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吉利汽車控股有限公司
GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 175)

DISCLOSEABLE AND CONNECTED TRANSACTIONS
RELATING TO
ESTABLISHMENT OF
ZHEJIANG KINGKONG AUTOMOBILE COMPANY LIMITED
AND
ZHEJIANG RUHOO AUTOMOBILE COMPANY LIMITED

Financial adviser to Geely Automobile Holdings Limited



CIMB-GK Securities (HK) Limited

The Board is pleased to announce that on 25 October 2006, the Group entered into the JV Agreements to jointly establish two joint venture companies, namely Zhejiang Kingkong JV and Zhejiang Ruhoo JV, in Zhejiang Province with Geely Holding and Zhejiang Haoqing respectively, to engage in the research and development, production, marketing and sales of sedan related components as well as the provision of related after-sales services in the PRC.

ZHEJIANG KINGKONG JV AGREEMENT

The total investment and the registered capital of the Zhejiang Kingkong JV will be RMB701,648,000.00 (equivalent to approximately HK\$687,351,097.18) and RMB234,992,522.97 (equivalent to approximately HK\$230,204,274.07) respectively. The registered capital of the Zhejiang Kingkong JV will be owned as to 53.19% by Geely Holding and as to 46.81% by Centurion respectively.

ZHEJIANG RUHOO JV AGREEMENT

The total investment and the registered capital of the Zhejiang Ruhoo JV will be RMB429,896,000.00 (equivalent to approximately HK\$421,136,363.64) and RMB151,676,992.10 (equivalent to approximately HK\$148,586,395.08) respectively. The registered capital of the Zhejiang Ruhoo JV will be owned as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion respectively.

APPROVAL BY SHAREHOLDERS

The Directors consider that the terms of the JV Agreements, all of which have been negotiated on an arm's length basis and on normal commercial terms, are fair and reasonable so far as the Company and the Shareholders as a whole are concerned. Geely Holding and Zhejiang Haoqing are connected persons of the Company for the purpose of the Listing Rules by virtue of the fact that both Geely Holding and Zhejiang Haoqing are beneficially owned by Mr. Li and his associates. As the aggregate consideration under the JV Agreements exceeds 5% but is below 25% of the applicable percentage ratio as defined under Rule 14.07 of the Listing Rules, the entering into of the Zhejiang Kingkong JV Agreement and the Zhejiang Ruhoo JV Agreement constitute discloseable and connected transactions of the Company under Chapter 14 and 14A of the Listing Rules and is subject to the requirements of reporting, announcement, and the approval by the Independent Shareholders (by way of poll) as set out in Chapter 14A of the Listing Rules.

Proper Glory and Geely Group, both wholly-owned by Mr. Li, and holding 60.22% and 0.002% respectively in the issued share capital of the Company will abstain from voting for the resolutions to approve the JV Agreements to be put forward at the EGM.

An Independent Board Committee will be appointed to advise the Independent Shareholders in respect of the terms of the JV Agreements. An independent financial adviser will also be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, details of the JV Agreements, a letter from the Independent Board Committee and the opinion from the independent financial adviser, together with a notice convening the EGM to approve the JV Agreements will be despatched to the Shareholders as soon as practicable.

The Board is pleased to announce that on 25 October 2006, the Group entered into the JV Agreements to jointly establish two joint venture companies, namely Zhejiang Kingkong JV and Zhejiang Ruhoo JV, in Zhejiang Province with Geely Holding and Zhejiang Haoqing respectively, to engage in the research and development, production, marketing and sales of sedan related components as well as the provision of related after-sales services in the PRC.

ZHEJIANG KINGKONG JV AGREEMENT

Date: 25 October 2006

Parties: (1) Geely Holding
(2) Centurion

Subject matter: Establishment of a sino-foreign equity joint venture, the Zhejiang Kingkong JV, to be owned as to 53.19% by Geely Holding and as to 46.81% by Centurion.

Scope of business: To engage in the research, production, marketing and sales of sedan related components as well as the provision of related after-sales services in the PRC.

Term: 50 years from the date of issue of the business licence of the Zhejiang Kingkong JV. The Zhejiang Kingkong JV will be established on the date that the relevant PRC authority issues the Zhejiang Kingkong JV with its business licence.

Capital Structure: Total investment:
RMB701,648,000.00 (equivalent to approximately HK\$687,351,097.18), determined with reference to the valuation of the Geely Holding Assets performed by an independent valuer and the estimated working capital requirements of the Zhejiang Kingkong JV.

Registered capital:

RMB234,992,522.97, which will be contributed as to 53.19% by Geely Holding and as to 46.81% by Centurion, respectively within 30 days following the establishment of the Zhejiang Kingkong JV in the following manners:

- (i) Centurion will contribute its 46.81% capital contribution amount of RMB110,000,000.00 (equivalent to approximately HK\$107,758,620.69) payable in cash, which will be financed by internal resources of the Group; and
- (ii) Geely Holding will contribute its portion of the registered capital of RMB124,992,522.97 (equivalent to approximately HK\$122,445,653.38 by transferring to the Zhejiang Kingkong JV, in a single transfer, the Geely Holding Assets at the Geely Holding Asset Value, being RMB591,648,000.00 (equivalent to approximately HK\$579,592,476.49), which will result in a surplus between the Geely Holding Asset, and its 53.19% capital contribution amount to the Zhejiang Kingkong JV. In the event that Geely Holding is unable to obtain all of the relevant title certificates of the Geely Holding Assets, the Geely Holding Asset Value will be adjusted downward accordingly.

Shareholder's advance: The surplus from the Geely Holding Assets Value in the amount of approximately RMB466.66 million (equivalent to approximately HK\$457.15 million) will be accounted for as a shareholder's advance to the Zhejiang Kingkong JV without interest. Such surplus will make up the difference between the registered capital and the total investment amount of Zhejiang Kingkong JV. Thus, Centurion will not be required to make further advance to the Zhejiang Kingkong JV, save for the aforesaid capital contribution requirement.

In the event that Geely Holding is unable to obtain all of the relevant title certificates for Geely Holding Assets, the surplus from the Geely Holding Assets Value and the total investment amount will be adjusted downward accordingly.

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

Board composition: The board of the Zhejiang Kingkong JV will comprise 4 members. Mr. Li will be the chairman of the board. Geely Holding will have the right to nominate 2 members and Centurion will have the right to nominate 1 member to the board of the Zhejiang Kingkong JV. The quorum of board meeting will be two thirds or more of the then total number of directors and must consist of directors nominated by both Geely Holding and Centurion.

Conditions precedent

Completion of the Zhejiang Kingkong JV Agreement is conditional upon, among other things, the following conditions precedent being satisfied on or before 31 December 2006 (or such later date as may be agreed by the parties):

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

If the above conditions have not been fulfilled on or before 31 December 2006 (or such later date as the parties will agree), the Zhejiang Kingkong JV Agreement will lapse and all the obligations and liabilities of the parties to the Zhejiang Kingkong Agreement will cease and terminate.

ZHEJIANG RUHOO JV AGREEMENT

Date: 25 October 2006

Parties: (1) Zhejiang Haoqing
(2) Centurion

Subject matter: Establishment of a sino-foreign equity joint venture, the Zhejiang Ruhoo JV, to be owned as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion.

Scope of business: To engage in the research, production, marketing and sales of sedan related components as well as the provision of related after-sales services in the PRC.

Term: 50 years from the date of issue of the business licence of the Zhejiang Ruhoo JV. The Zhejiang Ruhoo JV will be established on the date that the relevant PRC authority issues the Zhejiang Ruhoo JV with its business licence.

Capital Structure: Total investment:
RMB429,896,000.00 (equivalent to approximately HK\$421,136,363.64), determined mainly with reference to the valuation of the Zhejiang Haoqing Assets performed by an independent valuer and the estimated working capital requirements by the Zhejiang Ruhoo JV.

Registered capital:

RMB151,676,992.10, which will be contributed as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion, respectively within 30 days following the establishment of the Zhejiang Ruhoo JV in the following manners:

- (i) Centurion will contribute its 46.81% capital contribution amount of RMB71,000,000.00 (equivalent to approximately HK\$69,553,291.54) payable in cash, which will be financed by internal resources of the Group; and
- (ii) Zhejiang Haoqing will contribute its portion of the registered capital of RMB80,676,992.10 (equivalent to approximately HK\$79,033,103.55) by transferring to the Zhejiang Ruhoo JV, in a single transfer, the Zhejiang Haoqing Assets at the Zhejiang Haoqing Asset Value, being RMB358,896,000.00 (equivalent to approximately HK\$351,583,072.10), which will result in a surplus between the Zhejiang Haoqing Assets, and its 53.19% capital contribution amount to the Zhejiang Ruhoo JV. In the event that Zhejiang Haoqing is unable to obtain all of the relevant title certificates of the Zhejiang Haoqing Assets, the Zhejiang Haoqing Asset Value will be adjusted downward accordingly.

Shareholder's advance: The surplus from the Zhejiang Haoqing Assets Value in the amount of approximately RMB278.22 million (equivalent to approximately HK\$272.55 million) will be accounted for as a shareholder's advance to the Zhejiang Ruhoo JV without interest. Such surplus will make up the difference between the registered capital and the total investment amount of Zhejiang Ruhoo JV. Thus, Centurion will not be required to make further advance to the Zhejiang Ruhoo JV, save for the aforesaid capital contribution requirement.

In the event that Zhejiang Haoqing is unable to obtain all of the relevant title certificates for Zhejiang Haoqing Assets, the surplus from the Zhejiang Haoqing Assets Value and the total investment amount will be adjusted downward accordingly.

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

Board composition: The board of the Zhejiang Ruhoo JV will comprise 4 members. Mr. Li will be the chairman of the board. Zhejiang Haoqing will have the right to nominate 2 members and Centurion will have the right to nominate 1 member to the board of the Zhejiang Ruhoo JV. The quorum of board meeting will be two thirds or more of the then total number of directors and must consist of directors nominated by both Zhejiang Haoqing and Centurion.

Conditions precedent

Completion of the Zhejiang Ruhoo JV Agreement is conditional upon, among other things, the following conditions precedent being satisfied on or before 31 December 2006 (or such later date as may be agreed by the parties):

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

If the above conditions have not been fulfilled on or before 31 December 2006 (or such later date as the parties will agree), the Zhejiang Ruhoo JV Agreement will lapse and all the obligations and liabilities of the parties to the Zhejiang Ruhoo Agreement will cease and terminate.

REASONS FOR THE ENTERING INTO THE JV AGREEMENTS

The Group is principally engaged in the manufacture and trading of automobile parts and related automobiles in the PRC. As noted in the Company's 2006 interim report, the Group's medium to long term target is to upgrade and expand its production facilities. The Directors believe that the strong growth in the demand for fuel-efficient and easy-to maintain economy sedans in the PRC is sustainable given the continued growth in the PRC economy. The formation of the Zhejiang Kingkong JV and the Zhejiang Ruhoo JV with Geely Holding will enable the Company to further benefit from this increasing demand in the PRC automobile industry. Furthermore, in accordance with the relevant applicable tax regulations, given its sino-foreign shareholding structure, Zhejiang Kingkong JV and Zhejiang Ruhoo JV will be entitled to full exemption from enterprise income tax for the first two years and 50% reduction in enterprise income tax for the next three years, commencing from the first profitable year after offsetting all unexpired tax losses carried forward from the previous years. Accordingly, the Directors (including the independent non-executive Directors) consider that the establishment of the Zhejiang Kingkong JV and the Zhejiang Ruhoo JV is in the interest of the Company and the Shareholders as a whole. The Group will contribute its portion of capital contribution primarily by the dividend receivable from its associated companies.

NON-COMPETITION UNDERTAKING

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

- (1) Geely Holding will undertake and warrant and cause its subsidiaries to undertake and warrant to refrain from research and development, production and sales of any products which are in competition with the products produced by the Group and/ or its associated companies ("Products"). The Products include (i) new models produced by the Group and/or its associated companies in the future and (ii) improved versions of the existing models currently produced by the Group and/or its associated companies; and

- (2) upon being notified of any decision by the Company pursuant to a resolution approved by a majority of the independent non-executive Directors, Mr. Li will, and will procure his associates (other than the Group) to sell to the Group (a) all of the Potential Businesses and related assets, and (b) new projects that might constitute competing businesses to those currently engaged by the Group or the Company's two associates undertaken by Geely Holding subject to compliance with applicable requirements of the Listing Rules and other applicable laws and regulations upon terms to be mutually agreed as fair and reasonable.

AMENDMENTS TO ARTICLES OF ASSOCIATION

The Company proposes to amend the relevant provision of the Articles of Association of the Company to comply with the Code on Corporate Governance Practice and other changes to the Listing Rules. The circular containing details of such amendments and the special resolution to be proposed at the EGM will be despatched to the Shareholders as soon as practicable.

INFORMATION ON THE GEELY HOLDING ASSETS AND THE ZHEJIANG HAOQING ASSETS

Geely Holding Assets

Geely Holding is principally engaged in manufacturing and distribution of sedans. The Geely Holding Assets consist of twenty parcels of adjoining land with a total site area of approximately 807,102.00 sq. m. on which are constructed 13 buildings with a total gross floor area of approximately 148,108.49 sq. m., and various ancillary structures located at Luqiao District, Taizhou City, Zhejiang Province, the PRC. The Geely Holding Assets are currently occupied by Geely Holding and its subsidiaries for car production and ancillary office purposes. The Geely Holding Assets also comprise 2 buildings which are currently under construction. The Geely Holding Asset Value of RMB591,648,000.00 (equivalent to approximately HK\$579,592,476.49) represents the aggregated amount of the estimated market value of approximately RMB316.93 million (equivalent to approximately HK\$310.47 million) and the estimated reference value of approximately RMB274.72 million (HK\$269.12 million) of the Geely Holding Assets. The valuation on the Geely Holding Assets, which include both the market value and the reference value, was performed by Sallmanns (Far East) Limited ("Sallmanns"), an independent valuer. The market value represents the value of the lands and buildings which Geely Holding has obtained title certificates. The reference value represents the market value of certain lands and buildings that Geely Holding has yet to obtain title certificates. The Company understands that Geely Holding is in the process of obtaining such title certificates. In the event that the Geely Holding is unable to obtain all of the relevant title certificates for the Geely Holding Assets, the Geely Holding Asset Value will be adjusted downward accordingly.

Zhejiang Haoqing Assets

Zhejiang Haoqing is principally engaged in manufacturing and distribution of Haoqing's series models. The Zhejiang Haoqing Assets consist of two parcels of adjoining land with a total site area of approximately 387,251.59 sq. m. on which are constructed 16 buildings with a total gross floor area of approximately 161,577.79 sq. m., located at Dingjiayang Village, Dayang Street, Linhai City, Zhejiang Province, The PRC. The Zhejiang Haoqing Assets are currently occupied by Geely Holding and its subsidiaries for car production and ancillary office purposes. The Zhejiang Haoqing Assets also comprise 4 buildings which are currently under construction. The Zhejiang Haoqing Asset Value of RMB358,896,000.00 (equivalent to approximately HK\$351,583,072.10), represents the aggregated amount of the estimated market value of approximately RMB347.77 million (equivalent to approximately HK\$340.68 million) and the estimated reference value of approximately RMB11.12 million (HK\$10.90 million) of the Zhejiang Haoqing Assets. The valuation on the Zhejiang Haoqing Assets, which include both the market value and the reference value, was performed by Sallmanns, an independent valuer. The market value represents the value

of the lands and buildings which Zhejiang Haoqing has obtained title certificates. The reference value represents the market value of certain lands and buildings that Zhejiang Haoqing has yet to obtain title certificates. The Company understands that Zhejiang Haoqing is in the process of obtaining such title certificates. In the event that the Zhejiang Haoqing is unable to obtain all of the relevant title certificates for the Zhejiang Haoqing Assets, the Zhejiang Haoqing Asset Value will be adjusted downward accordingly.

The valuation report from Sallmanns in relation to the Geely Holding Assets and the Zhejiang Haoqing Assets will be included in the circular for this transaction.

The Geely Holding Assets and Zhejiang Haoqing Assets were valued based on the depreciated replacement cost method. In valuing the properties under construction, Sallmanns has assumed that such properties will be developed and completed in accordance with the relevant latest development plan. Sallmanns has also taken into account the construction costs and professional fees incurred under the construction up to date of valuation with the remaining costs and fees to be expended to complete the development.

APPROVAL BY SHAREHOLDERS

The Directors consider that the terms of the JV Agreements, all of which have been negotiated on an arm's length basis and on normal commercial terms, are fair and reasonable so far as the Company and the Shareholders as a whole are concerned. Geely Holding and Zhejiang Haoqing are connected persons of the Company for the purpose of the Listing Rules by virtue of the fact that both Geely Holding and Zhejiang Haoqing are beneficially owned by Mr. Li and his associates. As the aggregate consideration under the JV Agreements exceeds 5% but is below 25% of the applicable percentage ratio as defined under Rule 14.07 of the Listing Rules, the entering into of the Zhejiang Kingkong JV Agreement and the Zhejiang Ruhoo JV Agreement constitute discloseable and connected transactions for the Company under Chapter 14 and 14A of the Listing Rules and is subject to the requirements of reporting, announcement, and the approval by the Independent Shareholders (by way of poll) as set out in Chapter 14A of the Listing Rules.

Proper Glory and Geely Group, both wholly-owned by Mr. Li, and holding 60.22% and 0.002% respectively in the issued share capital of the Company will abstain from voting for the resolutions to approve the JV Agreements to be put forward at the EGM.

An Independent Board Committee will be appointed to advise the Independent Shareholders in respect of the terms of the JV Agreements. An independent financial adviser will also be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, details of the JV Agreements, a letter from the Independent Board Committee and the opinion from the independent financial adviser, together with a notice convening the EGM to approve the JV Agreements will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board ”	the board of Directors
“Centurion”	Centurion Industries Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company and is principally engaged in investment holding
“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to approve the JV Agreements and the amendments to the Articles of Association
“Geely Group”	Geely Group Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Li
“Geely Holding”	吉利控股集團有限公司 (Geely Holding Group Company Limited), a private limited liability company incorporated in Zhejiang Province, the PRC, and is owned as to 72.7% by Mr. Li and as to 27.3% by Mr. Li Xu Bing, brother of Mr. Li, respectively
“Geely Holding Assets”	Twenty parcels of conjoining land with a total site area of approximately 807,102 sq. m. on which are constructed 13 buildings with a total gross floor area of approximately 148,108.49 sq. m., and various ancillary structures located at Luqiao District, Taizhou City, Zhejiang Province, the PRC, which are currently owned by Geely Holding and its subsidiaries
“Geely Holding Asset Value”	RMB591,648,000.00 (equivalent to approximately HK\$579,592,476.49), represents the aggregated amount of the estimated market value and the estimated reference value of the Geely Holding Assets performed by an independent valuer
“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent committee of the Board comprising only of independent non-executive Directors established for the purpose of advising the Independent Shareholders on the JV Agreements

“Independent Shareholders”	Shareholders other than Mr. Li and his associates
“JV Agreements”	collectively the Zhejiang Kingkong JV Agreement and the Zhejiang Ruhoo JV Agreement
“JVs”	Shanghai Maple JV and Zhejiang JV
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	Mr. Li Shu Fu, a Director holding 60.22% beneficial interest in the issued share capital of the Company
“PRC”	The People’s Republic of China
“Proper Glory”	Proper Glory Holding Inc., a company incorporated in the British Virgin Islands and is wholly-owned by the Geely Group.
“Share(s)”	share(s) of HK\$0.02 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Shanghai Maple Automobile”	上海華普汽車有限公司 (Shanghai Maple Automobile Company Limited), a limited liability company incorporated in the PRC and is owned as to 90.00% by Geely Holding and as to 10.00% by 浙江華普資產管理有限公司 (Zhejiang Maple Assets Management Company Limited), which is in turn owned by the senior management of Geely Holding. It is principally engaged in manufacturing and sales of automobile and related components, and manufacturing of air conditioning related parts
“Shanghai Maple JV”	上海華普國潤汽車有限公司 (Shanghai Maple Guorun Automobile Company Limited), a sino-foreign joint venture established in the PRC with limited liability and owned as to 53.19% by Shanghai Maple Automobile and as to 46.81% by Value Century, a wholly-owned subsidiary of the Company respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhejiang Geely Merrie”	浙江吉利美日汽車有限公司, (Zhejiang Geely Merrie Automobile Company Limited), a limited liability company incorporated in the PRC and is owned as to 90.0% by Geely Holding and as to 10.0% by 浙江華普資產管理有限公司 (Zhejiang Maple Assets Management Company Limited), which is in turn owned by the senior management of Geely Holding. It is principally engaged in manufacturing and managing of automobile, automobile power generators and related components. It also engaged in exporting of products it produces and importing machineries, accessories and raw materials required in its business

“Zhejiang Haoqing”	浙江豪情汽車制造有限公司 (Zhejiang Haoqing Automobile Manufacturing Company Limited), a company incorporated in the PRC with limited liability, and is beneficially owned as to 90% by Geely Holding and 10% by 浙江華普資產管理有限公司 (Zhejiang Maple Asset Management Co. Ltd), which is in turn owned by the senior management of Geely Holding
“Zhejiang Haoqing Assets”	two parcels of conjoining land with a total site area of approximately 387,251.59 sq. m. on which are constructed 16 buildings with a total gross floor area of approximately 161,577.79 sq. m., located at Dingjiayang Village, Dayang Street, Linhai City, Zhejiang Province, the PRC, which are currently owned by Zhejiang Haoqing
“Zhejiang Haoqing Asset Value”	RMB358,896,000.00 (equivalent to approximately HK\$351,583,072.10), represents the aggregated amount of the estimated market value and the estimated reference value of the Zhejiang Haoqing Assets performed by an independent valuer
“Zhejiang JV”	浙江吉利汽車有限公司 (Zhejiang Geely Automobile Company Limited), a sino-foreign joint venture company incorporated in the PRC, and owned as to 46.81% by Centurion and 53.19% by Zhejiang Geely Merrie
“Zhejiang Kingkong JV”	浙江金剛汽車有限公司 (Zhejiang Kingkong Automobile Company Limited), a sino-foreign joint venture to be established in the PRC with limited liability which will be owned as to 53.19% by Geely Holding and as to 46.81% by Centurion respectively
“Zhejiang Kingkong JV Agreement”	the joint venture agreement dated 25 October 2006 entered into between Geely Holding and Centurion which sets out the principal terms for the establishment of the Zhejiang Kingkong JV
“Zhejiang Ruhoo JV “	浙江陸虎汽車有限公司 (Zhejiang Ruhoo Automobile Company Limited), a sino-foreign joint venture to be established in the PRC with limited liability which will be owned as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion respectively
“Zhejiang Ruhoo JV Agreement”	the joint venture agreement dated 25 October 2006 entered into between Zhejiang Haoqing and Centurion which sets out the principal terms for the establishment of the Zhejiang Ruhoo JV
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

RMB\$1.0208 = HK\$1

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

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

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

Hong Kong, 25 October 2006

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

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