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GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 175)

PROPOSED ISSUE AND LISTING OF ZERO COUPON CONVERTIBLE BONDS DUE 2011 BY GEELY AUTOMOBILE HOLDINGS LIMITED CONVERTIBLE INTO ORDINARY SHARES OF GEELY AUTOMOBILE HOLDINGS LIMITED AND RESUMPTION OF TRADING OF SHARES

The Company announces that on 9 March 2006, the Company entered into the Subscription Agreement with the Co-Lead Managers, whereby the Co-Lead Managers have agreed to subscribe or procure subscribers for the Bonds to be issued at par by the Company in an aggregate principal amount of HK\$741,600,000.

The initial Conversion Price is HK\$0.90, represents a premium of approximately 23% over the volume weighted average price of the Shares as quoted on the Stock Exchange on 8 March 2006. It also represents a premium of approximately 25% over the closing price of each Share on 8 March 2006, and approximately 18% over the average of the closing prices of each Share for a period of 10 consecutive Trading Days immediately prior to 8 March 2006.

Assuming full conversion of the Bonds at the initial Conversion Price of HK\$0.90, the Bonds will be convertible into approximately 824 million Shares (subject to adjustment), representing approximately 20% of the issued share capital of the Company as at the date of this announcement and approximately 16.67% of the enlarged issued share capital of the Company.

The estimated net proceeds of the Bonds Issue, after deduction of commission and administrative expenses (amounting to approximately HK\$15 million), are approximately HK\$726.6 million. The proceeds are currently intended to be used by the Company for increasing its investments in its two 46.8%-owned associates, namely Zhejiang Geely Automobile Company Limited and Shanghai Maple Guorun Automobile Company Limited and its 51%-owned subsidiary, namely Fulin Guorun Automobile Parts & Components Co., Limited.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the paragraph headed "SUBSCRIPTION AGREEMENT" below for further information.

As the Subscription Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Shares to be issued upon conversion of the Bonds will be issued and allotted by the Company pursuant to the General Mandate.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The Company intends to apply for the listing of the Bonds on the Stock Exchange by way of selectively marketed securities or on The Stock Exchange of Singapore.

Trading in the Shares of the Stock Exchange was suspended at the request of the Company with effect from 9:30 am on 9 March 2006 pending the release of this announcement. The Company has applied for a resumption of trading in its Shares with effect from 9:30 am on 10 March 2006.

SUBSCRIPTION AGREEMENT

Date: 9 March 2006

Parties: The Company

Citigroup (Citigroup and its ultimate beneficial owners are all not connected persons (as defined in the Listing Rules) of the Company)

Barclays Capital (Barclays Capital and its ultimate beneficial owners are all not connected persons (as defined in the Listing Rules) of the Company)

Subject to the fulfillment of the conditions set out below under the section headed "Conditions Precedent of the Subscription Agreement", the Co-Lead Managers have agreed to subscribe or procure subscribers for the Bonds with an aggregate principal amount of HK\$741,600,000.

The Bonds will be offered and sold to persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S of the US Securities Act of 1933 (as amended). None of the Bonds will be offered to the public in Hong Kong nor will they be placed to any connected persons (as defined in the Listing Rules) of the Company.

The Co-Lead Managers may, to the extent permitted by applicable laws, over-allot and effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no obligation on the Co-Lead Managers to do this. Such stabilising, if commenced, may be discontinued at any time. The Co-Lead Managers will conduct any such stabilisation activities in accordance with applicable laws and regulations (including, but not limited to, if applicable, the Listing Rules and the Securities and Futures Ordinance (Cap. 571)).

Placees

The Bonds will be placed to not less than six independent placees, that are all institutional investors.

The placees are not connected persons (as defined in the Listing Rules) of the Company. Therefore, the issue of the Bonds will not have any impact on the public float of the Company. The placees do not have any shareholding interest in the Company before the issue of the Bonds.

Undertaking

The Company has, among other things, undertaken with the Co-Lead Managers that neither it nor any of its subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, for a period from the date of the Subscription Agreement up to 90 days after the Closing Date, without the prior written consent of the Co-Lead Managers (such consent not to be unreasonably withheld), issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal), any Shares, securities convertible or exchangeable into or exercisable for Shares, warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares including equity swaps, forward sales and options representing the right to receive any Shares (whether or not such contract is to be settled by delivery of Shares or such other securities, in cash or otherwise) save for Shares issued pursuant to the conversion provisions of the Bonds or pursuant to the Share Option Scheme.

The Company has also undertaken with the Co-Lead Managers that it will procure that Mr. Li Shu Fu, an executive Director and a controlling shareholder of the Company, executes a lock-up agreement, whereby he undertakes not to sell any Shares or enter into other transactions with a similar effect for a period from the date of the Subscription Agreement up to 90 days after the Closing Date.

Conditions Precedent of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon, among other things:

- (i) the Co-Lead Managers being satisfied with the results of its due diligence investigations on the Company and its subsidiaries for the purposes of the preparation of the Offering Circular and the Offering Circular being prepared in form and content satisfactory to the Co-Lead Managers;
- (ii) the execution of a trust deed constituting the Bonds and incorporating the terms and conditions of the Bonds and a paying and conversion agency agreement each in a form reasonably satisfactory to the Co-Lead Managers by all respective parties thereto; and
- (iii) the Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Co-Lead Managers, to list the Bonds and the Stock Exchange having agreed to list the new Shares upon conversion of the Bonds (or, in each case, the Co-Lead Managers being reasonably satisfied that such listing will be granted).

Termination

The Co-Lead Managers may, by notice to the Company given at any time prior to payment of the net subscription moneys for the Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- (i) if there shall have come to the notice of the Co-Lead Managers any breach of, or any event rendering untrue or incorrect in any respect any of the warranties and representations contained in the Subscription Agreement or any failure by the Company to perform any of its undertakings or agreements in the Subscription Agreement;
- (ii) if there shall have occurred any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls which would in the Co-Lead Managers' view be likely to prejudice materially the success of the Bonds Issue or the distribution of the Bonds or dealings in the Bonds in the secondary market;
- (iii) if there shall have occurred an outbreak or escalation of hostilities or act of terrorism which would in the Co-Lead Managers' view be likely to prejudice materially the success of the Bonds Issue or the distribution of the Bonds or dealings in the Bonds in the secondary market;
- (iv) if on or after the date of the Subscription Agreement there shall have occurred either of the following: (a) a suspension or material limitation of trading in securities generally on the New York Stock Exchange, the Nasdaq Stock Market, Inc., the London Stock Exchange plc or the Stock Exchange; or (b) a suspension in trading in the Company's securities on the Stock Exchange which would in the Co-Lead Managers' view be likely to prejudice materially the success of the Bonds Issue or the distribution of the Bonds or dealings in the Bonds in the secondary market; or (c) a general moratorium on commercial banking activities in Hong Kong or the Cayman Islands.

Subject to the foregoing, the Subscription Agreement is expected to be completed on the Closing Date. The Bonds are expected to be issued on the Closing Date.

The initial Conversion Price at HK\$0.90 per Share represents:

- (i) a premium of approximately 23% over the volume weighted average price of the Shares quoted on the Stock Exchange on 8 March 2006 (i.e. HK\$0.7344 per Share);
- (ii) a premium of approximately 25% over the closing price of each Share on 8 March 2006 (i.e. HK\$0.72 per Share); and
- (iii) approximately 18% over the average of the closing prices of each Share for a period of 10 consecutive Trading Days immediately prior to 8 March 2006 (i.e. HK\$0.76 per Share).

The Shares to be issued upon conversion of the Bonds will be issued and allotted by the Company pursuant to the General Mandate.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds, which will be constituted by a trust deed (the Trust Deed) to be entered into between the Company and a trustee (to be appointed) (the Trustee) are summarised as follows:

Company

Geely Automobile Holdings Limited, a company incorporated with limited liability in the Cayman Islands, the shares of which are listed on the Stock Exchange.

Principal Amount

The aggregate principal amount of the Bonds will be HK\$741,600,000.

Issue Price

100% of the principal amount of the Bonds.

Interest

The Bonds bear zero interest.

Conversion Period

Bondholder(s) have the right to convert their Bonds into Shares at any time during the Conversion Period.

Conversion Price

The Bonds will be convertible into Shares at an initial Conversion Price of HK\$0.90 per Share. The Conversion Price will be subject to adjustment for, among other things, subdivision or consolidation of Shares, the making of a free distribution of Shares, the declaration of a dividend in Shares and other dilutive events.

In lieu of delivery of some or all of the Shares required to be delivered upon the valid exercise of a Conversion Right, the Company may elect to make a cash settlement payment in respect of all or any portion of a Bondholder's Bonds deposited for conversion.

If the average of the closing prices of the Shares for a period of 20 consecutive Trading Days immediately prior to the relevant Reset Date (i.e. 10 April 2007 or 10 April 2008) (the "**Average Market Price**") is less than the Conversion Price on the relevant Reset Date (taking into account any adjustments as described in the terms and conditions of the Bonds which may have occurred prior to the relevant Reset Date), the Conversion Price shall be adjusted on the relevant Reset Date so that the Average Market Price will become the Reset Conversion Price with effect from the relevant Reset Date. In any event, the Reset Conversion Price shall not be less than 80% of the Conversion Price prevailing on the relevant Reset Date (subject to adjustment), nor below the then par value of the Shares (currently HK\$0.02 per Share).

Based on the Initial Conversion Price of HK\$0.90 and the maximum reset rate, the Reset Conversion Price on 10 April 2007 will be HK\$0.72 (i.e. 80% of the Initial Conversion Price) and 1,030 million Shares will be issued upon full conversion of the Bonds thereby exceeding the 824 million Shares permitted to be issued under the General Mandate. In the event that the number of Shares to be converted together with the Conversion Shares that have been issued exceeds the limit permitted under the General Mandate as a result of the adjustment of the Conversion Price, the Company will make the cash settlement payment in respect of such Bonds in lieu of the issue of the

excess Shares. If the Average Closing Price (as defined in the Subscription Agreement) is equal to the Reset Conversion Price of HK\$0.72, the Company will have to make cash settlement payment of approximately HK\$148.3 million in respect of the Bonds in lieu of the issue of the 206 million excess Shares. The Company intends to fund such cash by way of internal resources.

Based on the Reset Conversion Price on 10 April 2007 of HK\$0.72 and the maximum reset rate, the Reset Conversion Price on 10 April 2008 will be HK\$0.576 (i.e. 80% of Reset Conversion Price on 10 April 2007) and 1,287.5 million Shares would be issued upon full conversion of the Bonds thereby exceeding the 824 million Shares permitted to be issued under the General Mandate. In the event that the number of Shares to be converted together with the Conversion Shares that have been issued exceeds the limit permitted under the General Mandate as a result of the adjustment of the Conversion Price, the Company will make the cash settlement payment in respect of such Bonds in lieu of the issue of the excess Shares. If the Average Closing Price (as defined the Subscription Agreement) is equal to the Reset Conversion Price of HK\$0.576, the Company would have to make cash settlement payment of approximately HK\$267 million in respect of the Bonds in lieu of the issue of the 463.5 million excess Shares. The Company intends to fund such cash by way of internal resources.

The resetting of the Conversion Price is a term and condition of the Bonds which has been agreed between the Company and the Co-Lead Managers on an arm's length basis. An announcement containing details of the resetting of the Conversion Price including the discount to the Initial Conversion Price will be made in the event such resetting of the Conversion Price occurs.

Ranking of Conversion Shares

Conversion Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant date of registration of holders of such Shares on the register of members of the Company.

Transfer

The Bonds are transferable without restrictions.

Maturity

Unless previously redeemed, purchased and cancelled or converted, the Company will redeem each Bond at 126.456% of its principal amount on the Maturity Date (i.e. 10 April 2011) and the yield to maturity is approximately 4.75% per annum.

Redemption at the Option of the Bondholders

The holder of each Bond will have the right at such holder's option to require the Company to redeem all or some only of the Bonds of such holder on 10 April 2009 at 126.456% of their principal amount

Redemption at the Option of the Company

On or at any time after 10 April 2008 and prior to the Maturity Date, the Company may, having given not less than 30 nor more than 60 days' notice to the Bondholders, the Trustee (as defined in the Subscription Agreement) and the Principal Paying Agent (as defined in the terms and conditions of the Bonds) (which notice will be irrevocable), redeem all and not some only of the Bonds at a redemption price equal to the Early Redemption Amount, provided, however, that no such redemption may be made unless (i) the closing price of the Shares (as derived from daily quotations sheet of the Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange (as defined in the terms and conditions of the Bonds)) for each of the 30 consecutive Trading Days, the last day of such 30-Trading Day period falls within five Trading Days prior to the date upon which notice of such redemption is given was at least 130% of the

applicable Early Redemption Amount divided by the Conversion Ratio or (ii) at least 90% in principal amount of the Bonds has already been converted, redeemed or purchased or cancelled.

Redemption for Taxation Reasons

At any time the Company may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Bonds at a redemption price equal to the Early Redemption Amount on a date fixed for redemption if (i) the Company satisfies the Trustee immediately prior to the giving of such notice that the Company has or will become obliged to pay any additional amounts in respect of any payment by the Company under or in respect of the Trust Deed or Bonds as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, or as the case may be, Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 9 March 2006 and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption for such purposes, the Company shall deliver to the Trustee (a) a certificate signed by two directors of the Company stating that the obligation referred to in (i) above cannot be avoided by the Company taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Bondholders.

Redemption for Delisting or Change of Control

When (i) the Shares cease to be listed or admitted to trading on the Stock Exchange or (ii) a Change of Control occurs with respect to the Company, the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of that holders' Bonds on the date which is the 14th day after the expiry of the period of 60 days referred to below, at their Early Redemption Amount. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent (as defined in the terms and conditions of the Bonds) a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent together with the certificate evidencing the Bonds to be redeemed by not later than 60 days following the occurrence of the event referred to in (i) or (ii) above, or, if later, 60 days following the date upon which notice thereof is given to Bondholders by the Company in accordance with the terms and conditions of the Bonds.

Form of the Bonds and Denomination

The Bonds will be in registered form and in denominations of HK\$10,000 each.

Ranking of the Bonds

The Bonds constitute direct, unsubordinated, unconditional and (subject to the terms and conditions of the Bonds) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves.

Listing

Application will be made for the listing of the Bonds on the Stock Exchange by way of selectively marketed securities or on The Stock Exchange of Singapore. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF CONVERSION

Based on the initial Conversion Price of HK\$0.90 and assuming full conversion of the Bonds, the Bonds will be convertible into approximately 824 million Shares (subject to adjustment), representing approximately 20% of the issued share capital of the Company as at the date of this announcement and approximately 16.67% of the enlarged issued share capital of the Company.

The following table summarises the effects on the shareholding structure of the Company as a result of the Bonds Issue:

| Name of Shareholder | Existing (as at the date of this announcement) | | Assuming the Bonds are fully converted into Shares at the Initial Conversion Price of HK\$0.90 each (Note 1) | | Assuming the Bonds are fully converted into Shares at the Conversion Price of HK\$0.72 or HK\$0.576 each (Notes 1 and 2) | |
|---------------------|--|--|--|--|--|--|
| | No. of Shares | % of issued share capital of the Company | No. of Shares | % of enlarged share capital of the Company | No. of Shares | % of enlarged share capital of the Company |
| | | | | | | |
| Mr. Li Shu Fu | 2,500,087,000 | 60.68 | 2,500,087,000 | 50.87 | 2,500,087,000 | 50.87 |
| Public | 1,620,177,902 | 39.32 | 1,620,177,902 | 32.96 | 1,620,177,902 | 32.96 |
| Bondholders* | 0 | 0 | 824,000,000 | 16.67 | 824,000,000 | 16.67 |
| | | | | | (Note 3) | |
| Total | <u>4,120,264,902</u> | <u>100.00</u> | <u>4,944,264,902</u> | <u>100.00</u> | <u>4,944,264,902</u> | <u>100.00</u> |

Notes:

1. Assuming that the outstanding 254,000,000 options granted under the Share Option Scheme are not exercised.
2. Assuming that the Conversion Price is reset at HK\$0.72 or HK\$0.576, that is, 80% of the Initial Conversion Price of HK\$0.90 or 80% of the Reset Conversion Price on 10 April 2007 of HK\$0.72 respectively.
3. Upon full conversion of the Bonds, the Company will not issue Shares in an amount exceeding the 824 million Shares permitted to be issued under the General Mandate.

USE OF PROCEEDS

The estimated net proceeds of the Bonds Issue, after deduction of commission and administrative expenses (amounting to approximately HK\$15 million), are approximately HK\$726.6 million. The proceeds are currently intended to be used by the Company for increasing its investments in the two 46.8%-owned associates, namely Zhejiang Geely Automobile Company Limited and Shanghai Maple Automobile Company Limited and its 51%-owned subsidiary, namely Fulin Guorun Automobile Parts & Components Co., Limited by way of an increase in the registered capital of these companies. In this connection, the Company will comply with the relevant requirements under the Listing Rules.

REASONS FOR AND BENEFITS OF THE BONDS ISSUE

The Bonds Issue will enlarge the capital base of the Company. Taking into account that the Initial Conversion Price represents a premium to the closing price of the Shares as quoted on the Stock Exchange on 8 March 2006, the Directors are of the view that the terms and conditions of the Bonds are fair and reasonable and are in the interest of the Group as a whole.

ISSUE OF SECURITIES IN THE PREVIOUS 12-MONTH PERIOD

The Company has not issued any securities in the previous 12-month period. 824,052,980 Shares are permitted to be issued under the General Mandate and no Shares have been allotted and issued by the Directors pursuant to the General Mandate.

GENERAL

The Group is principally engaged in the manufacture and sales of automobiles and auto parts. The Group's principal businesses are grouped under its two 46.8% associates, which own four automobile production plants and two automobile research and development centers in China with a combined annual production capacities of 300,000 unit of vehicles, 300,000 units of gasoline engines and 200,000 units of gearboxes. The Group also owns a 51%-owned subsidiary called Zhejiang Fulin, which is engaged in the production and sales of auto parts and components in China. The Group sells most of its products in China although it has started to export to other developing markets since 2003.

The Company will promptly notify the Stock Exchange if it becomes aware of any dealings in the Bonds by any connected person (as defined in the Listing Rules) of the Company.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances.

As the Subscription Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

Trading in the Shares of the Stock Exchange was suspended at the request of the Company with effect from 9:30 am on 9 March 2006 pending the release of this announcement. The Company has applied for a resumption of trading in its Shares with effect from 9:30 am on 10 March 2006.

TERMS USED IN THIS ANNOUNCEMENT

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|------------------------|--|
| “Average Market Price” | has the meaning as defined under the paragraph headed “Principal Terms of the Bonds – Conversion Price” in this announcement |
| “Barclays Capital” | Barclays Bank PLC |
| “Board” | the board of directors of the Company |
| “Bonds” | the Zero Coupon Convertible Bonds due 2011 of an initial aggregate principal amount of HK\$741,600,000 |
| “Bondholder(s)” | holder(s) of the Bonds from time to time |
| “Bonds Issue” | the subscription and issue of the Bonds with an aggregate principal amount of HK\$741,600,000 |

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| “Change of Control” | occurs when, <ul style="list-style-type: none"> (i) any Person or Persons (as defined in the terms and conditions of the Bonds) acting together acquires Control of the Company if such Person or Persons (as defined in the terms and conditions of the Bonds) does not or do not have, and would not be deemed to have, Control of the Company on the Closing Date; (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other Person (as defined in the terms and conditions of the Bonds), unless the consolidation, merger, sale or transfer will not result in the other Person or Persons (as defined in the terms and conditions of the Bonds) acquiring Control over the Company or the successor entity; or (iii) one or more Persons (as defined in the terms and conditions of the Bonds) acquires the legal or beneficial ownership of all or substantially all of the Company’s issued share capital |
| “Citigroup” | Citigroup Global Markets Limited |
| “Closing Date” | the date (expected to be on or before 10 April 2006 or such other date as the Company and the Co-Lead Managers may agree) on which the Bonds are issued |
| “Co-Lead Managers” | Barclays Capital and Citigroup |
| “Company” | Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange |
| “Control” | the right to appoint and/or remove all or the majority of the members of the Board or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise |
| “Conversion Period” | at any time on or after 10 May 2006 up to the close of business on 10 March 2011, in no event thereafter, or if such Bond shall have been called for redemption before the Maturity Date, then up to the close of business on the date no later than seven business days prior to the date fixed for redemption thereof |
| “Conversion Price” | the price per Share at which the Bonds may be converted into Shares, which is subject to adjustments as described in the terms and conditions of the Bonds |
| “Conversion Ratio” | an amount equal to the principal amount of each Bond divided by the Conversion Price |
| “Conversion Right” | the right of a Bondholder to convert any Bond into Shares |

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| “Conversion Shares” | Shares to be allotted and issued by the Company upon conversion of the Bonds |
| “Days Outstanding” | the number of days from, and including, 10 April 2006 to, but excluding the date for redemption, calculated on the basis of a year of 360 days consisting of 12 months of 30 days each |
| Directors” | directors of the Company |
| “Early Redemption Amount” | an amount rounded up to the nearest cent, determined with the following formula: $\text{HK\$10,000} + (\text{HK\$10,000} \times 4.75\%) \times \frac{\text{Days Outstanding}}{1800}$ |
| “Group” | the Company and its subsidiaries |
| “General Mandate” | the general mandate that was granted at the annual general meeting of the Company held on 25 May 2005 to the Directors to allot, issue and deal with the Shares not exceeding 20% of the issued share capital of the Company at the date of the passing of the resolution |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Initial Conversion Price” | HK\$0.90 |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Maturity Date” | 10 April 2011, which is the date on which the Bonds mature |
| “Offering Circular” | the offering circular to be issued in connection with the issue and offering of the Bonds |
| “Reset Conversion Price” | the adjusted Conversion Price which shall be the Average Market Price provided that it shall not be less than 80% of the Conversion Price prevailing on the relevant Reset Date (subject to adjustment) nor below the then par value of the Shares |
| “Reset Date” | 10 April 2007 and/or 10 April 2008 |
| “Share(s)” | ordinary shares of HK\$0.02 each in the share capital of the Company |
| “Share Option Scheme” | the share option scheme of the Company adopted on 31 May, 2002 |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “Subscription Agreement” | a conditional subscription agreement entered into between, the Company and the Co-Lead Managers on 9 March 2006 in connection with the issue by the Company of the Bonds with an aggregate principal amount of HK\$741,600,000 |
| “Trading Day” | a day on which the Stock Exchange is open for business |
| “United States or US” | the United States of America, its territories and possessions, any State of the United States, and the District of Columbia |
| “%” | per cent. |

By Order of the Board
Cheung Chung Yan
Company Secretary

Hong Kong, 9 March 2006

As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu, Mr. Xu Gang, Mr. Yang Jian, Mr. Ang Siu Lun, Lawrence, Mr. Gui Sheng Yue, 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.

websites: <http://www.geelyauto.com.hk>

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