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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
SUPPLEMENTAL JV AGREEMENTS IN RELATION TO
ESTABLISHMENT OF
ZHEJIANG KINGKONG AUTOMOBILE COMPANY LIMITED
AND
ZHEJIANG RUHOO AUTOMOBILE COMPANY LIMITED
AND
DESPATCH OF CIRCULAR**

The parties to the JV Agreements, namely Centurion, Geely Holding Limited and Zhejiang Haoqing, have entered into the Supplemental JV Agreements to amend and/or supplement the terms of the JV Agreements.

The Company will despatch the Circular on 28 November 2006.

Reference is made to the announcements of Geely Automobile Holdings Limited (the "Company") dated 25 October 2006 and 14 November 2006 in relation to the establishment of the Zhejiang Kingkong JV and the Zhejiang Ruhoo JV and delay in despatch of the Circular (the "Announcements"). Terms defined in the Announcements shall have the same meanings when used herein unless the context requires otherwise.

SUPPLEMENTAL JV AGREEMENTS

The parties to the Zhejiang Kingkong JV Agreement, namely Geely Holding Limited and Centurion, have entered into a supplemental agreement on 27 November 2006 (the "Zhejiang Kingkong Supplemental JV Agreement") to amend and/or supplement the terms of the Zhejiang Kingkong JV Agreement. On 27 November 2006, the parties to the Zhejiang Ruhoo JV Agreement, namely Zhejiang Haoqing and Centurion, have entered into a supplemental agreement (the "Zhejiang Ruhoo Supplemental JV Agreement") to amend and/or supplement the terms of the Zhejiang Ruhoo JV Agreement. Set out below are the principal terms of the Zhejiang Kingkong Supplemental JV Agreement and the Zhejiang Ruhoo Supplemental JV Agreement (collectively the "Supplemental JV Agreements").

Zhejiang Kingkong Supplemental JV Agreement

Pursuant to the Zhejiang Kingkong Supplemental JV Agreement, Geely Holding Limited and Centurion agreed to amend certain terms under the headings of capital structure, in particular the timing of their respective contribution to the registered capital of the joint venture, and shareholder's advance in the Zhejiang Kingkong JV Agreement. Details of the amended terms of the Zhejiang Kingkong Supplemental JV Agreement are set out as follows:

- Capital Structure:**
- (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 upon completion of the assets transfer by Geely Holding Limited of the Geely Holding Assets into the Zhejiang Kingkong JV. Centurion's contribution will be financed by internal resources of the Group. In the event that Geely Holding Limited failed to transfer the Geely Holding Assets into Zhejiang Kingkong JV within six months following the establishment of the Zhejiang Kingkong JV, both parties agreed to terminate all rights and responsibilities pursuant to the Zhejiang Kingkong JV Agreements; and
 - (ii) Geely Holding Limited 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 within six months following the establishment of the Zhejiang Kingkong JV, 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 Assets, and its 53.19% capital contribution amount to the Zhejiang Kingkong JV.

Shareholder's advance: The surplus from the Geely Holding Asset 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 amounts of Zhejiang Kingkong JV. Thus, Centurion will not be required to make further capital contribution to the Zhejiang Kingkong JV, save for the aforesaid capital contribution requirement.

Zhejiang Ruhoo Supplemental JV Agreement

Pursuant to the Zhejiang Ruhoo Supplemental JV Agreement, Zhejiang Haoqing and Centurion agreed to amend certain terms under the headings of capital structure, in particular the total investment amount and timing of their respective contribution to the registered capital of the joint venture, and shareholder's advance in the Zhejiang Ruhoo JV Agreement. Details of the amended terms of the Zhejiang Ruhoo Supplemental JV Agreement are set out as follows:

Capital Structure: Total investment:

RMB389,320,000.00 (equivalent to approximately HK\$381,387,147.34), 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 (equivalent to approximately HK\$148,586,395.08), which will be contributed as to 53.19% by Zhejiang Haoqing and as to 46.81% by Centurion, respectively, 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, in which RMB40 million (equivalent to approximately HK\$39.18 million) will be payable upon completion of the assets transfer by Zhejiang Haoqing of the Zhejiang Haoqing Assets into the Zhejiang Ruhoo JV and the remaining RMB31 million (equivalent to approximately HK\$30.37 million) will be payable within one year following the establishment of the Zhejiang Ruhoo JV. Centurion's contribution will be financed by internal resources of the group. In the event that Zhejiang Haoqing failed to transfer the Zhejiang Haoqing Assets into Zhejiang Haoqing JV within three months following the establishment of the Zhejiang Ruhoo JV, both parties agreed to terminate all rights and responsibilities pursuant to the Zhejiang Ruhoo JV Agreements; 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 within three months following the establishment of the Zhejiang Ruhoo JV, the Zhejiang Haoqing Assets at the Zhejiang Haoqing Asset Value, being RMB318,320,000 (equivalent to approximately HK\$311,833,855.80), which will result in a surplus between the Zhejiang Haoqing Assets, and its 53.19% capital contribution amount to the Zhejiang Ruhoo JV.

Shareholder's advance: The surplus from the Zhejiang Haoqing Asset Value in the amount of approximately RMB237.64 million (equivalent to approximately HK\$232.8 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 amounts of Zhejiang Ruhoo JV. Thus, Centurion will not be required to make further capital contribution to the Zhejiang Ruhoo JV, save for the aforesaid capital contribution requirement.

DESPATCH OF THE CIRCULAR

Pursuant to Rules 14.38 and 14A.49 of the Listing Rules, the Company will despatch the Circular, which contains, 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, to the Shareholders on 28 November 2006.

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

Hong Kong, 27 November 2006

As at the date of this announcement, the executive Directors 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, Mr. Zhao Jie and Dr. Zhao Fuquan 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.