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**吉 利 汽 車 控 股 有 限 公 司**  
**GEELY AUTOMOBILE HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

*(Stock Code: 175)*

**ANNOUNCEMENT**  
**REFRESHMENT OF THE SCHEME MANDATE LIMIT**  
**OF THE SHARE OPTION SCHEME AND GRANT OF OPTIONS**

The Board proposed to grant options to the Grantees to subscribe an aggregate of 280,020,000 Shares. The Shares to be issued upon the exercise in full of the Options represent approximately 5.53% of the existing issued share capital of the Company and approximately 5.24% of the issued share capital of the Company as enlarged by the issue of the Option Shares. It is the intention of the Company that the Old Options granted under the Share Option Scheme will be cancelled in full upon the granting of the Options.

As the proposed grant of Options will exceed the existing Scheme Mandate Limit, the Board proposed to refresh the Scheme Mandate Limit of the Share Option Scheme. The proposed grant of the Options is subject to (i) the approval by the Shareholders of the Proposed Refreshment, (ii) the approval by the Shareholders of the proposed grant of Options; and (iii) the approval of the Listing Committee of the Stock Exchange for the proposed refreshment of the Scheme Mandate Limit and granting the listing of, and permission to deal in, the Shares that fall to be issued upon the exercise of any share options that may be granted pursuant to the Share Option Scheme under the Proposed Refreshment.

An independent board committee comprising the independent non-executive Directors will be formed to advise the Shareholders on the terms of the Proposed Refreshment and the proposed grant of Options and an independent financial adviser will be appointed to advise the independent board committee in this regard.

In relation to the proposed grant of the Options, the Company has also applied to the Stock Exchange for a waiver from strict compliance with Note (1) to Rule 17.03(9) of the Listing Rules.

A circular containing further particulars on the Proposed Refreshment and the grant of the Options, the letter from the independent board committee and the letter from an independent financial adviser on the terms of the Proposed Refreshment and the Options, and the notice of the Extraordinary General Meeting to approve the Proposed Refreshment and the proposed grant of Options will be dispatched to the Shareholders as soon as practicable.

## **INTRODUCTION**

On 20 June 2007, the Board resolved that subject to (i) the approval of the Shareholders, and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Option Shares, that options be granted to the Grantees under the Share Option Scheme to subscribe an aggregate of 280,020,000 Shares, representing approximately 5.53% of the existing issued share capital of the Company and approximately 5.24% of the issued share capital of the Company as enlarged by the issue of the Option Shares, assuming that all the Options are exercised in full.

## **BACKGROUND**

The Company adopted the Share Option Scheme on 31 May 2002. Pursuant to Note (1) to Rule 17.03(3) of the Listing Rules, the total number of securities which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the relevant class of securities of the Company in issue as at the date of approval of the scheme. The number of Shares subject to the existing Scheme Mandate Limit under the Share Option Scheme is 34,026,490 Shares (on a consolidated basis), representing 10% of the issued share capital of the Company as at 31 May 2002, the date of adoption of the Share Option Scheme.

As at the date of this announcement, options to subscribe an aggregate of 302,500,000 Shares have been granted under the Share Option Scheme, of which options to subscribe 22,480,000 Shares have been cancelled and no options have been exercised. The grant of Old Option (1), Old Option (2), Old Option (3) and Old Option (4) have been disclosed in the annual reports of the Company for the three years ended 31 December 2006. During an internal audit exercise, the Company has discovered that the Old Options have exceeded the Scheme Mandate Limit and the relevant grant is considered not to be in compliance with the provisions of Note (1) to Rule 17.03(3) of the Listing Rules. At and around the time of the adoption of the Share Option Scheme, the Company has undergone the Restructuring comprising share consolidation and subscription of new Shares. Due to an administrative error, the Scheme Mandate Limit has been inadvertently calculated on the basis of the enlarged issued share capital of the Company after completion of the Restructuring rather than on the basis of the issued share capital on the date of adoption of the Share Option Scheme. The Scheme Mandate Limit has not been refreshed.

### **A. Proposed Refreshment**

The Share Option Scheme was adopted to recognise and acknowledge the contributions of the Group's employees and other selected grantees made or may have made to the Group. The Share Option Scheme will provide the grantees with an opportunity to have a personal stake in the Company with the view to achieving the objectives of motivating the grantees to optimise their performance efficiency for the benefit of the Company, and to attract and retain or otherwise maintain on-going relationships with the grantees whose contributions are or will be beneficial to the long-term growth of the Group.

As the existing Scheme Mandate Limit has been exceeded, the Directors proposed to refresh the Scheme Mandate Limit to the 10% provided under Chapter 17 of the Listing Rules so as to provide the Company with the flexibility of granting further share options under the Share Option Scheme and to provide incentives to, and recognise the contributions of, the Group's employees and other selected grantees.

It is proposed that subject to the approval of the Shareholders at the Extraordinary General Meeting and such other requirements prescribed under the Listing Rules, the Scheme Mandate Limit will be refreshed so that the total number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and all other schemes of the

Company shall not exceed 10% of the Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders at the Extraordinary General Meeting and share options previously granted under the Share Option Scheme and/or any other share option scheme(s) of the Company, including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme or such other schemes of the Company will not be counted for the purpose of the Proposed Refreshment.

As at this announcement, the Company has 5,067,265,274 Shares in issue. Assuming that no further Shares will be issued or repurchased prior to the date of approving the Proposed Refreshment by the Shareholders, the maximum number of Shares which may fall to be issued upon the exercise of all share options that may be granted by the Company under the Proposed Refreshment would be 506,726,527 Shares, representing 10% of the Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders at the Extraordinary General Meeting.

## **B. Proposed grant of Options**

Old Option (1), Old Option (2), Old Option (3) and Old Option (4) form part of the incentives provided to the management and staff of the Group and are an important make-up of the remuneration package of the employees. Such options under the Share Option Scheme have been granted to over a hundred employees who have made and are expected to continue to make contributions to the Group. The Directors consider that it is important and in the interest of the Company to honouring the options previously granted. The Company proposed to grant the Options to the Grantees on the same terms and conditions as the options granted under Old Option (1), Old Option (2), Old Option (3) and Old Option (4), respectively upon the approval of the Proposed Refreshment.

### *New Option (1)*

It is proposed that the terms and number of Shares under New Option (1) mirror those under Old Option (1). Pursuant to New Option (1), options to subscribe 35,000,000 Shares will be granted to Mr. Ang Siu Lun, Lawrence, an executive Director, representing 0.69% of the issued share capital of the Company as at the date of this announcement, at the subscription price of HK\$0.95 per Share. New Option (1) is exercisable from the date of grant to 22 February 2009. The number of options to be granted, the subscription price for the options and the remaining period that the options may be exercised of New Option (1) will be identical to Old Option (1) granted on 23 February 2004.

The Subscription Price of HK\$0.95 per Share for New Option (1) represents (i) a discount of approximately 22.76% of the closing price of HK\$1.23 per Share as quoted on the Stock Exchange on 20 June 2007, being the last trading day immediately before the release of this announcement; (ii) a discount of approximately 24.00% to the average closing price of HK\$1.25 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 20 June 2007; (iii) a premium of approximately 15.85% of the closing price of the Shares of HK\$0.82 on 23 February 2004, the date of the grant of Old Option (1); and (iv) a premium of approximately 11.76% to the average closing price of HK\$0.85 for the last 5 trading days up to and including 23 February 2004.

### *New Option (2)*

It is proposed that the terms and number of Shares under New Option (2) mirror those under Old Option (2). Pursuant to New Option (2), options to subscribe an aggregate of 217,600,000 Shares will be granted to Mr. Ang Siu Lun, Lawrence, Mr. Gui Sheng Yue, Mr. Xu Gang, Mr. Yang Jian, Mr. Liu Jin Liang, Mr. Yin Da Qing, Richard and Mr. Zhao Jie, all executive

Directors, and 73 employees of the Group, representing 4.29% of the issued share capital of the Company as at the date of this announcement, at the subscription price of HK\$0.70 per Share. New Option (2) is exercisable from the date of grant to 4 August 2010. The number of options to be granted, the subscription price for the options and the remaining period that the options may be exercised of New Option (2) are identical to Old Option (2) granted on 5 August 2005.

The Subscription Price of HK\$0.70 per Share for New Option (2) represents (i) a discount of approximately 43.09% of the closing price of HK\$1.23 per Share as quoted on the Stock Exchange on 20 June 2007, being the last trading day immediately before the release of this announcement; (ii) a discount of approximately 44.00% to the average closing price of HK\$1.25 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 20 June 2007; (iii) a premium of approximately 34.62% of the closing price of the Shares of HK\$0.52 on 5 August 2005, the date of the grant of Old Option (2); and (iv) a premium of approximately 32.1% to the average closing price of HK\$0.53 for the last 5 trading days up to and including 5 August 2005.

#### *New Option (3)*

It is proposed that the terms and number of Shares under New Option (3) mirror those under Old Option (3). Pursuant to New Option (3), options to subscribe an aggregate of 12,420,000 Shares will be granted to Mr. Song Lin, Mr. Lee Cheuk Yin, Dannis, and Mr. Yeung Sau Hang, Alex, all independent non-executive Directors, and 54 employees of the Group, representing 0.24% of the issued share capital of the Company as at the date of this announcement, at the subscription price of HK\$0.93 per Share. New Option (3) is exercisable from the date of grant to 16 May 2011. The number of options to be granted, the subscription price for the options and the remaining period that the options may be exercised of New Option (3) are identical to Old Option (3) granted on 23 May 2006.

The Subscription Price of HK\$0.93 per Share for New Option (3) represents (i) a discount of approximately 24.39% of the closing price of HK\$1.23 per Share as quoted on the Stock Exchange on 20 June 2007, being the last trading day immediately before the release of this announcement; (ii) a discount of approximately 25.60% to the average closing price of HK\$1.25 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 20 June 2007; (iii) a premium of approximately 17.72% of the closing price of the Shares of HK\$0.79 on 23 May 2006, the date of the grant of Old Option (3); and (iv) a premium of approximately 9.41% to the average closing price of HK\$0.85 for the last 5 trading days up to and including 23 May 2006.

#### *New Option (4)*

It is proposed that the terms and number of Shares under New Option (4) mirror those under Old Option (4). Pursuant to New Option (4), options to subscribe an aggregate of 15,000,000 Shares will be granted to Dr. Zhao Fuquan, an executive Director and an employee of the Group, representing 0.31% of the issued share capital of the Company as at the date of this announcement, at the subscription price of HK\$0.89 per Share. New Option (4) is exercisable from the date of grant to 27 November 2011. The number of options to be granted, the subscription price for the options and the remaining period that the options may be exercised of New Option (4) are identical to Old Option (4) granted on 28 November 2006.

The Subscription Price of HK\$0.89 per Share for New Option (4) represents (i) a discount of approximately 27.64% of the closing price of HK\$1.23 per Share as quoted on the Stock Exchange on 20 June 2007, being the last trading day immediately before the release of this

announcement; (ii) a discount of approximately 28.80% to the average closing price of HK\$1.25 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 20 June 2007; (iii) a premium of approximately 3.49% of the closing price of the Shares of HK\$0.86 on 28 November 2006, the date of the grant of Old Option (4); and (iv) equivalent to the average closing price of HK\$0.89 for the last 5 trading days up to and including 28 November 2006.

The following table summarises the Options proposed to be granted to the Grantees:

Name of Grantee	Number of Shares held as at the date of this announcement	Proposed Options to be granted	Approximate percentage attributable to the Options as at the date of this announcement	Subscription price of the Options (HK\$)	Expiry of the exercise period attaching to the Options	Number of Shares held upon full conversion of the Options	Approximate shareholding upon full exercise of the Options (%)
Ang Siu Lun, Lawrence	2,270,000	35,000,000	0.69	0.95	22.2.2009	47,270,000	0.88
		10,000,000	0.20	0.70	4.8.2010		
Gui Sheng Yue	–	23,000,000	0.45	0.70	4.8.2010	23,000,000	0.43
Xu Gang	–	23,000,000	0.45	0.70	4.8.2010	23,000,000	0.43
Yang Jian	–	23,000,000	0.45	0.70	4.8.2010	23,000,000	0.43
Liu Jin Liang	–	18,000,000	0.36	0.70	4.8.2010	18,000,000	0.34
Yin Da Qing, Richard	–	16,000,000	0.32	0.70	4.8.2010	16,000,000	0.30
Zhao Jie	–	18,000,000	0.36	0.70	4.8.2010	18,000,000	0.34
Zhao Fuquan	–	12,000,000	0.24	0.89	27.11.2011	12,000,000	0.22
Song Lin	–	1,000,000	0.02	0.93	16.5.2011	1,000,000	0.02
Lee Cheuk Yin, Dannis	–	1,000,000	0.02	0.93	16.5.2011	1,000,000	0.02
Yeung Sau Hang, Alex	–	1,000,000	0.02	0.93	16.5.2011	1,000,000	0.02
Employees	–	86,600,000	1.71	0.70	4.8.2010	86,600,000	1.62
	–	9,420,000	0.19	0.93	16.5.2011	9,420,000	0.18
	–	3,000,000	0.06	0.89	27.11.2011	3,000,000	0.06
		<u>280,020,000</u>	<u>5.53</u>			<u>282,290,000</u>	<u>5.28</u>

The Options have terms of not less than one year and not more than five years. Upon the exercise in full of the Options, an aggregate of 280,020,000 Shares will be issued. It is the intention of the Company that the Old Options granted under the Share Option Scheme will be cancelled in full upon the granting of the Options.



### **C. Conditions Precedent to the proposed grant of the Options**

As the proposed grant of the Options will exceed the existing Scheme Mandate Limit, in compliance with Note (1) to Rule 17.03(3) of the Listing Rules, the Company thus proposed to refresh the Scheme Mandate Limit of the Share Option Scheme. The proposed grant of Options is subject to:

- (i) the approval by the Shareholders of the Proposed Refreshment at the Extraordinary General Meeting;
- (ii) the approval by the Shareholders (other than Mr. Ang Siu Lun, Lawrence and his associates) of the proposed grant of Options; and
- (iii) the approval of the Listing Committee of the Stock Exchange for the proposed refreshment of the Scheme Mandate Limit and granting the listing of, and permission to deal in, the Shares that fall to be issued upon the exercise of any share options that may be granted pursuant to the Share Option Scheme under the Proposed Refreshment.

The approvals to be sought at the Extraordinary General Meeting will be by poll where Mr. Ang Siu Lun, Lawrence, one of the Grantees who is interested in 2,270,000 Shares as at the date of this announcement, and his associates will abstain from voting. The other Grantees are not interested in any Shares as at the date of this announcement.

Application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Shares which fall to be issued upon the exercise of any share options that may be granted pursuant to the Share Option Scheme under the Proposed Refreshment.

Upon the approval of the Proposed Refreshment, the independent non-executive Directors of the Company will hold a meeting to approve the granting of the Options in accordance with the requirements of Rule 17.04(1) of the Listing Rules. The independent non-executive Director will abstain from voting for the resolution when the proposed grant of the Options is to himself.

### **D. Waiver from strict compliance from the requirements of the Listing Rules**

The Directors consider that the Old Options form an important part of the remuneration package of the management and the employees. As the Old Options have exceeded the Scheme Mandate Limit and is considered not to be in compliance with Note (1) to Rule 17.03(3) of the Listing Rules, the Company intends to cancel the Old Options and grant the Options to the grantees on the same terms and conditions as the options granted under Old Option (1), Old Option (2), Old Option (3) and Old Option (4), respectively.

Since the exercise price of each of Old Option (1), Old Option (2), Old Option (3) and Old Option (4) is lower than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant, and that the Directors consider that it is important to grant the Options on the same terms as the Old Options in order to maintain the remuneration package that the Company has offered to the management and the employees, the Company has applied to the Stock Exchange for a waiver from strict compliance with Note (1) to Rule 17.03(9) of the Listing Rules in respect of the exercise price of the Options. Save for Note (1) to Rule 17.03(9) of the Listing Rules, the proposed grant of the Options complies with all the other provisions of Chapter 17 of the Listing Rules.

#### **E. Voting, dividend, transfer and other rights**

The Shares to be allotted upon the exercise of an Option will not carry voting rights until completion of the registration of the Grantee as a holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of the Options will rank pari passu with and will have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the other fully-paid Shares in issue.

There is no performance target to be met by the Grantees for the exercise of the Options. A consideration of HK\$1.00 is payable to the Company upon acceptance of the Options.

#### **F. Grantees**

The particulars of the Grantees are as follows:

**Mr. Gui Sheng Yue**, aged 43, joined the Group on 9 June 2005 as an executive Director. He is responsible for the administration of the Company. Mr. Gui has over 20 years experience in administration and project management. Mr. Gui had worked at China Resources (Holdings) Company Limited and he holds a Bachelor of Science degree in mechanical engineering from Xian Jiaotong University and a Master degree in business administration from University of San Francisco. Mr. Gui was appointed as the Chief Executive Officer of the Company with effect from 23 February 2006.

**Mr. Xu Gang**, aged 45, joined the Group on 9 June 2005 as an executive Director. He is responsible for the business development and administration of Shanghai Maple Automobile Company Limited (“Shanghai Maple”). Mr. Xu is also the Vice Chairman of Zhejiang Geely Holding Group Company Limited. Mr. Xu graduated from the Guanghua Management School of Beijing University and holds an EMBA degree. Mr. Xu is an expert in business management and has 23 years of experience in the management of various government departments, including Zhejiang Provincial Finance Bureau and Zhejiang Local Taxation Bureau. Mr. Xu was accredited as “The Best 10 Chinese Management Talents”, “The Best CEO/President of Private Automobile Enterprises in 2003” and “The Best 10 Economic Youths in Shanghai in 2005” by pertinent organizations in China.

**Mr. Yang Jian**, aged 45, joined the Group on 9 June 2005 as an executive Director. He is responsible for the overall administration of Zhejiang Geely Automobile Company Limited. Mr. Yang is also the First Vice President of Zhejiang Geely Holding Group Company Limited and Head of Zhejiang Geely Automobile Research Institute Ltd., which is 90% owned by Shanghai Maple. Mr. Yang is also the chairman of the two associated companies of the Group, namely Zhejiang Kingkong Automobile Company Limited (“Zhejiang Kingkong”) and Zhejiang Ruhoo Automobile Company Limited (“Zhejiang Ruhoo”). Mr. Yang graduated from the Zhejiang Radio and Television University with focus on production management. Since joining Zhejiang Geely Holding Group Company Limited in 1995, Mr. Yang was involved in a number of different job functions, including production management, quality control, general administration, research and development and project management.

**Mr. Ang Siu Lun**, Lawrence, aged 46, joined the Group on 23 February 2004 as an executive Director and is mainly responsible for international business development, capital market and investors’ relationship of the Group. He holds a Bachelor of Science degree in Physics and Computer Science and a Master of Business Administration degree from the Chinese University of Hong Kong. Prior to joining the Group, he worked in a number of major international investment banks for 17 years with extensive experience in equity research, investment banking and financial analysis, focusing on China asset market, automobile industry and investment banking business.

**Mr. Yin Da Qing**, Richard, aged 57, joined the Group on 9 June 2005 as an executive Director. Mr. Yin is the Vice President and Chief Financial Officer of Zhejiang Geely Holding Group Company Limited. Mr. Yin holds a Bachelor Degree in English from Wuhan University and an Advanced Certificate in Administration of Economy from the Postgraduate Institute of China Academy of Social Science. Mr. Yin has 34 years of experience in accounting and finance and held key executive positions in various Chinese and multinational companies in China, including Dupont Textile, Dupont Agricultural Chemicals, Brilliance Holding and Shenyang Jinbei Passenger Vehicle Manufacturing Co. Ltd.

**Mr. Liu Jin Liang**, aged 40, joined the Group on 9 June 2005 as an executive Director and was previously responsible for all the sales functions of Zhejiang Geely Automobile Company Limited in China. Mr. Liu is now responsible for the overall operations of Shanghai Maple and Shanghai LTI Automobile Components Company Limited. Mr. Liu is the Vice President of Zhejiang Geely Holding Group Company Limited and General Manager of Zhejiang Geely Automobile Sales Co. Ltd., which is 90%-owned by Zhejiang Geely. Mr. Liu graduated from the Capital University of Economics and Business, focusing on industrial management. Prior to joining Zhejiang Geely Holding Group Company Limited in 1995, Mr. Liu held a number of management positions in several major hotels in China. Mr. Liu has about 10 years experience in the marketing and sales of motor vehicles in China.

**Mr. Zhao Jie**, aged 40, joined the Group on 15 September 2005 as an executive Director and is responsible for the export business of the Group. Mr. Zhao is the Vice President of Zhejiang Geely Holding Group Company Limited and a founder of Geely International Corporation. Mr. Zhao has over 8 years of experience in marketing management in the international automotive market. Mr. Zhao obtained a graduate certificate of the EMBA program from the Enterprise Research Centre of Peking University and has 10 years of experience in public administration.

**Dr. Zhao Fuquan**, aged 43, joined the Group on 17 November 2006 as an executive Director. Dr. Zhao is the Vice President of Zhejiang Geely Holding Group Company Limited (“Geely Holding”) and General Manager of Geely European and American Automobile Industrial Park Limited. Dr. Zhao obtained a doctorate degree in Engineering Science from the Hiroshima University in Japan and has years of on-the-job work experience in Japan, United Kingdom and United States of America. Prior to joining Geely Holding, Dr. Zhao was the Research Executive of Technical Affairs of DaimlerChrysler and Vice President of Shenyang Brilliance JinBei Automobile Company Limited and General Manager of its Research & Development (R&D) Centre. Dr. Zhao, one of the main authors in international automobile magazines, has written 5 English books and has published more than 100 academic dissertation papers on automobile technology. Dr. Zhao was awarded 2 patents in the United States and has won many prizes and awards, including the Forest R. McFarland Award in year 2001 by the Society of Automotive Engineers (SAE). Dr. Zhao was accredited as a Fellow by the SAE in April 2006. Dr. Zhao is currently a part-time professor in Jilin University, Tongji University, Tianjin University, Huazhong University of Science & Technology, Dalian University of Technology and Hunan University.

**Mr. Song Lin**, aged 44, joined the Group as an independent non-executive Director on 27 September 2004. He holds a Bachelor’s Degree in mechanics from the University of Tong Ji in Shanghai, China. He is concurrently Vice Chairman and President of China Resources (Holdings) Company Limited and China Resources National Corporation, Chairman of China Resources Enterprise, Limited (HK Stock Code 291), China Resources Power Holdings Company Limited (HK Stock Code 836) as well as China Resources Land Limited (HK Stock Code 1109). Mr. Song is also the Deputy Chairman of China Vanke Co., Ltd., which is a listed company in China.



**Mr. Lee Cheuk Yin**, Dannis, aged 36, joined the Group as an independent non-executive Director on 28 June 2002. He graduated from the Texas A & M University, the USA. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. He possesses over 10 years of experience in accounting and auditing field. Mr. Lee is an executive director of AMVIG Holdings Limited (HK Stock Code 2300) and a non-executive director of Norstar Founders Group Limited (HK Stock Code 2339).

**Mr. Yeung Sau Hung**, Alex, aged 57, joined the Group as an independent non-executive Director on 6 June 2005. Mr. Yeung is the Chief Executive Officer of DBS Vickers Hong Kong since 1 September 2002. Mr. Yeung is a MBA graduate from the University of Southern California and brings with him more than 20 years' experience in the financial services industry. His experience includes investment research, securities operations, equity sales, primary equities origination and syndication and general management. Prior to joining DBS Vickers, Mr. Yeung was the Deputy Chairman of the management committee of a listed consumer electronics company for four years. Before that, he was the Country Head of Greater China Equities and the Managing Director of Deutsche Securities Hong Kong.

#### **The other Grantees**

The other Grantees comprise a total of 128 employees of the Group, who are primarily senior and middle management and technical staff of the Group. Further details, including the identity and the number of Options to be granted to each of the other Grantees will be disclosed in the circular of the Company mentioned below.

#### **GENERAL**

An independent board committee comprising the independent non-executive Directors will be formed to advise the Shareholders on the terms of the Proposed Refreshment and the proposed grant of the Options and an independent financial adviser will be appointed to advise the independent board committee in this regard.

A circular containing further particulars on the Proposed Refreshment and the grant of the Options, the letter from the independent board committee and the letter from an independent financial adviser on the terms of the Proposed Refreshment and the Options, and the notice of the Extraordinary General Meeting will be dispatched to the Shareholders as soon as practicable.

#### **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the proposed grant of Options

“Grantees”	the proposed grantees of the Options
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Option (1)”	the options proposed to be granted on terms and conditions identical to those under Old Option (1)
“New Option (2)”	the options proposed to be granted on terms and conditions identical to those under Old Option (2)
“New Option (3)”	the options proposed to be granted on terms and conditions identical to those under Old Option (3)
“New Option (4)”	the options proposed to be granted on terms and conditions identical to those under Old Option (4)
“Old Options”	Old Option (1), Old Option (2), Old Option (3) and Old Option (4)
“Old Option (1)”	the options granted under the Share Option Scheme on 23 February 2004
“Old Option (2)”	the options granted under the Share Option Scheme on 5 August 2005
“Old Option (3)”	the options granted under the Share Option Scheme on 23 May 2006
“Old Option (4)”	the options granted under the Share Option Scheme on 28 November 2006
“Options”	New Option (1), New Option (2), New Option (3) and New Option (4)
“Option Shares”	Shares to be issued upon the exercise of the Options
“PRC”	the People’s Republic of China
“Proposed Refreshment”	the 10% limit under the Share Option Scheme proposed to be refreshed by the Shareholders at the Extraordinary General Meeting pursuant to which the Board may grant share options to eligible participants to subscribe up to 10% of the Shares in issue as at the date of the Extraordinary General Meeting
“Restructuring”	the restructuring of the Company as set out in the announcement of the Company dated 2 May 2002
“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon the exercise of all options to be granted under the Share Option Scheme

“Shares”	Shares of HK\$0.02 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 31 May 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price for the Shares under the Options

By Order of the Board of  
**GEELY AUTOMOBILE HOLDINGS LIMITED**  
**Gui Sheng Yue**  
*Executive Director*

20 June 2007

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

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