao Manufacturing Plant. We have also reviewed, among other things, the Acquisition Agreement, the Company's statements made in the latest annual report for the year ended 31 December 2013 and the interim report for the six months ended 30 June 2014 in respect of its trading outlook and prospects, announcement of the Company dated 5 February 2015 with information on the sales performance of the Group in January 2015, corporate presentation for the month of February 2015 on the Company's website with information on new product development and business strategy, information on the manufacturing facilities of the Chunxiao Manufacturing Plant, the proposed production timetable of the Chunxiao Manufacturing Plant, the unaudited management accounts of Chunxiao Target as at 31 January 2015 and the valuation on the Land owned by Chunxiao Target. Our findings are summarized in this letter below.

In formulating our opinion, we have relied upon the information, facts and representations contained in the Announcement, the Circular and those supplied or made available by the management of the Company to us. We have assumed that all such information, facts and representations were true and accurate in all respects at the time they were supplied or made and continue to be true and accurate at the Latest Practicable Date and can be relied upon. We have no reason to doubt the truth, accuracy and completeness of such information and representations and have confirmed with the management of the Company that no material facts have been withheld or omitted from such information and representations.

We have taken all reasonable and necessary steps to comply with the requirements set out in Rule 13.80 of the Listing Rules. We consider that we have been provided with sufficient information to enable us to reach an informed view. We have not, however, conducted any independent verification of such information or any independent in-depth investigation into the business, affairs, financial position or prospects of the Group nor have we carried out any in-depth research on the Group, Geely Holding Group and their respective associates.

Apart from normal professional fees for our services to the Company in connection with the engagement described above, no other arrangement exists whereby we will receive any fees and/or benefits from the Group. As at the Latest Practicable Date, we are not aware of any relationships or interests between us and the Company or its substantial Shareholders, Directors or chief executive, or any of their respective associates. We are independent under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the Acquisition Agreement.

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PRINCIPAL FACTORS CONSIDERED

In formulating our opinion on the Acquisition Agreement and the transactions contemplated thereunder, we have taken into consideration the following principal factors:

Background of the Acquisition

As set out in the Letter from the Board in the Circular, on 6 February 2015 (after trading hours), Jirun Automobile (being the purchaser) and Zhejiang Geely (being the vendor) entered into the Acquisition Agreement pursuant to which Jirun Automobile has conditionally agreed to acquire, and Zhejiang Geely has conditionally agreed to sell, the Purchase Shares, being the entire registered capital of Chunxiao Target, for RMB1,137,840,545 (equivalent to approximately HK\$1,440.3 million), which will be payable in cash within 60 calendar days from completion of the Acquisition.

Jirun Automobile is a 99% owned subsidiary of the Company with the remaining 1% equity interest held by Zhejiang Geely. We understand from an announcement of the Company dated 25 November 2011 and a circular of the Company dated 12 December 2011 that Jirun Automobile was originally set up in 2003 and it had a registered capital of USD330,715,081. The Group increased its interests in Jirun Automobile to 99% after an acquisition of an 8% interest in Jirun Automobile from Zhejiang Geely for a consideration of RMB350,477,000 pursuant to an agreement dated 25 November 2011. Zhejiang Geely's interest in Jirun Automobile then decreased to 1% after the acquisition. Independent Shareholders may refer to the said announcement and circular of the Company for details of the acquisition. The Company informs us that Zhejiang Geely retains a 1% interest in Jirun Automobile for maintaining the strategic relationship between the Group and the Geely Holding Group.

Information on Chunxiao Target

Chunxiao Target is a limited liability company incorporated in the PRC on 30 June 2014. It has an approved total investment of RMB2.5 billion and a registered capital of RMB1.1 billion. Its business scope includes research and development, production, marketing and sale of automobiles and related automobile components. The principal asset of Chunxiao Target is Chunxiao Manufacturing Plant, which is located at the Beilun District, Ningbo City, Zhejiang Province, the PRC. Zhejiang Geely commenced construction of Chunxiao Manufacturing Plant in September 2011. After establishment of Chunxiao Target, the Land, Chunxiao Manufacturing Plant together with certain other related assets (such as machinery, equipment, molds, testing and other tools for production and office equipment) and cash were injected/transferred to Chunxiao Target through capital injection or sale and purchase transactions by Zhejiang Geely to Chunxiao Target at their book value or the appraised market value in the case of the Land in respect of Chunxiao Manufacturing Plant (the "Reorganisation"). Internal inspection and acceptance procedures in respect of completion of the construction work of the Chunxiao Manufacturing Plant were completed in January 2015. The Company confirms that the construction work of the factory building has substantially been completed. The Company further confirms that it does not expect to incur additional material capital investment in the construction of the Chunxiao Manufacturing Plant.

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Chunxiao Manufacturing Plant has a designed production capacity of approximately 100,000 units of vehicle per annum. Total area of Chunxiao Manufacturing Plant is approximately 1,000 mu (or approximately 666,700 square metres), including a total plant floor area of approximately 375 mu (or approximately 250,000 square metres). Chunxiao Manufacturing Plant includes four workshops for stamping, welding, painting and assembling. Chunxiao Manufacturing Plant is designed to make high-end sedans and sport utility vehicles (“SUV”). Subject to the completion of the Acquisition which is expected to be completed by the second quarter of 2015, the Company expects that the commercial launch of the Group’s new high-end sedan model will commence by the second quarter of 2015. We understand from the Company that the commercial launch of a new product is subject to many factors, such as the prevailing market situation like other competitive products offering and their pricing in the market and sentiment of potential customers, and the timetable of which may change as a result of changes of those factors. The Directors have confirmed that subject to the completion of the Acquisition, they do not anticipate there will be any significant delays to the planned commercial launch of the new high-end sedan model.

Set out below is the unaudited financial information of Chunxiao Target prepared under the PRC GAAP from 30 June 2014 (its date of incorporation) to 31 December 2014:

From 30 June 2014 to 31 December 2014

Revenue	Nil
Net loss before and after taxation	RMB11,442,063 (equivalent to approximately HK\$14,483,363)

Information of the Group

The Group is principally engaged in the research and development, manufacturing and trading of automobiles, automobile parts and related automobile components, and investment holding. The Group sells most of its products in the PRC market and has also expanded its sales through export to other developing countries. With its headquarters established in Hangzhou and manufacturing plants in Linhai, Ningbo/Cixi, Luqiao, Shanghai, Lanzhou, Xiangtan, Jinan and Chengdu in the PRC, the Group has a total annual production capacity of 670,000 units of vehicle per shift by the end of 2013 and a total workforce of over 18,481 staff as at 31 December 2014.

Currently the Company sells 13 major sedan models under the brand “Geely”. In January 2015, the Group’s products were sold through over 700 dealers in the PRC and it also exported products through 31 sales agents, and 511 sales and service outlets in 31 overseas markets, mainly to developing countries in the Eastern Europe, Middle East, Central and South America, Africa and Sri Lanka.

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The Group's turnover and results for the years ended 31 December 2011, 2012 and 2013 and the six months ended 30 June 2013 and 2014 are summarised below, which are extracted from the Company's respective annual reports and interim reports.

	For the six months ended		For the year ended 31 December		
	30 June		2013	2012	2011
	2014	2013	2013	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Turnover	10,158,351	14,854,979	28,707,571	24,627,913	20,964,931
Gross profit	2,065,905	2,846,830	5,765,667	4,558,821	3,820,111
Profit attributable to equity holders of the Company	1,113,439	1,398,468	2,663,136	2,039,969	1,543,437

Set out below is a summary on the sales volume of the Group's vehicles for the years ended 31 December 2011, 2012 and 2013 and for the six months ended 30 June 2013 and 2014 which are extracted from the respective annual reports and interim reports.

	For the six months ended 30 June				For the year ended 31 December					
	2014		2013		2013		2012		2011	
	<i>Units</i>	<i>%</i>	<i>Units</i>	<i>%</i>	<i>Units</i>	<i>%</i>	<i>Units</i>	<i>%</i>	<i>Units</i>	<i>%</i>
Sales volume in the PRC market	152,856	82%	213,106	81%	430,597	78%	381,575	79%	382,011	91%
Export sales volume	34,440	18%	50,438	19%	118,871	22%	101,908	21%	39,600	9%
Total sales volume	<u>187,296</u>	<u>100%</u>	<u>263,544</u>	<u>100%</u>	<u>549,468</u>	<u>100%</u>	<u>483,483</u>	<u>100%</u>	<u>421,611</u>	<u>100%</u>

As set out in the table above, turnover of the Group was approximately RMB24.6 billion and RMB28.7 billion for each of the years ended 31 December 2012 and 2013 respectively, representing a year-to-year growth of approximately 17% for both years. Gross profit margin of the Group gradually increased from approximately 18.2% and 18.5% for each of the years ended 31 December 2011 and 2012 to approximately 20.1% for the year ended 31 December 2013. Profit attributable to the equity holders of the Company was approximately RMB2.0 billion and RMB2.7 billion for each of the years ended 31 December 2012 and 2013, representing a year-to-year growth of approximately 32% and 31% respectively.

For the year ended 31 December 2013, the Group sold a total of 549,468 units of vehicles in 2013, representing an increase of approximately 14% from 2012, of which approximately 78% and 22% were sold in the PRC market and the overseas market (mainly to developing countries in the Eastern Europe, Middle East, Central and South America, Africa and Sri Lanka) respectively.

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In the PRC market, the Group's sales volume for the year ended 31 December 2013 increased by approximately 13% to 430,597 units. As set out in the annual report of the Group for the year ended 31 December 2013, the PRC's passenger vehicle market was stronger than expected in 2013 which was mainly led by higher demand for sedans and SUVs.

For the six months ended 30 June 2014, the Group's turnover was approximately RMB10.2 billion, representing a decrease of approximately 32% comparing to the revenue for the six months ended 30 June 2013. Gross profit margin of the Group remained stable at approximately 19.2% and 20.3% for each of the six months ended 30 June 2013 and 2014 respectively. Profit attributable to the equity holders of the Company was approximately RMB1.4 billion and RMB1.1 billion for each of the six months ended 30 June 2013 and 2014 respectively, representing a decrease of approximately 20% for the six months ended 30 June 2014. As set out in the interim report of the Group for the six months ended 30 June 2014, the Group's performance in the first half of 2014 did not meet the management's expectations due to weakening demand for local brand vehicles in the PRC and a sharp decline in vehicle sales in some of the Group's major export markets as a result of political and social instability in some of the Group's major export markets in the Middle East and Eastern Europe.

As stated in the Company's interim report for the six months ended 30 June 2014, the Company expected competitive pressure on local brands in the PRC market would continue to intensify in the coming years as most major international brands had been strengthening their presence in the PRC market through more products offering, more aggressive pricing strategies, adding new production capacity and improving their marketing and customer services. The Company has also stated in its interim report for the six months ended 30 June 2014 that it expected that the implementation of more stringent regulatory requirements in fuel efficiency, product warranty, product recall and emissions standards in the PRC could put tremendous cost pressure on local brands in the PRC, and that more major cities in the PRC were expected to introduce local policies to restrict new car licenses to ease traffic and combat air pollution, thus restricting the demand for passenger vehicles. The impact could be even bigger for local brands, where their major competitive edges in pricing could be seriously undermined by the introduction of an auction and lottery system to curb the growth of new vehicles.

Whilst results of the Group in the first half of 2014 did not meet the management's expectation, the Group continued to implement strategy to drive growth in sales, including the development of the high-end luxury sedan market and SUV market as further described the paragraph headed "The Group's strategy" below. In order to remain competitive in the market, the Group has started to offer advanced features, like turbo-charged engines in some of its models and invest in new technologies. The Group plans to replace its old models with more sophisticated new models equipped with more advanced technologies and designs. The Company believes that the shift of preference on vehicle procurement by the Chinese Government towards more local brand products shall provide additional opportunities for the Group to further expand its sales.

According to the Company's announcement dated 5 February 2015, total sales volume of the Group for January 2015 was 58,884 units, representing an increase of approximately 76% over the same period last year and an increase of approximately 7% from December 2014. During January 2015, the retail sales volume of the Group's dealers in the PRC market was over 70,000 units, the highest monthly retail sales volume in the Group's history. The Group's exports volume was 3,845 units in January 2015, up around 2% from the same period last year.

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The Group's strategy

We understand from the Company that it has been gradually expanding its products offering including high-end sedan and SUV models in recent years. The Company expects the growth in the high-end models in the PRC market to continue as driven by various factors including the expected upgrade of vehicles bought by consumers whose purchasing power has since expanded and the growth of families with more than one child. As set out in the annual report of the Company for the year ended 31 December 2013, "EC7", the Group's high-end more expensive mid-size sedan model and SUV models like "GX7" and "SX7" were the major contributors to the Group's sales volume growth in 2013. The above two SUV models achieved a combined sales volume of 64,298 units in 2013, up approximately 109% from 2012 and that the Group's SUV market share in the PRC increased from approximately 1.5% in 2012 to 1.8% in 2013. It is also stated in the Company's interim report for the six months ended 30 June 2014 that large size sedan (KC series) is one major new product to be offered by the Group.

The Group has been gradually shifting towards higher margin models includes mid-size sedans (EC7, SC7, GC7, Vision, Xindihao) and SUVs (GX7, SX7 and GX9). We understand from the Company that for the year ended 31 December 2014, the average gross margin and average selling price per unit for higher-end vehicles were approximately 18% and RMB54,000 respectively whereas and the average gross margin and average selling price per unit for lower-end vehicles were 6% and RMB31,000 respectively. According to a corporate presentation published by the Company for the month of February 2015, higher margin models accounted for approximately 55%, 68% and 71% of the total sales volume of the Group for each of the year ended 31 December 2012, 2013 and 2014 respectively. This strategy helped contribute to the gradually increasing gross profit of the Group during the three years ended 31 December 2013 and the six months ended 30 June 2014. We understand from the Company that subject to completion of the Acquisition, the commercial launch of KC-1 is expected to take place by the second quarter of 2015. Besides, other than the commercial launch of KC-1, based on the above corporate presentation of the Company, this year, the Group plans to launch an electric vehicle model in mid-2015 and 2 SUV models by the end of 2015. The Group also plans to launch upgraded versions of a number of its existing products, including SC7, GC7, Kingkong and Panda. The Company believes that this will help enhance the Group's growth momentum in sales.

We understand from the Company that it will produce in Chunxiao Manufacturing Plant Geely's most luxurious sedan, KC-1 and a new high-end SUV model, NL-3. The Company is of the view that the new sedan model KC-1 to be produced in Chunxiao Manufacturing Plant will contribute gross margin at percentage comparable to its existing higher-end vehicles and with higher selling prices than the Group's other products.

It is expected that the PRC, Middle East and East Europe will be the major markets of KC-1 and East Europe, Middle East, South America, Brazil and other right hand drive vehicle markets will be the major markets of NL-3.

As mentioned above in this letter, the Group has a total annual production capacity in the PRC of 670,000 units of vehicle per shift by the end of 2013. However, the Group's existing manufacturing plants do not have the required production capabilities to manufacture new high-end sedans and SUV models like KC-1 and NL-3 and accordingly it is necessary for the Group to acquire Chunxiao Manufacturing Plant to produce these new high-end models with a view to maintaining a competitive edge.

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KC-1 has commenced small-scale production in December 2014 in Chunxiao Manufacturing Plant and subject to completion of the Acquisition, it is expected that KC-1 will be commercially launched to the market by the second quarter of 2015. The Company also expects that NL-3 will commence small-scale production in the second half of 2015 and will commercially be launched to the market in July 2016.

We understand from the Company that the commercial launch of a new product is subject to many factors, such as the prevailing market situation like other competitive products offering and their pricing in the market and sentiment of potential customers from time to time, the timing of obtaining the necessary local approvals and the timetable of which may change as a result of changes of the above factors. The Company confirms that KC-1 has already satisfied the relevant PRC regulatory requirements for automobile industry before its upcoming launch to the market. The Directors have confirmed that subject to the completion of the Acquisition, they do not anticipate there will be any significant delays to the planned commercial launch of the above new models.

The Acquisition is in line with the business strategy of the Group in making and promoting higher-end passenger cars and is essential to the Group's continuing product and business development.

Geely Holding has previously undertaken in favor of the Group that, among other things, upon being validly notified by the Company, Geely Holding Group (as an associate of Mr. Li) will sell to the Group projects that might constitute competing businesses to those engaged by the Group 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. The Company has set out the competing interests of the Geely Holding Group in Appendix II to the Circular in the section headed "Competing interest". It is stated in such section that the potential production and distribution of new sedans and SUV models by Chunxiao Target, currently wholly-owned by Zhejiang Geely before completion of the Acquisition, will also constitute a competing business to the Group. The Acquisition is consistent with the right given to the Company under the above non-competition undertaking to request Geely Holding Group to sell to the Group projects that might constitute a competing business.

As set out in the letter from the board to the Circular, Zhejiang Geely, instead of the Group, established the Chunxiao Manufacturing Plant because the establishment of the Chunxiao Manufacturing Plant is capital intensive and it would become a burden to the Group's financial position as it would require the Group to invest significant capital and incur operating losses on the Chunxiao Manufacturing Plant for years before the commencement of commercial production. Hence, Zhejiang Geely was effectively taking on the risks by establishing the Chunxiao Manufacturing Plant first, and then agreeing to transfer the Chunxiao Manufacturing Plant to the Group when the Chunxiao Manufacturing Plant was close to being ready for commercial production.

We understand from the Company that Chunxiao Manufacturing Plant is built for the manufacture of new sedans and SUVs of the Group. The Company has confirmed to us that the plan of having Zhejiang Geely to construct the Chunxiao Manufacturing Plant was formulated with a view to fencing the Group off from risks of failing to complete the construction and building of the plant, for example, timetable for the construction of the Chunxiao Manufacturing Plant may be delayed or otherwise adversely affected by many factors such as contractors or labour disputes, construction accidents, shortage of materials and equipment and the Group would have to reflect any items expended in its consolidated income statement during the

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building and construction process. The arrangement also helped defer the Group's capital investment. Accordingly, the Company decided to acquire Chunxiao Target after the construction and building of the Chunxiao Manufacturing Plant have substantially been completed.

Based on the above background of the Acquisition and the importance of the Acquisition to implement the business strategy of the Group of launching new high end products to the market, we agree with the Company that it is fair and reasonable to acquire Chunxiao Target now.

Summary of the benefits and reasons for the Acquisition

Given (i) after completion of the Acquisition, the Group will produce in Chunxiao Manufacturing Plant Geely's most luxury sedan, KC-1 and a new SUV model, NL-3 which are key target markets of the Group with a view to driving sales growth; (ii) the Group's existing manufacturing plants do not have the required production capabilities to manufacture these new high-end sedan and SUV models; (iii) the Group's strategy to gradually shift towards high-end products including high-end sedan and SUV models and the Group expects that the new sedan model KC-1 to be produced in Chunxiao Manufacturing Plant will contribute gross margin at percentage comparable to its existing higher-end vehicles; and (iv) the launch of new high-end sedan and SUV models will expand the Group's products offering and enhance the overall competitive strength of the Group's products in the market, we are of the view that if the Acquisition does not proceed, the new product development and sales performance of the Group may adversely be affected and we agree with the Directors' view that the Acquisition is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Basis of the Consideration

The Consideration was agreed between parties to the Acquisition Agreement based on the net asset value of Chunxiao Target at 31 January 2015 of approximately RMB1,137,840,545 (equivalent to approximately HK\$1,440.3 million) which will be settled in cash within 60 calendar days from completion of the Acquisition.

The table below illustrates the key components of the total assets of Chunxiao Target at 31 January 2015:

	<i>RMB' million approx.</i>
Construction in progress	74.90
Land	380.60
Fixed assets	1,430.50
Inventories	90.30
Receivables and prepayment	2.60
Long term deferred expenses	1.50
Cash	1.20
Tax recoverable	142.70
	<hr/>
Total assets of Chunxiao Target as at 31 January 2015	2,124.30
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The table below illustrates the key components of the total liabilities of Chunxiao Target at 31 January 2015:

	<i>RMB' million approx.</i>
Accounts payable	964.40
Other payables	12.30
Accrued payroll	<u>9.70</u>
 Total liabilities of Chunxiao Target as at 31 January 2015	 <u><u>986.40</u></u>

Please refer to the sections “Assets of Chunxiao Target” and “Liabilities of Chunxiao Target” below for details on the items above.

The development of the PRC’s sedan and SUV markets is a key driver of the Group’s growth in sales. However, the present production facilities of the Group cannot fully meet the production needs of the above high-end sedan and SUV models in terms of manufacturing equipment and technology. Chunxiao Manufacturing Plant was designed to allow the Group to enter this market segment. As the net asset value of Chunxiao Target substantially represents the costs of setting up the production facilities it owns (save mainly for the revaluation of the Land under the Reorganisation in accordance with the PRC legal requirements as at 31 January 2015) and the current arrangement of having the Chunxiao Manufacturing Plant built by Zhejiang Geely and then sell it to the Group contemplated under the Acquisition Agreement also helped the Group avoid the risk of constructing and building the plant, we agree with the Company that it is fair and reasonable to determine the Consideration based on Chunxiao Target’s net asset value which materially represents the cost of building the production facilities and the market value of the Land (as further discussed below in the paragraph headed “Land”).

The Company confirms that it will use its internal available cash to finance the payment of such Consideration. We understand from the Company that the Group had an unaudited total cash balance of approximately RMB7,250.6 million as at 31 December 2014.

Based on the unaudited management accounts of Chunxiao Target as at 31 January 2015 comprising total assets and total liabilities of RMB2,124.2 million and RMB986.4 million respectively. We summarize below the assets and liabilities of Chunxiao Target:

Assets of Chunxiao Target

(i) Construction in progress

Despite construction of Chunxiao Manufacturing Plant has substantially been completed (internal inspection and acceptance procedures in respect of completion of the construction work of the Chunxiao Manufacturing Plant were completed in January 2015), as at 31 January 2015, Chunxiao Target still had on its book construction in progress amounting to approximately RMB74.9 million represents mainly the costs

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of car park, test track of Chunxiao Manufacturing Plant for testing of the vehicles manufactured and other production setup. We understand from the Company that these balances are expected to be reclassified as fixed assets in 2015 after completion of acceptance tests of such assets.

(ii) Land

As at 31 January 2015, carrying value of the Land amounted to approximately RMB380.6 million, representing market value of the Land of RMB383,255,400 as at 30 September 2014 as set out in the PRC Appraisal Report (as defined below) less the relevant amortization expenses.

Chunxiao Manufacturing Plant is located at the Land at land lot no. 119, 120, 121 of Chun Xiao Zhen Industrial Zone* (春曉鎮工業區), Beilun District (北侖區), Ningbo City (寧波市), Zhejiang Province (浙江省), the PRC with an area of 667,660.3 square metres and the land use right of which will expire on 6 November 2061, 9 August 2062 and 4 July 2061 respectively. Under the Reorganisation (as defined in the section headed “Information on Chunxiao Target” above in this letter), it is required under the PRC Company Law that the Land was injected into Chunxiao Target based on its market value as appraised by a qualified valuer/appraisal company.

We have reviewed the price appraisal report provided to us by the Company for the purpose of the capital injection under the Reorganisation and have spoken to a representative of the PRC appraisal company. Based on the price appraisal report prepared by a qualified appraisal company in the PRC in accordance with the related PRC guidelines (the “PRC Appraisal Report”), as at 30 September 2014, market value of the Land was RMB383,255,400 using the cost valuation approach with adjustments based on the plot ratio, the remaining life of the land use rights and changes in land price index. Such revaluation surplus represents an increase of RMB167,848,203 from Zhejiang Geely’s book cost of RMB215,407,197 as at 30 September 2014, representing approximately 7.9% of the total assets of Chunxiao Target as at 31 January 2015. We have discussed the PRC Appraisal Report with an officer of such PRC appraisal company who was involved in the preparation of the PRC Appraisal Report and understand that the purpose of preparing the PRC Appraisal Report was to determine the appraised market transfer price of the Land transferred under the Reorganisation which would be used as a reference for the relevant tax authority in the PRC regarding the transfer of the Land. We understand from such officer that the methodology is commonly used in the PRC for tax assessment purposes. We also understand from him that the market approach was not adopted as they had difficulties in identifying comparable transactions in Chunxiao, Zhejiang Province, the PRC.

The Company has also engaged a qualified valuer in Hong Kong to carry out a valuation of the Land. A copy of the valuation report from Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“Jones Lang LaSalle”) is set out in Appendix I to the Circular (the “Hong Kong Valuation Report”). The Hong Kong Valuation Report is signed off by Mr. Eddie T.W. Yiu who is a Chartered Surveyor with 21 years’ experience in the valuation of properties in Hong Kong and the PRC as well as in the Asia-Pacific region. We have discussed the Hong Kong Valuation Report with Mr. York Rong of Jones Lang LaSalle, who was involved in the preparation of the Hong Kong Valuation Report and is a Certified China Real Estate Appraiser and has more than 9 years’ experience in the valuation of properties in the PRC, as to the fairness and reasonableness of the assumptions used in the Hong Kong Valuation Report. We understand from Mr. Rong that the Hong Kong Valuation Report has been prepared in accordance with the applicable requirements under the Listing Rules and land valuation standards and guidelines in Hong Kong. We

* For identification purpose only

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understand from Mr. Rong that they have reviewed the title documents of the Land and have carried out a site inspection on 5 March 2015. We understand from Mr. Rong that they carried out this valuation using comparison method. As set out in the Hong Kong Valuation Report, comparison method assumes the sale of the property in its exiting state by making reference to comparable sales transactions as available in the relevant market. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the subject property. We understand from Mr. Rong that comparison method is the preferred approach in Hong Kong and the PRC when valuing land. In carrying out the valuation on the Land, the valuer has assumed that the legal titles are freely transferable and are free from encumbrances based on the Company's representation. Mr. Rong has confirmed that there is nothing unusual that their team has encountered during this valuation exercise. Based on the Hong Kong Valuation Report, the Land has a market value of RMB385,570,000 as at 31 January 2015, almost equivalent to the PRC appraised value of the Land as at 30 September 2014. Under the Reorganisation, the Land has been injected into Chunxiao Target. Accordingly, Chunxiao Target is regarded as a beneficial owner of the Land. As set out in the letter from the Board of the Circular, as at the Latest Practicable Date, the land use rights certificates relating to the Land are still under the name of Zhejiang Geely. We understand from the Company that the name change of the land use rights certificates is subject to some regulatory procedures, including, among other things, completion of the relevant registration and inspection and acceptance procedures by relevant authorities in the PRC on the Chunxiao Manufacturing Plant and the Land. The Company confirms that the Group will make filings to the relevant authorities in the PRC in order for the name change of such certificates to take effect before the end of 2015.

We note that the PRC Appraisal Report and the Hong Kong Valuation Report adopted different valuation approaches. The PRC Appraisal Report has been prepared in accordance with the related PRC guidelines and cost valuation approach was adopted for the Land valuation with adjustments made. We understand from the PRC appraisal company that this was a method generally accepted by the local tax authority for tax assessment purposes. The Hong Kong Valuation Report has been prepared in accordance with the applicable requirements under the Listing Rules and land valuation standards and guidelines in Hong Kong using the comparison method adopted for the Land valuation. Despite the difference in the valuation methodologies, we note that these two valuations on the Land are very close with a small difference of approximately 0.6% to the appraised value of the Land as set out in the Hong Kong Valuation Report as at 31 January 2015. Given the above and the relatively minimal difference in the appraised values of the Land in the PRC Appraisal Report and the Hong Kong Valuation Report, we consider the appraised values of the Land and the assumptions used in both reports fair and reasonable.

We understand from the Company that the Directors consider it fair and reasonable to acquire the Land at the market value as the Acquisition was negotiated between the parties on an arm's length basis and the market price normally represents the best price reasonably obtainable in the market by the seller and the buyer.

(iii) Fixed assets

As at 31 January 2015, before depreciation and amortization, fixed assets amounted to approximately RMB1,434.5 million comprising (a) plant, property and road of approximately RMB631.3 million; and (b) machinery, molding, testing and other tools, motor vehicles and office equipment of approximately RMB803.2 million. After depreciation and amortization, net book value of those fixed assets of Chunxiao Target amounted to approximately RMB1,430.5 million as at 31 January 2015.

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Chunxiao Target's plant, property and road, including the building and other structural part of Chunxiao Manufacturing Plant which was injected into Chunxiao Target based on the PRC appraised value as required under the PRC Company Law under the Reorganisation. Under the valuation, as at 30 September 2014, the building and other structural part was valued at RMB669,065,800 which equaled the then net book value.

(iv) Inventories

As at 31 January 2015, inventories of Chunxiao Target amounted to approximately RMB90.3 million comprising raw materials, work-in-progress mainly in respect of vehicles being manufactured under the small scale production commenced in December 2014 and parts and components which recorded at purchase costs. Based on a schedule provided by the Company, during the month of February 2015, (i) there was an addition of inventories amounting to approximately RMB152.1 million comprising raw materials, work-in-progress and finished goods produced under the small-scale production; and (ii) inventories amounting to approximately RMB125.8 million were consumed in production. Under the Group's first-in-first-out accounting policy, majority of the inventories outstanding as at 31 January 2015 has been used or consumed.

(v) Receivables and prepayment and long term deferred expenses

As at 31 January 2015, receivables and prepayment of Chunxiao Target amounted to approximately RMB2.6 million and long-term deferred expenses of Chunxiao Target amounted to approximately RMB1.5 million representing capital expenditures on machinery which are subject to depreciation.

(vi) Cash

As at 31 January 2015, cash of Chunxiao Target amounted to approximately RMB1.2 million.

(vii) Tax recoverable

Reversal of tax payable amounted to RMB142.7 million as at 31 January 2015 and such reversal could offset future tax liability of Chunxiao Target.

Liabilities of Chunxiao Target

(i) Accounts payable

There were accounts payable amounting to RMB964.4 million as at 31 January 2015, including, among other balances, accounts payable due to Zhejiang Geely totaling approximately RMB892.3 million which arose from the acquisition of machinery/equipment from Zhejiang Geely by Chunxiao Target based on their then net asset values under the Reorganisation and such accounts payable will have to be settled after completion of the Acquisition by the future funding available to Chunxiao Target, which may include proceeds from the sales of vehicles produced by Chunxiao Manufacturing Plant and/or funding from the Group.

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The other balances of the accounts payable of approximately RMB72.1 million comprised (a) accounts payable to members of Geely Holding Group of approximately RMB1.1 million with the majority which (approximately RMB1.0 million) arose from the purchase of parts and components for production purposes; (b) other accounts payable and accruals in an aggregate amount of approximately RMB71 million with the majority which (approximately RMB65.7 million) arose from accruals in relation to the purchase of parts and components for production purposes from companies within Geely Holding Group.

We understand that the accounts payable are unsecured, interest free and repayable on demand.

We understand from the Company that the above accounts payables due to Zhejiang Geely constitute existing pre-completion financial liabilities of Chunxiao Target, which are obliged to repay the balance to the relevant creditor. The Company has confirmed to us that it will not be required to comply with any requirements under Chapter 14A of the Listing Rules in respect of such repayment unless there is any material change to the related terms.

(ii) Other payables

Other payables amounted to approximately RMB12.3 million as at 31 January 2015, including, among other balances, (a) other payables due to Zhejiang Geely and/or its subsidiaries amounted to approximately RMB1.9 million with the majority of which (approximately RMB1.8 million) arose from current account maintained with Zhejiang Geely arising from settlement of expenses by Zhejiang Geely on behalf of Chunxiao Target; and (b) accrued expenses of approximately RMB10.0 million in relation to utility expenses and other expenses payable.

We understand that the above amount payable to Zhejiang Geely is unsecured, interest free and repayable on demand.

As set out above in this letter, the cash level of Chunxiao Target as at 31 January 2015 amounted to only RMB1.2 million. We understand from the Company that in the case that Chunxiao Target requires further working capital (including payments of accounts payable and other expenses) prior to completion of the Acquisition, Geely Holding Group may provide interest free working capital to Chunxiao Target (including settling expenses by Geely Holding Group on behalf of Chunxiao Target) and thus increasing the balance(s) of current account(s) due to member(s) of Geely Holding Group by Chunxiao Target and such balance(s) is repayable by Chunxiao Target after completion of the Acquisition.

It is expected that Chunxiao Target will finance its operation by the sales of automobiles it manufactures and/or other financing arrangement after completion of the Acquisition.

We understand from the Company that the above other payables due to Geely Holding Group constitute existing pre-completion financial liabilities of Chunxiao Target, which are obliged to repay the balances to the relevant creditors. The Company has confirmed to us that it will not be required to comply with any requirements under Chapter 14A of the Listing Rules in respect of such repayment unless there is any material change to the related terms.

LETTER FROM REORIENT

(iii) Accrued payroll

Accrued payroll amounted to approximately RMB9.7 million as at 31 January 2015.

Given (i) Chunxiao Manufacturing Plant represents part of the Group's key development plan; and (ii) the Consideration is fixed based on the latest net asset value of Chunxiao Target prior to the entering into of the Acquisition Agreement, we agree with the Company that the terms of the Acquisition Agreement including the Consideration are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Potential Financial Effects of the Acquisition

Chunxiao Target will become a wholly owned subsidiary of Jirun Automobile upon completion of the Acquisition. As advised by the Directors, the results of Chunxiao Target will be consolidated as to 100% into the Group's consolidated financial statements, with a 1% non-controlling interest sharing the financial results of Chunxiao Target.

The Directors advised us that the Acquisition would not lead to a material effect on the net asset value of the Group. Nonetheless, since the Company will satisfy the Consideration in cash by the internal resources of the Group, the Group's cash on hand would be reduced due to the Acquisition.

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Acquisition.

CONCLUSION

Having considered the principal reasons and factors discussed above, we are of the view that the terms of the Acquisition Agreement and the transactions contemplated thereunder, including the Consideration are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the EGM in respect of the Acquisition Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
REORIENT Financial Markets Limited
Allen Tze
Managing Director

Mr. Allen Tze is a licensed person registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance and has over 17 years of experience in corporate finance industry.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer and consultant, in connection with its valuation as at 31 January 2015 of the property interest to be acquired by the Company.



仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No.: C-030171

16 March 2015

The Board of Directors
Geely Automobile Holdings Limited
Room 2301, 23rd Floor
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

Zhejiang Jirun Automobile Company Limited ("**Jirun Automobile**"), a 99% owned subsidiary of Geely Automobile Holdings Limited (the "**Company**"), intends to purchase Zhejiang Jirun Chunxiao Automobile Components Company Limited ("**Chunxiao Target**"), a wholly-owned subsidiary of Zhejiang Geely Automobile Company Limited ("**Zhejiang Geely**") as at the Latest Practicable Date. Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**Jones Lang LaSalle**" or "**we**") is instructed to provide valuation service on one property thereon which Chunxiao Manufacturing Plant of Chunxiao Target be erected.

The property comprises 3 parcels of land located at No. 188 Chunxiao Avenue, Beilun District, Ningbo City, Zhejiang Province, the People's Republic of China (the "**PRC**"). We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market value of the property interest as at 31 January 2015 (the "**valuation date**").

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have valued the property interest by the comparison method assuming sale of the property in its exiting state by making reference to comparable sales transactions as available in the relevant market. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the subject property.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and Zhejiang Geely, and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of 3 State-owned Land Use Rights Certificates relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We recommend that a PRC legal opinion is sought to verify the existing title to the property interest in the PRC.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company and Zhejiang Geely. We have also sought confirmation from the Company and Zhejiang Geely that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out on 5 March 2015 by Mr. York Rong, who is a Certified China Real Estate Appraiser and has more than 9 years' experience in the valuation of properties in the PRC.

All monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T.W. Yiu
MRICS MHKIS RPS (GP)
Director

Note: Eddie T. W. Yiu is a Chartered Surveyor who has 21 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

VALUATION CERTIFICATE

Property interest held and occupied by Zhejiang Geely in the PRC

Property	Description and tenure	Particulars of occupancy	Market value on clear site state as at 31 January 2015 RMB
3 parcels of land of the Chunxiao Manufacturing Plant located at No. 188 Chunxiao Avenue Beilun District Ningbo City Zhejiang Province The PRC	<p>The property comprises 3 parcels of land of the Chunxiao Manufacturing Plant with a total site area of approximately 667,660.30 sq.m.</p> <p>The land use rights of the property have been granted for terms expiring on 4 July 2061, 6 December 2061 and 9 August 2062 for industrial use.</p>	The Chunxiao Manufacturing Plant is currently occupied by Chunxiao Target for production purpose.	385,570,000

Notes:

1. Pursuant to 3 State-owned Land Use Rights Certificates – Lun Guo Yong (2012) Di Nos. 02153 and 09852 and Lun Guo Yong (2014) Di No. 06809, the land use rights of 3 parcels of land with a total site area of approximately 667,660.30 sq.m. have been granted to Zhejiang Geely for terms expiring on 4 July 2061, 6 December 2061 and 9 August 2062 respectively for industrial use.
2. As advised by Zhejiang Geely, the Chunxiao Manufacturing Plant (including the property) was transferred to the Chunxiao Target through capital injection.
3. Our valuation is carried out on the assumption that the property can be freely transferred, leased or disposed of without payment of any further land premium or transfer fees.

4. The property will contribute a significant portion of revenue to Zhejiang Geely, we are of the view that the property is the material property to Zhejiang Geely:

As advised by Zhejiang Geely, details of the material property are as follow:

- (a) General description of location of the property : The property is located at the east of Taihe South Road of Chunxiao Industry Park. It is approximately 12 kilometers to G15 Highway, 10 kilometers to 329 National Highway, 15 kilometers to the center of Beilun District
- (b) Details of encumbrances, liens, pledges, mortgages against the property : The property is not subject to any mortgage or pledges.
- (c) Environmental Issue : No environmental impact assessment has been carried out.
- (d) Details of investigations, notices, pending litigation, breaches of law or title defects : Pursuant to 3 State-owned Land Use Rights Certificates provided to us by Zhejiang Geely, Zhejiang Geely has obtained the title certificates of the property.
- (e) Future plans for construction, renovation, improvement or development of the property : As advised by Zhejiang Geely, there is no plan for new major development in the next 12 months from the date of this document.

1. RESPONSIBILITY STATEMENT

The circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein of this circular misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular the omission of which would make any statement contained herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Director's and chief executives' interests and short positions

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives in the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

(i) Director's interests and short positions in the securities of the Company

Name of Directors	Nature of interests	Number or attributable number of Shares held		Approximate percentage or attributable percentage of shareholding (%)
		Long position	Short position	
Shares				
Mr. Li (<i>Note 1</i>)	Interest of controlled corporations	3,751,159,000	–	42.62
	Personal	17,075,000	–	0.19
Mr. Yang Jian	Personal	13,525,000	–	0.15
Mr. Gui Sheng Yue	Personal	13,800,000	–	0.16
Mr. An Cong Hui	Personal	14,000,000	–	0.16
Mr. Ang Siu Lun, Lawrence	Personal	4,270,000	–	0.05

Name of Directors	Nature of interests	Number or attributable number of Shares held		Approximate percentage or attributable percentage of shareholding (%)
		Long position	Short position	
Mr. Liu Jin Liang	Personal	4,250,000	–	0.05
Ms. Wei Mei	Personal	4,170,000	–	0.05
Share option				
Mr. Yang Jian	Personal	12,000,000 <i>(Note 2)</i>	–	0.14
Mr. Gui Sheng Yue	Personal	17,500,000 <i>(Note 2)</i>	–	0.20
Mr. An Cong Hui	Personal	9,000,000 <i>(Note 2)</i>	–	0.10
Mr. Ang Siu Lun, Lawrence	Personal	16,000,000 <i>(Note 2)</i>	–	0.18
Mr. Liu Jin Liang	Personal	9,000,000 <i>(Note 2)</i>	–	0.10
Ms. Wei Mei	Personal	8,000,000 <i>(Note 2)</i>	–	0.09
Mr. Carl Peter Edmund Moriz Forster	Personal	1,000,000 <i>(Note 2)</i>	–	0.01
Mr. Ran Zhang	Personal	1,000,000 <i>(Note 2)</i>	–	0.01
Mr. Yeung Sau Hung, Alex	Personal	2,000,000 <i>(Note 2)</i>	–	0.02
Mr. Lee Cheuk Yin, Dannis	Personal	2,000,000 <i>(Note 2)</i>	–	0.02
Mr. An Qing Heng	Personal	1,000,000 <i>(Note 2)</i>	–	0.01
Mr. Wang Yang	Personal	1,000,000 <i>(Note 2)</i>	–	0.01

Notes:

1. Proper Glory Holding Inc. (“**Proper Glory**”) and its associates in aggregate hold 3,751,159,000 shares, representing approximately a 42.62% of the issued share capital of the Company as at the Latest Practicable Date. Proper Glory is a private company incorporated in the British Virgin Islands and is beneficially wholly owned by Mr. Li and his associate.
2. 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.

(ii) *Director's interests and short positions in the securities of the associated corporations of the Company*

Name of Directors	Name of its associated corporations	Number of shares in its associated corporations		Approximate percentage or attributable percentage of shareholding (%)
		Long position	Short position	
Mr. Li	Proper Glory	(Note 1)	–	(Note 1)
Mr. Li	Geely Group Limited	50,000	–	100
Mr. Li	Geely Holding	(Note 2)	–	(Note 2)
Mr. Li	Zhejiang Geely	(Note 3)	–	(Note 3)
Mr. Li	Shanghai Maple Automobile Company Limited	(Note 4)	–	(Note 4)
Mr. Li	Zhejiang Haoqing Automobile Manufacturing Company Limited	(Note 5)	–	(Note 5)
Mr. Li	Zhejiang Jirun Automobile Company Limited	(Note 6)	–	(Note 6)
Mr. Li	Shanghai Maple Guorun Automobile Company Limited	(Note 7)	–	(Note 7)
Mr. Li	Zhejiang Kingkong Automobile Company Limited	(Note 8)	–	(Note 8)
Mr. Li	Zhejiang Ruhoo Automobile Company Limited	(Note 9)	–	(Note 9)
Mr. Li	Hunan Geely Automobile Components Company Limited	(Note 10)	–	(Note 10)
Mr. Li	Chengdu Gaoyuan Automobile industries Company Limited	(Note 11)	–	(Note 11)
Mr. Li	Lanzhou Geely Automobile Industries Company Limited	(Note 12)	–	(Note 12)
Mr. Li	Jinan Geely Automobile Company Limited	(Note 13)	–	(Note 13)

Notes:

1. Proper Glory and its associates in aggregate hold 3,751,159,000 shares, representing approximately a 42.62% of the issued share capital of the Company as at the Latest Practicable Date. Proper Glory is a private company incorporated in the British Virgin Islands and is beneficially wholly owned by Mr. Li and his associate.
2. Geely Holding is a private company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.
3. Zhejiang Geely is a private company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.

4. Shanghai Maple Automobile Company Limited (“**Shanghai Maple Automobile**”) is a private company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.
5. Zhejiang Haoqing Automobile Manufacturing Company Limited (“**Zhejiang Haoqing**”) is a private company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.
6. Zhejiang Jirun Automobile Company Limited (“**Zhejiang Jirun**”) is a private company incorporated in the PRC and is 1% directly owned by Zhejiang Geely. Zhejiang Geely is a private company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.
7. Shanghai Maple Guorun Automobile Company Limited (“**Shanghai Maple**”) is a private company incorporated in the PRC and is 1% directly owned by Shanghai Maple Automobile. Shanghai Maple Automobile is a private company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.
8. Zhejiang Kingkong Automobile Company Limited is a private company incorporated in the PRC and is 1% directly owned by Zhejiang Haoqing. Zhejiang Haoqing is a private company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.
9. Zhejiang Ruhoo Automobile Company Limited is a private company incorporated in the PRC and is 1% directly owned by Zhejiang Haoqing. Zhejiang Haoqing is a private company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.
10. Hunan Geely Automobile Components Company Limited is a private company incorporated in the PRC and is 1% directly owned by Zhejiang Haoqing. Zhejiang Haoqing is a private company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.
11. Chengdu Gaoyuan Automobile Industries Company Limited is a private company incorporated in the PRC and is owned as to 90% by Zhejiang Jirun and as to 10% by Shanghai Maple. Zhejiang Jirun and Shanghai Maple is 1% directly owned by Zhejiang Geely and Shanghai Maple Automobile, respectively. Both Zhejiang Geely and Shanghai Maple Automobile are private companies incorporated in the PRC and are beneficially wholly owned by Mr. Li and his associate.
12. Lanzhou Geely Automobile Industries Company Limited is a private company incorporated in the PRC and is owned as to 90% by Zhejiang Jirun and as to 10% by Shanghai Maple. Zhejiang Jirun and Shanghai Maple is 1% directly owned by Zhejiang Geely and Shanghai Maple Automobile, respectively. Both Zhejiang Geely and Shanghai Maple Automobile are private companies incorporated in the PRC and are beneficially wholly owned by Mr. Li and his associate.
13. Jinan Geely Automobile Company Limited is a private company incorporated in the PRC and is owned as to 90% by Zhejiang Jirun and as to 10% by Shanghai Maple. Zhejiang Jirun and Shanghai Maple is 1% directly owned by Zhejiang Geely and Shanghai Maple Automobile, respectively. Both Zhejiang Geely and Shanghai Maple Automobile are private companies incorporated in the PRC and are beneficially wholly owned by Mr. Li and his associate.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company and their associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to

the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV and the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

(b) Interests and short positions in shares and underlying shares of other persons

As at the Latest Practicable Date, according to the register of interests maintained by the Company pursuant to section 336 of the SFO and so far as is known to the Directors or the chief executive of the Company, the persons, other than Directors or the chief executive of the Company, who had interests or a short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, 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 the Company and any other members of the Group and the amount of each of such persons' interest in such securities, together with any options in respect of such capital, were as follows:

(i) Substantial Shareholders (as defined in the SFO)

Name of Shareholder	Nature of interests	Number of shares held			Shareholding Percentage (%)
		Long position	Short position	Lending Pool	
Proper Glory (Note 1)	Beneficial owner	2,462,400,000	-	-	27.98
Geely Holding (Note 1)	Interest in controlled corporation	3,751,072,000	-	-	42.62
Zhejiang Geely (Note 2)	Beneficial owner	776,408,000	-	-	8.82
Geely Group Ltd. (Note 1)	Beneficial owner	87,000	-	-	0.001
	Interest in controlled corporation	2,462,400,000	-	-	27.98
JPMorgan Chase & Co.	Interest in controlled corporation	747,584,081	-	-	8.49
		-	27,747,944	-	0.32
		-	-	123,862,288	1.41

Notes:

- Proper Glory is a limited liability company incorporated in the British Virgin Islands and is owned as to 68% by Geely Holdings and as to 32% by Geely Group Limited. Geely Group Limited is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Li. Geely Holding is a limited liability company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.
- Zhejiang Geely is a limited liability company incorporated in the PRC and is 90%-owned by Geely Holding. Geely Holding is a limited liability company incorporated in the PRC and is beneficially wholly owned by Mr. Li and his associate.

Mr. Li is a director of each of Proper Glory, Geely Holding, Zhejiang Geely and Geely Group Limited. Mr. Yang Jian is a director of each of Geely Holding and Zhejiang Geely. Mr. An Cong Hui is a director of each of Geely Holding and Zhejiang Geely.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company are not aware of any other person (other than Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who 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.

3. COMPETING INTEREST

The Geely Holding Group is principally engaged in the sale of automobiles and related parts and components wholesale and retail business. 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 and other entities to set up production plants for the manufacturing and distribution of Geely sedans. The potential production and distribution of Geely sedans by Geely Holding will constitute competing businesses (the “**Competing Businesses**”) to those currently engaged by the Group. The potential production and distribution of new sedans and SUV models by the Chunxiao Target, currently wholly-owned by Zhejiang Geely before completion of the Acquisition, will also constitute Competing Business to the Group. Zhejiang Geely, which is beneficially wholly-owned by Mr. Li and his associates, is principally engaged in the manufacturing and sale of automobiles and related components, and manufacturing of air-conditioning related parts. Upon completion of the Acquisition, such Competing Business will be entirely transferred to the Group. Mr. Li has undertaken to the Company (the “**Undertaking**”) on 20 November 2008 that upon being notified of any decision by the Company pursuant to a resolution approved by a majority of the independent non-executive Directors, he will, and will procure his associates (other than the Group) to, sell to the Group all of the Competing Businesses and related assets, 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. In addition, it is required that Mr. Li informs the Group of all potential Competing Businesses carried out by him or his associates.

In August 2010, Geely Holding completed the acquisition of Volvo Car Corporation, which manufactures Volvo cars, a range of family sedans, wagons and sport utility cars, and has 2,500 dealerships in 100 markets (the “**Volvo Acquisition**”). Although the Group is not a party to the Volvo Acquisition nor in any discussions with Geely Holding to cooperate with Geely Holding in relation to the Volvo Acquisition, but Geely Holding has provided an irrevocable undertaking to the Company on 27 March 2010 to the effect that upon being notified of any decision by the Company pursuant to a resolution approved by a majority of the independent non-executive Directors, Geely Holding will, and will procure its associates (other than the Group) to sell to the Group all or any part of the businesses and related assets of the Volvo Acquisition, and such transfer will be subject to the terms and conditions being fair and reasonable, and being in compliance with applicable requirements of the Listing Rules, other applicable laws and regulations and other necessary approvals and consents on terms to be mutually agreed. Despite the fact that the Geely Holding Group is principally engaged in similar business activities as the Group, their respective product offerings do not overlap as the Geely Holding Group’s product mix consists of premium automobiles (such as the Volvo

brand), which cater for consumers with relatively higher spending power and hence, the Geely Holding Group is considered to operate in a different market segment when compared to the Group. Premium automobiles, which mainly represent Geely Holding Group's product mix, generally refer to vehicles with higher quality, better performance, more precise construction, technologically innovative functions, or features that convey prestige and a strong brand name, whereas economy automobiles, which mainly represent the Group's product mix, generally refer to automobiles that are practical, lightweight and relatively inexpensive for consumers when compared to premium automobiles. Although the acquisition of the Chunxiao Target will allow the Group to manufacture high-end sedans and SUVs, these high-end sedans and SUVs are still not yet compatible to premium automobiles in terms of vehicle class, construction, brand image and pricing. As such, the Competing Businesses of the Geely Holding Group can be defined and delineated from the business of the Group by different products offering (i.e. premium versus economy automobiles) and brand names.

Saved for disclosed above, as at the Latest Practicable Date, there are no other competing businesses between the Geely Holding Group and the Group in relation to the sale of automobiles and related parts, and none of the Directors nor any of their respective associates had any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENT

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 2013, 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 or leased to any member of the Group.

Save for disclosed below, 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 Group.

- **Services agreement between the Company and Geely Holding (the services agreement has an effective term until 31 December 2020)**
 - *Sales of CKDs and Sedan Tool Kits from the Group to the Geely Holding and its subsidiaries (together the "Geely Holding Group")*

Pursuant to the services agreement and the Company's announcement dated 27 November 2009, the Group agreed to supply to the Geely Holding Group the Complete Knock Down Kits ("CKDs") and sedan tool kits in accordance with the product specifications set out in the services agreement.

- *Sales of CBUs, automobile parts and components; and provision of process manufacturing services from Geely Holding Group to the Group*

Pursuant to the services agreement and the Company's announcement dated 27 November 2009, Geely Holding Group agreed to sell to the Group the complete buildup units ("CBUs"), automobile parts and components; and provide process manufacturing process to the Group in accordance with the product and service specifications set out in the services agreement.

As the applicable percentage ratios of the continuing connected transactions contemplated under the services agreement are higher than 5% on an annual basis, the services agreement is subject to the reporting, annual review, announcement requirements and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The shareholders' meeting in respect of the aforesaid services agreement was held on 31 December 2009 and the agreement was duly approved by the then Shareholders.

- **Loan guarantee agreement between the Company and Geely Holding (the loan guarantee agreement has an effective term until 31 December 2015)**

Pursuant to the loan guarantee agreement and the Company's announcement dated 16 November 2012, the Group agreed to provide guarantees (including the pledge of certain lands, buildings and facilities of the subsidiaries) on loans obtained or to be obtained by the Geely Holding Group on behalf of the Group's subsidiaries in relation to the manufacture and research and development of sedans of the Group.

As the applicable percentage ratios of the continuing connected transactions contemplated under the loan guarantee agreement are higher than 5% on an annual basis, the loan guarantee agreement is subject to the reporting, annual review, announcement requirements and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The shareholders' meeting in respect of the aforesaid loan agreement was held on 24 December 2012 and the agreement was duly approved by the then Shareholders.

- **Lease agreement between the Company, Geely Holding and Zhejiang Automotive Vocational and Technical College, as supplemented by the supplemental lease agreement (the lease agreement has an effective term until 31 December 2015)**

Pursuant to the lease agreement dated 16 November 2012 and the supplemental lease agreement dated 5 February 2013, the Group agreed to lease certain properties located in the PRC to the Geely Holding Group and Zhejiang Automotive Vocational and Technical College.

As the applicable percentage ratios of the continuing connected transactions contemplated under the lease agreement and the supplemental lease agreement are less than 5% on an annual basis, the lease agreement and the supplemental lease agreement are subject to the reporting, annual review, announcement requirements, but are exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

- **CBU agreement between the Company and Geely Holding (the CBU agreement has an effective term until 31 December 2017)**

Pursuant to the CBU agreement dated 12 December 2014, the Group agreed to sell to the Geely Holding Group the CBUs, in accordance with the product and service specifications set out in the CBU agreement.

As the applicable percentage ratios of the continuing connected transactions contemplated under the CBU agreement are less than 5% on an annual basis, the CBU agreement is subject to the reporting, annual review, announcement requirements, but is exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, the date to which the latest published audited accounts of the Company have been made up.

7. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
REORIENT Financial Markets Limited	A licensed corporation to carry out among other activities, type 6 (advising on corporate finance) regulated activity under the SFO
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent professional valuer

As at the Latest Practicable Date, each of the above experts:

- (a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (b) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2013, the date to which the latest audited financial statements of the Group was made up; and
- (c) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) had been entered into by the members of the Group after the date being two years immediately preceding the date of the Announcement but on or before the date of this circular and which are or may be material:

- (a) the Acquisition Agreement;
- (b) the assets disposal agreement dated 4 March 2015 entered into between the Company and 浙江萬里揚變速器股份有限公司 (Zhejiang Wanliyang Transmission Co. Ltd.*) (“**Zhejiang Wanliyang**”), an independent third party to the Company and its connected persons, pursuant to which the Group agreed to sell and Zhejiang Wanliyang agreed to purchase the assets, which mainly comprised transmission production lines and related equipments, for a total consideration of RMB300 million;
- (c) the joint venture agreement dated 8 January 2015 entered into between two subsidiaries of the Company and independent third parties regarding the establishment of a joint venture company with the registered capital of RMB1,000 million engaging in the research and production of automobile parts, components and engines, production of electric vehicles and the provision of related after-sale service;
- (d) the three disposal agreements dated 21 July 2014 entered into between (i) the Company and Proper Glory regarding the Company’s disposal of the entire issued share capital of DSI Holdings Pty Limited for a total consideration of AUD88,353,755 (Proper Glory is a connected person of the Company); (ii) Hunan Automobile Components Company Limited (“**Hunan Automobile Components**”), 99% indirect owned subsidiary of the Company, and Zhejiang Geely Automobile Parts and Components Company Limited (“**Zhejiang Geely Components**”) regarding Hunan Automobile Components’ disposal of 50% of the registered capital of Hunan Jisheng International Drivetrain System Company Limited for a consideration of RMB85,500,000 (Zhejiang Geely Components is a connected person of the Company); and

* Translation of registered name in English for identification purpose only

- (iii) Jinan Automobile Components Company Limited (“**Jinan Automobile Components**”), 99% indirect owned subsidiary of the Company, and Zhejiang Geely Components regarding Jinan Automobile Components’ disposal of the entire issued share capital of Shandong Geely Gearbox Company Limited for a consideration of RMB100,000,000 (Zhejiang Geely Components is a connected person of the Company);
- (e) the equity transfer agreement dated 23 December 2013 entered into between Shanghai Maple, a 99% indirect owned subsidiary of the Company, and a 50:50 joint venture company (“**JVC**”) formed with Zhejiang Kandi Vehicles Co., Ltd. (浙江康迪車業有限公司), an independent third party to the Company and its connected persons, pursuant to which Shanghai Maple transferred its entire 100% equity interest in Kandi Electric Vehicles (Shanghai) Co., Ltd (康迪電動汽車(上海)有限公司), a wholly-owned subsidiary of Shanghai Maple, to the JVC for a consideration of RMB640,651,000;
- (f) the joint venture agreement dated 16 December 2013 entered into between the Company and BNP Paribas Personal Finance regarding the establishment of a joint venture company with the registered capital of RMB900 million engaging in the vehicles financing business in the PRC; and
- (g) the assets purchase agreement dated 10 December 2013 entered into between the Company and Geely Holding pursuant to which the Group agreed to purchase and Geely Holding Group agreed to sell the assets, which mainly comprised spot welding machines, hydraulic punching machines, molding machines and lathe, for a total consideration of RMB80,390,061.

9. GENERAL

- (a) The registered office of the Company is situated at P.O. Box 309, George Town, Grand Cayman, KY1-1104, Cayman Islands. 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 of the Company is Mr. Cheung Chung Yan, David, a fellow member of the Association of Chartered Certified Accountants.
- (c) The share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited at A18/F., Asia Orient Tower, 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 the Company's principal place of business in Hong Kong at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays, and public holidays) from the date of this circular up to and including the date of the EGM on Tuesday, 31 March 2015:

- (a) the Articles of Association;
- (b) the annual reports of the Company for the two years ended 31 December 2013 and 2014;
- (c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 12 of this circular;
- (d) the letter from Reorient to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 13 to 27 of this circular;
- (e) the valuation report on the Land issued by Jones Lang as set out in Appendix I of this circular;
- (f) the written consent from Reorient referred to in the paragraph headed "Expert's qualification and consent" in this appendix;
- (g) the written consent from Jones Lang referred to in the paragraph headed "Expert's qualification and consent" in this appendix;
- (h) the material contracts as referred to under the paragraph headed "Material contracts" in this appendix; and
- (i) this circular.

NOTICE OF THE EGM

GEELY

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 (the “**EGM**”) of the shareholders (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 Tuesday, 31 March 2015 at 10:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

To consider and, if though fit, pass with or without amendment, the following resolution as an ordinary resolution of the Company:

1. “THAT:

the sale and purchase agreement dated 6 February 2015 (the “**Acquisition Agreement**”) entered into between Zhejiang Jirun Automobile Company Limited, a 99% owned subsidiary of the Company, as purchaser and Zhejiang Geely Automobile Company Limited, as vendor in relation to the acquisition of the entire registered capital of Zhejiang Jirun Chunxiao Automobile Components Company Limited (a copy of which is tabled at the meeting marked “**A**” and signed by the Chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed and any one or more directors of the Company be and is/are hereby authorized to do all such acts and things which he/she/they may consider necessary, desirable or expedient to implement the transactions contemplated thereunder (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the directors of the Company).”

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

Hong Kong, 16 March 2015

NOTICE OF THE EGM

Notes:

- (1) In order to establish entitlements of attending and voting at the forthcoming extraordinary general meeting of the Company to be held on Tuesday, 31 March 2015, the Register of Members of the Company will be closed from Friday, 27 March 2015 to Tuesday, 31 March 2015 (both days inclusive), during which period no transfer of shares of the Company will be registered. All transfers of shares of the Company, accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar and transfer office, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 26 March 2015.
- (2) Any Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (3) In order to be valid, a proxy form in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power of authority, must be deposited at the Company's Hong Kong share registrar and transfer office, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (4) In case of joint shareholdings, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s) and for this purposes seniority will be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint shareholding.

As at the date of this notice, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Yang Jian (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Mr. An Cong Hui, Mr. Ang Siu Lun, Lawrence, Mr. Liu Jin Liang and Ms. Wei Mei, the non-executive directors of the Company are Mr. Carl Peter Edmund Moriz Forster and Mr. Ran Zhang, and the independent non-executive directors of the Company are Mr. Lee Cheuk Yin, Dannis, Mr. Yeung Sau Hung, Alex, Mr. Fu Yu Wu, Mr. An Qing Heng and Mr. Wang Yang.