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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular, 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 to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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

**Financial adviser to Geely Automobile Holdings Limited**



**CIMB Securities (HK) Limited**

**Independent financial adviser to the Independent Board Committee and the  
Independent Shareholders**



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A letter from the Board is set out on pages 5 to 15 of this circular and a letter from the Independent Board Committee is set out on page 16 of this circular. A letter from Quam Capital, the independent financial adviser, containing its advice to the Independent Board Committee and the Shareholders in respect of the fairness and reasonableness of the terms of the Connected Transactions is set out on pages 17 to 29 of this circular.

A notice convening the EGM of Geely Automobile Holdings Limited to be held at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Monday, 7 December 2009 at 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

17 November 2009

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## DEFINITIONS

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

“Agreements”	together, the Chengdu Gaoyuan Agreement, Jinan Geely Agreement and the Lanzhou Geely Agreement
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Chengdu Gaoyuan”	成都高原汽車工業有限公司 (Chengdu Gaoyuan Automobile Industries Company Limited), a company incorporated in the PRC with limited liability
“Chengdu Gaoyuan Agreement”	the equity transfer agreement dated 27 October 2009 entered into between Zhejiang Geely, Shanghai Maple Guorun, Shanghai Maple and Geely Holding pursuant to which (i) Shanghai Maple agrees to transfer 90% interest in the registered capital of Chengdu Gaoyuan to Zhejiang Geely; and (ii) Geely Holding agrees to transfer 10% interest in the registered capital of Chengdu Gaoyuan to Shanghai Maple Guorun
“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 Transactions”	collectively, the transactions contemplated under the Chengdu Gaoyuan Agreement, the Jinan Geely Agreement and the Lanzhou Geely Agreement
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to approve the Connected Transactions
“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, respectively
“Geely Holding Group”	Geely Holding and its subsidiaries

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## DEFINITIONS

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“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 90.00% 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) respectively, which is in turn owned by the senior management of Geely Holding. It is principally engaged in the manufacturing and sales of automobiles and related components, and manufacturing of air-conditioning related parts
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising only the independent non-executive Directors, namely Mr. Song Lin, Mr. Lee Cheuk Yin, Dannis, and Mr. Yeung Sau Hung, Alex, established for the purpose of advising the Independent Shareholders on the Connected Transactions
“Independent Shareholders”	Shareholder(s) other than Mr. Li and his associates
“Jinan Geely”	(濟南吉利汽車有限公司) (Jinan Geely Automobile Company Limited), a company incorporated in the PRC with limited liability
“Jinan Geely Agreement”	the equity transfer agreement dated 27 October 2009 entered into between Zhejiang Geely, Shanghai Maple Guorun, Geely Holding and Zhejiang Haoqing pursuant to which (i) Geely Holding agrees to transfer 90% interest in the registered capital of Jinan Geely to Zhejiang Geely; and (ii) Zhejiang Haoqing agrees to transfer 10% interest in the registered capital of Jinan Geely to Shanghai Maple Guorun
“Lanzhou Geely”	(蘭州吉利汽車工業有限公司) (Lanzhou Geely Automobile Industries Company Limited), a company incorporated in the PRC with limited liability

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## DEFINITIONS

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“Lanzhou Geely Agreement”	the equity transfer agreement dated 27 October 2009 entered into between Zhejiang Geely, Shanghai Maple Guorun, Zhejiang Haoqing and Geely Merrie and pursuant to which (i) Zhejiang Haoqing agrees to transfer 90% interest in the registered capital of Lanzhou Geely to Zhejiang Geely; and (ii) Geely Merrie agrees to transfer 10% interest in the registered capital of Lanzhou Geely to Shanghai Maple Guorun
“Latest Practicable Date”	12 November 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial shareholder holding 51.47% interest in the issued share capital of the Company as at the Latest Practicable Date
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“Quam Capital”	Quam Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Connected Transactions
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Maple”	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), respectively, which is in turn owned by the senior management of Geely Holding. It is principally engaged in the manufacturing and sales of automobiles and related components, and manufacturing of air-conditioning related parts
“Shanghai Maple Guorun”	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 is an indirect 91%-owned subsidiary of the Company

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## DEFINITIONS

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“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfers”	the transfers of (i) 100% interest in the registered capital of Chengdu Gaoyuan pursuant to the terms and conditions of the Chengdu Gaoyuan Agreement; (ii) 100% interest in the registered capital of Jinan Geely pursuant to the terms and conditions of the Jinan Geely Agreement; (iii) 100% interest in the registered capital of Lanzhou Geely pursuant to the terms and conditions of the Lanzhou Geely Agreement, to the Group
“Zhejiang Geely”	浙江吉利汽車有限公司 (Zhejiang Geely Automobile Company Limited), a sino-foreign joint venture company established in the PRC with limited liability and is an indirect 91%-owned subsidiary of the Company
“Zhejiang Haoqing”	浙江豪情汽車製造有限公司 (Zhejiang Haoqing Automobile Manufacturing 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) respectively, which is in turn owned by the senior management of Geely Holding. It is principally engaged in the manufacturing and sales of automobiles and related components, and manufacturing of air-conditioning related parts
“%”	per cent.

*Note:* For the purpose of this circular, the exchange rate of RMB 1 = HK\$1.1364 has been used for currency translation where applicable. Such exchange rate is for illustration purposes and does not constitute representation that any amount in HK\$ could have been or could be converted at the above rate or at all.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Li Shu Fu  
Mr. Yang Jian  
Mr. Gui Sheng Yue  
Mr. Ang Siu Lun, Lawrence  
Mr. Liu Jin Liang  
Mr. Yin Da Qing, Richard  
Mr. Zhao Jie  
Dr. Zhao Fuquan

*Non-executive Directors:*

Mr. Xu Gang

*Independent Non-executive Directors:*

Mr. Lee Cheuk Yin, Dannis  
Mr. Song Lin  
Mr. Yeung Sau Hung, Alex

*Registered Office:*

P.O. Box 309  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Principal Place of Business*

*in Hong Kong:*

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

17 November 2009

*To the Shareholders*

Dear Sir or Madam,

## DISCLOSEABLE AND CONNECTED TRANSACTIONS

### INTRODUCTION

Reference is made to the announcement of the Company dated 27 October 2009 in which the Company announced that, inter alia, the Group entered into the Agreements with the Geely Holding Group which constitute connected transactions of the Company under Chapter 14A.13 of the Listing Rules. The transactions contemplated under the Agreements also constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

The purposes of this circular are (i) to provide the Shareholders with information on the Connected Transactions; (ii) to set out the view of the Independent Board Committee in respect of the fairness and reasonableness of the terms and conditions of the Connected Transactions; and (iii) to set out the letter of advice from Quam Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, in respect of the fairness and reasonableness of the terms and conditions of the Connected Transactions.

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## LETTER FROM THE BOARD

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### THE AGREEMENTS

#### (I) The Chengdu Gaoyuan Agreement

**Date:** 27 October 2009

**Parties:** Zhejiang Geely and Shanghai Maple Guorun, as the purchasers;  
Shanghai Maple and Geely Holding, as the vendors

Each of Zhejiang Geely and Shanghai Maple Guorun is an indirect 91%-owned subsidiary of the Company.

Each of Shanghai Maple and Geely Holding is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is an associate of Mr. Li, an executive Director and a substantial shareholder holding approximately 51.47% interest in the issued share capital of the Company as at the Latest Practicable Date.

**Subject matter:** Shanghai Maple and Geely Holding will transfer 90% and 10% interests in the registered capital of Chengdu Gaoyuan to Zhejiang Geely and Shanghai Maple Guorun, respectively.

Chengdu Gaoyuan was set up in 2007 with a registered capital of RMB50,000,000 (equivalent to approximately HK\$56,820,000) and was owned as to 90% by Shanghai Maple and as to 10% by Geely Holding, respectively.

**Consideration:** RMB42,669,910 (equivalent to approximately HK\$48,490,086) to Shanghai Maple and RMB4,741,101 (equivalent to approximately HK\$5,387,787) to Geely Holding, representing an aggregated amount of RMB47,411,011 (equivalent to approximately HK\$53,877,873).

The consideration has been arrived at after arm's length negotiations between Zhejiang Geely, Shanghai Maple Guorun, Shanghai Maple and Geely Holding with reference to the net asset value of Chengdu Gaoyuan of RMB47,411,011 (representing approximately HK\$53,877,873) as at 30 June 2009. The Group intends to finance the acquisition out of its internal resources and the aggregated consideration is payable in cash within two months after the completion of the Chengdu Gaoyuan Agreement.



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## LETTER FROM THE BOARD

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As the consideration for the acquisition of the interests in the registered capital of Chengdu Gaoyuan is based on the net asset value of Chengdu Gaoyuan as 30 June 2009, the Directors (including the independent non-executive Directors) consider that the terms of the Chengdu Gaoyuan Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent for the Chengdu Gaoyuan Agreement**

Completion of the Chengdu Gaoyuan Agreement is conditional upon satisfaction of the following conditions precedent:

- (a) the PRC government or the appropriate authorised state agency having irrevocably or unconditionally approved or accepted for filing with the transaction contemplated under the Chengdu Gaoyuan Agreement pursuant to the applicable laws and regulations;
- (b) the change in shareholding arrangements in Chengdu Gaoyuan has been registered with the relevant State Administration for Industry and Commerce with jurisdiction over Chengdu Gaoyuan;
- (c) Chengdu Gaoyuan being issued the new corporate business license;
- (d) the approval of the transaction contemplated under the Chengdu Gaoyuan Agreement by all other relevant government authorities and third parties (such as the relevant commercial lender, etc.);
- (e) the approval of the independent shareholders of the Company in general meeting for the transaction contemplated under the Chengdu Gaoyuan Agreement; and
- (f) the representations and warranties remaining true and accurate in all material aspects.

Zhejiang Geely and Shanghai Maple Guorun may at any time waive condition (f) by written notice to Shanghai Maple or Geely Holding before completion of the Chengdu Gaoyuan Agreement.

If the above conditions are not satisfied or waived by 31 December 2009 (or such later date as the parties may agree in writing), the Chengdu Gaoyuan Agreement shall terminate and none of the parties to the Chengdu Gaoyuan Agreement shall have any claim or liability hereunder to the other party to the Chengdu Gaoyuan Agreement.

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## LETTER FROM THE BOARD

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### (II) The Jinan Geely Agreement

**Date:** 27 October 2009

**Parties:** Zhejiang Geely and Shanghai Maple Guorun, as the purchasers;  
Geely Holding and Zhejiang Haoqing, as the vendors

Each of Zhejiang Geely and Shanghai Maple Guorun is an indirect 91%-owned subsidiary of the Company.

Each of Geely Holding and Zhejiang Haoqing is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is an associate of Mr. Li, an executive Director and a substantial shareholder holding approximately 51.47% interest in the issued share capital of the Company as at the Latest Practicable Date.

**Subject matter:** Geely Holding and Zhejiang Haoqing will transfer 90% and 10% interests in the registered capital of Jinan Geely to Zhejiang Geely and Shanghai Maple Guorun, respectively.

Jinan Geely was set up in 2006 with a registered capital of RMB80,000,000 (equivalent to approximately HK\$90,912,000) and was owned as to 90% by Geely Holding and as to 10% by Zhejiang Haoqing, respectively.

**Consideration:** RMB162,000,000 (equivalent to approximately HK\$184,096,800) to Geely Holding and RMB18,000,000 (equivalent to approximately HK\$20,455,200) to Zhejiang Haoqing, representing an aggregated amount of RMB180,000,000 (equivalent to approximately HK\$204,552,000).

The consideration has been arrived at after arm's length negotiations between Zhejiang Geely, Shanghai Maple Guorun, Geely Holding and Zhejiang Haoqing with reference to the net asset value of Jinan Geely of RMB180,000,000 (representing approximately HK\$204,552,000) as at 30 June 2009. The Group intends to finance the acquisition out of its internal resources and the aggregated consideration is payable in cash within two months after the completion of the Jinan Geely Agreement.

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## LETTER FROM THE BOARD

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As the consideration for the acquisition of the interests in the registered capital of Jinan Geely is based on the net asset value of Jinan Geely as at 30 June 2009, the Directors (including the independent non-executive Directors) consider that the terms of the Jinan Geely Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent for the Jinan Geely Agreement**

Completion of the Jinan Geely Agreement is conditional upon satisfaction of the following conditions precedent:

- (a) the PRC government or the appropriate authorised state agency having irrevocably or unconditionally approved or accepted for filing with the transaction contemplated under the Jinan Geely Agreement pursuant to the applicable laws and regulations;
- (b) the change in shareholding arrangements in Jinan Geely has been registered with the relevant State Administration for Industry and Commerce with jurisdiction over Jinan Geely;
- (c) Jinan Geely being issued the new corporate business license;
- (d) the approval of the transaction contemplated under the Jinan Geely Agreement by all other relevant government authorities and third parties (such as the relevant commercial lender, etc.);
- (e) the approval of the independent shareholders of the Company in general meeting for the transaction contemplated under the Jinan Geely Agreement; and
- (f) the representations and warranties remaining true and accurate in all material aspects.

Zhejiang Geely and Shanghai Maple Guorun may at any time waive condition (f) by written notice to Geely Holding or Zhejiang Haoqing before completion of the Jinan Geely Agreement.

If the above conditions are not satisfied by 31 December 2009 (or such later date as the parties may agree in writing), the Jinan Geely Agreement shall terminate and none of the parties to the Jinan Geely Agreement shall have any claim or liability hereunder to the other party to the Jinan Geely Agreement.

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## LETTER FROM THE BOARD

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### (III) Lanzhou Geely Agreement

**Date:** 27 October 2009

**Parties:** Zhejiang Geely and Shanghai Maple Guorun, as the purchasers;  
Zhejiang Haoqing and Geely Merrie, as the vendors

Each of Zhejiang Geely and Shanghai Maple Guorun is an indirect 91%-owned subsidiary of the Company.

Each of Zhejiang Haoqing and Geely Merrie is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is an associate of Mr. Li, an executive Director and a substantial shareholder holding approximately 51.47% interest in the issued share capital of the Company as at the Latest Practicable Date.

**Subject matter:** Zhejiang Haoqing and Geely Merrie will transfer 90% and 10% interests in the registered capital of Lanzhou Geely to Zhejiang Geely and Shanghai Maple Guorun, respectively.

Lanzhou Geely was set up in 2006 with a registered capital of RMB120,000,000 (equivalent to approximately HK\$136,368,000) and was owned as to 90% by Zhejiang Haoqing and as to 10% by Geely Merrie, respectively.

**Consideration:** RMB95,348,760 (equivalent to approximately HK\$108,354,331) to Zhejiang Haoqing and RMB10,594,306 (equivalent to approximately HK\$12,039,369) to Geely Merrie, representing an aggregated amount of RMB105,943,066 (equivalent to approximately HK\$120,393,700).

The consideration has been arrived at after arm's length negotiations between Zhejiang Geely, Shanghai Maple Guorun, Zhejiang Haoqing and Geely Merrie with reference to the net asset value of Lanzhou Geely of RMB105,943,066 (representing approximately HK\$120,393,700) as at 30 June 2009. The Group intends to finance the acquisition out of its internal resources and the aggregated consideration is payable in cash within two months after the completion of the Lanzhou Geely Agreement.

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## LETTER FROM THE BOARD

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As the consideration for the acquisition of the interests in the registered capital of Lanzhou Geely is based on the net asset value of Lanzhou Geely as 30 June 2009, the Directors (including the independent non-executive Directors) consider that the terms of the Lanzhou Geely Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent for the Lanzhou Geely Agreement**

Completion of the Lanzhou Geely Agreement is conditional upon satisfaction of the following conditions precedent:

- (a) the PRC government or the appropriate authorised state agency having irrevocably or unconditionally approved or accepted for filing with the transaction contemplated under the Lanzhou Geely Agreement pursuant to the applicable laws and regulations;
- (b) the change in shareholding arrangements in Lanzhou Geely has been registered with the relevant State Administration for Industry and Commerce with jurisdiction over Lanzhou Geely;
- (c) Lanzhou Geely being issued the new corporate business license;
- (d) the approval of the transaction contemplated under the Lanzhou Geely Agreement by all other relevant government authorities and third parties (such as the relevant commercial lender, etc.);
- (e) the approval of the independent shareholders of the Company in general meeting for the transaction contemplated under the Lanzhou Geely Agreement; and
- (f) the representations and warranties remaining true and accurate in all material aspects.

Zhejiang Geely and Shanghai Maple Guorun may at any time waive condition (f) by written notice to Zhejiang Haoqing or Geely Merrie before completion of the Lanzhou Geely Agreement.

If the above conditions are not satisfied by 31 December 2009 (or such later date as the parties may agree in writing), the Lanzhou Geely Agreement shall terminate and none of the parties to the Lanzhou Geely Agreement shall have any claim or liability hereunder to the other party to the Lanzhou Geely Agreement.

Each of Zhejiang Geely and Shanghai Maple Guorun is an indirect 91%-owned subsidiary of the Company. Therefore, upon completion of the Agreements, each of the Chengdu Gaoyuan, the Jinan Geely and the Lanzhou Geely will be indirectly owned as to 91% by the Group, and hence will be accounted for as an indirect non wholly-owned subsidiary of the Company.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE PARTIES

The Group is principally engaged in the research and development, manufacturing and trading of automobiles, automobile parts and related automobile components, and investment holding.

Geely Holding and its subsidiaries are principally engaged in the sales of automobiles and related parts and components wholesale and retail businesses.

Each of Shanghai Maple, Zhejiang Haoqing and Geely Merrie is principally engaged in the manufacturing and sales of automobiles and related components, and manufacturing of air-conditioning related parts.

Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely are principally engaging in production, marketing and sales of sedans and related automobile components in the PRC. The principal assets of Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely are their manufacturing facilities.

The audited financial information of Chengdu Gaoyuan for the two financial years ended 31 December 2008 prepared in accordance with the PRC Generally Accepted Accounting Principles (“PRC GAAPs”) is set out below:

	<b>For the year ended 31 December 2008</b> <i>(RMB)</i>	<b>For the year ended 31 December 2007</b> <i>(RMB)</i>
<b>Loss before taxation and extraordinary items</b>	2,417,796 (Approximately HK\$2,747,583)	Nil (Approximately HK\$Nil)
<b>Loss after taxation and extraordinary items</b>	2,417,796 (Approximately HK\$2,747,583)	Nil (Approximately HK\$Nil)
	<b>As at 31 December 2008</b> <i>(RMB)</i>	<b>As at 31 December 2007</b> <i>(RMB)</i>
<b>Net asset value</b>	47,582,704 (Approximately HK\$54,072,985)	10,000,000 (Approximately HK\$11,364,000)

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## LETTER FROM THE BOARD

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The audited financial information of Jinan Geely for the two financial years ended 31 December 2008 prepared in accordance with the PRC GAAPs is set out below:

	<b>For the year ended 31 December 2008</b> <i>(RMB)</i>	<b>For the year ended 31 December 2007</b> <i>(RMB)</i>
<b>Profit before taxation and extraordinary items</b>	Nil (Approximately HK\$Nil)	Nil (Approximately HK\$Nil)
<b>Profit after taxation and extraordinary items</b>	Nil (Approximately HK\$Nil)	Nil (Approximately HK\$Nil)
	<b>As at 31 December 2008</b> <i>(RMB)</i>	<b>As at 31 December 2007</b> <i>(RMB)</i>
<b>Net asset value</b>	80,000,000 (Approximately HK\$90,912,000)	30,000,000 (Approximately HK\$34,092,000)

The audited financial information of Lanzhou Geely for the two financial years ended 31 December 2008 prepared in accordance with the PRC GAAPs is set out below:

	<b>For the year ended 31 December 2008</b> <i>(RMB)</i>	<b>For the year ended 31 December 2007</b> <i>(RMB)</i>
<b>Profit/(Loss) before taxation and extraordinary items</b>	634,457 (Approximately HK\$720,997)	(13,460,621) (Approximately HK\$(15,296,650))
<b>Profit/(Loss) after taxation and extraordinary items</b>	634,457 (Approximately HK\$720,997)	(13,460,621) (Approximately HK\$(15,296,650))
	<b>As at 31 December 2008</b> <i>(RMB)</i>	<b>As at 31 December 2007</b> <i>(RMB)</i>
<b>Net asset value</b>	107,173,835 (Approximately HK\$121,792,346)	16,539,379 (Approximately HK\$18,795,350)

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF ENTERING INTO THE CONNECTED TRANSACTIONS

The Group expects its current automobile manufacturing capacity to be saturated in a few years due to the Group's robust expansion of its automobile manufacturing and sales businesses. This results in a need for the Group to acquire new manufacturing facilities so as to meet its manufacturing and sales requirements in the future.

The Transfers are consistent with the Group's plans to acquire manufacturing facilities in various provinces in the PRC, as it not only increases its production capacity but also provides the Group with the flexibility and elasticity for its production. Consequently, this enables the Group's manufacturing facilities increasing its focus on respective product lines as well as the positioning of the Group's brand, which allows the Group to be more effective in implementing the "multi-brand" strategy that was introduced in 2008.

The manufacturing facilities of Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely are located in the North Eastern, North Western and Western parts of China, which are in more remote areas compared to the Group's existing manufacturing facilities located in Ningbo, Shanghai and Taizhou. The Transfers not only significantly reduce transportation time and costs required for completing the sales in the inland regions in mainland China, but also strengthen the Group's ability to develop new markets in neighbouring provinces in the inland regions in mainland China.

Given that the consideration for each of the Transfers is based on the net asset value of Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely, respectively, the Directors (including the independent non-executive Directors) consider that the terms of the Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

Each of Shanghai Maple, Geely Holding, Zhejiang Haoqing and Geely Merrie is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is an associate of Mr. Li, an executive Director and a substantial shareholder holding approximately 51.47% interest in the issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Chengdu Gaoyuan Agreement, the Jinan Geely Agreement, the Lanzhou Geely Agreement and the transactions contemplated thereunder constitute connected transactions of the Company pursuant to Rule 14A.13 of the Listing Rules. There is no previous transaction that requires to be aggregated with the Transfers pursuant to Rule 14.22 or Rule 14A.25 of the Listing Rules. As the applicable percentage ratios of each of the Agreements are more than 2.5% but less than 25%, the Connected Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.32 of the Listing Rules. The Connected Transactions also constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

The EGM will be convened to approve the Connected Transactions. Mr. Li and his associates together hold 3,751,159,000 Shares (representing approximately 51.47% of the issued share capital of the Company) as at the Latest Practicable Date, will abstain from voting for the resolutions to approve the Connected Transactions to be put forward at the EGM.



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## LETTER FROM THE BOARD

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An Independent Board Committee has been established to advise the Independent Shareholders on whether or not the Connected Transactions are fair and reasonable and in the interest of the Company and Independent Shareholders. Quam Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders regarding the terms and conditions of the Connected Transactions.

### RECOMMENDATION

The Directors, including the independent non-executive Directors, consider the Connected Transactions are on normal commercial terms, are entered into in the usual and ordinary course of business and are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions in respect of the Connected Transactions.

### FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 16 of this circular which contains its view on the Connected Transactions. Your attention is also drawn to the letter of advice from Quam Capital on pages 17 to 29 which contains its opinion on the terms of the Connected Transactions.

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

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## LETTER FROM INDEPENDENT BOARD COMMITTEE

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*The following is the letter of advice from the Independent Board Committee to the Independent Shareholders in respect of the Connected Transactions, which has been prepared for the purpose of inclusion in this circular.*



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)

17 November 2009

*To the Independent Shareholders*

Dear Sir or Madam,

### DISCLOSEABLE AND CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 17 November 2009 (the “Circular”), in which this letter forms a part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings given to them in the section headed “Definitions” of the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise the Independent Shareholders whether the terms and conditions of the Connected Transactions are on normal commercial terms, in the usual and ordinary course of business and are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

We wish to draw your attention to the letter of advice from Quam Capital, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms and conditions of the Connected Transactions as set out on pages 17 to 29 of the Circular, and the letter from the Board set out on pages 5 to 15 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of Quam Capital as stated in its letter of advice, we consider that the terms and conditions of the Connected Transactions are on normal commercial terms, in the usual and ordinary course of business and fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions in relation to the Connected Transactions.

Yours faithfully,  
**Mr. Lee Cheuk Yin, Dannis**  
**Mr. Song Lin**  
**Mr. Yeung Sau Hung, Alex**  
*Independent Board Committee*

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## LETTER FROM QUAM CAPITAL

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*The following is the full text of the letter of advice from Quam Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Connected Transactions.*



17 November 2009

To the Independent Board Committee and the Independent Shareholders  
Geely Automobile Holdings Limited  
Room 2301, 23rd Floor  
Great Eagle Centre  
23 Harbour Road  
Wanchai  
Hong Kong

Dear Sir or Madam,

### DISCLOSEABLE AND CONNECTED TRANSACTIONS

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Transactions. Details of the terms of the Agreements are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 17 November 2009 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

On 27 October 2009, Zhejiang Geely and Shanghai Maple Guorun, indirect 91%-owned subsidiaries of the Company, entered into the Agreements with Shanghai Maple, Geely Holding, Zhejiang Haoqing and Geely Merrie in respect of the acquisition of the entire registered capital of Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely (each a “**Target**”, and collectively the “**Targets**”). Each of Shanghai Maple, Geely Holding, Zhejiang Haoqing and Geely Merrie is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is an associate of Mr. Li, an executive Director holding approximately 51.47% interest in the issued share capital of the Company. Accordingly, the Connected Transactions constitute connected transactions for the Company under Chapter 14A of the Listing Rules. All the Connected Transactions are subject to the approval of the Independent Shareholders at the EGM by way of poll.

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## LETTER FROM QUAM CAPITAL

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Messrs. Song Lin, Lee Cheuk Yin, Dannis and Yeung Sau Hung, Alex, the independent non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether the Connected Transactions have been entered into by the Group within its ordinary and usual course of business based on normal commercial terms; and the terms of the Connected Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and to advise the Independent Shareholders as to whether to vote in favour of the Connected Transactions. As the independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in this regard.

Quam Capital Limited is independent of and not connected with any members of the Group or any of their substantial shareholders, directors or chief executives, or any of their respective associates, and is accordingly qualified to give independent advice in respect of the Connected Transactions.

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular, the information supplied by the Group and its advisers, the opinions expressed by and the representations of the Directors and the management of the Group, and our review of the relevant public information. We have assumed that all the information, facts and representations contained or referred to in the Circular were true and accurate in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time that they were made and continue to be true as at the date of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group and the Directors have confirmed to us that no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement in the Circular misleading.

We consider that we have reviewed sufficient and relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely or any of their respective subsidiaries or associates.

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## LETTER FROM QUAM CAPITAL

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of the Connected Transactions, we have taken into consideration the following principal factors and reasons:

#### 1. Background of and reasons for the Connected Transactions

##### (a) Financial performance 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.

Set out below is a summary of the consolidated financial results of the Company for each of the two years ended 31 December 2008 and the six months ended 30 June 2009 as extracted from its annual report for the year ended 31 December 2008 and its interim report for the six months ended 30 June 2009 (the “**Interim Report**”):

**Table 1**

	<b>(Audited)</b>		<b>(Unaudited)</b>
	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2007</b>	<b>2008</b>	<b>30 June</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Turnover	131,720	4,289,037	5,948,690
Profit attributable to the equity holders of the Company	302,527	879,053	595,910
	<b>As at 31 December</b>		<b>As at 30 June</b>
	<b>2007</b>	<b>2008</b>	<b>2009</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity attributable to the equity holders of the Company	2,343,845	4,197,862	5,349,418

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## LETTER FROM QUAM CAPITAL

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As illustrated in Table 1 above, the turnover for the year ended 31 December 2008 increased significantly to approximately RMB4,289.0 million, which was mainly attributable to full consolidation of the Group's previous five major operating associates (each of them is currently a 91%-owned subsidiary of the Group) as a result of the Group's restructuring completed in July 2008 involving, among others, the acquisition of additional interests in these associates from the Geely Holding Group (details of which are set out in the Company's circular dated 31 October 2007). It is further noted that the Group recorded profit attributable to the equity holders of the Company of approximately RMB302.5 million, RMB879.1 million and RMB595.9 million for each of the two years ended 31 December 2008 and the six months ended 30 June 2009 respectively. We were advised that such increasing trend is mainly a combined result of the aforesaid acquisition and the strong natural growth achieved by the Group due to higher vehicles sales volume, stable product prices and production costs. As disclosed in the Interim Report, the Group sold a total of 137,758 units of vehicles in the first half of 2009, representing an increase of 29% from the corresponding period in 2008 and achieving 55% of the Group's sales volume target of 250,000 units for the year 2009. The Group currently owns five automobile manufacturing facilities in Ningbo, Shanghai, Xiangtan and Taizhou, the PRC with an annual production capacity of 460,000 units per annum.

We have discussed with the management of the Company regarding the factors contributing to the Group's performance in business developments and expansions in the PRC automobile market as well as its financial results and position. We were advised that the key factors include, among others, upgrading and expanding its production facilities and expanding its market coverage to inland regions in the PRC supplemented by well-designed manufacturing facilities in close locations. In view of the supportive policies introduced by the PRC government in the automobile industry including the reduction of sales tax for smaller size cars effective in September 2008, the introduction of fuel tax in January 2009 and the promulgation of "Stimulation Package for Automobile Industry" in early 2009, and the sales performance of the Group in the first half of year 2009, the management of the Company believes that broadening of sales channels will drive momentum for distribution of the Group's sedans in the PRC market.

*(b) Information on the Targets*

Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely are principally engaged in production, marketing and sale of sedans and related automobile components in the PRC. Their principal assets are mainly their manufacturing facilities in Chengdu, Jinan and Lanzhou respectively which are located in the Western and North Eastern region of the PRC.

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## LETTER FROM QUAM CAPITAL

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Set out below is a summary of profit or loss after taxation and extraordinary items for each of the two years ended 31 December 2008 and net asset value of the Targets as at 31 December 2007, 31 December 2008 and 30 June 2009:

**Table 2**

Targets	Profit/(loss) after taxation and extraordinary items <i>RMB</i>	Net asset value <i>RMB</i>
Chengdu Gaoyuan	2007: Nil (equivalent to about HK\$Nil)	2007: 10,000,000 (equivalent to about HK\$11,364,000)
	2008: (2,417,796) (equivalent to about HK\$2,747,583)	2008: 47,582,704 (equivalent to about HK\$54,072,985)
		2009: 47,411,011 (equivalent to about HK\$53,877,873)
Jinan Geely	2007: Nil (equivalent to about HK\$Nil)	2007: 30,000,000 (equivalent to about HK\$34,092,000)
	2008: Nil (equivalent to about HK\$Nil)	2008: 80,000,000 (equivalent to about HK\$90,912,000)
		2009: 180,000,000 (equivalent to about HK\$204,552,000)
Lanzhou Geely	2007: (13,460,621) (equivalent to about HK\$15,296,650)	2007: 16,539,379 (equivalent to about HK\$18,795,350)
	2008: 634,457 (equivalent to about HK\$720,997)	2008: 107,173,835 (equivalent to about HK\$121,792,346)
		2009: 105,943,066 (equivalent to about HK\$120,393,700)

As advised by the management of the Company, Chengdu Gaoyuan is currently under construction of its production facilities with capacity of 70,000 units per annum. The Company expects that Chengdu Gaoyuan will complete the construction in early 2010 and commence its commercial production in second half of year 2010. Jinan Geely has completed the construction of its production facilities with capacity of 100,000 units per annum in October 2009 and is currently under trial production. The Company expects Jinan Geely to commence its commercial production in year 2010. We have reviewed the

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## LETTER FROM QUAM CAPITAL

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management accounts of Chengdu Gaoyuan and Jinan Geely for the six months ended 30 June 2009 and noted that no revenue is recognised by Chengdu Gaoyuan and Jinan Geely up to June 2009. The assets of Chengdu Gaoyuan and Jinan Geely as at 30 June 2009 were mainly composed of property, plant and equipment and other prepayments in relation to construction of their respective production facilities. Lanzhou Geely has also completed the construction of its production facilities with capacity of 50,000 units per annum and has commenced its commercial production in September 2007. We were advised that Lanzhou Geely is currently in the interim development stage along its designed production road map and has produced approximately 9,300 and 7,800 sedans for the year ended 31 December 2008 and for the six months ended 30 June 2009 respectively. However, such production level does not avail Lanzhou Geely to achieve a sufficient level of profitability and take advantage of economies of scale and therefore, Lanzhou Geely recorded a profit of only approximately RMB0.6 million for the year ended 31 December 2008. The management of the Company targets to increase the production level of Lanzhou Geely to 20,000 units by year 2012, which would effectively curtail the unit production fixed costs of Lanzhou Geely and improve its profitability. Considering the above, the Company is confident that each of the Targets will generate considerable economic benefit to the Group upon commencement of full commercial operation of the Targets. It is the intention of the Company to further expand the production capacity of Lanzhou Geely in year 2010. As advised by the management of the Company, the preliminary estimated material capital expenditure required for the initial operation of the Targets is expected to be borne by the Targets and the Group in equal share. The management of the Company expects that the Connected Transactions will enable the Group to have sufficient production capacity to accommodate the expected continued growth in the demand for its sedans in view of the prospects of the PRC automobile market and its recent business development.

*(c) Reasons for and benefits of the Connected Transactions*

As disclosed in the Letter from the Board, the Group expects its current automobile manufacturing capacity to be saturated in a few years due to the Group's robust expansion of its automobile manufacturing and sales businesses. Following completion of the Agreements, the Company will increase its production capacity from 460,000 units to 680,000 units per annum, which will enhance the production capability and resources allocation flexibility of the Group. In addition, considering that the manufacturing facilities of the Targets are located in the Western and North Eastern region of the PRC, which are in more remote areas and close to new potential markets which were not target markets of the Group in the past, it will enable the Group to explore such potential markets with the advantages of shorter transportation time and lower costs, which conforms to the stated objectives and strategies of the Group to expand its production capacity and explore new markets in inland regions in the PRC. Given the aforesaid, the management of the Company is of the view that, upon completion of the Agreements and commencement of commercial production of Chengdu Gaoyuan and Jinan Geely, the Group will not only benefit from broadening revenue and customer bases to almost all provinces in the PRC and enhancing profitability, but also enable the Group to concentrate its effort on the implementation of the "multi-brand" strategy and research and development of advanced sedan models.



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## LETTER FROM QUAM CAPITAL

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(d) *Conclusion*

Based on the foregoing, we are of the view that the Connected Transactions are conducted in the ordinary and usual course of the Group's business; and in the interests of both the Company and the Shareholders as a whole in that respect.

**2. The consideration of the Connected Transactions**

(a) *The considerations of the Connected Transactions and their basis of determination*

The consideration of the transfer of Chengdu Gaoyuan, Jinan Geely and Lanzhou Geely is RMB47,411,011, RMB180,000,000 and RMB105,943,066 (equivalent to approximately HK\$53,877,873, HK\$204,552,000 and HK\$120,393,700) respectively (the "**Considerations**"). As disclosed in the Letter from the Board, it is noted that the Considerations were arrived at after arm's length negotiations between the relevant parties and on normal commercial terms with reference to the respective unaudited net asset value of the Targets as at 30 June 2009. We have reviewed the respective unaudited financial statements of the Targets as at 30 June 2009, and noted that each of the Considerations represents a price to net asset value ratio ("**P/NAV Ratio**") of about 1.0 time of the unaudited net asset value of the relevant Target as at 30 June 2009. The Group intends to finance the Considerations, which is payable in cash within two months after completion of the Agreements, by its internal resources.

(b) *Comparable analysis*

(i) Comparison with other Hong Kong listed companies

In order to assess the fairness and reasonableness of the Considerations, we have attempted to compare them with the valuation multiples of other Hong Kong listed companies with principal activities and net asset values similar to those of the Targets. However, we are unable to identify any comparable companies based on the net asset value. Besides, given that Lanzhou Geely is only in the interim development stage along its designed production road map as discussed in section (1)(b) above and Chengdu Gaoyuan and Jinan Geely have not commenced their commercial production, we consider it is not appropriate to make reference to the price to earnings ratios of the Targets based on their financial results for the year ended 31 December 2008. As an alternative, based on the information available on the website of the Stock Exchange, we have identified and made references to, so far as we are aware, the P/NAV Ratios of those companies listed on the Stock Exchange as at the Latest Practicable Date which are principally engaged in the manufacturing and sale of automobile and automobile parts (the "**Comparable Companies**"), this is in line with the principal businesses of the Targets. Details of the comparison with the Comparable Companies are set out in Table 3 below. It should, however, be noted that given their latest published net asset values, the

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## LETTER FROM QUAM CAPITAL

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Comparable Companies, in terms of size, may not be comparable to the Targets, and hence the result of our comparison below should not be used in isolation as a determining factor in deciding whether or not the Considerations are fair and reasonable. Your attention is also drawn to subsection (b)(ii) below for details of the comparison with other similar transactions of acquisition of manufacture and sale of automobile and automobile parts businesses undertaken by other companies listed on the Stock Exchange which are also engaged in the manufacturing and trading of automobile business.

**Table 3**

Comparable Companies (Stock code)	Principal activities	Current market capitalisation (Note 1) (HK\$ million)	P/NAV Ratio (Note 2) (times)
Brilliance China Automotive Holdings Limited (Stock code: 1114)	Manufacture and sale of minibuses and automotive components and sedans in the PRC	12,111	1.71
Denway Motors Limited (Stock code: 203)	Manufacture, assembly, trading and servicing of motor vehicles and manufacture and trading of motor vehicle related electrical equipment and parts in the PRC, and manufacture and trading of audio equipment in Hong Kong	34,962	2.25
Dongfeng Motor Group Company Limited (Stock code: 489)	Manufacturing and sales of commercial and passenger vehicles, vehicle engines and a comprehensive range of auto parts for various vehicles	34,097	3.84
Great Wall Motor Company Limited (Stock code: 2333)	Design, research and development, manufacture and sales, as well as distribution of sedans, sports utility vehicles, pick-up trucks and automobile related parts and components products	3,839	1.31

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## LETTER FROM QUAM CAPITAL

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Comparable Companies (Stock code)	Principal activities	Current market capitalisation <i>(Note 1)</i> <i>(HK\$ million)</i>	P/NAV Ratio <i>(Note 2)</i> <i>(times)</i>
Qingling Motors Company Limited (Stock code: 1122)	Production and sale of Isuzu light, medium and heavy-duty trucks, pick-up trucks, multi- purpose vehicles and diesel and petrol engines	2,874	0.73
Sinotruk (Hong Kong) Limited (Stock code: 3808)	Research, development and manufacturing of heavy duty trucks and related key parts and components, including engines, cabins, axles, steel frames and gearboxes	20,971	1.72
			<b>1.93</b>
			<b>3.84</b>
			<b>0.73</b>
<b>The Company</b>		<b>25,802</b>	<b>4.12</b>
<b>Chengdu Gaoyuan</b>			<b>1.00</b>
<b>Jinan Geely</b>			<b>1.00</b>
<b>Lanzhou Geely</b>			<b>1.00</b>

*Sources: Bloomberg and website of the Stock Exchange (<http://www.hkex.com.hk>)*

*Notes:*

1. The market capitalisation of each of the Company and the Comparable Companies is extracted from Bloomberg, which is calculated by multiplying the total outstanding number of issued shares listed on the Stock Exchange with the closing share price as quoted on the Stock Exchange as at the Latest Practicable Date.
2. The P/NAV Ratio of each of the Company and the Comparable Companies is extracted from Bloomberg, which is calculated as the closing share price as quoted on the Stock Exchange as at the Latest Practicable Date divided by the respective net asset value per share based on the respective latest published annual and interim reports.

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## LETTER FROM QUAM CAPITAL

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As shown in Table 3 above, each of the Considerations represents a P/NAV Ratio of approximately 1.0 time based on the unaudited net asset value of the relevant Target as at 30 June 2009. It is noted that each of the P/NAV Ratio of the Targets as implied under the corresponding Considerations is (i) within the P/NAV Ratios of the Comparables Companies ranging between 0.73 times and 3.84 times; and (ii) lower than the P/NAV Ratio of the Company and the average of the P/NAV Ratios of the Comparable Companies.

(ii) Comparison with other similar transactions

Based on the information available on the website of the Stock Exchange, we have further identified and made references to, as far as we are aware, four similar transactions involving acquisition of manufacture and sale of automobile related businesses undertaken by companies listed on the Stock Exchange which are also engaged in the manufacturing and sale of automobile business for the three years prior to 27 October 2009, the date of the Agreements (the “**Comparable Transactions**”). Each of the Comparable Transactions is of similar nature as compared with the Connected Transactions and the respective subject assets or target companies are in relation to the manufacture and/or sale of automobile and automobile parts. We have reviewed and compared the respective implied P/NAV Ratios represented by the Considerations with the respective P/NAV Ratios of the Comparable Transactions for comparison purposes, details of which are set out in Table 4 below:

**Table 4**

Date of announcement	Purchaser (Stock code)	Principal activities of the target group (including subsidiaries/associates)	Interest acquired (%)	Implied P/NAV Ratio (Note) (times)
27 July 2009	Great Wall Motor Company Limited (Stock code: 2333)	Production and sale of gaskets of blended regenerated fibre, automotive upholstery and automotive black boxes	49	0.30
27 May 2009	Dongfeng Motor Group Company Limited (Stock code: 489)	Manufacture of own-brand passenger vehicles	100	1.01
30 July 2008	Great Wall Motor Company Limited (Stock code: 2333)	Manufacturing and sale of automobile parts and components	100	1.00

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## LETTER FROM QUAM CAPITAL

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Date of announcement	Purchaser (Stock code)	Principal activities of the target group (including subsidiaries/associates)	Interest acquired (%)	Implied P/NAV Ratio (Note) (times)
31 January 2008	Great Wall Motor Company Limited (Stock code: 2333)	Manufacture and sales of internal combustion engines and parts	39.2	1.02
				<b>0.83</b>
				<b>1.02</b>
				<b>0.30</b>

*Source: Website of the Stock Exchange (<http://www.hkex.com.hk>)*

*Note:* Based on the consideration of the Comparable Transactions divided by the net asset value (subject to the percentage of interest acquired) of the respective target companies or assets as disclosed in the respective announcements in relation to the Comparable Transactions.

Based on our research illustrated in Table 4 above, it is noted that the implied P/NAV Ratios of the Connected Transactions of about 1.0 time each are higher than the average P/NAV Ratios of the Comparable Transactions. We further noted that the considerations of three out of four Comparable Transactions were determined with reference to the net asset value of the respective target companies or assets and recorded implied P/NAV Ratios of about 1 time, which is approximate to the implied P/NAV Ratios of the Connected Transactions. It is noted that the basis of determination of the Considerations with reference to the net asset value of the Targets have been widely adopted in the Comparable Transactions.

### (iii) Conclusion

Based on the foregoing, we are of the opinion that the Considerations (including the basis of determination) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### 3. Financial impacts of the Connected Transactions on the Group

Upon completion of the Agreements, the Targets will become 91%-owned subsidiaries of the Company, and hence, their financial results will be consolidated in the Group's financial statements. As discussed in section (1)(c) above, the management of the Company expect that, upon completion of the Agreements and commencement of commercial production of Chengdu Gaoyuan and Jinan Geely, the revenue base of the Group will be enhanced.

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## LETTER FROM QUAM CAPITAL

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According to the Interim Report, as at 30 June 2009, the Group's unaudited equity attributable to the equity holders of the Company was approximately RMB5,349.4 million. We also noted from the Interim Report that the Group's gearing ratio (defined as the total borrowings to total shareholders' equity) as at 30 June 2009 was approximately 28%. Given that (i) the Considerations will be settled by internal resources; and (ii) the current capital structure of the Group and the Targets, the Directors expect that the consolidated net asset value and gearing ratios of the Group would not have any material change after completion of the Agreements.

As disclosed in the Interim Report, the Group had unaudited bank balances and cash (including pledged bank deposits) and net current assets of approximately RMB2.94 billion and RMB1.26 billion respectively as at 30 June 2009. In addition, net cash inflow from operating activities amounted to approximately RMB982 million for the six months ended 30 June 2009. Having considered (i) the historical track record and cash flow position of the Group; (ii) the present internal financial resources and banking facilities available to the Group; (iii) the expected earning potential of the Targets upon commencement of full commercial production; and (iv) the preliminary estimated material capital expenditure required for the initial operation of the Targets to be borne by the Group, the Directors expect that the Connected Transactions will not have material adverse impact on the working capital position of the Group.

In view of the foregoing, we are of the opinion that the Connected Transactions will not have any material adverse impact on the Group's financial position upon completion of the Connected Transactions in this regard.

### RECOMMENDATION

Having considered the principal factors and reasons discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

- the existing business mode of the Group and the reasons for and benefits of the Connected Transactions as discussed in section (1) above;
- that the Connected Transactions are in line with the Group's stated business objectives and strategies as discussed in section (1)(c) above;
- that the Considerations (including the basis of determination) are fair and reasonable as discussed in section (2) above; and
- that there will be no material adverse impact on the financial position of the Group as a result of the Connected Transactions,

we consider that the entering into of the Connected Transactions by the Group is conducted within its ordinary and usual course of business based on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM QUAM CAPITAL

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Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Connected Transactions.

Yours faithfully,  
For and on behalf of  
**Quam Capital Limited**  
**Richard D. Winter**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' 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) Interests and short positions in the securities of the Company

Name of Director	Capacity	Number of Shares in the Company		Shareholding percentage (%)
		Long position	Short position	
<b>Shares</b>				
Mr. Li Shu Fu (Note 1)	Interest in controlled corporations	3,751,159,000	–	51.47
Mr. Ang Siu Lun, Lawrence	Personal	8,270,000	–	0.11
Mr. Yeung Sau Hung, Alex	Personal	500,000	–	0.01
<b>Share options</b>				
Mr. Gui Sheng Yue	Personal	8,000,000 (Note 2)	–	0.11
Mr. Yang Jian	Personal	8,000,000 (Note 2)	–	0.11
Mr. Liu Jin Liang	Personal	6,000,000 (Note 2)	–	0.08
Mr. Zhao Jie	Personal	6,000,000 (Note 2)	–	0.08



Name of Director	Capacity	Number of Shares in the Company		Shareholding percentage (%)
		Long position	Short position	
Mr. Yin Da Qing, Richard	Personal	7,000,000 (Note 2)	–	0.10
Dr. Zhao Fuquan	Personal	23,000,000 (Note 2)	–	0.32
Mr. Song Lin	Personal	2,500,000 (Note 2)	–	0.03
Mr. Yeung Sau Hung, Alex	Personal	500,000 (Note 2)	–	0.01
Mr. Lee Cheuk Yin, Dannis	Personal	1,500,000 (Note 2)	–	0.02

*Notes:*

1. Proper Glory Holding Inc. (“Proper Glory”) and its concert parties in aggregate hold 3,751,159,000 shares, representing approximately 51.47% of the issued share capital of the Company as at the Latest Practicable Date. Proper Glory is a company incorporated in the British Virgin Islands and is beneficially wholly owned by Mr. Li Shu Fu and his associate.
2. The percentage of share option 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) Interests and short positions in the securities of the associated corporations of the Company*

Name of Director	Name of its associated corporations	Number of shares in its associated corporations		Shareholding percentage (%)
		Long position	Short position	
Mr. Li Shu Fu	Proper Glory Holding Inc.	(Note 1)	–	(Note 1)
Mr. Li Shu Fu	Geely Group Limited	50,000	–	100
Mr. Li Shu Fu	Zhejiang Geely Holding Group Company Limited	(Note 2)	–	(Note 2)
Mr. Li Shu Fu	Zhejiang Geely Merrie Automobile Company Limited	(Note 3)	–	(Note 3)
Mr. Li Shu Fu	Shanghai Maple Automobile Company Limited	(Note 4)	–	(Note 4)
Mr. Li Shu Fu	Zhejiang Haoqing Automobile Manufacturing Company Limited	(Note 5)	–	(Note 5)

Name of Director	Name of its associated corporations	Number of shares in its associated corporations		Shareholding percentage (%)
		Long position	Short position	
Mr. Li Shu Fu	Zhejiang Geely Automobile Company Limited	(Note 6)	–	(Note 6)
Mr. Li Shu Fu	Shanghai Maple Guorun Automobile Company Limited	(Note 7)	–	(Note 7)
Mr. Li Shu Fu	Zhejiang Kingkong Automobile Company Limited	(Note 8)	–	(Note 8)
Mr. Li Shu Fu	Zhejiang Ruhoo Automobile Company Limited	(Note 9)	–	(Note 9)
Mr. Li Shu Fu	Hunan Geely Automobile Components Company Limited	(Note 10)	–	(Note 10)

## Notes:

1. Proper Glory Holding Inc. (“Proper Glory”) and its concert parties in aggregate hold 3,751,159,000 shares, representing approximately 51.47% of the issued share capital of the Company as at the Latest Practicable Date. Proper Glory is a company incorporated in the British Virgin Islands and is beneficially wholly owned by Mr. Li Shu Fu and his associate.
2. Zhejiang Geely Holding Group Company Limited (“Geely Holding”) is a limited liability company incorporated in the PRC and is beneficially wholly owned by Mr. Li Shu Fu and his associate.
3. Zhejiang Geely Merrie Automobile Company Limited 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 Shu Fu and his associate.
4. Shanghai Maple Automobile Company Limited 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 Shu Fu and his associate.
5. Zhejiang Haoqing Automobile Manufacturing Company Limited 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 Shu Fu and his associate.
6. Zhejiang Geely Automobile Company Limited is incorporated in the PRC and is 9%-owned by Zhejiang Geely Merrie Automobile Company Limited. Zhejiang Geely Merrie Automobile Company Limited is incorporated in the PRC and is 90%-owned by Geely Holding. Geely Holding is incorporated in the PRC and is 100%-owned by Mr. Li Shu Fu and his associate.
7. Shanghai Maple Guorun Automobile Company Limited is incorporated in the PRC and is 9%-owned by Shanghai Maple Automobile Company Limited. Shanghai Maple Automobile Company Limited is incorporated in the PRC and is 90%-owned by Geely Holding. Geely Holding is incorporated in the PRC and is 100%-owned by Mr. Li Shu Fu and his associate.

8. Zhejiang Kingkong Automobile Company Limited is incorporated in the PRC and is 9%-owned by Zhejiang Haoqing Automobile Manufacturing Company Limited. Zhejiang Haoqing Automobile Manufacturing Company Limited is incorporated in the PRC and is 90%-owned by Geely Holding. Geely Holding is incorporated in the PRC and is 100%-owned by Mr. Li Shu Fu and his associate.
9. Zhejiang Ruhoo Automobile Company Limited is incorporated in the PRC and is 9%-owned by Zhejiang Haoqing Automobile Manufacturing Company Limited. Zhejiang Haoqing Automobile Manufacturing Company Limited is incorporated in the PRC and is 90%-owned by Geely Holding. Geely Holding is incorporated in the PRC and is 100%-owned by Mr. Li Shu Fu and his associate.
10. Hunan Geely Automobile Components Company Limited is incorporated in the PRC and is 9%-owned by Zhejiang Haoqing Automobile Manufacturing Company Limited. Zhejiang Haoqing Automobile Manufacturing Company Limited is incorporated in the PRC and is 90%-owned by Geely Holding. Geely Holding is incorporated in the PRC and is 100%-owned by Mr. Li Shu Fu and his associate.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of 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 he is 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.

**(b) Interests and short positions in shares and underlying shares of others 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 executives of the Company, the persons, other than Directors or the chief executives of the Company, who had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company 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	Capacity	Number of shares held		Shareholding percentage (%)
		Long position	Short position	
Proper Glory (Note 1)	Beneficial owner	2,462,400,000	–	33.78
Geely Holding (Note 1)	Beneficial owner	3,751,072,000	–	51.46
Zhejiang Geely Merrie (Note 2)	Interest in controlled corporation	776,408,000	–	10.65
Geely Group Ltd. (Note 1)	Beneficial owner	87,000	–	0.001
	Interest in controlled corporation	2,462,400,000	–	33.78
The Goldman Sachs Group, Inc.	Interest in controlled corporation	1,297,974,003	–	17.81

*Notes:*

1. Proper Glory Holding Inc. (“Proper Glory”) is a company incorporated in the British Virgin Islands and is owned as to 68% by Geely Holding 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 Shu Fu. Geely Holding is a limited liability company incorporated in the PRC and is beneficially owned by Mr. Li Shu Fu and his associate.
2. Zhejiang Geely Merrie 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 owned by Mr. Li Shu Fu and his associate.

Save as disclosed above so far as is known to the Directors or chief executives of the Company, as at the Latest Practicable Date, no person (not being a Director or chief executive of the Company) had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 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 or had any options in respect of such capital.

**3. COMPETING INTEREST**

Zhejiang Geely Holding Group Company Limited, which is ultimately owned by Mr. Li Shu Fu (“Mr. Li”), the Company’s Chairman, 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 Zhejiang Geely Holding Group Company Limited will constitute competing businesses (the “Competing Businesses”) to those currently engaged by the Group’s subsidiaries. Mr. Li has undertaken to the Company (the “Undertaking”) 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.

Save for disclosed above, as at the Latest Practicable Date, none of the Directors or 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. INTERESTS IN ASSETS AND/OR CONTRACTS**

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 2008, 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.

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 Company.

**5. DIRECTORS’ SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract or had an unexpired service contract with any member of the Group, which is not determinable by any member of the Group 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 2008, the date to which the latest published audited accounts of the Company were 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:

<b>Name</b>	<b>Qualification</b>
Quam Capital	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Quam Capital:

- (a) did not have any shareholding in any member of the Group or the 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 asset which had been acquired, 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 2008, the date to which the latest audited financial statements of the Group was made up;
- (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. GENERAL**

- (a) The registered office of the Company is situated at P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies. 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 branch share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited at 18/F., Fook Lee Commercial Centre, 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.

**9. 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 the date of this circular up to and including 7 December 2009:

- (a) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 16 of this circular;
- (b) the letter from Quam Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 17 to 29 of this circular;
- (c) the written consent from Quam Capital referred to in the paragraph headed "Expert's Qualification and Consent" in this Appendix; and
- (d) the Chengdu Gaoyuan Agreement, the Jinan Geely Agreement and the Lanzhou Geely Agreement.

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## NOTICE OF THE EGM

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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)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of 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 Monday, 7 December 2009 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 resolutions as ordinary resolutions of the Company:

1. “**THAT**

- (a) the conditional equity transfer agreement dated 27 October 2009 (the “**Chengdu Gaoyuan Agreement**”) entered into between Zhejiang Geely, Shanghai Maple Guorun, Shanghai Maple and Geely Holding, a copy of which is tabled at the meeting and marked “**A**” and initialed by the chairman of the meeting for identification purpose, pursuant to which, Shanghai Maple and Geely Holding will transfer 90% and 10% interests in the registered capital of Chengdu Gaoyuan to Zhejiang Geely and Shanghai Maple Guorun, respectively, be and is hereby approved, ratified and confirmed;
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters and transactions contemplated in the Chengdu Gaoyuan Agreement.”

2. “**THAT**

- (a) the conditional equity transfer agreement dated 27 October 2009 (the “**Jinan Geely Agreement**”) entered into between Zhejiang Geely, Shanghai Maple Guorun, Geely Holding and Zhejiang Haoqing, a copy of which is tabled at the meeting and marked “**B**” and initialed by the chairman of the meeting for identification purpose, pursuant to which, Geely Holding and Zhejiang Haoqing will transfer 90% and 10% interests in the registered capital of Jinan Geely to Zhejiang Geely and Shanghai Maple Guorun, respectively, be and is hereby approved, ratified and confirmed;



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## NOTICE OF THE EGM

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- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters and transactions contemplated in the Jinan Geely Agreement.”

3. **“THAT**

- (a) the conditional equity transfer agreement dated 27 October 2009 (the **“Lanzhou Geely Agreement”**) entered into between Zhejiang Geely, Shanghai Maple Guorun, Zhejiang Haoqing and Geely Merrie, a copy of which is tabled at the meeting and marked **“C”** and initialed by the chairman of the meeting for identification purpose, pursuant to which, Zhejiang Haoqing and Geely Merrie will transfer 90% and 10% interests in the registered capital of Lanzhou Geely to Zhejiang Geely and Shanghai Maple Guorun, respectively, be and is hereby approved, ratified and confirmed;
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters and transactions contemplated in the Lanzhou Geely Agreement.”

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

Hong Kong, 17 November 2009

*Head office and principal place of business in Hong Kong:*  
Room 2301, 23rd Floor  
Great Eagle Centre  
23 Harbour Road, Wanchai  
Hong Kong

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## NOTICE OF THE EGM

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*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be delivered to the office of the branch share registrars of the Company, Union Registrars Limited, at 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
4. Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.