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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)

**PLACING OF SHARES BY SUBSTANTIAL SHAREHOLDER AND
RESTORATION OF PUBLIC FLOAT**

On 28 July 2008, the Company has been informed by Proper Glory that it has placed 26,000,000 shares to Mr. He at a placing price of HK\$0.86 per Placing Share. Mr. He is independent of and not connected with the Company or its directors, Proper Glory and its concert parties.

Upon completion of the placing, Proper Glory and its concert parties in aggregate hold approximately 57.98% of the issued share capital of the Company. Public shareholders are interested in approximately 25.06% of the issued share capital of the Company. The Company is therefore in compliance with the requirements of having at least 25% of its total issued share capital held by the public under Rule 8.08 of the Listing Rules.

This announcement is made pursuant to Rule 13.09 (1) of the Listing Rules.

PLACING OF SHARES BY SUBSTANTIAL SHAREHOLDER

On 28 July 2008, Geely Automobile Holdings Limited (the “**Company**”) has been informed by Proper Glory Holding Inc. (“**Proper Glory**”), a substantial shareholder of the Company, that it has placed 26,000,000 shares (“**Placing Shares**”) to Mr. He Xuechu (“**Mr. He**”) at the placing price (“**Placing Price**”) of HK\$0.86 per Placing Share. The placing is expected to be completed on 30 July 2008. Mr. He was a director of both Proper Glory and the Company three years ago. Save for his past directorships, Mr. He is independent of and not connected with the Company or its directors, Proper Glory and its concert parties.

The Placing Shares represent approximately 0.40% of the existing issued share capital of the Company. Upon completion of the placing, Proper Glory and its concert parties in aggregate hold 3,762,759,000 shares, representing approximately 57.98% of the issued share capital of the Company. TOSCAfund Asset Management LLP and its associate are interested in approximately 16.93% of the issued share capital of the

Company. After deducting the approximately 0.03% interest in the Company held by an executive director, public shareholders are interested in approximately 25.06% of the issued share capital of the Company. The Company is therefore in compliance with the requirements of having at least 25% of its total issued share capital held by the public under Rule 8.08 of the Listing Rules. The shareholding structure of the Company before and after the placing are summarised as follows:

Holders of shares	Immediately before completion of the placing		Immediately after completion of the placing but before conversion of the Convertible Bonds and exercise of Share Options		Immediately after completion of the placing and assuming full conversion of the Convertible Bonds and exercise of Share Options	
	Number of shares	(%)	Number of shares	(%)	Number of shares	(%)
Proper Glory and its concert parties (notes 3 & 4)	3,788,759,000	58.38	3,762,759,000	57.98	3,762,759,000	51.10
TOSCAfund Asset Management LLP and its associate	1,098,425,000	16.93	1,098,425,000	16.93	1,098,425,000	14.92
Ang Siu Lun, Lawrence, executive director (note 2)	2,270,000	0.03	2,270,000	0.03	53,270,000	0.72
Other directors excluding Ang Siu Lun, Lawrence and Mr. Li (note 2)	–	–	–	–	186,500,000	2.53
					(note 2)	
Public shareholders:						
Mr. He	–	–	26,000,000	0.40	26,000,000	0.35
Holder of the Convertible Bonds (note 1)	–	–	–	–	365,413,793	4.96
Other public shareholders	1,600,301,450	24.66	1,600,301,450	24.66	1,871,721,450	25.42
					(note 2)	
Total public shareholders	1,600,301,450	24.66	1,626,301,450	25.06	2,263,135,243	30.73
					(note 2)	
Total	<u>6,489,755,450</u>	<u>100.00</u>	<u>6,489,755,450</u>	<u>100.00</u>	<u>7,364,089,243</u>	<u>100.00</u>

Notes:

1. As at the date of this announcement, there are outstanding convertible bonds (the “**Convertible Bonds**”) with a principal amount of HK\$317.91 million convertible into approximately 365,413,793 new shares upon exercise in full at the adjusted conversion price of HK\$0.87 per share at any time from the date of this announcement up to the close of business on 10 March 2011.
2. As at the date of this announcement, the Company has outstanding share options (the “**Share Options**”) granted under its share option scheme entitling the holders thereof to subscribe for an aggregate of 508,920,000 shares at a subscription price ranging from HK\$0.70 to HK\$1.06 per share with the expiry of the exercise period ranging from 22 February 2009 to 4 June 2013. Of these Share Options, 237,500,000 Share Options are held by the directors of the Company and the remaining Share Options are held by public shareholders.
3. Proper Glory is a limited liability company incorporated in the British Virgin Islands and is wholly-owned by Geely Group Limited. Geely Group Limited is a private company incorporated in the British Virgin Islands and is wholly-owned by Mr. Li Shu Fu (“**Mr. Li**”), the chairman and executive director of the Company.
4. To the best knowledge of the directors of the Company having made all reasonable enquiries, Proper Glory and its concert parties do not have any interests in the Convertible Bonds and Share Options as at the date of this announcement.

The Company confirms that, save for the above, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, nor is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

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

Hong Kong, 28 July 2008

As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu, Mr. Gui Sheng Yue, Mr. Yang Jian, Mr. Ang Siu Lun, Lawrence, Mr. Yin Da Qing, Richard, Mr. Liu Jin Liang, Mr. Zhao Jie and Dr. Zhao Fuquan, the non-executive director of the Company is Mr. Xu Gang and the independent non-executive directors of the Company are Mr. Lee Cheuk Yin, Dannis, Mr. Song Lin and Mr. Yeung Sau Hung, Alex.