

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



GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 175)

CLARIFICATION ANNOUNCEMENT

The Board wishes to clarify various press articles of 21 June 2005 regarding the Company is in negotiation to acquire MG Rover Group Limited (the “Proposed Acquisition”).

The Board wishes to clarify that the Company do not have any concrete plan, timetable or financing proposal for the Proposed Acquisition.

The board of directors (the “**Board**”) of the Company noted several press articles of 21 June 2005 regarding the Company is in negotiation to acquire MG Rover Group Limited (the “Proposed Acquisition”).

The Board wishes to clarify the following:

- The Company and its associated companies had previously negotiated with MG Rover Group Limited regarding the proposed establishment of a joint venture several years ago. Nevertheless, such negotiation had suspended in mid 2004. Until April 2005, the Company has enquired and negotiated with relevant parties and the administrator of MG Rover Group Limited regarding the acquisition of certain MG Rover Group’s moulds and production equipment. The negotiation is at a preliminary stage and is confined to the acquisition of certain moulds and production equipment of MG Rover Group Limited, not related to the acquisition of shares of MG Rover Group Limited. At present, neither agreement has been signed nor terms and conditions of such acquisition have been determined.

The Board wishes to clarify that the Company do not have any concrete plan, timetable or financing proposal for the Proposed Acquisition.

Save as disclosed herein, the Board confirms that there are no negotiations or agreements relating to intended acquisitions and realizations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

By Order of the Board of
Geely Automobile Holdings Limited
Ang Siu Lun, Lawrence
Executive Director

Hong Kong, 21 June 2005

As at the date of this announcement, the executive directors of the Company are Messrs. He Xuechu, Xu Xing Yao, Ang Siu Lun, Lawrence, Ku Wai Kwan, Zhou Teng, Nan Yang, Zhang Zhe, Wong Hing Kwok, Li Shu Fu, Xu Gang, Yang Jian, Shim Bong Sup, Yin Da Qing, Richard, Liu Jin Liang and Gui Sheng Yue and the independent non-executive directors of the Company are Messrs. Lee Cheuk Yin, Dannis, Song Lin and Yeung Sau Hung, Alex.

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

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