

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

**VOLUNTARY ANNOUNCEMENT
ESTABLISHMENT OF JOINT VENTURE**

On 8 January 2015 the Geely Parties, which comprise two subsidiaries of the Company, entered into the Joint Venture Agreement with the Joint Venture Parties in respect of the establishment of the Joint Venture.

The Joint Venture will be engaged in the research and production of automobile parts, components and engines, production of electric vehicles and the provision of related after-sale services.

The contribution of the Lanzhou Plant to the Joint Venture will be a deemed disposal of a subsidiary for the Company. As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the joint venture arrangement, including the deemed disposal of the Lanzhou Plant, is below 5%, the entering into of the Joint Venture Agreement does not constitute a notifiable transaction for the Company and this announcement is made by the Company on a voluntary basis for the information.

This announcement is made by the Company on a voluntary basis.

ESTABLISHMENT OF THE JOINT VENTURE

On 8 January 2015, the Geely Parties, which comprise two subsidiaries of the Company, entered into the Joint Venture Agreement with the Joint Venture Parties in respect of the establishment of the Joint Venture.

The Joint Venture Agreement

Date

8 January 2015

Parties

- (A) The Geely Parties, which comprise 浙江吉潤汽車有限公司 (Zhejiang Jirun Automobile Company Limited) and 上海華普國潤汽車有限公司 (Shanghai Maple Guorun Automobile Company Limited), both being 99% owned subsidiaries of the Company and principally engaged in the research, development, production, marketing and sales of sedans and related automobile components in the PRC; and
- (B) The Joint Venture Parties, which comprise 新大洋機電集團有限公司 (Xin Dayang Mechanical and Electrical Group Company Limited*), 鮑文光 (Bao Wenguang*), 金沙江聯合創業投資企業 (Jinshajiang United Venture Investment Enterprise*), 寧波雙林汽車部件股份有限公司 (Ningbo Shuanglin Automobile Parts and Components Company Limited*), 江西文信實業有限公司 (Jiangxi Wenxin Industrial Company Limited*), and 原動力(北京)投資有限公司 (Yuan Dongli (Beijing) Investment Company Limited*).

Xin Dayang Mechanical and Electrical Group Company Limited is principally engaged in the research and production of electric vehicles. Jinshajiang United Venture Investment Enterprise, Ningbo Shuanglin Automobile Parts and Components Company Limited, Jiangxi Wenxin Industrial Company Limited and Yuan Dongli (Beijing) Investment Company Limited are investment companies that focus on investments in new energy and technologies. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Joint Venture Parties and their beneficial owners (applicable to those Joint Venture Parties which are corporate entities) are independent of and not connected with the Company and its connected persons.

Subject matter

The Geely Parties and the Joint Venture Parties agreed to establish the Joint Venture to engage in the research and production of automobile parts, components and engines, production of electric vehicles and the provision of related after-sale services.

Registered capital and shareholding of the Joint Venture

The registered capital of the Joint Venture will be RMB1,000 million and will be held in the following manner:

The Geely Parties	:	50%
The Joint Venture Parties	:	50%

The registered capital of the Joint Venture was determined after arm's length negotiations between the parties.

* *Translation of registered name in English for identification purpose.*

Capital contribution

The Geely Parties will contribute all the equity interest in the Lanzhou Plant valued at RMB500 million as their contribution to the registered capital of the Joint Venture. The Joint Venture Parties will contribute all of their interest in Shandong Xin Dayang valued at RMB500 million as their contribution to the registered capital of the Joint Venture.

Board composition of the Joint Venture

The Joint Venture's board of directors will comprise 5 members, of which the Geely Parties will have the right to nominate 2 directors and the Joint Venture Parties will nominate 2 directors and the parties will nominate 1 independent director.

As the Geely Parties will not have control of the board of directors and the shareholding interest of the Geely Parties is only 50%, the Joint Venture will be treated as a jointly controlled entity of the Group and the financial results of the Joint Venture will be equity accounted for in the consolidated financial statements of the Company.

Reasons for the establishment of the Joint Venture

The Company is a leading vehicle company in the PRC. The development of electric vehicles in the past decade has established electric vehicles as a major branch of the mainstream vehicles market, with almost all major brands now having hybrid or pure electric vehicles in their products line up. With consumers' higher awareness of environmental protection and the recent trend of major vehicles manufacturers developing and offering electric vehicles, the Board recognizes the significant development potential of the electric vehicles market in the PRC. The Joint Venture Parties own Shandong Xin Dayang, which is engaged in the development and production of electric vehicles. The establishment of the Joint Venture will combine the strengths of the Group's expertise on vehicle manufacturing and the expertise of the Joint Venture Parties in the development of the electric vehicles and offer a platform of strength for the parties to explore and develop the electric vehicles market in the PRC.

The Directors (including the independent non-executive Directors) consider that the establishment of the Joint Venture was conducted under normal commercial terms, the terms of which are fair and reasonable. The entering into of the Joint Venture Agreement is in the interests of the Company and the Shareholders as a whole.

General

The contribution of the Lanzhou Plant to the Joint Venture will be a deemed disposal of a subsidiary for the Company. As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the joint venture arrangement, including the deemed disposal of the Lanzhou Plant, is

below 5%, the entering into of the Joint Venture Agreement does not constitute a notifiable transaction for the Company and this announcement is made by the Company on a voluntary basis for the information.

Definitions

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

“Board”	the board of directors of the Company;
“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Geely Parties”	浙江吉潤汽車有限公司 (Zhejiang Jirun Automobile Company Limited) and 上海華普國潤汽車有限公司 (Shanghai Maple Guorun Automobile Company Limited), both being 99% owned subsidiaries of the Company;
“Group”	the Company and its subsidiaries;
“Joint Venture”	the joint venture company tentatively to be named 新大洋電動車有限公司 (Xin Dayang Electric Vehicles Company Limited*) to be established by the Geely Parties and the Joint Venture Parties pursuant to the Joint Venture Agreement;
“Joint Venture Agreement”	the agreement dated 8 January 2015 entered into between the Geely Parties and the Joint Venture Parties in relation to the establishment of the Joint Venture;
“Joint Venture Parties”	新大洋機電集團有限公司 (Xin Dayang Mechanical and Electrical Group Company Limited*), 鮑文光 (Bao Wenguang*), 金沙江聯合創業投資企業 (Jinshajiang United Venture Investment Enterprise*), 寧波雙林汽車部件股份有限公司 (Ningbo Shuanglin Automobile Parts and Components Company Limited*), 江西文信實業有限公司 (Jiangxi Wenxin Industrial Company Limited*), and 原動力(北京)投資有限公司 (Yuan Dongli (Beijing) Investment Company Limited*);

* Translation of registered name in English for identification purpose.

“Lanzhou Plant”	蘭州吉利汽車工業有限公司 (Lanzhou Geely Automobile Industrial Company Limited*), a company established in the PRC and is a 99% owned subsidiary of the Group;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shandong Xin Dayang”	山東新大洋電動車有限公司 (Shandong Xin Dayang Electric Vehicles Company Limited*), a company established in the PRC and is wholly-owned by the Joint Venture Parties;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By order of the Board
Geely Automobile Holdings Limited
Li Shu Fu
Chairman

Hong Kong, 8 January 2015

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. Liu Jin Liang and Ms. Wei Mei, the non-executive directors of the Company are Mr. Carl Peter Edmund Moriz Forster and Mr. Ran Zhang 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.

* Translation of registered name in English for identification purpose.