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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)

ISSUANCE OF US\$300 MILLION 5.25% SENIOR NOTES DUE 2019

Reference is made to the announcement of the Company dated 16 September 2014 in respect of the Notes Issue.

On 24 September 2014, the Company, the Subsidiary Guarantors, Citi, Deutsche Bank and J.P. Morgan entered into the Purchase Agreement in connection with the issue of US\$300 million 5.25% senior notes due 2019.

The estimated net proceeds of the Notes Issue, after deduction of underwriting discounts and commissions and other estimated offering expenses, will amount to approximately US\$296.0 million and the Company intends to use it to refinance certain of its existing indebtedness, expand its business and for other general corporate purposes. The Company may adjust the foregoing plan in response to changing market and business conditions and, thus, reallocate the use of proceeds.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Notes.

Reference is made to the announcement of the Company dated 16 September 2014 in respect of the Notes Issue.

The Board is pleased to announce that on 24 September 2014, the Company, the Subsidiary Guarantors, Citi, Deutsche Bank and J.P. Morgan have entered into the Purchase Agreement in connection with the Notes Issue in the aggregate principal amount of US\$300 million.

THE PURCHASE AGREEMENT

Date: 24 September 2014

Parties to the Purchase Agreement

- (a) the Company as issuer;
- (b) the Subsidiary Guarantors;
- (c) Citi;
- (d) Deutsche Bank; and
- (e) J.P. Morgan

Citi, Deutsche Bank and J.P. Morgan (in alphabetical order) have been appointed as the joint global coordinators, the joint bookrunners and the joint lead managers for the Notes Issue. Citi, Deutsche Bank and J.P. Morgan (in alphabetical order) are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of Citi, Deutsche Bank and J.P. Morgan (in alphabetical order) is an independent third party and not a connected person of the Company.

The Notes have not been, and will not be, registered under the U.S. Securities Act. The Notes will only be offered (i) in the United States to qualified institutional buyers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A of the U.S. Securities Act and (ii) outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong.

Principal terms of the Notes

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$300 million which will mature on 6 October 2019, unless earlier redeemed pursuant to the terms thereof.

Issue Price

The Issue Price of the Notes will be 100% of the principal amount of the Notes.

Interest

The Notes will bear interest from and including 6 October 2014 at the rate of 5.25% per annum, payable semi-annually in arrears on 6 April and 6 October of each year, commencing 6 April, 2015.

Ranking of the Notes

The Notes will be general obligations of the Company and will be (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (2) at least *pari passu* in right of payment with all unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness of the Company pursuant to applicable law); (3) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations; (4) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes; (5) effectively subordinated to all existing and future secured obligations of the Company to the extent of the value of the collateral securing such obligations.

Events of default

The events of default under the Notes will include, among others:

- (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest or any additional amount on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;

- (3) default in the performance or breach of certain covenants under the Indenture or the Notes;
- (4) the Company or certain of its subsidiaries defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee or the holders of 25% or more in aggregate principal amount of the Notes;
- (5) there occurs with respect to any indebtedness of the Company or certain of its subsidiaries having an outstanding aggregate principal amount of US\$10.0 million (or the dollar equivalent thereof) or more, (a) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) a default in payment of principal of such indebtedness when the same becomes due and payable;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all of them to exceed US\$10.0 million (or the dollar equivalent thereof) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (7) an involuntary case or other proceeding is commenced against the Company or certain of its subsidiaries with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or certain subsidiary or for any substantial part of the property and assets of the Company or certain subsidiaries and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or certain subsidiaries under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (8) the Company or certain of its subsidiaries (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or certain of its subsidiaries, or for all or substantially all of the property and assets of the Company or certain of its subsidiaries or (c) effects any general assignment for the benefit of creditors (other than, in each case under (b), any of the foregoing that arises from any solvent liquidation or restructuring of certain subsidiary of the Company in the ordinary course of business that shall result in the net assets of such subsidiary being transferred to or otherwise vested in the Company or any certain of its subsidiaries on a *pro rata* basis or on a basis more favorable to the Company); or

- (9) any Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default occurs and is continuing under the Indenture, other than an event of default specified in (7) and (8) above, the trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the trustee if such notice is given by the holders), may, and the trustee at the written direction of such holders shall, subject to receiving indemnity and/or security to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in (7) and (8) above occurs, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

Covenants

The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- incur additional indebtedness;
- make investments or other restricted payments;
- pay dividends or make other distributions or repurchase or redeem capital stock;
- guarantee indebtedness;
- enter into certain transactions with connected parties;
- create liens;
- enter into sale and leaseback transactions;
- issue and sell capital stock of certain of the Company's subsidiaries;
- effect a consolidation or merger; and
- engage in different business activities.

Optional Redemption

The Notes may be redeemed in the following circumstances:

- (1) On or after 6 October 2017, the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 6 October of the years indicated below:

Period	Redemption Price
2017	102.625%
2018 and thereafter	101.313%

- (2) at any time prior to 6 October 2017, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date; and
- (3) at any time and from time to time prior to 6 October 2017, the Company may redeem up to 35% of the principal amount of the Notes at a redemption price of 105.25% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain of its capital stock, subject to certain conditions.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

Repurchase upon change of control

Not later than 30 days following the occurrence of a change of control triggering event of the Company (as defined in the Notes), the Company will make an offer to repurchase all the outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

Use of proceeds of the Notes Issue

The Company is one of the leading indigenous automobile companies in China, focusing on sales of passenger vehicles and manufacturing and sales of automobile parts and components.

The estimated net proceeds of the Notes Issue, after deduction of underwriting discounts and commissions and other estimated offering expenses, will amount to approximately US\$296.0 million and the Company intends to use it to refinance certain of its existing indebtedness, expand its business and for other general corporate purposes. The Company may adjust its foregoing plan in response to changing market and business conditions and, thus, reallocate the use of proceeds.

Listing and rating

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Notes.

The Notes have been rated “BB+” by Standard and Poor's Ratings Services and “Ba2” by Moody's Investors Service. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

DEFINITIONS

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

“Board”	the board of Directors;
“China” or “PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan for the purpose of this announcement;
“Citi”	Citigroup Global Markets Inc., one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“Company”	Geely Automobile Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Indenture”	the written agreement to be entered into on the original issue date of the Notes among the Company, the Subsidiary Guarantors and the trustee that specifies the terms of the Notes including the interest rate and the maturity date of the Notes;
“Issue Price”	100% of the principal amount of the Notes, the price at which the Notes will be sold;
“J.P. Morgan”	J.P. Morgan Securities plc, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	the 5.25% guaranteed senior notes due 2019 in the principal amount of US\$300 million to be issued by the Company;
“Notes Issue”	the issue of the Notes by the Company;
“Purchase Agreement”	the agreement dated 24 September 2014 entered into among the Company, the Subsidiary Guarantors, Citi, Deutsche Bank and J.P. Morgan in relation to the Notes Issue;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors;
“Subsidiary Guarantors”	certain subsidiaries of the Company organized outside the PRC which will jointly and severally guarantee the Company’s obligations under the Notes;
“United States”	United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

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

Hong Kong, 25 September 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.