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GEELY

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)

**CONNECTED TRANSACTIONS IN RELATION TO THE
DISPOSAL OF SUBSIDIARIES**

THE DISPOSALS

Reference is made to the Company's announcement dated 30 May 2014 in relation to the proposed disposal by the Group to the Parent Companies of (i) the entire issued share capital in DSI, a direct wholly-owned subsidiary of the Company; (ii) 50% of the issued share capital in Hunan International not held by DSI, an indirect wholly-owned subsidiary of the Company which is 50% owned by DSI and 50% owned by Hunan Automobile Components; and (iii) the entire issued share capital in Shandong Gearbox, an indirect wholly-owned subsidiary of the Company.

The Board announces that on 21 July 2014 (after trading hours), the following agreements have been entered into between members of the Group and the Parent Companies.

(1) The DSI Disposal Agreement

The Company (as vendor) and Proper Glory (as purchaser) entered into the DSI Agreement pursuant to which the Company conditionally agreed to sell and Proper Glory conditionally agreed to purchase the DSI Sale Share for AUD88,353,755 (equivalent to approximately RMB513,883,111).

In order to facilitate the DSI Disposal, the Company, Proper Glory and DSI also entered into the Novation Agreement on 21 July 2014 (after trading hours) pursuant to which the Company conditionally agreed to assign and transfer the rights in respect of the DSI Sale Loan to Proper Glory at its face value on a dollar-for-dollar basis. The DSI Sale Loan will be assigned and transferred by the Company to Proper Glory upon completion of the DSI Disposal. As at 31 May 2014, the amount of the DSI Sale Loan was approximately AUD33,790,352 (equivalent to approximately RMB196,531,446) and such amount would remain unchanged until the completion of the DSI Disposal.

The DSI Consideration of AUD88,353,755 (equivalent to approximately RMB513,883,111) was determined after arms' length negotiations between the Company and Proper Glory with reference to the (i) unaudited net assets value of DSI as at 30 April 2014 of AUD47,709,413 (equivalent to approximately RMB277,487,488); (ii) amount of DSI Sale Loan as at 31 May 2014 of AUD33,790,352 (equivalent to approximately RMB196,531,446); and (iii) the business and future prospects of DSI.

Upon completion of the DSI Disposal, DSI will cease to be a subsidiary of the Company and its accounts will cease to be consolidated with the financial statements of the Group.

(2) The Hunan Disposal Agreement

Hunan Automobile Components (as vendor) and Zhejiang Geely Components (as purchaser) entered into the Hunan Disposal Agreement pursuant to which Hunan Automobile Components conditionally agreed to sell and Zhejiang Geely Components conditionally agreed to purchase the Hunan Sale Share for RMB85,500,000.

The Hunan Consideration of RMB85,500,000 was determined after arms' length negotiations between Hunan Automobile Components and Zhejiang Geely Components with reference to (i) 50% interest in the unaudited net assets value of Hunan International as at 30 April 2014 of approximately RMB76,316,347; and (ii) the business and future prospects of Hunan International.

Upon completion of the Hunan Disposal, Hunan International will cease to be a subsidiary of the Company and its accounts will cease to be consolidated with the financial statements of the Group.

(3) The Shandong Disposal Agreement

Jinan Automobile Components (as vendor) and Zhejiang Geely Components (as purchaser) entered into the Shandong Disposal Agreement pursuant to which Jinan Automobile Components conditionally agreed to sell and Zhejiang Geely Components conditionally agreed to purchase the Shandong Sale Share for RMB100,000,000.

The Shandong Consideration of RMB100,000,000 was determined after arms' length negotiations between Jinan Automobile Components and Zhejiang Geely Components with reference to the (i) unaudited net assets value of Shandong Gearbox as at 30 April 2014 of approximately RMB81,390,890; and (ii) the business and future prospects of Shandong Gearbox.

Upon completion of the Shandong Disposal, Shandong Gearbox will cease to be a subsidiary of the Company and its accounts will cease to be consolidated with the financial statements of the Group.

LISTING RULES IMPLICATIONS

Each of Proper Glory and Zhejiang Geely Components is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is beneficially wholly-owned by Mr. Li and his associates. As such, each of Proper Glory and Zhejiang Geely Components is an associate of Mr. Li, an executive Director and a substantial Shareholder holding approximately 42.62% interest in the issued share capital of the Company as at the date of this announcement. Accordingly, the Disposals constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Disposals, on an aggregate basis, are more than 0.1% but less than 5%, each of the Disposals is only subject to the reporting and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Completion of the Disposals is subject to the satisfaction of the conditions precedent under each of the Disposal Agreements, and therefore, may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE DISPOSALS

Reference is made to the Company's announcement dated 30 May 2014 in relation to the proposed disposal by the Group to the Parent Companies of (i) the entire issued share capital in DSI, a direct wholly-owned subsidiary of the Company; (ii) 50% of the issued share capital in Hunan International not held by DSI, an indirect wholly-owned subsidiary of the Company which is 50% owned by DSI and 50% owned by Hunan Automobile Components; and (iii) the entire issued share capital in Shandong Gearbox, an indirect wholly-owned subsidiary of the Company.

The Board announces that on 21 July 2014 (after trading hours), the Disposal Agreements have been entered into between members of the Group and the Parent Companies. The principal terms of each of the Disposal Agreements are set out below:

(1) The DSI Disposal Agreement

Date

21 July 2014 (after trading hours)

Parties

Vendor: the Company

Purchaser: Proper Glory

Proper Glory is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that Proper Glory is beneficially wholly-owned by Mr. Li and his associates. As such, Proper Glory is an associate of Mr. Li, an executive Director and a substantial Shareholder holding approximately 42.62% interest in the issued share capital of the Company as at the date of this announcement.

Subject matter

Pursuant to the DSI Disposal Agreement, the Company conditionally agreed to sell and Proper Glory conditionally agreed to purchase the DSI Sale Share for AUD88,353,755 (equivalent to approximately RMB513,883,111).

In order to facilitate the DSI Disposal, the Company, Proper Glory and DSI also entered into the Novation Agreement on 21 July 2014 (after trading hours) pursuant to which the Company conditionally agreed to assign and transfer the rights in respect of the DSI Sale Loan to Proper Glory at its face value on a dollar-for-dollar basis. The DSI Sale Loan will be assigned and transferred by the Company to Proper Glory upon completion of the DSI Disposal.

The DSI Sale Share represents the entire issued share capital of DSI as at the date of this announcement. The DSI Sale Loan represents the aggregate amount owing by DSI to the Company as at the date of completion of the DSI Disposal. The amount of the DSI Sale Loan as at 31 May 2014 was AUD33,790,352 (equivalent to approximately RMB196,531,446) and such amount would remain unchanged until the completion of the DSI Disposal.

Upon completion of the DSI Disposal, the Company will not have any interest in the registered capital of DSI, and DSI will cease to be a subsidiary of the Company and its accounts will cease to be consolidated with the financial statements of the Group.

Basis of the DSI Consideration

Proper Glory conditionally agreed to acquire the DSI Sale Share from the Company at the DSI Consideration of AUD88,353,755 (equivalent to approximately RMB513,883,111), which was determined after arms' length negotiations between the Company and Proper Glory with reference to the (i) unaudited net assets value of DSI as at 30 April 2014 of AUD47,709,413 (equivalent to approximately RMB277,487,488); (ii) amount of DSI Sale Loan as at 31 May 2014 of AUD33,790,352 (equivalent to approximately RMB196,531,446); and (iii) the business and future prospects of DSI.

Pursuant to the DSI Disposal Agreement, the DSI Consideration will be payable by Proper Glory to the Company within 60 calendar days after the completion of the DSI Disposal.

Conditions Precedent

Completion will be subject to and conditional upon the fulfillment of the following conditions:

- (a) the Company having complied with the requirements of the Listing Rules relating to the DSI Disposal, including where necessary, the obtaining of the Independent Shareholders' approval on the transactions contemplated under the DSI Disposal Agreement;
- (b) the receipt of all consents, waivers or approvals of any persons required for or in connection with the execution, delivery and performance of the DSI Disposal Agreement and the consummation of the transfer of the DSI Sale Share from the Company to Proper Glory, if any;
- (c) all other necessary permits, notices, filings and approvals required for the transfer of the DSI Sale Share from the Company to Proper Glory (including from any governmental entities) have been obtained or made; and
- (d) the Company, Proper Glory and DSI executing the Novation Agreement.

In the event the conditions set out above are not fulfilled on or before the DSI Long Stop Date, unless the Company consents to an extension in writing, any party to the DSI Disposal Agreement will have the right to terminate the DSI Disposal Agreement by notice in writing to the other parties. On termination, unless otherwise stipulated in the DSI Disposal Agreement, no party to the DSI Disposal Agreement will raise any claims against another party or demand any other party to undertake any liability. Any rights, obligations and liabilities will be null and void and of no further effect to any party of the DSI Disposal Agreement, save with respect to any antecedent breaches.

Completion

Completion will take place on a date falling within two Business Days after the date on which the last condition precedent has been satisfied or such other date as the Company and Proper Glory may mutually agree from time to time.

(2) The Hunan Disposal Agreement

Date

21 July 2014 (after trading hours)

Parties

Vendor: Hunan Automobile Components

Purchaser: Zhejiang Geely Components

Zhejiang Geely Components is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that Zhejiang Geely Components is beneficially wholly-owned by Mr. Li and his associates. As such, Zhejiang Geely Components is an associate of Mr. Li, an executive Director and a substantial Shareholder holding approximately 42.62% interest in the issued share capital of the Company as at the date of this announcement.

Subject matter

Hunan Automobile Components will sell and Zhejiang Geely Components will purchase the Hunan Sale Share. The Hunan Sale Share represents 50% of the registered capital of Hunan International as at the date of this announcement. Upon completion of the Hunan Disposal (and the DSI Disposal in which the Company's interest in DSI will be entirely disposed of), the Company will not have any interest in the registered capital of Hunan International, and Hunan International will cease to be a subsidiary of the Company and its accounts will cease to be consolidated with the financial statements of the Group.

Basis of the Hunan Consideration

Zhejiang Geely Components conditionally agreed to acquire the Hunan Sale Share from Hunan Automobile Components at the Hunan Consideration of RMB85,500,000, which was determined after arms' length negotiations between Hunan Automobile Components and Zhejiang Geely Components with reference to (i) 50% interest in the unaudited net assets value of Hunan International as at 30 April 2014 of approximately RMB76,316,347; and (ii) the business and future prospects of Hunan International.

Pursuant to the Hunan Disposal Agreement, the Hunan Consideration will be payable by Zhejiang Geely Components to Hunan Automobile Components within 60 calendar days from the date of completion of the Hunan Disposal.

Conditions Precedent

Completion will be subject to and conditional upon the fulfillment or waiver of the following conditions:

- (a) all documents relating to the Hunan Disposal having been duly signed by each of the relevant authorized signing party to such relevant documents;

- (b) all other necessary permits, notices and filings required for the transfer of the Hunan Sale Share from Hunan Automobile Components to Zhejiang Geely Components (including from any governmental entities) having been obtained or made;
- (c) the Company having complied with the requirements of the Listing Rules relating to the Hunan Disposal, including where necessary, the obtaining of the Independent Shareholders' approval on the transactions contemplated under the Hunan Disposal Agreement;
- (d) No applicable laws prohibiting the completion of the Hunan Disposal;
- (e) the receipt of all consents, waivers or approvals of any persons required for or in connection with the execution, delivery and performance of the Hunan Disposal Agreement and the consummation of the transfer of the Hunan Sale Share from Hunan Automobile Components, if any; and
- (f) there have not been any change, occurrence or event, and no change, occurrence or event would have become reasonably likely to occur that will result in a material adverse change to the business operations, prospects, financial condition, shareholders equity or results of operations of Hunan International.

In the event the conditions set out above are not fulfilled or waived on or before the Hunan Long Stop Date, unless the Company consents to an extension in writing, any party to the Hunan Disposal Agreement will have the right to terminate the Hunan Disposal Agreement by notice in writing to the other parties. On termination, unless otherwise stipulated in the Hunan Disposal Agreement, no party to the Hunan Disposal Agreement will raise any claims against another party or demand any other party to undertake any liability. Any rights, obligations and liabilities will be null and void and of no further effect to any party of the Hunan Disposal Agreement, save with respect to any antecedent breaches.

Completion

Completion will take place on the second Business Day after the date on which all the conditions have been satisfied or waived or such other date as Hunan Automobile Components and Zhejiang Geely Components may mutually agree from time to time.

Others

Within 30 Business Days upon the issuance of approvals from the relevant PRC government entities in relation to the Hunan Disposal, Hunan Automobile Components will procure Hunan International to complete the alteration registration with the SAIC for the purpose of the issuance of a new business license for Hunan International.

(3) The Shandong Disposal Agreement

Date

21 July 2014 (after trading hours)

Parties

Vendor: Jinan Automobile Components

Purchaser: Zhejiang Geely Components

Zhejiang Geely Components is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that Zhejiang Geely Components is beneficially wholly-owned by Mr. Li and his associates. As such, Zhejiang Geely Components is an associate of Mr. Li, an executive Director and a substantial Shareholder holding approximately 42.62% interest in the issued share capital of the Company as at the date of this announcement.

Subject matter

Jinan Automobile Components will sell and Zhejiang Geely Components will purchase the Shandong Sale Share. The Shandong Sale Share represents the entire registered capital of Shandong Gearbox as at the date of this announcement. Upon completion of the Shandong Disposal, the Company will not have any interest in the registered capital of Shandong Gearbox, and Shandong Gearbox will cease to be a subsidiary of the Company and its accounts will cease to be consolidated with the financial statements of the Group.

Basis of the Shandong Consideration

Zhejiang Geely Components conditionally agreed to acquire the Shandong Sale Share from Jinan Automobile Components at the Shandong Consideration of RMB100,000,000, which was determined after arms' length negotiations between Jinan Automobile Components and Zhejiang Geely Components with reference to the (i) unaudited net assets value of Shandong Gearbox as at 30 April 2014 of approximately RMB81,390,890; and (ii) the business and future prospects of Shandong Gearbox.

Pursuant to the Shandong Disposal Agreement, the Shandong Consideration will be payable by Zhejiang Geely Components to Jinan Automobile Components within 60 calendar days upon the issuance of a new business license for Shandong Gearbox.

Conditions Precedent

Completion will be subject to and conditional upon the fulfillment or waiver of the following conditions:

- (a) all documents relating to the Shandong Disposal having been duly signed by each of the relevant authorized signing party to such relevant documents;
- (b) the Company having complied with the requirements of the Listing Rules relating to the Shandong Disposal, including where necessary, the obtaining of the Independent Shareholders' approval on the transactions contemplated under the Shandong Disposal Agreement;
- (c) No applicable laws prohibiting the completion of the Shandong Disposal;
- (d) the receipt of all consents, waivers or approvals of any persons required for or in connection with the execution, delivery and performance of the Shandong Disposal Agreement and the consummation of the transfer of the Shandong Sale Share from Jinan Automobile Components, if applicable; and
- (e) there have not been any change, occurrence or event, and no change, occurrence or event would have become reasonably likely to occur that will result in a material adverse change to the business operations, prospects, financial condition, shareholders equity or results of operations of Shandong Gearbox.

In the event the conditions set out above are not fulfilled or waived on or before the Shandong Long Stop Date, unless the Company consents to an extension in writing, any party to the Shandong Disposal Agreement will have the right to terminate the Shandong Disposal Agreement by notice in writing to the other parties. On termination, unless otherwise stipulated in the Shandong Disposal Agreement, no party to the Shandong Disposal Agreement will raise any claims against another party or demand any other party to undertake any liability. Any rights, obligations and liabilities will be null and void and of no further effect to any party of the Shandong Disposal Agreement, save with respect to any antecedent breaches.

Completion

Completion will take place on the second Business Day after the date on which all the conditions have been satisfied or waived or such other date as Jinan Automobile Components and Zhejiang Geely Components may mutually agree from time to time.

Others

Within 30 Business Days upon completion of the Shandong Disposal, Jinan Automobile Components will procure Shandong Gearbox to complete the alteration registration with the SAIC for the purpose of the issuance of a new business license for Shandong Gearbox.

FINANCIAL EFFECTS OF THE DISPOSALS

(1) The DSI Disposal

Set out below is the key financial information on DSI based on its audited financial statements for the two years ended 31 December 2013:

	For the year ended 31 December 2012	For the year ended 31 December 2013
	<i>AUD'000</i>	<i>AUD'000</i>
Revenue	108,694 (equivalent to around RMB632,186,000)	102,320 (equivalent to around RMB595,114,000)
Profit/(Loss) before taxation	831 (equivalent to around RMB4,833,000)	(13,003) (equivalent to around RMB(75,628,000))
Profit/(Loss) after taxation	356 (equivalent to around RMB2,071,000)	(9,474) (equivalent to around RMB(55,103,000))
	As at 31 December 2012	As at 31 December 2013
	<i>AUD'000</i>	<i>AUD'000</i>
Net assets value	59,091 (equivalent to around RMB343,685,000)	49,617 (equivalent to around RMB288,582,000)

For illustration purposes, assuming completion of the DSI Disposal to have taken place on 31 December 2013, the Group would be expected to record a profit of approximately AUD4.9 million (equivalent to approximately RMB28.8 million) as a result of the DSI Disposal, which is calculated by the DSI Consideration subtracting the audited net assets value of DSI as of 31 December 2013 and the amount of DSI Sale Loan as of 31 May 2014.

(2) The Hunan Disposal

Set out below is the key financial information on Hunan International based on its audited financial statements for the two years ended 31 December 2013:

	For the year ended 31 December 2012 RMB'000	For the year ended 31 December 2013 RMB'000
Revenue	108,555	232,127
Profit/(Loss) before taxation	(31,523)	20,443
Profit/(Loss) after taxation	(31,523)	20,443
	As at 31 December 2012 RMB'000	As at 31 December 2013 RMB'000
Net assets value	130,692	151,135

For illustration purposes, assuming completion of the Hunan Disposal to have taken place on 31 December 2013, the Group would be expected to record a profit of approximately RMB9.9 million as a result of the Hunan Disposal, which is calculated by the Hunan Consideration subtracting 50% interest in the audited net assets value of Hunan International as of 31 December 2013.

(3) THE SHANDONG DISPOSAL

Set out below is the key financial information on Shandong Gearbox based on its audited financial statements for the two years ended 31 December 2013:

	For the year ended 31 December 2012 RMB'000	For the year ended 31 December 2013 RMB'000
Revenue	—	—
Profit/(Loss) before taxation	(6,206)	(7,691)
Profit/(Loss) after taxation	(6,206)	(7,691)

	As at 31 December 2012 <i>RMB'000</i>	As at 31 December 2013 <i>RMB'000</i>
Net assets value	91,112	83,422

For illustration purposes, assuming completion of the Shandong Disposal to have taken place on 31 December 2013, the Group would be expected to record a profit of approximately RMB16.6 million as a result of the Shandong Disposal, which is calculated by the Shandong Consideration subtracting the audited net assets value of Shandong Gearbox as of 31 December 2013.

Shareholders should note that the actual amount of gain or losses arising from the Disposals will depend on the financial position of DSI, Hunan International and Shandong Gearbox as at the date of the completion of the Disposals.

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.

DSI is principally engaged in the design, development and manufacturing of automatic transmissions.

Hunan Automobile Components is principally engaged in the research, development, production, marketing and sales of sedans and related automobile components in the PRC.

Hunan International is principally engaged in the production of automobile components in the PRC.

Jinan Automobile Components is principally engaged in the research, development, production, marketing and sales of sedans and related automobile components in the PRC.

Shandong Gearbox has not yet commenced business.

Zhejiang Geely Components is principally engaged in the procurement of automobile parts and components in the PRC.

REASONS FOR AND BENEFITS OF THE DISPOSALS

As disclosed in the Company's announcement dated 30 May 2014, the Disposals are steps for the Group to focus on the production of vehicles and related components in the PRC, and the consolidation of all the PRC-based and overseas research and development and production activities of automatic transmissions with the Parent Companies. It is expected that upon completion of the Disposals, there would be more efficient pooling of resources, which would avoid the duplication in costs and investments between the Group and the Parent Companies, as well as creating better synergies between the Group and the Parent Companies in the future as a result of more distinct segregation in expertise and nature of services provided. The Directors are of the view that the better synergies that can be created between the Group and the Parent Companies and potential cost-saving from the aforesaid efficient pooling of resources will enhance the Group's profitability in the long-run. Going forward, given the right opportunities, the Group will continue to reorganise its entities with the Parent Companies in order to achieve a structure that is beneficial to the Shareholders.

The Directors (including the independent non-executive Directors) believe that the Disposals and the terms of the Disposal Agreements are fair and reasonable so far as the Company and the Shareholders are concerned and the Disposals are in the interest of the Company and the Shareholders as a whole.

Mr. Li is considered to have a material interest in the Disposals by virtue of his interests in Proper Glory and Zhejiang Geely Components. Also, Mr. An Cong Hui, an executive Director, is considered to have a material interest in each of the Hunan Disposal and Shandong Disposal by virtue of his directorship in Zhejiang Geely Components. As a result, both Mr. Li and Mr. An Cong Hui have abstained from voting on the relevant Board resolutions for approving the Disposal Agreements.

LISTING RULES IMPLICATIONS

Each of Proper Glory and Zhejiang Geely Components is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that each of them is beneficially wholly-owned by Mr. Li and his associates. As such, each of Proper Glory and Zhejiang Geely Components is an associate of Mr. Li, an executive Director and a substantial Shareholder holding approximately 42.62% interest in the issued share capital of the Company as at the date of this announcement. Accordingly, the Disposals constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Disposals, on an aggregate basis, are more than 0.1% but less than 5%, each of the Disposals is only subject to the reporting and announcement requirements, but is exempt from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Completion of the Disposals is subject to the satisfaction of the conditions precedent under each of the Disposal Agreements, and therefore, may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, the following terms in this announcement have the meanings set out below:–

“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“AUD”	Australian dollars, the lawful currency of Australia;
“Business Day”	in respect of the DSI Disposal Agreement, a day (excluding Saturdays and Sundays and public holidays) on which licensed banks are generally open for business in Hong Kong, Victoria in Australia, and the PRC, and in respect of the Hunan Disposal Agreement and the Shandong Disposal Agreement, a day (excluding Saturdays and Sundays and public holidays) on which banks are open for business in Hong Kong and the PRC;
“Board”	the board of Directors;
“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 (Stock code: 175);
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposals”	collectively, the DSI Disposal, the Hunan Disposal and the Shandong Disposal;
“Disposal Agreements”	collectively, the DSI Disposal Agreement, the Hunan Disposal Agreement and the Shandong Disposal Agreement;
“DSI”	DSI Holdings Pty Limited, a limited liability company incorporated in Australia and a wholly-owned subsidiary of the Company as at the date of this announcement;
“DSI Consideration”	AUD88,353,755 (representing approximately RMB513,883,111), being the aggregate consideration payable by Proper Glory to the Company for the DSI Sale Share pursuant to the DSI Disposal Agreement;

“DSI Disposal Agreement”	the conditional sale and purchase agreement dated 21 July 2014 entered into between the Company and Proper Glory in relation to the DSI Disposal;
“DSI Disposal”	the disposal of the DSI Sale Share by the Company to Proper Glory pursuant to the DSI Disposal Agreement;
“DSI Long Stop Date”	31 October 2014 (or any other later date as may be agreed between the Company and Proper Glory from time to time);
“DSI Sale Loan”	the aggregate amount due from DSI to the Company upon completion of the DSI Disposal;
“DSI Sale Share”	the entire issued share capital of DSI as at the date of this announcement;
“Geely Group Limited”	吉利集團有限公司, a limited liability company incorporated in the British Virgin Islands, and is wholly-owned by Mr. Li as at the date of this announcement;
“Geely Holdings”	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited), a limited liability company incorporated in 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, as at the date of this announcement;
“Group”	the Company and its subsidiaries as at the date of this announcement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hunan Automobile Components”	湖南吉利汽車部件有限公司 (Hunan Geely Automobile Components Co. Limited), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement;
“Hunan Consideration”	RMB85,500,000, being the aggregate consideration payable by Zhejiang Geely Components to Hunan Automobile Components for the Hunan Sale Share pursuant to the Hunan Disposal Agreement;

“Hunan Disposal”	the disposal of the Hunan Sale Share by Hunan Automobile Components to Zhejiang Geely Components pursuant to the Hunan Disposal Agreement;
“Hunan Disposal Agreement”	the conditional sale and purchase agreement dated 21 July 2014 entered into between Hunan Automobile Components and Zhejiang Geely Components in relation to the Hunan Disposal;
“Hunan International”	湖南吉盛國際動力傳動系統有限公司 (Hunan Jisheng International Drivetrain System Company Limited), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement;
“Hunan Long Stop Date”	60 calendar days from the date of the Hunan Disposal Agreement;
“Hunan Sale Share”	50% of the registered capital of Hunan International as at the date of this announcement;
“Independent Shareholders”	Shareholder(s) other than Mr. Li and his associates;
“Jinan Automobile Components”	濟南吉利汽車零部件有限公司 (Jinan Geely Automobile Parts and Components Co. Ltd.), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement;
“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 42.62% interest in the issued share capital of the Company as at the date of this announcement;
“Novation Agreement”	the novation agreement dated 21 July 2014 entered into between the Company, Proper Glory and DSI for the purpose of the Company assigning and transferring the interests and rights in respect of the DSI Sale Loan under the Original Loan Agreement to Proper Glory;
“Original Loan Agreement”	the loan agreement between the Company and DSI under which interest free loans and advances in the amount of AUD33,790,352 (equivalent to approximately RMB196,531,446) as at 31 May 2014 have been made by the Company to DSI and are owed by DSI to the Company;

“Parent Companies”	companies wholly-owned by Mr. Li and companies which are associates of Mr. Li as at the date of this announcement;
“percentage ratio”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules;
“PRC”	the People’s Republic of China, and for the purposes of this announcement excluding Hong Kong, the Macau Special Administrative Region, and Taiwan;
“Proper Glory”	Proper Glory Holding Inc., a limited liability company incorporated in the British Virgin Islands and is owned as to 68% by Geely Holdings and as to 32% by Geely Group Limited as at the date of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“SAIC”	the State Administration for Industry and Commerce of the PRC and its local counterparts;
“Shandong Consideration”	RMB100,000,000, being the aggregate consideration payable by Zhejiang Geely Components to Jinan Automobile Components for the Shandong Sale Share pursuant to the Shandong Disposal Agreement;
“Shandong Disposal”	the disposal of the Shandong Sale Share by Jinan Automobile Components to Zhejiang Geely Components pursuant to the Shandong Disposal Agreement;
“Shandong Disposal Agreement”	the conditional sale and purchase agreement dated 21 July 2014 entered into between Jinan Automobile Components and Zhejiang Geely Components in relation to the Shandong Disposal;
“Shandong Gearbox”	山東吉利變速器有限公司 (Shandong Geely Gearbox Company Limited), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement;
“Shandong Long Stop Date”	60 calendar days from the date of the Shandong Disposal Agreement;
“Shandong Sale Share”	the entire registered capital of Shandong Gearbox as at the date of this announcement;

“Shares”	ordinary shares of HK\$0.02 each in the share capital of the Company;
“Shareholders”	the holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Zhejiang Geely Components”	浙江吉利汽車零部件採購有限公司 (Zhejiang Geely Automobile Parts and Components Co. Ltd.), a limited liability company incorporated in the PRC and is wholly-owned by Mr. Li and his associates as at the date of this announcement; and
“%”	per cent.

Unless otherwise specified in this announcement, amounts denominated in AUD have been converted, for the purpose of illustration only, into RMB as follows:

$$AUD1 = RMB5.8162$$

No representation is made that any amount in RMB could have been or could be converted at the above rate or at any other rates or at all.

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

Hong Kong, 21 July 2014

As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Yang Jian (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Mr. An Cong Hui, Mr. Ang Siu Lun, Lawrence, Mr. Ran Zhang, Mr. Liu Jin Liang and Ms. Wei Mei, the non-executive director of the Company is Mr. Carl Peter Edmund Moriz Forster and the independent non-executive directors of the Company are Mr. Lee Cheuk Yin, Dannis, Mr. Yeung Sau Hung, Alex, Mr. Fu Yu Wu, Mr. An Qing Heng and Mr. Wang Yang.