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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)

ANNOUNCEMENT

The Company is pleased to announce that the Group entered into the 2nd Zhejiang JV Capital Increase Agreement on 23 August 2006 to effect the increase of registered capital of Zhejiang JV from approximately US\$176.27 million (equivalent to approximately RMB1,410.13 million or HK\$1,371.35 million), after the capital increase pursuant to the 1st Zhejiang JV Capital Increase Agreement, to approximately US\$231.01 million (equivalent to approximately RMB1,848.07 million or HK\$1,797.24 million).

Reference is made to the announcement of the Company dated 25 July 2006 (the “Announcement”) and the circular of the Company dated 15 August 2006 (the “Circular”) in relation to the increase in the registered capital of Zhejiang JV and Shanghai Maple JV. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

On 23 August 2006, Centurion and Zhejiang Geely Merrie entered into the 2nd Zhejiang JV Capital Increase Agreement to effect the increase of registered capital of Zhejiang JV from approximately US\$176.27 million (equivalent to approximately RMB1,410.13 million or HK\$1,371.35 million), after the capital increase pursuant to the 1st Zhejiang JV Capital Increase Agreement, to approximately US\$231.01 million (equivalent to approximately RMB1,848.07 million or HK\$1,797.24 million). As disclosed in the Circular, the capital contributions from Centurion and Zhejiang Geely Merrie will be made within 3 months upon approval by the Ningbo Foreign Trade and Economic Cooperation Bureau (寧波市對外貿易經濟合作局) on the proposed capital increase. Pursuant to the 2nd Zhejiang JV Capital Increase Agreement, the contributions from Centurion and Zhejiang Geely Merrie will be made within 1 month of such approval. Save for the aforesaid, all principal terms of the 2nd Zhejiang JV Capital Increase Agreement, including the amounts to be contributed by Centurion and Zhejiang Geely Merrie and the intended use of capital raised, are the same as disclosed in the Circular.

The Company will convene the EGM at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Thursday, 31 August 2006, at 10:00 a.m. at which ordinary resolutions will be proposed for the purpose of considering and, if thought fit, approving the Agreements and the 2nd Zhejiang JV Capital Increase Agreement in relation to the increase in registered capital of Zhejiang JV and Shanghai Maple JV.

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

Hong Kong, 23 August 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.