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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)

**DISCLOSEABLE AND CONNECTED TRANSACTIONS  
IN RELATION TO THE ACQUISITIONS OF  
THE BAOJI TARGET AND THE SHANXI TARGET**

**Financial Adviser to Geely Automobile Holdings Limited**



**上銀國際有限公司**  
BOSC International Company Limited

**BOSC International Company Limited**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



**Gram Capital Limited**  
**嘉林資本有限公司**

**THE ACQUISITION AGREEMENTS**

**1) THE BAOJI ACQUISITION AGREEMENT**

On 1 June 2016 (after trading hours), Jirun Automobile (being the purchaser), a 99% owned subsidiary of the Company, and Baoji Geely (being the vendor) entered into the Baoji Acquisition Agreement pursuant to which Jirun Automobile has conditionally agreed to acquire, and Baoji Geely has conditionally agreed to sell, the Baoji Purchase Shares, being the entire registered capital of the Baoji Target, for RMB702,206,798.

## 2) THE SHANXI ACQUISITION AGREEMENT

On 1 June 2016 (after trading hours), Jirun Automobile (being the purchaser) and Shanxi New Energy (being the vendor), entered into the Shanxi Acquisition Agreement pursuant to which Jirun Automobile has conditionally agreed to acquire, and Shanxi New Energy has conditionally agreed to sell, the Shanxi Purchase Shares, being the entire registered capital of the Shanxi Target, for RMB720,244,135.

### IMPLICATIONS UNDER THE LISTING RULES

Baoji Geely and Shanxi New Energy are wholly-owned subsidiaries of Zhejiang Haoqing, which is ultimately beneficially wholly-owned by Mr. Li and his associate. As such, each of Baoji Geely and Shanxi New Energy is an associate of Mr. Li, an executive Director and a substantial Shareholder holding approximately 42.98% of the total issued share capital of the Company as at the date of this announcement, and a connected person of the Company. Accordingly, the Acquisitions constitute connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As one of the applicable aggregated percentage ratios in respect of the Acquisitions is more than 5%, the Acquisitions are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Furthermore, as one of the applicable aggregated percentage ratios in respect of the Acquisitions is more than 5% but less than 25%, the Acquisitions also constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

### GENERAL

An Independent Board Committee has been formed to advise the Independent Shareholders with respect to the Acquisitions, and Gram Capital has been appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information about the Acquisitions; (ii) the recommendation of the Independent Board Committee in respect of the terms of the Acquisition Agreements; (iii) the advice of Gram Capital regarding the terms of the Acquisition Agreements; and (iv) other information as required under the Listing Rules together with the notice of the EGM, will be despatched to the Shareholders on or before 30 June 2016.

**Completion of the Acquisitions is subject to the satisfaction of the conditions precedent under the Acquisition Agreements, and therefore, may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE ACQUISITION AGREEMENTS**

### **1) THE BAOJI ACQUISITION AGREEMENT**

On 1 June 2016 (after trading hours), Jirun Automobile (being the purchaser), a 99% owned subsidiary of the Company, and Baoji Geely (being the vendor) entered into the Baoji Acquisition Agreement pursuant to which Jirun Automobile has conditionally agreed to acquire, and Baoji Geely has conditionally agreed to sell, the Baoji Purchase Shares, being the entire registered capital of the Baoji Target, for RMB702,206,798.

The principal terms of the Baoji Acquisition Agreement are set out below:

#### **Date**

1 June 2016 (after trading hours)

#### **Parties**

Vendor: Baoji Geely

Purchaser: Jirun Automobile

Baoji Geely is principally engaged in the design, manufacturing, sales and after-sales services of automobiles related components, and investment advisory services in the PRC. It is a wholly-owned subsidiary of Zhejiang Haoqing, which is ultimately beneficially wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial Shareholder holding approximately 42.98% of the total issued share capital of the Company as at the date of this announcement. Accordingly, Baoji Geely is an associate of Mr. Li and a connected person of the Company.

Jirun Automobile is a 99% owned subsidiary of the Company and is principally engaged in the research, development, production, marketing and sales of sedans and related automobile components in the PRC.

#### **Subject matter**

Pursuant to the Baoji Acquisition Agreement, Jirun Automobile has conditionally agreed to acquire and Baoji Geely has conditionally agreed to sell, the Baoji Purchase Shares, being the entire registered capital of the Baoji Target. Details of the Baoji Target are set out in the section headed "INFORMATION ON THE TARGETS" below.

Upon completion of the Baoji Acquisition, the Baoji Target will become a wholly-owned subsidiary of Jirun Automobile, and the financial statements of the Baoji Target will be consolidated into the financial statements of the Group.

## **Baoji Consideration**

The Baoji Consideration is RMB702,206,798, which will be payable in cash within 60 calendar days from completion of the Baoji Acquisition.

Baoji Geely has transferred certain production machinery to the Baoji Target, and will be injecting the Baoji Land and Buildings into the Baoji Target by way of capital injection for manufacturing usage. The Baoji Consideration was determined after arm's length negotiations between Jirun Automobile and Baoji Geely with reference to the net asset value of the Baoji Target prepared under the PRC GAAP as at 31 May 2016 of RMB702,206,798, which includes the aggregate book value of the Baoji Land and Buildings.

## **Status of the Baoji Land and Buildings and undertaking**

As it is likely that the transfer of the legal titles of the Baoji Land and Buildings from Baoji Geely to the Baoji Target will not be completed before completion of the Baoji Acquisition due to prolonged procedural requirements in the PRC, Baoji Geely has undertaken to Jirun Automobile in the Baoji Acquisition Agreement that the legal titles of the Baoji Land and Buildings will be transferred from Baoji Geely to the Baoji Target in accordance with the applicable laws in the PRC after completion of the Baoji Acquisition on or before 31 December 2018. In the event that the aforesaid transfer of legal titles of the Baoji Land and Buildings is not completed by 31 December 2018, Baoji Geely will indemnify Jirun Automobile from any loss arising from such failure of transfer of the legal titles of the Baoji Land and Buildings to the Baoji Target, plus interests attributable to the Baoji Consideration based on an interest charge of 10% per annum.

Furthermore, 7 buildings under construction with a total gross floor area of approximately 55,872.33 sq.m. which form part of the Baoji Land and Buildings have not yet obtained the title certificates, construction planning permits and the construction commencement permits. Baoji Target is in the process of obtaining the relevant certificates and permits for such properties.

As advised by the PRC counsel, they do not foresee that there will be any material legal impediment in i) the transfer of the legal titles of the Baoji Land and Buildings from Baoji Geely to the Baoji Target; and ii) subsequently obtaining the relevant title certificates and permits.

## Conditions precedent

Completion of the Baoji Acquisition will be subject to and conditional upon the fulfillment of the following conditions:

- (a) Jirun Automobile being satisfied with the results of its due diligence work performed on the Baoji Target, which will include but are not limited to:
  - (i) the completion of capital injections into the Baoji Target by Baoji Geely (excluding the Baoji Land and Buildings) in accordance with the applicable laws in the PRC;
  - (ii) the completion of transfers of the production machinery from Baoji Geely to the Baoji Target; and
  - (iii) the Baoji Target having received all required consents and approvals to carry out its principal business.
- (b) the Company having complied with the applicable requirements of the Listing Rules relating to the Baoji Acquisition, including where necessary, the obtaining of Independent Shareholders' approval on the transactions contemplated under the Baoji Acquisition Agreement;
- (c) the receipt of all consents, waivers or approvals from any government department or any persons required for or in connection with the execution, delivery and performance of the Baoji Acquisition Agreement including, but not limited to, the SAIC issuing a new business license for the Baoji Target showing Jirun Automobile as the Baoji Target's sole shareholder;
- (d) the representations and warranties made by Baoji Geely in the Baoji Acquisition Agreement remaining true and correct in all material respects, and Baoji Geely shall have fully carried out its obligations under the Baoji Acquisition Agreement; and
- (e) there being no material adverse change to factors potentially affecting the Baoji Acquisition and the completion of the Baoji Acquisition is not prohibited by applicable laws.

In the event that the conditions set out above are not fulfilled on or before the Long Stop Date, unless the Company consents to an extension in writing, any party to the Baoji Acquisition Agreement will have the right to terminate the Baoji Acquisition Agreement by prior written notice to the other party. In the event of such termination, no party to the Baoji Acquisition Agreement may raise any claim against the other party or demand any other party to undertake any liability. All rights, obligations and liabilities under the Baoji Acquisition Agreement will become null and void upon such termination and of no further effect, save with respect to any antecedent breaches.

## **Completion of the Baoji Acquisition**

Completion of the Baoji Acquisition will take place on the date which all the conditions to the Baoji Acquisition Agreement have been fulfilled or such other later date as the parties may agree in writing.

## **2) THE SHANXI ACQUISITION AGREEMENT**

On 1 June 2016 (after trading hours), Jirun Automobile (being the purchaser) and Shanxi New Energy (being the vendor) entered into the Shanxi Acquisition Agreement pursuant to which Jirun Automobile has conditionally agreed to acquire, and Shanxi New Energy has conditionally agreed to sell, the Shanxi Purchase Shares, being the entire registered capital of the Shanxi Target, for RMB720,244,135.

The principal terms of the Shanxi Acquisition Agreement are set out below:

### **Date**

1 June 2016 (after trading hours)

### **Parties**

Vendor:                   Shanxi New Energy

Purchaser:               Jirun Automobile

Shanxi New Energy is principally engaged in the design, manufacturing, sales and after-sales services of automobiles related components and investment advisory services in the PRC. It is a wholly-owned subsidiary of Zhejiang Haoqing, which is ultimately beneficially wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial Shareholder holding approximately 42.98% of the total issued share capital of the Company as at the date of this announcement. Accordingly, Shanxi New Energy is an associate of Mr. Li and a connected person of the Company.

### **Subject matter**

Pursuant to the Shanxi Acquisition Agreement, Jirun Automobile has conditionally agreed to acquire and Shanxi New Energy has conditionally agreed to sell, the Shanxi Purchase Shares, being the entire registered capital of the Shanxi Target. Details of the Shanxi Target are set out in the section headed "INFORMATION ON THE TARGETS" below.

Upon completion of the Shanxi Acquisition, the Shanxi Target will become a wholly-owned subsidiary of Jirun Automobile, and the financial statements of the Shanxi Target will be consolidated into the financial statements of the Group.

## **Shanxi Consideration**

The Shanxi Consideration is RMB720,244,135, which will be payable in cash within 60 calendar days from completion of the Shanxi Acquisition.

Shanxi New Energy has transferred certain production machinery to the Shanxi Target, and will be injecting the Shanxi Land and Buildings into the Shanxi Target by way of capital injection for manufacturing usage. The Shanxi Consideration was determined after arm's length negotiations between Jirun Automobile and Shanxi New Energy with reference to the net asset value of the Shanxi Target prepared under the PRC GAAP as at 31 May 2016 of RMB720,244,135, which includes the aggregate book value of the Shanxi Land and Buildings.

## **Status of the Shanxi Land and Buildings and undertaking**

As it is likely that the transfer of the legal titles of the Shanxi Land and Buildings from Shanxi New Energy to the Shanxi Target will not be completed before completion of the Shanxi Acquisition due to prolonged procedural requirements in the PRC, Shanxi New Energy has undertaken to Jirun Automobile in the Shanxi Acquisition Agreement that the legal titles of the Shanxi Land and Buildings will be transferred from Shanxi New Energy to the Shanxi Target in accordance with the applicable laws in the PRC after completion of the Shanxi Acquisition on or before 31 December 2020. In the event that the aforesaid transfer of legal titles of the Shanxi Land and Buildings is not completed by 31 December 2020, Shanxi New Energy will indemnify Jirun Automobile for any loss arising from such failure of transfer of the legal titles of the Shanxi Land and Buildings to the Shanxi Target, plus interests attributable to the Shanxi Consideration based on an interest charge of 10% per annum.

Furthermore, 19 completed buildings which form part of the Shanxi Land and Buildings with a total gross floor area of approximately 190,538.74 sq.m. have not yet obtained the title certificates, out of which 6 buildings with a total gross floor area of approximately 2,045.09 sq.m. have not yet obtained the construction commencement permits. 3 buildings under construction with a total gross floor area of approximately 1,494 sq.m. have not yet obtained the construction commencement permits and out of which one building under construction with a total gross floor area of approximately 524 sq.m. has not yet obtained the construction planning permit. Shanxi Target is in the process of obtaining the relevant certificates and permits for such properties.

As advised by the PRC counsel, they do not foresee that there will be any material legal impediment in i) the transfer of the legal titles of the Shanxi Land and Buildings from Shanxi New Energy to the Shanxi Target; and ii) subsequently obtaining the relevant title certificates and permits.

## Conditions precedent

Completion of the Shanxi Acquisition will be subject to and conditional upon the fulfillment of the following conditions:

- (a) Jirun Automobile being satisfied with the results of its due diligence work performed on the Shanxi Target, which will include but are not limited to:
  - (i) the completion of capital injections into the Shanxi Target by Shanxi New Energy (excluding the Shanxi Land and Buildings) in accordance with the applicable laws in the PRC;
  - (ii) the completion of transfers of the production machinery from Shanxi New Energy to the Shanxi Target; and
  - (iii) the Shanxi Target having received all required consents and approvals to carry out its principal business.
- (b) the Company having complied with the applicable requirements of the Listing Rules relating to the Shanxi Acquisition, including where necessary, the obtaining of Independent Shareholders' approval on the transactions contemplated under the Shanxi Acquisition Agreement;
- (c) the receipt of all consents, waivers or approvals from any government departments or any persons required for or in connection with the execution, delivery and performance of the Shanxi Acquisition Agreement including, but not limited to, the SAIC issuing a new business license for the Shanxi Target showing Jirun Automobile as the Shanxi Target's sole shareholder;
- (d) the representations and warranties made by Shanxi New Energy in the Shanxi Acquisition Agreement remaining true and correct in all material respects, and Shanxi New Energy shall have fully carried out its obligations under the Shanxi Acquisition Agreement; and
- (e) there being no material adverse change to factors potentially affecting the Shanxi Acquisition and the completion of the Shanxi Acquisition is not prohibited by applicable laws.

In the event that the conditions set out above are not fulfilled on or before the Long Stop Date, unless the Company consents to an extension in writing, any party to the Shanxi Acquisition Agreement will have the right to terminate the Shanxi Acquisition Agreement by prior written notice to the other party. In the event of such termination, no party to the Shanxi Acquisition Agreement may raise any claim against the other party or demand any other party to undertake

any liability. All rights, obligations and liabilities under the Shanxi Acquisition Agreement will become null and void upon such termination and of no further effect, save with respect to any antecedent breaches.

### **Completion of the Shanxi Acquisition**

Completion of the Shanxi Acquisition will take place on the date on which all the conditions to the Shanxi Acquisition Agreement have been fulfilled or such other later date as the parties may agree in writing.

## **INFORMATION ON THE TARGETS**

### **Principal businesses of the Baoji Target and the Shanxi Target**

The Baoji Target is a limited liability company incorporated in the PRC on 14 April 2016. It is principally engaged in the design, production, marketing and sales of automobiles and related automobile components in the PRC.

After completion of the transfer of the Baoji Land and Buildings from Baoji Geely to the Baoji Target, the Baoji Target will hold the Baoji Manufacturing Plant, which will be its principal asset and is located at the New High-tech Industries Development Zone, Baoji City, Shaanxi Province, the PRC. The Baoji Manufacturing Plant will have the capability to manufacture new high-end sedan and sport utility vehicle (“SUV”) models. The Baoji Manufacturing Plant has a designed production capacity of approximately 200,000 units of vehicle per annum. The total area of the Baoji Manufacturing Plant is approximately 790,850 sq.m. The Baoji Manufacturing Plant includes four workshops on stamping, welding, painting and assembling. The Baoji Manufacturing Plant is currently undergoing standard operating procedures in preparation for the commercial launch of new models. It is expected that the commercial production will commence during the third quarter of 2016.

The Shanxi Target is a limited liability company incorporated in the PRC on 19 April 2016. It is principally engaged in the design, production, marketing and sales of automobiles and related automobile components in the PRC.

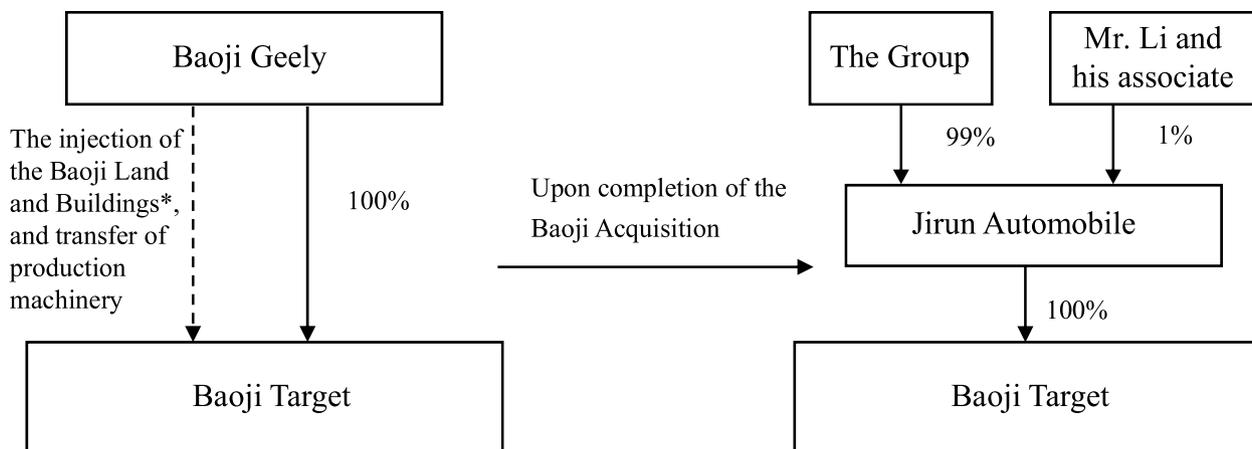
After completion of the transfer of the Shanxi Land and Buildings from Shanxi New Energy to the Shanxi Target, the Shanxi Target will hold the Shanxi Manufacturing Plant, which will be its principal asset and is located at the Jinzhong City, Shanxi Province, the PRC. The Shanxi Manufacturing Plant will have the capability to manufacture new high-end sedan and mid-end to high-end electric vehicle models. The Shanxi Manufacturing Plant has a designed production capacity of approximately 100,000 units of vehicle per annum. The total area of the Shanxi Manufacturing Plant is approximately 733,333.34 sq.m. The Shanxi Manufacturing Plant includes four workshops on stamping, welding, painting and assembling. The Shanxi Manufacturing Plant is also currently

undergoing standard operating procedures in preparation for the commercial launch of new models. Similar to the Baoji Manufacturing Plant, it is also expected that the commercial production will commence during the third quarter of 2016.

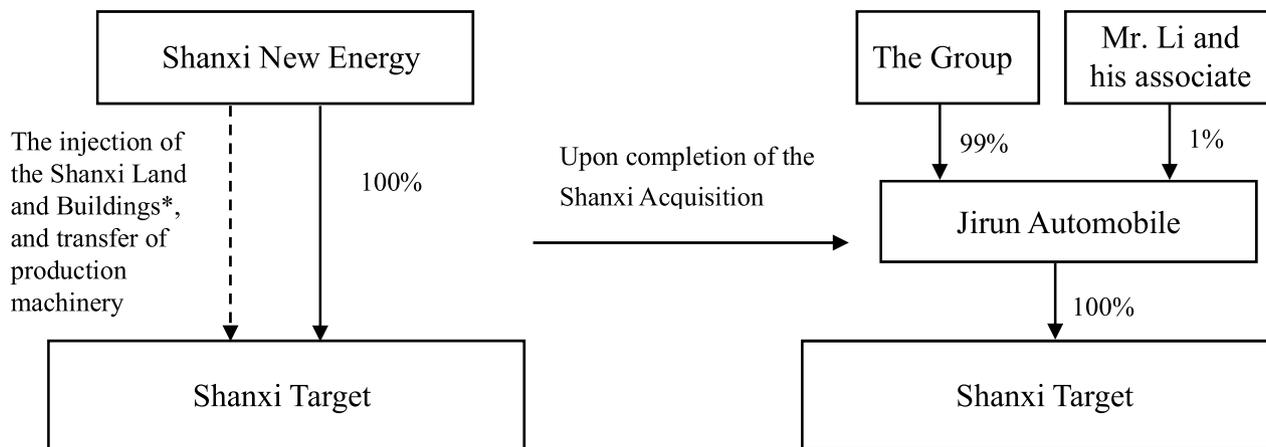
### Shareholding structures of the Baoji Target and the Shanxi Target

The following diagrams set out the shareholding structures of the Baoji Target and the Shanxi Target before and upon completion of the Baoji Acquisition and the Shanxi Acquisition, respectively:

#### *Baoji Target*



#### *Shanxi Target*



\* Pursuant to the Acquisition Agreements, each of Baoji Geely and Shanxi New Energy undertakes to Jirun Automobile that the respective legal titles of the Baoji Land and Buildings and the Shanxi Land and Buildings will be successfully transferred from each of Baoji Geely and Shanxi New Energy to the Baoji Target and the Shanxi Target respectively in accordance with the applicable laws in the PRC after completion of the respective Acquisitions.

## **Financial information on the Baoji Target and the Shanxi Target**

Set out below is the unaudited financial information of the Baoji Target and the Shanxi Target from their respective date of incorporation up to 31 May 2016 prepared under the PRC GAAP:

	<b>From date of incorporation up to 31 May 2016</b>
<b>Baoji Target</b>	
Revenue	Nil
Loss before and after taxation	RMB1,050,302

The unaudited net asset value of the Baoji Target as at 31 May 2016 amounted to approximately RMB702,206,798.

	<b>From date of incorporation up to 31 May 2016</b>
<b>Shanxi Target</b>	
Revenue	Nil
Loss before and after taxation	RMB558,365

The unaudited net asset value of the Shanxi Target as at 31 May 2016 amounted to approximately RMB720,244,135.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Group is principally engaged in the research and development, manufacturing and trading of automobiles, automobile parts and related automobile components, and investment holding. The Geely Holding Group is principally engaged in the sales of automobiles and related parts and components wholesale and retail business.

The Directors consider that the Acquisitions will provide an opportunity for the Group to expand its manufacturing capacity to meet the increasing demand of automobiles in the PRC, as well as enhance its production capabilities for the manufacture of new high-end sedan, SUV and mid-end to high-end electric vehicle models as the Group's existing manufacturing plants do not have the required production capabilities to manufacture these new models. The Baoji Manufacturing Plant will primarily manufacture new high-end sedan and SUV models, and the Shanxi Manufacturing Plant will primarily manufacture new high-end sedan and mid-end to high-end electric vehicle models. It is anticipated that after completion of the Acquisitions, the launch of these new models will expand the Group's products offering and enhance the overall competitive strength of the Group's products in the market and become one of the key drivers for future profitability. It is currently expected that the commercial production of these new models by the Shanxi Manufacturing Plant and the Baoji Manufacturing Plant will commence during the third quarter of 2016.

The Directors (excluding the independent non-executive Directors whose views will be contained in the circular to be despatched to the Shareholders after having taken into consideration the advice of Gram Capital) consider that the Acquisitions are on normal commercial terms, in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Baoji Geely and Shanxi New Energy are wholly-owned subsidiaries of Zhejiang Haoqing, which is ultimately beneficially wholly-owned by Mr. Li and his associate. As such, each of Baoji Geely and Shanxi New Energy is an associate of Mr. Li, an executive Director and a substantial Shareholder holding approximately 42.98% of the total issued share capital of the Company as at the date of this announcement, and a connected person of the Company. Accordingly, the Acquisitions constitute connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As one of the applicable aggregated percentage ratios in respect of the Acquisitions is more than 5%, the Acquisitions are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Furthermore, as one of the applicable aggregated percentage ratios in respect of the Acquisitions is more than 5% but less than 25%, the Acquisitions also constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

Mr. Li, Mr. Yang Jian and Mr. An Cong Hui, each an executive Director, are considered to have material interests in the Acquisitions by virtue of their interests and/or directorship in Geely Holding, which is the holding company of Zhejiang Haoqing. As a result, Mr. Li, Mr. Yang Jian and Mr. An Cong Hui have abstained from voting on the Board resolutions for approving the Acquisitions.

## **EGM**

The EGM will be convened to consider and approve the Acquisitions. Mr. Li and his associates together holding 3,783,099,000 Shares (representing approximately 42.98% of the total issued share capital of the Company), Mr. Yang Jian and his associates together holding 14,475,000 Shares (representing approximately 0.16% of the total issued share capital of the Company) and Mr. An Cong Hui and his associates together holding 15,380,000 Shares (representing approximately 0.17% of the total issued share capital of the Company) as at the date of this announcement, will all abstain from voting on the resolutions to be proposed at the EGM to approve the Acquisitions.

## **GENERAL**

An Independent Board Committee has been formed to advise the Independent Shareholders with respect to the Acquisitions, and Gram Capital has been appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information about the Acquisitions; (ii) the recommendation of the Independent Board Committee in respect of the terms of the Acquisition Agreements; (iii) the advice of Gram Capital regarding the terms of the Acquisition Agreements; and (iv) other information as required under the Listing Rules together with the notice of the EGM, will be despatched to the Shareholders on or before 30 June 2016.

**Completion of the Acquisitions is subject to the satisfaction of the conditions precedent under the Acquisition Agreements, and therefore, may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:-

“Acquisitions”	the acquisitions of the entire registered capitals of the Baoji Target and the Shanxi Target by Jirun Automobile pursuant to the Baoji Acquisition Agreement and the Shanxi Acquisition Agreement, respectively
“Acquisition Agreements”	the Baoji Acquisition Agreement and the Shanxi Acquisition Agreement, collectively
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Baoji Acquisition”	the acquisition of the entire registered capital of the Baoji Target by Jirun Automobile from Baoji Geely pursuant to the Baoji Acquisition Agreement
“Baoji Acquisition Agreement”	the acquisition agreement entered into between Jirun Automobile and Baoji Geely on 1 June 2016 in relation to the Baoji Acquisition
“Baoji Consideration”	the consideration for the Baoji Acquisition, being RMB702,206,798
“Baoji Geely”	寶雞吉利汽車有限公司 (Baoji Geely Automobile Company Limited), a limited liability company incorporated in the Shaanxi Province, the PRC, and a wholly-owned subsidiary of Zhejiang Haoqing as at the date of this announcement

“Baoji Land and Buildings”	land and buildings situated in an industrial complex at the north of Gaoxin Avenue, south of Binhe Road, New High Tech Industries Development Zone, Baoji City, Shaanxi Province, the PRC, comprising (i) a parcel of land with a site area of approximately 790,850 sq.m.; and (ii) an industrial complex under construction (upon completion of construction, this industrial complex will have 15 buildings with a total planned gross floor area of approximately 271,590.25 sq.m. and 32 structures)
“Baoji Manufacturing Plant”	the principal asset of the Baoji Target, which is a manufacturing plant situated at the New High Tech Industries Development Zone, Baoji City, Shaanxi Province, the PRC, with a designed production capacity of approximately 200,000 units of vehicle per annum, and will primarily manufacture new high-end sedan and SUV models
“Baoji Purchase Shares”	the entire registered capital of the Baoji Target as at the date of this announcement
“Baoji Target”	寶雞吉利汽車部件有限公司 (Baoji Geely Automobile Components Company Limited), a limited liability company incorporated in the Shaanxi Province, the PRC, and a wholly-owned subsidiary of Baoji Geely as at the date of this announcement
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong and the PRC
“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 175)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Acquisitions
“GAAP”	generally accepted accounting principles

“Geely Holding”	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited), a private limited liability company incorporated in Zhejiang Province, the PRC, and is owned as to 90% by Mr. Li and as to 10% by Mr. Li Xing Xing, the son of Mr. Li, respectively, as at the date of this announcement
“Geely Holding Group”	Geely Holding and its subsidiaries
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Acquisitions
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Acquisitions
“Independent Shareholders”	Shareholder(s) other than Mr. Li, Mr. Yang Jian and Mr. An Cong Hui and their respective associates
“Jirun Automobile”	浙江吉潤汽車有限公司 (Zhejiang Jirun Automobile Company Limited), a limited liability company incorporated in the Zhejiang Province, the PRC, and a 99% owned subsidiary of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	60 calendar days from the date of the Baoji Acquisition Agreement and the Shanxi Acquisition Agreement
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial Shareholder holding 42.98% interest in the total issued share capital of the Company as at the date of this announcement

“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and for the purposes of this announcement excluding Hong Kong, the Macau Special Administrative Region, and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SAIC”	State Administration for Industry and Commerce or its local bureaus
“Shanxi Acquisition”	the acquisition of the entire registered capital of the Shanxi Target by Jirun Automobile from Shanxi New Energy pursuant to the Shanxi Acquisition Agreement
“Shanxi Acquisition Agreement”	the acquisition agreement entered into between Jirun Automobile and Shanxi New Energy on 1 June 2016 in relation to the Shanxi Acquisition
“Shanxi Consideration”	the consideration for the Shanxi Acquisition, being RMB720,244,135
“Shanxi Land and Buildings”	land and buildings situated in an industrial complex at No. 369 Guangan East Street, Yuci District, Jinzhong City, Shanxi Province, the PRC, comprising (i) a parcel of land with a site area of approximately 733,333.34 sq.m.; (ii) 19 completed buildings with total gross floor area of approximately 190,538.74 sq.m. and various ancillary structures; and (iii) 3 buildings and 2 structures which are still under construction as at the date of this announcement (upon completion of construction, these buildings and structures will have a total gross floor area of approximately 1,494 sq.m.)
“Shanxi Manufacturing Plant”	the principal asset of the Shanxi Target, which is a manufacturing plant situated at the Jinzhong City, Shanxi Province, the PRC, with a designed production capacity of approximately 100,000 units of vehicle per annum, and will primarily manufacture new high-end sedan and mid-end to high-end electric vehicle models

“Shanxi New Energy”	山西新能源汽車工業有限公司 (Shanxi New Energy Automobile Industrial Company Limited), a limited liability company incorporated in the Shanxi Province, the PRC, and a wholly-owned subsidiary of Zhejiang Haoqing as at the date of this announcement
“Shanxi Purchase Shares”	the entire registered capital of the Shanxi Target as at the date of this announcement
“Shanxi Target”	山西吉利汽車部件有限公司 (Shanxi Geely Automobile Components Company Limited), a limited liability company incorporated in the Shanxi Province, the PRC, and a wholly-owned subsidiary of Shanxi New Energy as at the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhejiang Haoqing”	浙江豪情汽車製造有限公司 (Zhejiang Haoqing Automobile Manufacturing Company Limited), a private limited liability company incorporated in the PRC and is wholly-owned by Geely Holding as at the date of this announcement
“%”	per cent

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

Hong Kong, 1 June 2016

*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 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. An Qing Heng and Mr. Wang Yang.*