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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

This announcement is made by Geely Automobile Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

The board of directors (the “**Board**”) of the Company announces that it has been advised by 浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited, “**Geely Holding**”), a company owned as to 90% by Mr. Li Shu Fu (“**Mr. Li**”), an executive director and the controlling shareholder of the Company, that it has on 28 March 2010 entered into a formal sale and purchase agreement with Ford Motor Company pursuant to which Geely Holding has agreed to purchase the entire issued share capital of Volvo Car Corporation (the “**Geely Holding Acquisition**”). The Geely Holding Acquisition is subject to completion, which is expected to take place in September 2010.

The Board would like to reiterate (a) the Group is not a party to the Geely Holding Acquisition; and (b) the Group is not in discussion with Geely Holding on any cooperation opportunities with respect to the Geely Holding Acquisition and no timetable has been determined on any form of cooperation. The Board is also pleased to announce that pursuant to the Geely Holding Acquisition, Geely Holding has on 27 March 2010, provided an irrevocable undertaking to the Company that:

- (1) upon being notified of any decision by the Company pursuant to a resolution approved by a majority of the independent non-executive directors (the “**Independent Resolution**”), Geely Holding will, and will procure its associates (other than the Group) to sell to the Group all or any part of the businesses and related assets of the Geely Holding Acquisition; and
- (2) such transfer will be subject to the terms and conditions being fair and reasonable, the transfer being in compliance with applicable requirements of the Listing Rules, other applicable laws and regulations and other necessary approvals and consents on terms to be mutually agreed.

Volvo Car Corporation is the manufacturer of Volvo cars, a range of family sedans, wagons and sport utility cars, with 2,500 dealerships in 100 markets.

In the event of the Independent Resolution being approved by the independent non-executive directors, the acquisition will constitute a notifiable and connected transaction for the Company. The Company will comply with the requirements of the Listing Rules as and when necessary.

Shareholders of the Company and the public are reminded that the Company is not currently in discussion with Geely Holding on any form of cooperation in relation to the Geely Holding Acquisition, Independent Resolution may or may not materialise and even if materialised, the acquisition will still be subject to a number of conditions which may or may not be fulfilled. Shareholders of the Company and the public should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 29 March 2010

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. 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, Dennis, Mr. Song Lin and Mr. Yeung Sau Hung, Alex.